

MEMORANDUM

**AGENDA DATE:** July 9, 2008

---

**DATE:** 25 June 2008

**TO:** HACSA Board of Commissioners

**PRESENTED BY:** James R. McCoy Development Director  
Chris Todis, Executive Director  
Housing Authority and Community Services Agency (HACSA)

**AGENDA ITEM TITLE:** ORDER/In the Matter of Authorizing the Executive Director to Apply for Assistance from the Oregon Housing and Community Services Consolidated Funding Cycle (CFC) for the Roosevelt Crossing Transitional Housing Development.

---

**I. PROPOSED MOTION:**

IT IS ORDERED:

THAT THE HOUSING AUTHORITY AND COMMUNITY SERVICES AGENCY (HACSA) RESOLVES TO DEVELOP THE ROOSEVELT CROSSING TRANSITIONAL HOUSING DEVELOPMENT (44 UNITS) AS REPRESENTED IN THE FALL 2008 CONSOLIDATED FUNDING CYCLE APPLICATION TO OREGON HOUSING AND COMMUNITY SERVICES;

THAT THE EXECUTIVE DIRECTOR OR DEPUTY DIRECTOR IS AUTHORIZED TO APPLY TO OREGON HOUSING AND COMMUNITY SERVICES FOR FUNDING FOR ROOSEVELT CROSSING;

THAT HACSA WILL ACCEPT THE RESPONSIBILITIES AND REQUIREMENTS OF THE FEDERAL LOW-INCOME HOUSING TAX CREDITS, OREGON AFFORDABLE HOUSING TAX CREDITS, AND HOUSING DEVELOPMENT GRANT FUNDS THAT ARE REQUESTED IN THE ROOSEVELT CROSSING CFC APPLICATION;

THAT THE EXECUTIVE DIRECTOR OR DEPUTY DIRECTOR IS AUTHORIZED TO EXECUTE THE PROGRAM AND LEGAL DOCUMENTS ASSOCIATED WITH ACCEPTING THE TAX CREDIT AND GRANT PROGRAMS;

THAT THE EXECUTIVE DIRECTOR OR DEPUTY DIRECTOR IS AUTHORIZED TO RELEASE PROJECT INFORMATION TO OREGON HOUSING AND COMMUNITY SERVICES FROM THE FINANCIAL PARTNERS LISTED IN THE APPLICATION AND AUTHORIZES OHCS TO VERIFY ANY APPLICATION INFORMATION AS REQUIRED TO COMPLETE ITS DUE DILIGENCE; AND

THAT THE EXECUTIVE DIRECTOR OR THE DEPUTY DIRECTOR IS AUTHORIZED TO SIGN ALL DRAW REQUESTS, MONTHLY PROGRESS REPORTS AND MISCELLANEOUS FORMS ASSOCIATED WITH THE TAX CREDIT AND GRANT PROGRAMS AWARDED TO THE PROJECT.

## **II. ISSUE:**

The HACSA Board has authorized the co-development with Sponsor's Inc. of the "Roosevelt Crossing" Transitional Housing Development, a 44 unit transitional housing development on Highway 99N near "Four Corners." HACSA must now apply to Oregon Housing and Community Services (OHCS) for federal low-income housing tax credits, Oregon Affordable Housing Tax Credits, and Oregon Housing Development Grant funds. Application for these subsidies occurs by means of the State's Consolidated Funding Cycle (CFC) and is due July 26, 2008.

One requirement of the CFC application is a board resolution authorizing the sponsor to apply for specific program funds, accepting program regulations and responsibilities, and indicating the authorized signers. This memorandum requests such board authorization.

## **III. DISCUSSION:**

### **A. Background**

Sponsors, Inc. is a local non-profit in Eugene that serves individuals released from state prisons and other correctional facilities. Incorporated in 1973, Sponsors operates transitional housing and manages longer-term transitional and permanent housing in a number of sites throughout Eugene.

In 2006, the Sponsors Board established a goal of centralizing these programs onto a site owned by Sponsors. Such a step would increase the number of units and beds available to the program and would attain staffing efficiencies and other economies of scale by consolidating services now provided at six different locations.

In 2007, Sponsors, with informal assistance from HACSA, applied for and received a Pre-development Loan from the Oregon Housing and Community Services Department (OHCS D) to purchase a .58 acre site in Eugene on Highway 99. Subsequently, Sponsors successfully applied to the Housing Policy Board and the City of Eugene for \$550,000 in HOME funds and \$140,000 in waived system development charges to build 44 units of transitional housing for ex-offenders. In late 2007, Sponsors purchased an additional .45 acre parcel on Elmira Road (½ block away from the first parcel).

In fall 2007 Sponsors unsuccessfully sought from the OHCS D Consolidated Funding Cycle the tax credit and other subsidies required to finance the project. Based on discussions with OHCS D, HACSA and Sponsors believe that the chances to succeed with a second application in fall 2008 are greatly increased by HACSA serving as the formal development entity. While OHCS D recognized Sponsors excellent track record in program operation and property management, their concern was Sponsor's lack of experience in development, construction, and financing.

In February 2008, the HACSA board order authorized HACSA staff to act as primary developer by creating a Limited Partnership vehicle which designated HACSA as the developer. The HACSA Board also authorized HACSA to purchase the .45 acre parcel from Sponsors.

## **B. Analysis**

### *Project Description*

Size and Zoning. Sponsors' Transitional Housing will be located on two vacant lots: Lot 1 is 0.58 acres; Lot 2 is 0.45 acres. Lot 1 is located on Highway 99 and is zoned C-2; Lot 2 is on Elmira Road east of Highway 99 and consists of two tax lots zoned C-2 and C-2SR. Both are within existing City development and have full access to all utilities. These sites are adequate to meet the needs of the proposed development and have been informally approved by the Department of Parole and Probation as suitable for the needs of the population.

Site Plan. The proposed development plan for the lot bordering Highway 99 includes two transitional housing buildings and an administrative/ program services building. The second lot on Elmira Road will contain a storage building and additional parking. The storage building will contain foodstuffs, donated clothing and other personal items for residents (no charge) and other materials and goods related to the program.

Unit Mix and Rents. The unit type for Sponsors' transitional housing is not readily represented by traditional descriptions in multi-family housing. However, it may be described as a studio unit that is flexibly used for either single or double occupancy. In general, residents who are in the short-term transitional program (up to 90 days) will share a room with another resident. Those who live in a handicapped-

accessible unit or are participating in the longer-term transitional program (up to twenty-four months) will occupy a single-occupancy unit by themselves.

Double occupancy rooms are standard in most Sponsors accommodations. These rooms are approximately 165 square feet of living space, with two single beds, a built-in desk and television, two closets with dressers, and a mini-refrigerator and microwave. They also offer a 40-square foot private bathroom; each group of five units will have access to a full common kitchen and living area.

Overall, the project constructs 44 units (creating a minimum of 62 beds) of transitional housing targeted to ex-offenders. Thirty-two units (50 beds) are designated for short-term transitional housing (up to 90 days); twelve units provide longer term transitional housing for up to 24 months. Amenities for the overall project include a laundry room, a weight room, recreation room, half basketball court, barbeque area, smoking pavilions, and bicycle storage. Additional onsite amenities include case manager/resident manager space within the transitional housing part of the main structure, as well as related program space for a parole officer and Sponsors' staff.

#### Unit Summary and Rental Schedule

The estimated fee structure for the short-term transition program per client is as follows:

Days 1 - 30:	Free
Days 31 - 60	\$ 2.00 per day
Days 61 - 90	\$ 6.00 per day

Rent for the longer-term transitional program per unit is estimated at \$360 per month.

#### Project Financing

HACSA staff have assembled a financial package which will allow the project to move forward if the State of Oregon Housing and Community Services Agency is willing to allocate:

- (1) an annual allocation of \$361,500 (est.) in federal low-income tax credits.
- (2) Up to \$1,001,900 of Oregon Affordable Housing Tax Credits. This would reduce annual debt service of the project from an estimated \$56,390 to \$37,743.
- (3) A State Housing Development Grant of \$100,000.

It is HACSA's intent to apply for these programs in the Fall Consolidated Funding Cycle Application that is due in July.

#### **C. Recommendation.**

Approval of the proposed Motion.

Note: Mr. Douglas Blomgren of Bateman Seidel has reviewed the Board motion to determine if it fulfills the Oregon Housing and Community Services Department Threshold requirements.

**E. Timing.**

The Consolidated Funding Application is due to the Oregon Housing and Community Services Department on July 26, 2008

**IV. IMPLEMENTATION/FOLLOW-UP:**

Same as Item III. E. above.

**V. ATTACHMENTS:**

Non

## **HOUSING AUTHORITY AND COMMUNITY SERVICES AGENCY (HACSA)**

### **RESOLUTION AND ORDER**

**In the Matter of Authorizing the Executive Director to Apply for Assistance from the Oregon Housing and Community Services Consolidated Funding Cycle (CFC) for the Roosevelt Crossing Transitional Housing Development.**

WHEREAS, HACSA recognizes the need to address the community issue of increasing the availability of affordable transitional and permanent housing for lower income households;

WHEREAS, HACSA has undertaken the development of Roosevelt Crossing Transitional Housing Development to address these community needs;

WHEREAS, the City of Eugene and the Intergovernmental Housing Policy Board has provided financial assistance to develop Roosevelt Crossing transitional housing;

WHEREAS, HACSA wishes to obtain additional assistance from the State of Oregon Housing and Community Services Department to provide affordability;

NOW, THEREFORE, it is hereby resolved and ordered that:

The Housing and Community Services Agency (HACSA) resolves to develop the Roosevelt Crossing transitional housing development (44 units) as represented in the Fall 2008 Consolidated Funding Cycle Application to Oregon Housing and Community Services;

That the Executive Director or Deputy Director is authorized to apply to Oregon Housing and Community Services for funding for Roosevelt Crossing;

That HACSA will accept the responsibilities and requirements of the federal low-income housing tax credits, Oregon Affordable Housing Tax Credits, and Housing Development Grant funds that are requested in the Roosevelt Crossing CFC Application;

That the Executive Director or Deputy Director is authorized to execute the program and legal documents associated with accepting the tax credit and grant programs;

That the Executive Director or Deputy Director is authorized to release project information to Oregon Housing and Community Services from the financial partners listed in the application and authorizes OHCS to verify any application information as required to complete its due diligence; and

That the Executive Director or the Deputy Director is authorized to sign all draw requests, monthly progress reports and miscellaneous forms associated with the tax credit and grant programs awarded to the project.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2008

---

Chair, HACSA Board of Commissioners