



Health Systems Division

Kate Brown, Governor

RECEIVED  
SEP 26 2018

SALEM HOUSING AUTHORITY  
Administrative Office

Oregon  
**Health**  
Authority

500 Summer Street NE, E-86  
Salem, OR 97301-1118  
Voice: 503-945-5763  
Fax: 503-378-8467  
TTY: 771  
[www.oregon.gov/OHA/HSD](http://www.oregon.gov/OHA/HSD)

September 20, 2018

Steve Powers, Executive Director  
The Housing Authority of the City of Salem, Oregon  
360 Church Street NE  
Salem, Oregon 97301

**Re: 2017-2019 Housing Development Award Approval  
4107 Fisher Road Apts. OHA HSD Award No. 158302**

Dear Mr. Powers,

I am pleased to inform you that the Health Systems Division (HSD) has conditionally approved a Community Housing Development Award in the amount of \$ 425,000 for the 4107 Fisher Road Apts. project located in Marion County. The funds are for the development of supportive housing that includes 29 units for persons with a serious and persistent mental illness (SPMI).

**It is important to note that the funds cannot be used for administrative expenses, furniture purchases, operating reserves, service delivery costs, staff training expenses. Funds cannot be used to refund or reimburse any expenses or costs that occurred prior to the date of this award letter.**

The award was approved with the following conditions, some of which require your immediate written response within 30 days of the date of this letter:

1. Project Development Budget. Submit a budget that identifies cost for all proposed housing development activities (acquisitions and construction). Identify sources and uses of resources that will finance the housing development. Provide a brief status of each funding source (i.e. committed, application pending, etc.).

Initial 



Housing Development Award Letter  
The Housing Authority of the City of Salem, Oregon  
Award Number: 158302  
Project: 4107 Fisher Road Apts.  
September 20, 2018

Page 2 of 7


Use the Excel forms that were included in the Application materials, returning the completed budget forms within 30 days of receipt of this letter. The budget forms can be found on the OHA Residential Funding Opportunities website:  
<https://www.oregon.gov/oha/HSD/AMH/Pages/Housing-Funds.aspx>

Regarding the required budget forms for the proposed project, please address this item:

- Provide a copy of the Inspections Unlimited report.
2. Project Schedule and Development Plan. Submit a revised project schedule if there are changes. **Please use the enclosed report format.**
  3. Monthly Progress Reports. Provide HSD with a monthly progress report on the development of your project. **Please use the enclosed report format.** An electronic copy of this form is available upon request.
  4. Use of funds. Awarded funds must be used to support community housing for individuals with SPMI. Approval of the award was based on the application that was received in response to the solicitation dated May 11, 2018. Please inform HSD immediately, if the housing project changes. This includes changes to your budget documents that exceed 10% for any budget category and any changes in funding commitment amounts.

**Oregon statutes mandate that these funds be expended by June 30, 2019. If you will not use your award by this date, please inform HSD immediately. Your award will be withdrawn for this biennium.**

5. Occupancy. The award is conditioned on occupancy of the project occurring no later than March, 2019. This deadline may require modification prior to completion of the project. If required, modifications will be made in the form of an amendment to the Agreement extending this requirement as needed.
6. Annual Confirmation Reports. After completion and occupancy of your project,

Initial 



Housing Development Award Letter  
The Housing Authority of the City of Salem, Oregon  
Award Number: 158302  
Project: 4107 Fisher Road Apts.  
September 20, 2018

Page 3 of 7

HSD will conduct monitoring on an annual basis. As recipient of a Community Housing Development Award you will be asked to complete a confirmation report to document the continued use of the property for the agreed purpose.

7. Appraisal. A complete copy of an appraisal from a licensed appraiser showing the current market value to support all funding sources.
8. Funding Sources. Submit verification of all participating funding sources for the project prior to disbursement of the awarded funds.
9. Securing State's Interest. HSD requires that investments in real estate acquisition or improvement be secured. Execution of a Community Housing Development Agreement, Promissory Note and Trust Deed will be required. HSD reserves the right to require additional documents to meet security requirements. The Promissory Note and Trust Deed will be for a term of **30 years**. The Trust Deed will be recorded in the respective county. Upon your request, these documents will be available for your agency to review before closing.

**The equity value on the subject property must support all secured lien positions. Any project that reflects a negative equity margin must be secured by additional collateral approved by HSD.**

10. Disbursement of Award. Awarded funds will be disbursed through an escrow account using a title company located in the state of Oregon acceptable to HSD. Award recipient is responsible for any fees associated with this transaction. Unless the parties agree otherwise in writing, the Closing shall occur no later than May 31, 2019.

**Complete and return the enclosed Title Company Information form designating the title company that will be handling this transaction.**

11. Insurance Requirement. HSD requires that insurance be maintained for the life of the award. Insurance requirements are:

Initial 



Housing Development Award Letter  
The Housing Authority of the City of Salem, Oregon  
Award Number: 158302  
Project: 4107 Fisher Road Apts.  
September 20, 2018

Page 4 of 7

- **Real Estate Hazard Insurance:** coverage on all real estate in the amount of the full replacement cost (equal to current appraisal).
- **Liability Insurance:** coverage in an amount not less than **\$2,000,000** combined single limit coverage and **\$4,000,000** aggregate; with an insurance company satisfactory to HSD.
- **Flood Insurance:** *if* any portion of the real estate is located in a flood hazard zone, flood insurance, or other appropriate special hazard insurance, is required in the amounts equal to the lesser of the insurable value of the property or the maximum limit of coverage available.

**Complete and return the enclosed Designation of Insurance form.** This allows HSD to work directly with your insurance agent to obtain the insurance requirements prior to funding (or project completion).

12. Confidentiality Agreement. Complete and return the enclosed Confidentiality Agreement.
13. Other Requirements. Provide responses to these items within 30 days:
  - a. Please explain Applicant's experience managing an apartment complex with a population made up entirely of individuals with SPMI. If Applicant lacks this direct experience for day-to-day operations, what steps can be taken to access this expertise?
  - b. Supportive housing is community-based rental housing that offers residents all the same rights and responsibilities as any renter in the community. Participation in services must be voluntary and not a condition of occupancy. The target population of chronically homeless identified as "hardest to house" and a Housing First model described in the application can certainly be consistent with the supportive housing model.

Initial







Housing Development Award Letter  
The Housing Authority of the City of Salem, Oregon  
Award Number: 158302  
Project: 4107 Fisher Road Apts.  
September 20, 2018

Page 5 of 7

However, the description of asset management provided in the application raises concerns about the level of services that will be less about residents living independently with supports and more about a service intense environment. Please address this concern.

- c. According to the description of the existing building, the original design of residential units was for two-room suites. Please confirm if these units include a bath and kitchen in each individual unit?

If yes, please explain why the unit configuration is being switched to single room occupancy with shared bath facilities. Please note that HSD's preference for supportive housing are units inclusive of the amenities that are found in community-based rental units.

- d. Provide a copy of your request to the Bureau of Labor and Industries (BOLI) for a Prevailing Wage Rate Determination Letter. Provide a copy of the Determination Letter when available.
- e. Confirm the permanent name of the project. Awardees cannot change the name of the project after the completion of the conditional award period.

Also, HSD staff will contact Awardee to schedule a site visit prior to distribution of funds.

- 14. Award Acceptance. Within **15 days from the date of this award letter** initial each page, sign the letter and return the original indicating your acceptance of the Award and all the terms and conditions.

If you have concerns about any of the conditions or timelines contained in this letter, please contact the Housing Development Coordinator, Susan Lind, at 503-947-5533 or by e-mail at [susan.g.lind@state.or.us](mailto:susan.g.lind@state.or.us). If requested, a conference may be scheduled with you to discuss any specific concerns.

Initial 



Housing Development Award Letter  
The Housing Authority of the City of Salem, Oregon  
Award Number: 158302  
Project: 4107 Fisher Road Apts.  
September 20, 2018

Page 6 of 7

Please send the requested information to:

Susan Lind, Housing Development Coordinator  
OHA/Health Systems Division  
500 Summer Street NE, E-86  
Salem, OR 97301-1118

For questions concerning the disbursement of the awarded funds or the security documents, please contact the Housing Investments Coordinator, Karen Knight, at 503-945-5911 or by e-mail at [karen.knight@state.or.us](mailto:karen.knight@state.or.us).

HSD looks forward to the successful completion of your housing project and appreciate your efforts to increase housing opportunities for persons with a serious and persistent mental illness.

Sincerely,



Margie Cooper Stanton  
Interim Director, Health Systems Division

Enclosures

1. Project Schedule and Development Plan form
2. Monthly Progress Report form
3. Title Company Information form
4. Designation of Insurance form
5. Confidentiality Agreement

cc: Cary Moller, Administrator, Marion County Health and Human Services  
Elaine Sweet, Behavioral health and Housing Manager, HSD  
Susan Lind, Housing Development Coordinator, HSD  
Karen Knight, Housing Investments Coordinator, HSD

Initial





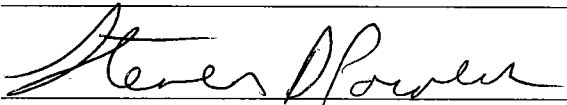
Housing Development Award Letter  
The Housing Authority of the City of Salem, Oregon  
Award Number: 158302  
Project: 4107 Fisher Road Apts.  
September 20, 2018

Page 7 of 7

**AGREED TO AND ACCEPTED ON THE TERMS AND CONDITIONS SET FORTH ABOVE:**

**The Housing Authority of the City of Salem, Oregon  
4107 Fisher Road Apts. – Marion County  
2017-2019 Housing Development Award  
Mental Health Services Fund - \$425,000**

Agency: The Housing Authority of the City of Salem, Oregon

By:   
Steve Powers, Executive Director

10/01/2018  
Date

Initial 



**STATE OF OREGON  
HEALTH SYSTEMS DIVISION**

**PROPOSED PROJECT SCHEDULE AND DEVELOPMENT PLAN**

Project Name: \_\_\_\_\_

Date Schedule Developed: \_\_\_\_\_

<b>ACTIVITY</b>	<b>PROPOSED DATE (month/year)*</b>	<b>REVISED DATE (month/year)*</b>	<b>COMPLETED DATE (month/year)*</b>
<b>SITE</b>			
Option/Contract executed			
Site Acquisition			
Zoning Approval			
Site Analysis			
Building Permits & Fees			
Off-site Improvements			
<b>DEVELOPMENT</b>			
Plans Completed			
Final Bids			
Contractor Selected			
<b>FINANCING</b>			
<b>CONSTRUCTION LOAN:</b>			
Proposal			
Firm Commitment			
<b>PERMANENT LOAN:</b>			
Proposal			
Written Commitment			
SYNDICATION AGREEMENT			
CONSTRUCTION BEGINS			
CONSTRUCTION COMPLETED			
CERTIFICATE OF OCCUPANCY			
LEASE UP COMPLETED			

\* Indicates completion by end of month.





**HEALTH SYSTEMS DIVISION**

Report # \_\_\_\_\_ Project Name: \_\_\_\_\_

Contact Phone #: ( )

Reporting Dates: From: \_\_\_\_\_ To: \_\_\_\_\_

1. Description of project development activities accomplished in this period:

2. Activities anticipated to be accomplished by next reporting period:

3. What percentage of construction activities have you completed to date? %

4. Estimated date of completion of construction: \_\_\_\_\_

5. Estimated date of occupancy: \_\_\_\_\_

6. Any change in the Proposed Project Schedule since last report? ☐ Yes ☐ No

*If "yes", submit an updated "Proposed Project Schedule."*

7. Any change in the development of the project (i.e., number of units, target population, development team, sources/uses, proposed rents, etc)? ☐ Yes ☐ No

*If "yes", provide details about the change(s). An updated "Sources and Uses" form is required when the budget is adjusted by 10% or more for any sub-total or total.*

**CERTIFICATION:** A signature for regularly mailed reports or a typed name for e-mailed reports in the signature space below certifies that the information contained in this report is true, correct and accurately reflects the progress and status of the project.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signed by: \_\_\_\_\_  
(print name)

Telephone #: \_\_\_\_\_

**Mail, fax or e-mail this form to HSD:**

State of Oregon, OHA/HSD  
Housing Development Unit  
Attn: Susan Lind  
500 Summer Street NE, E86  
Salem, OR 97301-1118  
**Fax (503) 378-8467**

*For Internal Use Only*

RPS Review by: \_\_\_\_\_

Date: \_\_\_\_\_

State of Oregon  
Oregon Health Authority  
Health Systems Division (HSD)

**TITLE COMPANY INFORMATION**

To assist with the closing and disbursement of funds, please supply the following information regarding the title company and escrow agent handling this transaction.

**1. PROJECT INFORMATION**

Name of Project: \_\_\_\_\_

Award Recipient: \_\_\_\_\_

**2. TITLE COMPANY INFORMATION**

Name of Title Company: \_\_\_\_\_

Street Address (no PO Box): \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone #: ( ) \_\_\_\_\_ Fax #: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_

Escrow # (if available): \_\_\_\_\_

**Please FAX to: 503-378-8467**  
**Attn: Karen Knight (R-70)**  
**Housing Investments Coordinator**

AMH Use Only	
Housing Development Agreement #:	
Title Company Tax ID Number: _____	
<input type="checkbox"/> UPS	<input type="checkbox"/> FedEx _____
( account number)	



STATE OF OREGON  
OREGON HEALTH AUTHORITY  
HEALTH SYSTEMS DIVISION (HSD)

DESIGNATION OF INSURANCE AGENT

Insured Name: \_\_\_\_\_

Award #: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Housing Development Awards awarded through the Oregon Health Authority Health Systems Division (HSD) are required to carry appropriate insurance, at least sufficient to protect the State of Oregon's security interest. This coverage must be maintained for the term of the award. Insurance requirements are as follows for all collateral:

- **Real Estate Hazard Insurance:** coverage on all real estate in the amount of the full replacement cost (equal to current appraisal).
- **Liability Insurance:** coverage in an amount not less than **\$2,000,000** combined single limit coverage and **\$4,000,000** aggregate; with an insurance company satisfactory to HSD.
- **Flood Insurance:** *if* any portion of the real estate is located in a flood hazard zone, flood insurance, or other appropriate special hazard insurance, is required in the amounts equal to the lesser of the insurable value of the property or the maximum limit of coverage available.

When your award is approved for disbursement, it will be helpful in the handling of the insurance requirement if you complete the statement below designating the insurance agent that you authorize us to deal with regarding your present insurance program and matters which may arise in arranging for adequate coverage.

\*\*\*\*\*

**When my Housing Development Award is approved for disbursement, I understand the necessity of carrying adequate insurance for the protection of my property and any related services.**

**I hereby name the following agent (on page 2) as my insurance representative, and authorize you to deal directly with the agent or agent's office regarding my insurance program and the satisfaction of requirements of your company in relation to the pending award.**

Insured Name: \_\_\_\_\_

By: \_\_\_\_\_

Authorized Signature

Date

Designation of Insurance Agent

Page 1 of 2  
Revised 11/2015



Insured Name: \_\_\_\_\_  
Award #: \_\_\_\_\_  
Project Name: \_\_\_\_\_  
Project Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_

**Real Estate Insurance:**

Insurance Company Name	Policy #
Name of Agent	
( )	( )
Area Code	Phone Number
( )	( )
Area Code	FAX Number

**Liability Insurance:** ☐ same as above

☐ **Umbrella Policy through this Agency**

Insurance Company Name	Policy #
Name of Agent	Umbrella Policy #
( )	( )
Area Code	Phone Number
( )	( )
Area Code	FAX Number

**Flood Insurance:** ☐ same as above ☐ Not Applicable

Insurance Company Name	Policy #
Name of Agent	
( )	( )
Area Code	Phone Number
( )	( )
Area Code	FAX Number

Designation of Insurance Agent





**STATE OF OREGON**  
**OREGON HEALTH AUTHORITY**  
**HEALTH SYSTEMS DIVISION (HSD)**  
**CONFIDENTIALITY AGREEMENT**

Recipient Name: \_\_\_\_\_

Project Name: \_\_\_\_\_

Award #: \_\_\_\_\_

Subject to the Oregon Public Records Law, and as described in the Applicants Designation of Confidential Materials, HSD will not disclose any information concerning the award recipient's business or project to any person not serving on the review committee or persons that are not staff of HSD, with the following exceptions:

1. Participating lenders or other funding sources involved in the project;
2. The designated title company;
3. The award recipient's accountant and attorney; and
4. Other persons designated by the award recipient and stipulate immediately below:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Phone: \_\_\_\_\_

FAX: \_\_\_\_\_

E-mail: \_\_\_\_\_



**The following person is the authorized contact for the Project. Forward all communication and request to:**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Company: \_\_\_\_\_  
Phone: \_\_\_\_\_  
FAX: \_\_\_\_\_  
E-mail: \_\_\_\_\_

For reporting purposes, I understand that HSD will need to release the following information regarding the project receiving the awarded funds:

1. General description of project
2. Total project cost
3. Amount of award
4. Number of units/rooms/beds created

**By signing below, the applicant indicates that he/she has read, understood, acknowledged and accepted these conditions.**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name Title