



Oregon
Theodore R. Kulongoski, Governor



Housing and Community Services

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To: Employees and Partners of Oregon Housing and Community Services

From: Bob Gillespie

Housing Division Administrator

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Bob.Gillespie@hcs.state.or.us

Re: Update on the 2010 Consolidated Funding Cycle

Oregon Housing and Community Services has important news about the next Consolidated Funding Cycle.

OHCS will hold one round of the CFC in 2010. The single cycle will occur in February 19, 2010, with 50 percent of available resources targeted to preservation of expiring federally subsidized affordable housing.

Workload and legislative priorities drive this decision.

Workload

The TCAP and Exchange Programs have allowed many stalled projects to move forward. However, the process puts additional unanticipated pressure on Housing Division staff. By postponing the cycle, staff will be able to finish work on the 26 projects funded through these programs as well as four additional preservation projects funded in the last cycle.

During this single round of the CFC, OHCS will reserve all remaining 2010 and all 2011 housing tax credits.

Preservation as priority

Thousands of units of existing federally subsidized housing is at risk as HUD and Rural Development property contracts expire in the next few years. Through SB 5535, the Legislature dedicated \$16.1 million in lottery-backed bond proceeds toward preservation. Rates will affect how far the \$16 million will go. Falling investor interest and low purchase prices for tax credits have affected our ability to get preservation projects financed. To

achieve the Legislative goal of preserving 1,598 units, OHCS will pair an estimated \$5.5 million in lottery-backed bond proceeds with CFC resources.

These are extraordinary times for the affordable housing industry, with challenges both to the department and to you, our valued partners.

I look forward to working with you to create and preserve the quality affordable housing Oregonians deserve. If you have any questions, please feel free to contact me or Dave Summers, Multifamily Section Manager, 503.986.2073, David.Summers@hcs.state.or.us.