



Legislation Details (With Text)

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Type: Resolution **Status:** Agenda Ready

In control: Housing Authority of the City of Salem

On agenda: 4/22/2019 **Final action:** 4/22/2019

Title: Forming three limited partnerships to own the Yaquina Southfair Project, the Salem RAD 4 Percent Project, and the Salem RAD 9 Percent Project and to form a limited liability company to serve as the initial limited partner for the three limited partnerships.

Ward(s): All Wards
 Commissioners(s): All Commissioners
 Neighborhood(s): All Neighborhoods
 Result Area(s): Safe Community; Welcoming and Livable Community.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution No. 2243

Date	Ver.	Action By	Action	Result
4/22/2019	1	Housing Authority of the City of Salem	adopted	Pass

TO: Chair and Housing Authority Commissioners

THROUGH: Steve Powers, Executive Director

FROM: Nicole Utz, Administrator AIC

SUBJECT:

Forming three limited partnerships to own the Yaquina Southfair Project, the Salem RAD 4 Percent Project, and the Salem RAD 9 Percent Project and to form a limited liability company to serve as the initial limited partner for the three limited partnerships.

Ward(s): All Wards
 Commissioners(s): All Commissioners
 Neighborhood(s): All Neighborhoods
 Result Area(s): Safe Community; Welcoming and Livable Community.

ISSUE:

Shall the Salem Housing Authority Commission approve Resolution No. 2243 authorizing the Housing Authority of the City of Salem to form three limited partnerships to serve as the owners of: 1) the Yaquina Southfair Project; 2) the Salem RAD 4 Percent Project; and, 3) the Salem RAD 9 Percent Project, (the Projects) and to form a limited liability company, with the Authority as the sole member, to serve as the initial limited partner for the three limited partnerships?

RECOMMENDATION:

Approve Resolution No. 2243 authorizing the Housing Authority of the City of Salem to form the Yaquina Southfair Housing Limited Partnership, to serve as the owner of the Yaquina Southfair Project, the Salem Housing Preservation 4 Percent Limited Partnership, to serve as the owner of the Salem RAD 4 Percent Project and the Salem Housing Preservation 9 Percent Limited Partnership, to serve as the owner of the Salem RAD 9 Percent Project, and to form the Salem Affordable Housing LLC, a limited liability company to serve as the initial limited partner for the Projects.

SUMMARY:

The three limited partnerships are necessary for the purpose of recapitalizing the Southfair Yaquina, Salem RAD 4 Percent and Salem RAD 9 Percent Projects.

The Salem Affordable Housing LLC, an Oregon limited liability company (the Company) will serve as the initial limited partner for the Yaquina Southfair Housing Limited Partnership, the Salem Housing Preservation 4 Percent Limited Partnership, and the Salem Housing Preservation 9 Percent Limited Partnership. The Authority will be the sole member and manager of the Company.

FACTS AND FINDINGS:

The Company will serve as the limited partner of the Projects until such time as an investor limited partner is admitted for the purpose of purchasing Low-Income Housing Tax Credits generated by the acquisition and rehabilitation of the Projects. The investor limited partner's capital contribution will be utilized, among other sources of financing, for the rehabilitation of the Projects.

The Salem RAD 4 Percent Project consists of the rehabilitation of the Livingston Village and Northgate Village apartments, and the Salem RAD 9 Percent Project consists of the Brush College Village, Glen Creek Village and Meadowlark Village apartments, all currently included in the Authority's public housing portfolio.

The Yaquina Southfair Bundle project is a two-property, scattered site acquisition and rehab development being undertaken by SHA. The two subject properties, Yaquina Hall and Southfair Apartments, will combine for 92 units of affordable housing available to low-income residents of the City of Salem, with 20 units being designated for individuals suffering from Serious Mental Illness, 10 at each site. Yaquina Hall is a new acquisition of a historic structure on the Oregon Hospital grounds, and Southfair Apartments is currently included in the Authority's affordable housing portfolio.

BACKGROUND:

The SHA is participating in HUD's RAD program. RAD allows for public housing properties to take on private debt in conjunction with other funding sources to make much-needed repairs. HUD works with Public Housing Authorities to review required reserve set-asides, capital needs, and an overall financial plan for each property so that properties can be financially sustainable long-term on their own. Following a RAD conversion, properties will replace HUD Section 9 funding with either Project Based Vouchers or Project Based Rental Assistance through the Section 8 Program.

Nicole Utz
Administrator AIC

Attachments:

1. Resolution No. 2243