



Staff Report

File #: 19-598
Version: 1

Date: 12/9/2019
Item #: 3.3a.

TO: Chair and Housing Authority Commissioners
THROUGH: Steve Powers, Executive Director
FROM: Kristin Retherford, Urban Development Director

SUBJECT:

Authorization, approval, and ratification of an increased construction loan amount for the 54-unit Brush College and Meadowlark properties 9 Percent Limited Partnership project

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

ISSUE:

Shall the Housing Authority Commission adopt resolution no. 2258 to authorize, approve, and ratify the increase of the construction loan to an amount not to exceed \$9,600,000 for the 54-unit Brush College and Meadowlark property rehabilitation project?

RECOMMENDATION:

Adopt resolution no. 2258 to authorize, approve, and ratify the increase of the construction loan to an amount not to exceed \$9,600,000 for the 54-unit Brush College and Meadowlark property rehabilitation project.

SUMMARY:

On November 12, 2019, the Housing Authority Commission, through resolution no. 2255, authorized a Construction Loan in the amount not to exceed of \$9,500,000 from U.S. Bank National Association (on the behalf of the Housing Authority and Salem Housing Preservation 9 Percent Limited Partnership (the "Partnership)).

Closing on the financing document occurred on December 5, 2019. On December 3, 2019 it was determined that the maximum amount of the construction loan needed to increase to up to \$9,600,000. In order to allow Closing to occur, Kristin Retherford authorized the increase. Ms. Retherford had the actual authority to authorize the increase, pursuant to resolution no. 2255 and the SHA Bylaws, however, a formal approval and ratification of the increase has

been requested by the lenders.

FACTS AND FINDINGS:

On December 3, 2019, Salem Housing Authority was notified that the final loan amount is more than previously authorized by the Housing Authority Commission. The final loan amount is \$9,527,121, as indicated and authorized in Attachment 2.

BACKGROUND:

The Housing Authority Board of Commissioners adopted Resolution No. 2225 accepting 9% LIHTC funds and authorizing SHA to solicit for investors; and adopted Resolution No. 2243 authorizing the formation of a limited partnership to serve as owners for the Project.

Nicole Utz
Administrator

Attachments:

1. Resolution No. 2258
2. Letter Authorizing Increased Loan Amount