



Legislation Details (With Text)

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Type: Resolution **Status:** Agenda Ready

In control: Housing Authority of the City of Salem

On agenda: 5/8/2017 **Final action:** 5/8/2017

Title: Low Income Housing Tax Credits for the Southfair/Yaquina Hall and Rental Assistance Demonstration Projects

Ward(s): ALL WARDS
Commissioners(s): All Commissioners
Neighborhood(s): All Neighborhoods

Sponsors:

Indexes:

Code sections:

Attachments: 1. RAD Resolution-Commission 2-28-17

Date	Ver.	Action By	Action	Result
5/8/2017	1	Housing Authority of the City of Salem	adopted	Pass

TO: Chair and Housing Authority Commissioners

THROUGH: Steve Powers, Executive Director

FROM: Andrew Wilch, Housing Administrator

SUBJECT:

Low Income Housing Tax Credits for the Southfair/Yaquina Hall and Rental Assistance Demonstration Projects

Ward(s): ALL WARDS
Commissioners(s): All Commissioners
Neighborhood(s): All Neighborhoods

ISSUE:

Shall the Housing Authority Board authorize the Executive Director to apply for and accept two separate 4% Low Income Housing Tax Credit (LIHTC) applications to Oregon Housing and Community Services (OHCS) for Southfair/Yaquina Hall and Public Housing Rental Assistance Demonstration (RAD) rehabilitation projects, and to solicit interested investors for the project?

RECOMMENDATION:

Adopt Resolution No. 2210 authorizing the Executive Director to apply for and accept two separate

4% Low Income Housing Tax Credit (LIHTC) applications to Oregon Housing and Community Services (OHCS) for Southfair/Yaquina Hall and Public Housing Rental Assistance Demonstration (RAD) rehabilitation projects, and to solicit interested investors.

SUMMARY AND BACKGROUND:

Affordable housing in Salem has been a desired goal for the past several years. The Salem Housing Authority (SHA) is working on two new affordable housing projects.

The first project involves the Southfair Apartments and Yaquina Hall. Southfair Apartments is a SHA-owned property in need of structural upgrades. The SHA has a purchase and sale agreement for the Yaquina Hall property. SHA will renovate Yaquina Hall by constructing 50 new, one bedroom affordable housing units. Combining the Yaquina Hall property with the Southfair property as one tax credit project gives the project the needed volume for financial feasibility.

The second project involves the Rental Assistance Demonstration (RAD) conversion of 158 multifamily apartments and six properties from Public Housing to Section 8 Project Based funding.

Low Income Housing Tax Credits (LIHTC) is the primary funding source for renovating the Southfair/Yaquina properties and the RAD properties. For the development of the Southfair/Yaquina Hall and the RAD conversion projects to proceed, the SHA needs to submit an Oregon Housing and Community Services LIHTC application for each of the two projects.

Staff requests authority to solicit investors to purchase the 4% tax credits (LIHTC) to attract funding.

FACTS AND FINDINGS:

The LIHTC is a federal program delegated to States, and the largest affordable housing program in the country. Investors buy tax credits and pay into a low income housing project fund for the purpose to undertake renovation and/or new construction.

If SHA is successful in receiving an allocation of LIHTC, SHA will sell the SHA property to a 30-year partnership with the SHA owning .01% and the private investor owning 99.99%. SHA will complete construction and assume the role of day- to- day manager. After year 15, the investor may withdraw from the partnership and SHA can purchase the property at terms set in the initial partnership agreement.

Andrew Wilch
Housing Administrator

Attachments:

1. Resolution No. 2210