



## Legislation Details (With Text)

**File #:** 18-551      **Version:** 1

**Type:** Resolution      **Status:** Agenda Ready

**In control:** Housing Authority of the City of Salem

**On agenda:** 11/26/2018      **Final action:** 11/26/2018

**Title:** Low income housing tax credits for the Rental Assistance Demonstration Project

Ward(s): All Wards  
Commissioners(s): All Commissioners  
Neighborhood(s): All Neighborhoods

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution No. 2236

Date	Ver.	Action By	Action	Result
11/26/2018	1	Housing Authority of the City of Salem	adopted	Pass

**TO:** Chair and Housing Authority Commissioners

**THROUGH:** Steve Powers, Executive Director

**FROM:** Andy Wilch, Administrator

**SUBJECT:**

Low income housing tax credits for the Rental Assistance Demonstration Project

Ward(s): All Wards  
Commissioners(s): All Commissioners  
Neighborhood(s): All Neighborhoods

**ISSUE:**

Shall the Housing Authority Commission adopt Resolution No. 2236 authorizing the Executive Director to apply for and accept 4% Low Income Housing Tax Credits (LIHTC) application to the Oregon Housing and Community Services (OHCS), for the Public Housing Rental Assistance Demonstration (RAD) rehabilitation project, and to solicit interested investors for the project?

**RECOMMENDATION:**

Adopt Resolution No. 2236 authorizing the Executive Director to apply for and accept 4% LIHTC application to OHCS for the Public Housing RAD rehabilitation project, and to solicit interested investors for the project.

## **SUMMARY AND BACKGROUND:**

In March, SHA was approved for 9% LIHTC for the conversion of Brush College, Glen Creek and Meadowlark. The funding was not enough to cover the conversion of Livingston and Northgate. The 4% LIHTC application will cover the gap in funding and allow completion of the five-property conversion package.

In this conversion and rehabilitation, SHA will convert eight (8) five-bedroom townhomes into four (4) 1 Bedroom and four (4) 2 Bedroom units. Transfer of assistance from eight (8) scattered site houses and duplexes will bring subsidy to new units.

Low Income Housing Tax Credits are the primary funding source for renovating the properties. For the development of the RAD conversion project to proceed, the SHA needs to submit to Oregon Housing and Community Services the LIHTC application.

The first RAD financed the renovation of the Robert Lindsay Tower and Parkway East.

## **FACTS AND FINDINGS:**

The LIHTC is a federal program administered by state governments 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 of renovation, new construction, or a combination.

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.

Jessica Blakely  
Asset Manager, SHA

### **Attachments:**

1. Resolution No. 2236