

Portland Housing Bureau Property Acquisition Fund

JULY 2015



Structure of Property Acquisition Fund

The Portland Property Acquisition Fund (PPAF) provides short term financing for the purchase of land or the acquisition of market rate projects, unrestricted by regulatory agreements, with the intent that the projects/land will be transitioned into affordable housing.

Structure of Property Acquisition Fund

	Land Acquisition	Multifamily Building Acquisition
Loan Limits	\$1,000,000	\$3,000,000
Affordability	51% of all units affordable at 60% MFI or below	51% of all units affordable at 60% MFI or below
LTV	Non-profits 95% For-profits 90%	Non-profits 90% For-profits 80%
Interest Rate	2%	4.75%
DCR	n/a	1.20x – NOAH 1 st mortgage payment 1.15x – All scheduled debt payments
Term	48 months	48 months
Fees	1% origination	1% origination
Payments	Monthly interests only payments – 1% Deferred – 1%	Monthly interest only payments

Structure of Property Acquisition Fund

		Land	Existing Market to Affordable (<i>Small</i>)	Existing Market to Affordable (<i>Large</i>)
Borrower:	Loan Amount \$	1,000,000	1,000,000	3,150,000
	Borrower Rate	2.00%	4.75%	4.75%
	Annual Interest	20,000.00	47,500.00	149,625.00
Sources \$:	OHAF PRI	515,429	351,128	1,106,053
	OHAF Fund Capital	201,686	61,963	195,183
	City of Portland	282,885	86,909	273,764
	Senior Debt (bank)	-	500,000	1,575,000
	Total Capital Sources:	1,000,000	1,000,000	3,150,000
Sources %:	OHAF PRI	51.5%	35.1%	35.1%
	OHAF Fund Capital	20.2%	6.2%	6.2%
	City of Portland	28.3%	8.7%	8.7%
	Senior Debt (bank)	0.0%	50.0%	50.0%
	Total Capital Sources:	100.0%	100.0%	100.0%