



CITY OF
PORTLAND, OREGON
PORTLAND HOUSING BUREAU

Commissioner Nick Fish
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Dear Borrower:

On July 1, 2010, the Portland Housing Bureau completed its transition, by combining the staff and functions of two predecessor agencies to form a single organization that has the resources and the responsibility for creating a comprehensive housing policy and investment strategy for Portland.

Last month, we announced a reorganization of functions that involve teams responsible for asset and loan management, homeownership, as well as access and stabilization programs. The new structure will help us achieve more efficiency by aligning functional teams, thus allowing more resources in specific programmatic areas.

Through this reorganization, we will focus on analyzing our loan portfolio while we refine our approaches to lending and asset management. This analysis began with recommendations from the Owner's Group, an alliance of Oregon Opportunity Network members who represent the interests of nonprofit developers. These recommendations will be front and center as we review our lending guidelines against the performance of individual assets, borrowers' portfolios and PHB's entire loan portfolio. We will also revisit how certain city policies impact property performance. For example, we've heard from some of our borrowers that the Permanent Supportive Housing (PSH) program isn't working well in all properties. We want to work with our borrowers to better understand what the issues are, and how we can balance achievement of PSH policy goals with best practices in asset and property management.

In order to complete this analysis and make necessary changes to our systems at PHB, we are putting a moratorium on requests for loan restructures and loan modifications until January 1, 2011. We will continue to engage with you – our borrowers – to keep you informed of our progress.

PHB is also committed to redefining our approach to customer service and relationship management. This includes providing excellent customer service and making decisions in a consistent and transparent manner.

To sharpen our focus on customer service, we have merged the Asset Management and Loan Servicing (AM/LS) teams. Bringing these functions together allow for greater efficiencies to further benefit the customers we serve. Leading the newly merged team is Javier Mena, who brings solid leadership skills, extensive banking experience, and a proven ability to work within teams.

We have also assigned underwriter John Marshall to assist with the analysis of the portfolio and further refine the business systems between the AM/LS team and the bureau's Housing Development and Finance (HDF) team. John brings years of experience in construction finance, and is poised to improve the feedback loop between AM/LS and HDF, as well as assist with duties that are essential to enhancing our customer service.

Portland Housing Bureau Asset Management and Loan Servicing

As we move forward with new team designs, we want to be as communicative as possible about how the new changes will impact resources available to our funded partners. Thanks for your support and patience as we redefine how we approach affordable housing development and lending at the new Portland Housing Bureau.

Very truly yours,

A handwritten signature in black ink, appearing to read "Margaret Van Vliet". The signature is fluid and cursive, with the first name being the most prominent.

Margaret Van Vliet
Director
Portland Housing Bureau

cc: Commissioner Nick Fish