

APPROPRIATIONS REQUEST FORM OREGON HOUSE DELEGATION FISCAL YEAR 2010

DEADLINE FOR SUBMISSION: FEBRUARY 13, 2009

PLEASE NOTE: As required by the House Appropriations Committee, all requests will be made public on the requesting Member's website.

1. Project Title:

Walnut Park Apartments Sustainable Rehabilitation

2. Organization Name and address:

**City of Portland,
1220 SW 4th Ave,
Portland, OR 97204**

3. Primary Contact name, phone number, mobile phone number, fax number and email:

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4. Project Location Address (if different from Organization):

**Walnut Park Apartments
5272 NE 6th Avenue
Portland OR 97211**

5. Please describe the requesting organization's main activities, and whether it is a public, private non-profit, or private for-profit entity:

The City of Portland is a municipal corporation incorporated within the State of Oregon.

The City of Portland will collaborate with REACH on this project.

REACH CDC is a 501(c)(3) developer and operator of affordable housing located in Portland, Oregon. Since 1982, REACH has pioneered affordable housing and supportive programs that address complex challenges facing communities. REACH has gained local, state and national acclaim for innovation and responsiveness to difficult urban issues. REACH's portfolio includes single-family homes and large apartment buildings, new construction and substantial renovation. Over 1,200 residents live in their well-managed and well-maintained homes. Their commitment to innovative and green building practices creates high quality and durable structures that benefit residents, the bottom line and the environment.

6. Briefly describe the activity or project for which funding is requested (please keep to 500 words or less.)

Walnut Park Apartments is a privately owned 38 unit Section 8 expiring use development for low income seniors and persons with disabilities. The property is located on NE 6th Avenue Portland near shopping, services and public transportation. REACH intends to acquire Walnut Park Apartments to permanently preserve its long term affordability. Acquisition and rehabilitation of the property will be funded through Low Income Housing Tax Credit equity, City of Portland funds dedicated to sustainable projects, state and local resources, and private debt.

Walnut Park will continue to serve very low income seniors and disabled households. Upon contract expiration in December 2010, REACH intends to request that HUD approve a new 20-year Section 8 contract.

The property and the units have been reasonably well maintained given the age of the building, but most materials and appliances are at the end of their useful life and will require upgrading in the near future. There are no immediate repair needs identified; however, REACH intends to perform fire/life/safety systems upgrades to the building upon acquisition.

These life/safety upgrades include installation of a fire sprinkler system, upgrades to emergency lighting and fire alarm systems and upgrading all smoke detectors. These items are expected to cost \$241,030. In addition, a contingency of \$72,976 will be provided for a total of \$314,006. Long term repair costs which include a new exterior envelope (doors, windows, siding and roof) and energy system upgrades are estimated at \$43,572 per unit. These repairs will be completed once all the permanent project financing has been secured.

This property is considered a high risk of opting out of the Section 8 subsidy contract at the expiration date. Acquisition of the property by REACH will allow the property to be acquired, renovated to reduce its carbon footprint using “green” renovation best practices, and permanently preserved as affordable housing for the community.

The funding will go towards both the safety upgrades and

7. Has this project received federal appropriations funding in past fiscal years?

No

- 7a. If yes, please provide fiscal year, Department, Account, and funding amount of any previous funding.

N/A

8. Federal agency and account from which funds are requested (Please be specific – e.g. Department of Housing and Urban Development, Economic Development Initiatives account):

Department of Housing and Urban Development, Economic Development Initiatives

9. a. What is the purpose of the project?

Renovations to upgrade the energy efficiency and safety of the building and permanent preservation of a Federally subsidized apartment complex in Northeast Portland currently serving seniors and disabled citizens.

- b. Why is it a valuable use of taxpayer funds?

Taxpayer funds will leverage equity and private lending activity at 5:1. In addition, upgrading the property will help contribute to lessening green house emissions, conserving energy while providing affordable housing for a racially diverse group of 38 senior and disabled households, in the heart of Portland’s historically African-American neighborhood.

- c. How will the project support efforts to improve the economy and create jobs in Oregon?

Construction and associated development costs are estimated at over \$3 million which will provide numerous jobs. According to a recent study by Oregon Housing and Community Services, each dollar invested in affordable housing leverages substantial additional investments averaging \$5 to \$7. This combined investment generates additional economic activity in the

community (via the “multiplier effect”) equal to the initial investment bringing the total economic benefit of every \$1 invested to as much as \$15.

We estimate that this project will generate \$6.45 million in economic activity, and 67 jobs in the construction trades, materials supply, property management, legal, and accounting professions.

10. Have you requested funding for this project from other Members of Congress? If so, who?

Congressman Blumenauer, Senators Wyden and Merkley

11. Funding Details:

- a. Total project cost (all funding sources and all years):

\$6,340,278

- b. Amount being requested for this project in Fiscal Year 2010:

\$1,000,000

- c. What other funding sources (local, regional, state) are contributing to this project or activity? (Please provide specific dollar amount or percentage.)

Term Loan	Lender TBA	\$1,367,179
OHCS	LIHTC	\$3,388,082
PDC	Equity Gap	\$385,017
OHCS	Trust Fund	\$100,000
OHCS	Weatherization	\$100,000
BHCD	Fed Funds	<u>\$1,000,000</u>
TOTAL PROJECT SOURCES		<u>\$6,340,278</u>

- d. Do you expect to request federal funding in future years for this project?

No

- e. Breakdown/budget of the amount you are requesting for this project in FY 2010. (e.g., salary \$40,000; computer \$3,000):

\$1 million to be used for construction costs associated with renovations and rehabilitation of the building with a focus on energy efficiency and reducing carbon emissions.

- f. Please list public or private organizations that have supported/endorsed this project:

REACH CDC
Urban League of Portland
Multnomah Co Human Services
St Phillip the Deacon Episcopal Church

g. Is this project scalable? (i.e., if partial funding is awarded, will the organization be able to use the funds in FY 2010?):

Yes