CITY OF
PORTLAND, OREGON
PORTLAND HOUSING BUREAU

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To: City Council

From: Traci Manning

Re: Fiscal Year 2011-2012
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 2011-2012

During the Fiscal Year 2011-12 HIC recommended approval of 15 major projects broken down in the following tables as Acquisition/Rehabilitation, New Construction, and Rehabilitation. HIC recommended an investment total of $12,675,245 to fund the construction or rehabilitation of 531 units. Three predevelopment loans totaling $276,214 will be paid back to PHB; therefore are not included in the investment grand total.

Acquisition/Rehabilitation

Project	Sponsor/Owner	Loan Type	Funds Source	Units	Amount
1200 Building	Cedar Sinai Park	Predevelopment	TIF: South Park Blocks URA		139,450*
Firland Apartments	Rose CDC	Equity Gap	HOME, TIF: Lents URA	19	$2,114,000
Firland Apartments	Rose CDC	Predevelopment	HOME, TIF: Lents URA		44,100*
Total Acquisition/Rehabilitation	**3**		**Total Units/Dollars**	**19**	**$2,114,000**

New Construction

Project	Sponsor/Owner	Loan Type	Funds Source	Units	Amount
Greenview Terrace Apartments	Rose CDC	Predevelopment	HOME		92,664*
Holgate House	Kah San Chako Haws LLC	Equity Gap	TIF: Lents URA	9	$1,221,147
Stephen's Creek Crossing	Home Forward	Deferred Payment	CDBG	122	$1,800,000
The Orchards	Habitat for Humanity Portland	For-Sale Development	TIF: Gateway URA	10	$400,000
Yards at Union Station C	Yards at Union Station C LP	Cash Flow	TIF: River District URA	80	$4,400,000
Total New Construction	**5**		**Total Units/Dollars**	**221**	**$7,821,147**

Rehabilitation

Project	Sponsor/Owner	Loan Type	Funds Source	Units	Amount
Beyer Court Apartments	Rose CDC	Equity Gap	TIF: Lents URA	14	$140,125
Beyer Court Apartments	Rose CDC	Equity Gap	TIF: Lents URA	14	$330,872
Big 11 - Scattered Sites	PCRI	Equity Gap	HOME, TIF: Interstate URA, TIF: Lents URA	11	$681,667
Los Jardines de la Paz	Hacienda CDC	Amortized	Section 108	108	$400,000
Mark O. Hatfield Building	Central City Concern	Equity Gap	CDBG	106	$846,727
The Butte Hotel	Central City Concern	Equity Gap	CDBG, TIF: Downtown Waterfront URA	38	$240,707
The Butte Hotel	Central City Concern	Grant	CDBG		$100,000
Total Rehabilitation	**7**		**Total Units/Dollars**	**291**	**$2,740,098**
			Grand Total		**$12,675,245**

*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 2011-2012 HIC recommended the approval of funding increases for three projects with an investment total of $2,216,157 and five Multifamily write-offs.

Project	Sponsor/Owner	Items	Amount
Multifamily			
▪ **Funding Increase**		**3**	
▫ Otesha Place Apartments	Sabin CDC		**$1,126,157.00**
▫ King/Parks	Piedmont Community Developers		**210,000***
▫ Glisan Commons	Human Solutions Inc		**$880,000.00**
		Total	**$2,006,157.00**
▪ **Write-Off**		**5**	
▫ Overton House and 23rd Ave	Cascadia Behavioral Health		**-$37,607.81**
▫ North Interstate Crossing Apartments	Home Forward		**-$79,826.08**
▫ Ivy City Homes	Ivy City Homes		**-$564,176.00**
▫ Woolsey Corner	Orange Splott LLC		**-$52,028.00**
▫ Barbara Maher Building	Transition Projects Inc		**-$35,405.46**
		Total	**-$769,043.35**
Total Multifamily Items		**8**	

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

Single Family

During the Fiscal Year 2011-2012 HIC recommended the approval to write-off 8 Single Family loans, 5 of which were modified into permanent affordable grants. The primary reasons for write-off are bankruptcy and foreclosure.

Project	Request	Items	Amount
Single Family			
▪ **Write-Off**		**2**	
▫ Single Family Loan - Write-off	Write-Off 1 Single Family Loan		**-$4,000.00**
▫ Single Family Loans - Group write-offs	Write-off 7 Single Family Loans		**-$281,728.53**
	Total		**-$285,728.53**
Total Single Family Items		**2**	

Guideline Exceptions

During the Fiscal Year 2011-2012 HIC recommended approval of 9 items that required exceptions to PHB's Housing Development Loan Manual guidelines. These exceptions are summarized in the table below.

Project	Exceptions to Guidlines
Big 11 - Scattered Sites	Appraisal and Phase 1 environmental requirement waived. Sponsor does not meet the 2% equity hurdle requirement.
Firland Apartments	See Footnote
Otesha Place Apartments	100% of cost savings revert to PHB. Sponsor equity contribution is less than 2%.
Single Family Loan - Kenton Neighborhood	Borrower's 69% debt to income ratio exceeds Home Repair guidelines maximum debt to income ratio of 60%
Single Family Loan - Portsmouth Neighborhood	Exception to program guideline requirements around total liquid assets permitted at the time of closing.
Single Family Loan - Portsmouth Neighborhood	Exception to DPAL program guideline requirements around first time homebuyer status.
Single Family Loan - Woodlawn Neighborhood	Borrower's 114% loan to value ratio exceeds the home repair guideline limit of 100%.
Stephen's Creek Crossing	See Footnote
Subordination Requests	HIC to authorize the Asset Management and Loan Servicing team to subordinate SFH loans per approved terms.
Total Guideline Exceptions	**9**

Footnote - Firland Apartments Guidlines Exceptions

The total funding by the senior lender plus the PHB Equity Gap Contribution is 299% of the appraised value as restricted, which exceeds the 100% guideline for the Equity Gap Contributions. The 2% equity contribution is not met. It is that this be waived because Rose is deferring 16% of its developer fee.

Footnote - Stephen's Creek Crossing Guideline Exceptions

CDBG funds to be provided as a grant with no repayment unless project is not funded or built. This agreement will not be secured by real property. PHB is entering the transaction unusually early. PHB Construction Coordinator only has a formal role in demo phase of the project; although performance reports will be based on entire project. HF to substitute its own GFE/MWESB reporting. PHB is not party to any reserve requirement agreements. Standard PHB cost savings will relate to Phase 1 only. Developer fee exceeds recommended city guidelines. CDBG agreement to be for 5 years instead of 15.