



OREGON STATE HOUSING COUNCIL

Council Members:

Aubre L. Dickson, Chair
Mayra Arreola
Tammy Baney
Michael C. Fieldman
Zee D. Koza
Marissa Madrigal
Adolph "Val" Valfre, Jr.

MEETING MATERIALS PACKET



*The Woodwind Apartments –
Woodland Square Redevelopment
Albany, Oregon*

Meeting Details

Date: June 5, 2015

Time: 9:00 a.m.

Location: OHCS Conference Room 124a/b,
North Mall Office Building, 725 Summer Street NE, Suite B
Salem, OR 97301

Call-In: 1-877-273-4202;
Participant Code: 4978330



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AGENDA

Date: June 5, 2015
Time: 9:00 a.m. – 9:45 a.m.
Location: Oregon Housing and Community Services Conference Room 124a/b
North Mall Office Building, 725 Summer Street NE, Suite B,
Salem, Oregon 97301
Call-In: 1-877-273-4202; Room Number: 4978330

1. Roll Call
2. Public Comment
3. Draft Meeting Minutes for Approval
May 1 2015
4. Residential Loan Program, Consent Calendar – *Kim Freeman, OHCS Single Family Finance Manager*
5. Homeownership Workgroup report and recommendations for approval
– *Kim Freeman, OHCS Single Family Finance Manager*
– *Michelle Puggarana, Portland Housing Center, Training & Evaluation Director*
6. New Business –*Heather Pate, OHCS Multifamily Finance Manager*
 - a. *Miracles –Teresa Pumala, OHCS Multifamily Finance*
7. Report of the Director
8. Report of the Chair

9:45 a.m. Adjourn State Housing Council meeting

10:00 a.m. Convene Joint Meeting State Housing Council and Community Action Partnership of Oregon (CAPO) Board of Directors





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MAY 1, 2015 | MEETING MINUTES

[DRAFT]

Housing Council Member Attendance	
<u>Present</u> Aubre Dickson, Chair Mayra Arreola Tammy Baney Mike Fieldman (on phone) Marissa Madrigal Val Valfre	<u>Not Present</u> Zee Koza

Call to Order and Roll Call

Chair Dickson called the May 1, 2015 meeting to order at 9:05 a.m. and asked for a roll call. The present members included: Chair Aubre Dickson, Mayra Arreola, Marissa Madrigal, Val Valfre, Tammy Baney, and Mike Fieldman by phone.

Public Comment

Chair Dickson opened the floor to anyone wishing to make a public comment, there being none the Council moved to the next agenda item.

Draft Meeting Minutes for Approval

- *April 3, 2015*

Chair Dickson asked Council members for any comments, additions, or corrections to the draft April 3, 2015 meeting minutes. Chair Dickson stated that there were a few non-substantive edits to the draft minutes that had been communicated to staff and had been incorporated prior to the meeting.

Council members agreed to approve the minutes for both meetings without further revision. Chair Dickson requested a motion.

The motion was read:

Motion: Val Valfre moved and Mayra Arreola seconded that the Housing Council approve the April 3, 2015 meeting minutes without additional edits.

Vote: In a roll call vote the motion passed without dissent.



OAHTC Workgroup

Residential Loan Program, Consent Calendar

Kim Freeman, Single Family Finance Manager introduced herself and began by mentioning that Single Family has two loans on the Consent Calendar for May. The loans are for Marion County in a non-targeted area and Josephine County in a targeted area. Freeman is asking for approval for both of these loans.

- Questions/Discussion:

Chair Dickson asked who bears the risk when above 100% rural development is lent?

Freeman responded that most of those loans are lent in rural housing which is guaranteed rural development.

Chair Dickson requested a motion to approve the Consent Calendar.

The motion was read:

Motion: Marissa Madrigal moved and Mayra Arreola seconded that the Housing Council approve the Consent Calendar.

Vote: In a roll call vote the motion passed without dissent.

Single Family Innovation Funds NOFA

Kim Freeman began by sharing that the Department recently issued an Innovation RFA. HOAP Funds were made available for three funding categories, which included Manufactured Home Replacement, Closing the Minority Homeownership Gap, and Aging in Place. Freeman was pleased to announce that the Department received 12 applications requesting over \$1,000,000. The agency awarded out \$300,000.

All applications were evaluated by a three-person scoring committee:

Jesse Beason, Northwest Health Foundation;

Tom Cusack, Oregon Housing Blog; and

Kim Freeman, OHCS Single Family Finance Section Manager.

The project proposal request was submitted to the Director and Executive Team within OHCS, the request was approved.

Umpqua CDC will receive \$145,000 for the Manufactured Home Replacement proposal. This project will replace 13 old trailers/mobile homes with new Energy Star rated manufactured homes in Curry County. Portland Housing Center (PHC) will receive \$30,000 for Closing the Minority Homeownership Gap. PHC will increase Latino Homeownership in Washington County through culturally specific financial education. Access will receive \$62,500 for addressing Aging in Place for seniors. This program will assist low-income seniors and persons with disabilities find the resources they need to

help live a safe and healthy life. The Native American Youth and Family Center will also receive \$62,500 for closing the minority homeownership gap.

Director Van Vliet added that the underlying source of funds is the document recording fee.

- **Questions/Discussion:**

Val Valfre commented that he appreciated receiving a broader explanation of what progress is taking place.

Chair Dickson stated that he was happy to see that all three categories had been met. Chair Dickson asked if an email could be sent out that would include the scoring criteria?

Freeman informed him they would send the email with that information. Freeman gave a brief overview of the scoring criteria. A minimum score of 70 was required. Applications were scored by the committee members individually and reviewed together later. The criterion was based on budget, over all innovation, and a third Freeman could not recall.

New Business

a. Holiday Gardens

Teresa Pumala, Loan Officer for the Multifamily division introduced herself and Tony Chrisman of Chrisman Development, the sponsor for the project. Pumala stated the intent was to request Tax Exempt Short Term Bonds and Housing Preservation Funds for Holiday Garden Apartments.

HPF funds have been requested in the amount of \$6,245,000 which is \$30,024 per unit.

Holiday Garden Apartments is an acquisition rehabilitation project being developed by Chrisman Development. This project will preserve three sites located in Sandy, Talent, and Grants Pass. They are all currently being operated as separate USDA Rural Development Senior and/or Disabled complexes. The project will preserve the USDA Rural Development Rental Assistance contracts on 167 of the 208 units.

The investor is PNC Bank, and the lender is Bellwether Enterprises, and USDA Rural Development.

The construction financing is unique without construction lender. Funds will be raised utilizing publicly offered, cash collateralized, OHCS pass through revenue bonds. These bonds will be repaid at the end of construction utilizing Low Income Housing Tax Credit (LIHTC) Equity, Housing Preservation Funds (HPF) and/or 538 loan proceeds. Disbursements and repayments of the bond funds will be conducted through the Trustee.

The 538 loan is fixed on a 40 year term; the loan assumption is fixed for 50 years as a consistent loan payment.

The operating budget is well within guidelines and has an Annual Operating Expense of \$3,955 per unit. The DCR is solid at 1.28 for the first year. Due to long term financing, the rate remains flat from 1.28 to 1.29 for 30 years.

Pumala recommended the approval of \$11,400,000 in Pass Through Revenue Bond Financing. Pumala also requested the approval of \$6,245,000 in Lottery Backed Bonds Housing Preservation Funds for Holiday Garden Apartments.

- **Questions/Discussion:**

Mayra Arreola asked approximately how many individuals there are per unit?

Chrisman responded that the units are for senior and disabled individuals with an average of 1.25 tenants per unit. Chrisman added that the project in Grants Pass is the largest rural development project in Oregon.

Val Valfre inquired if the resident services could be expanded on and if it would be the same at all three properties?

Chrisman explained that the management company manages similar RVC properties throughout Oregon. The same resident services plan is used at all properties. Chrisman goes on to explain that there is an in house resident services coordinator. The project budget does not allow funding for resident services but it is in the plan. An in depth survey is utilized to connect residence with services.

Chrisman commented that he very much appreciated all that Oregon Housing and Community Services had done to make the project run.

Chair Dickson requested a motion to approve the Pass Through Revenue Bond Financing in the amount of \$11,400,000 and the Lottery Backed Bonds Housing Preservation Funds in the amount of \$6,245,000.

The motion was read:

Motion: Tammy Baney moved and Val Valfre seconded that the Housing Council approve the Pass Through Revenue Bond Financing and Lottery Backed Bonds Housing Preservation Funds for Holiday Garden Apartments.

Vote: In a roll call vote the motion passed without dissent.

b. Westmoreland

Casey Baumann, loan officer for the Multifamily division introduced himself. Baumann then introduced Patrick O'Toole, (Union Labor Retirement Association) and Phillip Dochow (Housing Development Center).

Baumann began by discussing the Westmoreland Union Manor, an existing 300 unit elderly property in the Sellwood neighborhood of Portland.

Baumann stated that he is requesting \$29,400,000 in Pass Through Revenue Bond Financing and \$250,000 in Low Income Weatherization Fund for the property.

The facility was built in 1966. Within the project, there are 217 units that will be under a 20 year Section 8 contract. Of these units, 67 will receive HUD Senior Preservation Rental Assistance Contracts with 16 units at market price.

The ground floor is commercial space with a kitchen and large dining area, coin laundry, library, social areas, and hair salon. The exterior includes extensive landscaping, patio, barbeque, duck pond, and resident garden area.

The scope of work includes roof replacement, full exterior window and wall systems, full water supply system upgrades, and electrical upgrades. There would need to be new mechanical heating and cooling stems, seismic upgrades, common area upgrades, and exterior site work.

The construction costs reach an approximate \$26,000,000 which is \$87,000 per unit. The operating budget and the income expenses are appropriate for this type of project. The year one debt coverage ratio sits at 1.15.

The property is located within a 100 year flood plain; the ground floor is 7.2 inches below the flood elevation. In order to receive building permits, the Portland Bureau of Developmental Services has required that a Flood Proof Plan be put in place. This would require two feet of free board dry proofing above the 100 year flood plain. This would also include creating flood gates across all of the openings, and raising equipment on the ground floor.

There is a possibility that this facility will be removed from the flood plain area prior to the rehabilitation, this would make the flood proofing plan unnecessary. In the event that the work is done, there is an additional \$63,821 in 4% tax credits which will strictly be used for the flood proofing.

Westmoreland is a 50 year old property that needs several substantial upgrades to extend its useful life and to increase its energy efficiency. The facility needs to meet current federal accessible requirements, and extend the use of the building another 50 years.

- **Questions/Discussion:**

Tammy Baney pointed out that there are currently tenants living at this facility. Baney asked how the transition would take place with tenants involved?

Dochow responded by explaining the improvements would take place in 7 phases. The rehabilitation will take place in stacks of units. While each phase is taking place, the tenants will be moved off site

till the work is complete in their area. There is a relocation plan, budget, and consultant to make the transition run smoothly.

Director Van Vliet asked what the budget for the relocation is?

Dochow responded that there was an adequate budget set aside.

Chair Dickson inquired what the reserve funding is?

Dochow explained that there are existing reserves of around \$500,000 that is committed to the rehabilitation. The operating reserve is about \$1.6 million.

Chair Dickson asked what percentage below the market the apartments are?

Dochow replied that at this point the rent is approximately 40% below market.

Chair Dickson then questioned how the process would work while the 100 year flood plain map is developed?

Dochow explained that the majority of the flood plain work is done at the end. This would give time for the map to be figured out and whether or not this facility will need to utilize the flood prevention plan.

Chair Dickson requested a motion to approve the Pass Through Revenue Bond Financing in the amount of \$29,400,000, and the Low Income Weatherization Fund Grant in the amount of \$250,000.

The motion was read:

Motion: Mayra Arreola moved and Marissa Madrigal seconded that the Housing Council approve the Pass Through Revenue Bond Financing and Low Income Weatherization Fund Grant for Westmoreland Union Manor.

Vote: In a roll call vote the motion passed without dissent.

Federal Planning Update on Community Forums

Kim Travis, Housing Integrator for the Public Affairs division introduced herself. Travis explained that she and fellow integrator Kenny LaPoint have been participating in several public involvement events. Travis stated that Shoshanah Oppenheim asked her to speak about the progress and efforts on her behalf.

Travis described the goal of these efforts to be about learning more of the local priorities and services in the communities they serve. A cross section of the state was selected with specific cities selected to visit. The towns include Ontario, Medford, Coos Bay/North Bend, Tillamook, McMinnville, The Dalles/Hood River, Klamath Falls, Pendleton, and Redmond.

Over 200 people have participated so far with over 230 responses from the online community survey. There have been 65 responses from the provider survey. The information is assisting the agency in learning what is most important to the community regarding housing and homeless services.

One major issue this group see's is how low vacancy rates have become a problem everywhere. There are not enough units available to serve the low and extremely low income people that need housing stabilization and assistance. Another problem is not enough units available for people with any mark on their rental history such as bad credit or a criminal background.

Another finding is that many communities have housing vouchers and funds to spend that go unused due to no affordable unit available for the people that need them. It is also a problem that voucher success rates have rapidly declined over the last year due to low vacancy rates. Rising rents often exceed the HUD Fair Market Rents.

They have found that there are many children who suffer due to the instability of their lives. There is simply not enough food, time, and money to meet their basic needs.

It has been found that there are not enough living wage and full time jobs available to help stabilize households and improve financial conditions.

In rural communities there is a lack of reliable and affordable transportation which impacts employment opportunities.

Communities are trying to be innovative. As they prepare new approaches for solving housing problems for when funding becomes available.

Individuals are excited by a bill currently being considered by the legislature that would make substantial changes to the TANF program. This would allow for a longer period of stabilization after people find work and before benefits are removed.

Travis and her public involvement group are working to complete the Needs Assessment and Market Analysis. This will inform them of what strategies should be employed to provide stable housing opportunities around the state.

▪ Questions/Discussion:

Marissa Madrigal asked if there had been any discussion about Oregon's landlord tenant laws during any of the recent discussions?

Travis noted that there had not been any mention of landlord tenant laws at the discussions she has attended. Travis explained there have often been discussions about the conditions of complexes.

Tammy Baney broached the topic of Air B & B or the vacation rental issues. The issue being that vacation rentals take away from possible places to rent.

Travis stated that this topic had not come up.

Val Valfre complimented this group for trying to reach out to these communities.

Housing Choice Advisory Committee

Alison McIntosh, Public Affairs Liaison to the Public Affairs division introduced herself. McIntosh began by explaining that the Housing Choice Advisory Committee was formed after House Bill 2639 passed in 2013.

This bill had two points; it said that landlords had to consider people with Housing Choice or Section 8 Vouchers just like everyone else. Landlords were unable to say in their ads “no Section 8.” This meant that those with vouchers had to be screened just like any other possible tenant. The first eligible applicant that met the criteria had to be taken. This bill created a program at Oregon Housing and Community Services (OHCS) called the Landlord Guarantee Fund. Due to this program, if a tenant with a Housing Choice Voucher inflicted damages on their landlord’s property and could not afford to pay, then the landlord could apply for this program. OHCS would then repay up to \$5,000 of those damages.

This bill created a committee called the Housing Choice Advisory Committee that was to monitor implementation. The committee was meant to have representation from landlords, housing authorities, and tenant advocates. Currently there are three members from each of these categories.

This group has been meeting since July 2014. There has been an immense effort towards improving practices. The most detrimental impact the committee has discussed and struggled with is the current market. Individuals with Housing Choice Vouchers have been unable to compete in the market or find available housing.

Training regarding what the law means for landlords has taken place over 50 times thus far.

- Questions/Discussion:

Tammy Baney stated that there was a discussion that took place in her community about income verification. Baney then asked if this took place during the Housing Choice meetings as well?

McIntosh responded that yes it was a topic brought up during meetings and there was a discussion about whether or not the voucher would be incorporated into the tenant’s income or not. The consensus has been that landlord associations are recommending to their members that tenants have to make three times the tenant portion of the rent.

Baney followed up by asking if this practice was being applied all over the state due to it sounding very voluntary?

McIntosh replied that many are practicing this way but it is still an implied practice.

Director Van Vliet then returned to the Landlord Guarantee Fund. Van Vliet explained that for a number of years OHCS ran a program that functioned very much like the Landlord Guarantee Fund. Once this program came about, the funding was transitioned from the previous OHCS program to the Landlord program. While there has been hope by the landlords outside of Section 8 for a broader program to encompass them as well, there has not been a way to do this as of yet.

Legislative Update

Alison McIntosh discussed House Bill 2442 which changes the policy and governance model of OHCS, the title from Housing Council to Oregon Housing Stability Council, adds members, and eliminates other bodies. This bill passed the house 50 to 0.

Senate Bill 244, the small program change bill, has passed the Senate and is waiting for a hearing on the House side.

The Elderly Rental Assistance Program, Senate Bill 296, is not a bill of OHCS. The bill would move the program from the Department of Revenue to OHCS. This bill had a hearing on Wednesday the 29th of April which went well.

The request for \$100 million in bonds for affordable housing was scheduled for May 8th with the Capital Construction Subcommittee and Ways and Means. This will be the day where anyone who is asking for General Obligation Bonds will give their presentation.

- Questions/Discussion:

Val Valfre asked what the status of the inclusionary zoning was?

McIntosh replied that there was a House version of the bill that removed the ban on inclusionary zoning. McIntosh then explained that there was a moment during session when it was understood that the statute that was being repealed, only applied to homeownership. The bill did not apply to multifamily rental housing.

Director Van Vliet mentioned House Bill 2959 and the companion bill, Senate Bill 516. These are bills that would change how the document recording fee is administered and distributed back out of OHCS. The latest on these issues was that the department should take into consideration the geographic equity when it distributes funds. If the funds are still there two years from now, then those funds must be returned to the county from which they came. This amendment has been referred to Ways and Means.

\$100 Million

- a. **Policy Parameters, HB 2198**

Director Van Vliet stated that the next big mile stone for the \$100 million takes place on Friday, May 8th. Van Vliet goes on to explain that the Capital Construction Subcommittee and Ways and Means don't generally make a decision about these sorts of matters until late in the session.

- Questions/Discussion:

Val Valfre explained that he received a letter from Jennifer Bragar, President of Housing Land Advocates. The letter consisted of ideas to keep HB 2198 from becoming “a one size fits all” situation. Valfre goes on to add that the more ideas and input the better.

Director Van Vliet spoke about House Bill 2198-1 amendments that have passed out of the House Human Services and Housing Committee to the House Rules Committee. This is sitting in House Rules which allows for time to craft HB 2198-2 amendments based on good feedback.

Tammy Baney expressed that she thought it would be important to highlight that there is a community system of care with keeping people out of the state hospitals.

Mike Fieldman explained that having services associated with housing is parallel to resident services funding and housing projects. Fieldman stated that people are becoming more and more aware that housing cannot exist in a vacuum.

b. Subcommittees

Director Van Vliet started with the Policy Subcommittee and explained that Mayra Arreola and Val Valfre had stepped forward to offer their services.

A handout of the rosters was distributed to the Council Members.

A couple of state government individuals have agreed to participate. Some of these include the Child Welfare Director at DHS, the Self Sufficiency Deputy Director, and Lynne Saxton (Oregon Health Authority Director). Two Housing Authorities, an individual at United Way, and Donna Bowman from Community Action Partnership have also agreed to participate.

Director Van Vliet pointed out that there needs to be a determination on how this work is staffed and how to make good use of this type of expertise. Van Vliet’s hope for both of these committees is to have a dedicated staff person in house or a volunteer to help focus the groups. The hope is that by the fourth of July there is enough money to run these groups. Following this, there would be a couple of multi hour work sessions during the summer to shape up the plans.

The Financial Structuring Committee, which Chair Dickson has agreed to take part in, was to include four profit developers and two nonprofit developers. This group would also incorporate a group of financial experts. Per Council member Mike Fieldman’s request, a Community Action Partnerships individual was included.

Report of the Director

Director Van Vliet asked that Julie Cody speak about the current and future status of the NOFA’s. Cody began by stating that her group is in the middle of scoring the 2015 Low Income Tax Credit’s and HOME NOFA’s. Internal scorers are scoring certain parts of the applications and an external scoring committee is looking at the needs, impacts, and preference sections of the applications.

A meeting will take place in mid to late May with the external scoring committee to get a consensus recommendation on the three sections. At that time, all of the other scoring pieces will be taken into consideration. There will then be an overall recommendation to the Director regarding the funding of those projects. The recommendations will then be brought to the Housing Council in July.

- **Questions/Discussion:**

Director Van Vliet asked how many applications have been received?

Cody responded that 30 applications have been received. These include 28 Low Income Tax Credit applications and two HOME applications. The hope is to fund 10 to 11 applications.

Director Van Vliet pointed out that the applications received versus the ones that will be funded is a need indicator.

Cody stated that they are now looking forward to 2016 due to the need to make some changes to their qualified allocation plan, the tax credit program. They will be looking to put together some stakeholder outreach sessions and roundtables with developers for both the 9% and 4% Low Income Tax Credit Programs.

The hope is to have an investor roundtable to discuss some guidelines that all groups can agree to so that there is clarity.

Cody explains that they have been looking into having a third party review their 9% and 4% Low Income Tax Credit Programs and see where they benchmark across the states. It is the hope to see what the best practices are and find out whether they are on the right track. It is hoped that they will receive recommendations for improvements. A draft of improvements would be submitted to the Housing Council in September.

Director Van Vliet mentioned that the agenda planning document for the combined Community Action Partnership of Oregon (CAPO) meeting that is taking place in June is being developed. Van Vliet stated that the meeting would have some important discussions.

Director Van Vliet stated that there might not be a need for an August Housing Council meeting.

Council members then agreed that continuing meetings in person rather than by conference phone is preferred. It was determined that it is important that the community has the option to see the Council face to face.

Report of the Chair

Chair Dickson stated he would not be attending the meeting in June. He hopes to participate by phone if possible. Chair Dickson asks for a volunteer to take his place during the June meeting.

Tammy Baney recommends Val Valfre.

Valfre accepts the recommendation.

With no further business the meeting was adjourned at 11:15 a.m.

Aubre Dickson, Chair
Oregon State Housing Council

2015
Date

Margaret S. Van Vliet, Director
Oregon Housing and Community Services

2015
Date



Memorandum

To: Oregon State Housing Council
From: Teresa Pumala, Loan Officer; Heather Pate, Multifamily Housing Program Manager
Date: 5/29/2015
Re: Miracles Central Apartments conduit bond, 4% LIHTC and weatherization funding request

BOND RECOMMENDED MOTION: Move to approve Pass Through Revenue Bond Financing in an amount not to exceed **\$6,200,000** to Miracles Central Apartments LP for the new construction of Miracles Central Apartments, subject to the borrower meeting OHCS, PHB, JP Morgan Chase Bank, and NEF underwriting and closing criteria, documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

WEATHERIZATION GRANT RECOMMENDED MOTION: Move to approve a reservation of Weatherization Grant Funds to Central City Concern for the new construction of Miracles Central Apartments in an amount not to exceed the lesser of the amount the project is eligible to receive or **\$205,331**.

SUMMARY:

Project Sponsor: Central City Concern, 412 SW 12th Ave, Portland, OR 97205

Property: Miracles Central Apartments

Owner: Miracles Central Apartments LP, 1306 NE 2nd Ave, Portland, OR 97232

Description: Miracles Central is a new 47-unit Alcohol and Drug-Free multifamily housing complex. The Project is located close to the center of Portland on NE 2nd Ave near both downtown and the Lloyd Center. Miracles Central will provide affordable housing to households and individuals in recovery who are working and stabilized.

LIHTC Request: \$374,440 in annual allocation of Low Income Housing Tax Credits (equaling \$3,594,264 net Investor proceeds to the project)

Tax- Exempt Bond Request: \$6,200,000 all short term conduit bonds

Weatherization Request: \$205,331

Affordability: 60 Years of affordability

Target Population: Alcohol and Drug-Free

Finance Committee Date: May 19, 2015 – Approved and forwarded (see attached)

FINANCE STRUCTURE:

Construction Lender: JP Morgan Chase Bank
Permanent Lender: None
General Contractor: LMC Construction
Syndicator: National Equity Fund, Inc.

Project Financing:

<u>SOURCES</u>		<u>USES</u>	
Tax Exempt Bonds	6,200,000	Acquisition	4,000
<i>Short Term Use of Bonds</i>	(6,200,000)	Construction	9,034,675
LIHTC Equity	3,594,265	Development	3,893,420
Weatherization	205,331		
PHB Grant	7,100,000		
SDC Waivers-City of Portland	557,499		
FHLB of Seattle Affordable Housing Program AHP Grant	600,000		
Deferred Development Fee	575,000		
CCC Sponsor Loan	300,000		

TOTALS: \$12,932,095

Bond Structure: The bonds are all short term privately placed OHCS Pass through Revenue Bonds. These bonds will be repaid at the end of construction with LIHTC Equity and Portland Housing Bureau’s (PHB) Grant.

Development Team Members, Roles, Responsibilities and Qualification

Sponsor: Central City Concern (CCC) is one of the oldest and largest non-profit housing providers in Portland. Founded in 1979, CCC’s mission is to provide comprehensive solutions to ending homelessness and achieving self-sufficiency. CCC is an experienced developer and operator of affordable housing, with a portfolio of 24 projects providing over 1,600 units.

Developer: Multi-Cultural Development Group LLC (MCDG) with Guardian Development LLC as the primary contact. Guardian has been the catalyst in the creation of the MCDG in an effort to model a method of increasing minority participation in all phases of community development projects and lead the way to more robust involvement by underrepresented members of society.

General Contractor: LMC Construction was founded in 2004 and has completed over 48 affordable housing projects throughout Oregon and Washington. The majority of their work has been the construction and renovation of affordable housing projects.

Unit Mix: The units will be restricted to the following incomes and rents

- 1 unit @ 30%
- 28 units @ 50%
- 18 units @ 60% (although the current rents are proposed at 55%)
- Serving an estimated 64 low income residents

Debt Service:

- The Project will not carry permanent debt.
- The Project does show that it can cash flow for a full 30 years.

Services/ Amenities:

- A full time resident services coordinator to provide the primary interaction and support with residents on issues of recovery
- On-site volunteer peer-to-peer mentoring for success in recovery
- Leveraging of CCC's and Miracles Club's extensive referral resources to aid residents on their transition from homelessness to independence.
- Project amenities include secure entries, a community room, conference room, offices, management office, and bike storage. Laundry rooms are present on both the 3rd and 4th floors.

Management Agent and Resident Services Plans have been approved by OHCS's Asset Management & Compliance Section.

Location:

- The Project is located in the Lloyd District of NE Portland
- The site is well-located within two blocks of public transit and the MAX light rail, and was donated to the ownership entity by PHB
- The site is well-located with nearby residential amenities such as shops, grocery stores, schools and parks
- The site is close to major employment centers with several non-profit service providers nearby including Self Enhancement Inc., Central City Concern and Lifeworks

Architectural:

The Project is a single, six-story, elevator served building containing 47 residential units including 21 studios, 22 one bedroom and 4 two bedroom apartments. Construction is of concrete/steel, elevator/corridor with a flat roof. Unit amenities include a balcony, energy efficient appliances, Packaged Terminal Heat Pumps with Air Conditioning, and fire sprinklers.

Review/Summary:

Items of note:

-
- The site offers no off-street parking. **Mitigating factor:** The Project has an agreement to utilize available parking at CCC's nearby Madrona Apartments for residents and staff. The distance between Madrona Apartments and the Project site is .3 miles and takes approximately 6 minutes to walk. Streetcar and bus service is also available along the route.
 - This is a draw down bond structure which is generally not allowed on bond amounts under \$10,000,000 due to yield restrictions, that have an impact on OHCS's ability to cover its cost of due diligence and bond issuance. **Mitigating factor:** Without a draw down exception being granted the Project would have incurred an additional \$90,000 of interest during the construction phase which would have resulted in a funding gap. A specific draw down schedule has been contractually agreed upon by OHCS and the sponsor. This draw down schedule allows the project to save construction interest while still allowing OHCS to collect adequate charges to cover the costs of issuance.

Project Schedule:

- Target close date June 25, 2015
- Construction period anticipated to be 12 months
- Construction Completion June , 2016

**Conduit Bond/4%LIHTC/Weatherization Application Request
May 19, 2015
Miracles Central Apartments**

Project Sponsor: Central City Concern, 412 SW 12th Ave, Portland, OR 97205

Property: Miracles Central Apartments

Owner: Miracles Central Apartments LP, 1306 NE 2nd Ave, Portland, OR 97232

Description: Miracles Central is a new 47-unit Alcohol and Drug-Free multifamily housing complex. The Project is located close to the center of Portland on NE 2nd Ave near both downtown and the Lloyd Center. Miracles Central will provide affordable housing to households and individuals in recovery who are working and stabilized.

LIHTC Request: \$374,440 in annual allocation of Low Income Housing Tax Credits (equaling \$3,594,264 net Investor proceeds to the project)

Tax- Exempt Bond Request: \$6,200,000 all short term conduit bonds

Weatherization Request: \$205,331

Affordability: 60 Years of affordability

Target Population: Alcohol and Drug-Free

Finance Committee Date: May 19, 2015

Submitted by: Teresa Pumala, Loan Officer

Finance committee Meeting: Voting to Approve: ✓
Voting to Decline:
Absent:



Julie V. Cody, Finance Committee Chair

5.19.15
Date



Margaret S. Van Vliet, Director

5.19.15
Date

