



CITY OF
PORTLAND, OREGON
PORTLAND HOUSING BUREAU

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To: City Council

From: Traci Manning

Re: Fiscal Year 2012-2013
Annual PHB Housing Investment Committee Report

Per Council Ordinance No. 183836 passed by Council on May 6, 2010, the Portland Housing Bureau is providing you with a report of all approved loan and investment activity which were recommended for approval by our Housing Investment Committee (HIC) and approved by the Director and/or Commissioner.

HOUSING INVESTMENT COMMITTEE ACTIVITY

Housing Investment Committee Activity FY 2012-2013

During the Fiscal Year 2012-2013 HIC recommended approval of 11 major projects broken down in the following tables as Acquisition/Rehabilitation, New Construction, and Rehabilitation. HIC recommended an investment total of \$23,064,906 to fund the construction or rehabilitation of 540 units. Two predevelopment loans totaling \$636,839 will be paid back to PHB; therefore are not included in the grand investment total.

Acquisition/Rehabilitation

Project	Sponsor/Owner	Loan Type	Funds Source	Units	Amount
1200 Building	Cedar Sinai Park	Cash Flow	TIF: South Park Blocks URA	89	\$3,400,000
Greenview Terrace Apartments	Rose CDC	Equity Gap	HOME	31	\$2,815,034
Park/Lex	CSP - Park Lexington LP	Cash Flow, Predevelopment	CDBG, TIF: South Park Blocks URA	216	\$6,626,181
Total Acquisition/Rehabilitation	3		Total Units/Dollars	336	\$12,841,215

New Construction

Project	Sponsor/Owner	Loan Type	Funds Source	Units	Amount
Beech Street Apartments	Home Forward	Cash Flow	TIF: Interstate URA	32	\$1,357,432
Eliot MLK	Innovative Housing Inc.	Cash Flow	HOME	50	\$975,000
Glisan Commons	Human Solutions Inc	Cash Flow	TIF: Gateway URA	67	\$2,713,791
Glisan Commons Phase 2	REACH CDC	Predevelopment	HOME, TIF: Gateway URA		388,365.86*
Kehillah Apartments	CSP - Kehillah Housing	Cash Flow	CDBG	15	\$275,000
King/Parks	Piedmont Community Developers	Equity Gap, Grant	TIF: Interstate URA	24	\$1,750,000
Lifeworks Northwest Beech Street	LifeWorks Northwest	Cash Flow	TIF: Interstate URA	16	\$3,152,468
Total New Construction	7		Total Units/Dollars	204	\$10,223,691

Rehabilitation

Project	Sponsor/Owner	Loan Type	Funds Source	Units	Amount
PCRI - Albina CDC Portfolio Restructure Phase 2	PCRI	Predevelopment	CDBG		248,472*
Total Rehabilitation	1		Total Units/Dollars		
			Grand Total		\$23,064,906

*Predevelopment loans are paid back with the construction loan therefore dollars are not included in the grand total.

Funding Increases and Write-Offs

During the Fiscal Year 2012-2013 HIC recommended the approval of funding increases for three projects with an investment total of \$572,680 and two Multifamily write-offs.

Project	Sponsor/Owner	Items	Amount
Multifamily			
▪ Funding Increase		3	
▪ Albina CDC Scattered 43	PCRI		\$430,000.00
▪ Big 11 - 1014 NE Emerson	PCRI		\$42,680.00
▪ Sacred Heart Villa	Caritas Sacred Heart Villa LLC		\$100,000.00
		Total	\$572,680.00
▪ Write-Off		2	
▪ REACH CDC - Technical Assistance	REACH CDC		-\$3,881.25
▪ Hooper Detox Center	Central City Concern		-\$75,000.00
		Total	-\$78,881.25
Total Multifamily Items		5	

Single Family

During the Fiscal Year 2012-2013 HIC recommended the approval to write-off 19 Single Family loans. The primary reasons for write-off are bankruptcy and foreclosure.

Project	Request	Items	Amount
Single Family			
▪ Write-Off		3	
▪ Single Family Loan - Portsmouth Neighborhood	Write-off 1 Single Family Loan		-\$34,750.00
▪ Single Family Loans - Group write-offs	Write-off 17 Single Family Loans		-\$81,238.07
▪ Single Family Loan - Sumner Neighborhood	Write-off 1 Single Family Loan		-\$10,900.00
		Total	-\$126,888.07
Total Single Family Items		3	

Guideline Exceptions

During the Fiscal Year 2012-2013 HIC recommended approval of 10 items that required exceptions to PHB's Housing Development Loan Manual guidelines. These exceptions are summarized in the table below.

Project	Exceptions to Guidelines
Beech Street Apartments	See Footnote
Greenview Terrace Apartments	Total funding by senior lender and PHB Equity Gap Contribution is 344% of the appraised value as restricted which exceeds the 100% guideline.
King/Parks	Exception to default assumption of 50/50 disbursement ratio at 57% PHB and 43% CPB. Duration of note may extend past PHB's allowed 36 months. Interest 0% on all PHB loans.
Lifeworks Northwest Beech Street	See Footnote
Park/Lex	See Footnote
PCRI Home Repair	Exception to PHB CDBG Home Repair guidelines to allow for a grant instead of a loan.
Single Family Loan - Lents Neighborhood	Exception to change of ownership DPAL guidelines.
Single Family Loan - Lents Neighborhood	Exception to PHB TIF Home Repair guidelines to allow for a grant instead of a loan.
Single Family Loan - Piedmont Neighborhood	Borrower's 103% loan to value ratio exceeds the home repair guideline limit of 100%.
Single Family Loan - Portsmouth Neighborhood	Borrower's 102% Combined Loan to Value exceeds 100% CLTV requirement.
Total Guideline Exceptions	10

Footnote - Beech Street Apartments Guideline Exceptions

Initially, PHB regulatory documents and deed of trust will be collateralized pursuant to a leasehold interest in the land rather than by an interest in the real estate. Developer fee to be paid at closing is greater than typically allowed. Closing is contingent upon availability of all financing for this project. The proposed annual operation expenses are greater than \$8,000 per unit. This is more than almost all operating budgets approved by PHB.

Footnote - Lifeworks Northwest Guideline Exceptions

PHB regulatory documents may be recorded initially pursuant to a leasehold interest rather than by an interest in the real estate. PHB regulatory documents will make income requirements by person, or bedroom, but not by unit and PHB will allow income self-certification by clients, rather than full income documentation. PHB regulatory document will make some additional requirements not usually seen in PHB regulatory agreements, such as specific reporting requirements given use as a facility. All PHB funds will be disbursed at closing.

Footnote - Park/Lex Guideline Exceptions

Performance bond is not required; a GC's completion guarantee secured by line of credit for 15% of guarantee maximum price is recommended. The formula for calculating cost savings in the PHB documents will allow rental income received during development to be used as a source of development financing as budgeted, and not as part of the formula for calculating cost savings.