

**To:** North Central Advisory Committee  
**From:** North Central Housing Subcommittee  
**Date:** 06.06.16  
**Subject:** Modifications to the Attainable Housing Revolving Loan Fund

### **Overview**

The North Central Housing Subcommittee met on May 25, 2016, to formulate recommendations for modifying the Attainable Housing Revolving Loan Fund. The modifications are based upon the discussion and direction from the North Central Advisory Committee meeting on May 16, 2016. Business Oregon's Infrastructure Finance Authority has approved the recommended modifications, and Kim Travis, Oregon Housing and Community Services, has reviewed the memo.

The subcommittee recommends that the Advisory Committee adopt the modifications detailed below so that the fund is more attractive and can facilitate the building of attainable housing throughout the region. In addition to the modifications, the subcommittee identified next steps to advance a few other possible modifications.

### **North Central Housing Subcommittee:**

(\* not in attendance on May 25<sup>th</sup>, but they reviewed this memo)

- Judge Thompson\*
- Cliff Jett
- Commissioner Runyon\*
- Mayor Lawrence\*
- Commissioner Meyer\*
- Councilwoman McBride
- Dave Peters
  
- Also in attendance:
  - Amanda Hoey
  - Joel Madsen
  - James LaBar

### **Recommended Modifications**

1. Expand Area Median Income definition to 61-120% from 80-120%
2. Modify the length of term of loans to only require the fund to fully revolve once (as opposed to twice) in nine years.
3. Clarify requirement that a Letter of Interest from a lender is sufficient to submit an application, instead of a commitment.
4. Revise any policies needed to ensure money can be used for pre-construction uses.
  - a. i.e. In Section 5.1, after the first sentence add this additional sentence, "Projects authorized for pre-construction costs may receive disbursement in advance of any construction activities."

5. Lower the interest rate for local government projects to incentivize all options within fund
  - a. i.e. A fixed interest rate of 1% is available to local government entities. The Loan Administration Board may approve a lower rate for projects of exceptional value to the region if the rate still allows the project to meet administrative obligations.
6. Lower the 25% owner equity to 20% owner equity

### **Next Steps**

- A. Subcommittee members will explore the philanthropic community's interest in providing resources to cover administrative costs and fees.
- B. Subcommittee members, in conjunction with Advisory Committee members, will explore and foster the public sector's interest and options for covering administrative costs and fees.
  - a. A few of the primary options to explore for potential flexible local revenue sources include, enterprise zone funds, resources derived from recent data center investments, and the application of a new construction excise tax (made possible by SB 1533 in 2016).
- C. The City of Hood River is drafting a letter to encourage the philanthropic community and public sector partners to cover the administrative costs and fees in order to leverage additional resources.