



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

June 15, 2009

Motion 13008

Proposed No. 2009-0240.2

Sponsors Gossett

1 A MOTION regarding an interim loan program to be
2 administered by the department of community and human
3 services.
4

5 WHEREAS, an interim loan program will complement and further the goals of
6 the affordable housing capital funding program in the department of community and
7 human services, and

8 WHEREAS, an interim loan program is consistent with, and furthers the goals of
9 the Ten Year Plan to End Homelessness in King County, the Mental Illness and Drug
10 Dependency Implementation Plan and the King County Consortium Consolidated
11 Housing and Community Development Plan, and

12 WHEREAS, the interim loan program will be restricted to the use of homeless
13 housing and services funds derived from RCW 36.22.178 and 36.22.179 and mental
14 illness and drug dependency housing services funds, plan 3A, derived from King County
15 Ordinance 15949, that have been awarded to projects and are sitting in a fund balance
16 while they spend out slowly over five years, and

17 WHEREAS, the county desires to assist non-profit housing developers acquire
18 land for the purposes of building affordable housing for eligible populations while
19 minimizing its financial risk;

20 NOW, THEREFORE, BE IT MOVED by the King County Council:

21 The King County council approves the attached interim loan program report that
22 specifies the components, requirements, processes, oversight and reporting of the interim
23 loan program to be administered by the department of community and human services.

24

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25 By August 30, 2009, the executive shall submit to the council a proposed
26 ordinance establishing the guidelines of the interim loan program.

27

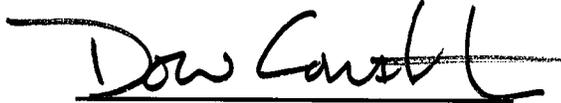
Motion 13008 was introduced on 4/20/2009 and passed by the Metropolitan King County Council on 6/15/2009, by the following vote:

Yes: 7 - Mr. Constantine, Mr. Ferguson, Ms. Hague, Ms. Lambert, Mr. Gossett, Mr. Phillips and Ms. Patterson

No: 0

Excused: 2 - Mr. von Reichbauer and Mr. Dunn

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Dow Constantine, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. Interim Loan Program Report, B. Interim Loan Program Proposed Policies, C. Interim Loan Program Flow Rate Analysis 2008 - 2012

Interim Loan Program Report

Introduction

The Department of Community and Human Services (DCHS), Community Services Division (CSD), Housing and Community Development (HCD) Program, proposes to administer an interim loan program using the existing fund balance which has been reserved for housing project commitments (but is not yet needed for those projects) in the Housing Opportunity Fund (HOF). The proposed interim loan program is based upon a successful bridge loan program, administered by the City of Seattle's Office of Housing since 1998. Seattle's program uses existing fund balance from operating subsidy awards that spend down slowly over a 20 year period, and King County's program will also use services and operating subsidy awards that spend down slowly over a five year period.

The interim loan program will be an additional tool in DCHS' existing affordable housing capital program that will allow non-profit developers to seize opportunities in the marketplace to secure property for affordable housing at very favorable terms. Ultimately, this program will help to reduce the amount of permanent subsidy required of DCHS' capital program by reducing the costs of holding property during the process of securing permanent funding.

The Seattle program has allowed the city to make bridge loans for non-profit affordable housing developers to take advantage of real estate opportunities in a heated market and secure sites that otherwise would have been lost to market rate housing, or even to non-housing development, reducing housing stock. In today's market the loan program continues to be valuable, as financing is tighter through lending institutions, particularly for low-income housing projects that do not yet have permanent financing secured. Seattle's bridge loans allow developers to hold a site while assembling more favorable long-term financing sources. These lending activities have encouraged early participation by other lenders in these projects and have resulted in increased leverage and ultimately a reduced permanent subsidy from the city. The Seattle program has assisted approximately 15 projects, with most loans paid back within two years.

The City of Seattle's program has proved to be successful in providing short-term debt financing in a more timely way and on more favorable terms than other available sources. Due to careful selection of projects and loans to experienced developers, the city has not experienced any negative issues with their bridge loan portfolio. The interim loan program will impose the same conditions, including the level of experience of the developer, and HCD finance section staff will provide careful review and analysis of each proposed project.

In addition to the benefits of having our own program, the King County interim loan program will be able to leverage interim loan funding from both the City of Seattle and United Way of King County, depending upon where the project is located. United Way also established an interim loan program in 2008, based on the City of Seattle's program and in consultation with King County staff as we worked to develop our draft program policies. Both the City of Seattle and United Way interim loan programs have \$5 million available in total loan funds. United

Interim Loan Program Report

Way is interested in partnering to provide loans to homeless housing projects both inside the City of Seattle and in the balance of county outside Seattle. We have designed our program to be compatible with both of those programs.

Program Development Process

During 2008, HCD staff consulted with the City of Seattle, United Way, non-profit developers who have successfully accessed Seattle's Interim Loan Program, as well as non-profit developers that could have used such a program had one existed for use in King County outside of Seattle. This process also involved review and analysis of the interim loan policies that the City of Seattle adopted.

HCD staff spoke many times with Seattle staff responsible for administering Seattle's Interim Loan Program to answer questions relating to what has gone well or not so well and what they might do differently if they had the hindsight. Once we understood their rationale for inclusion of specific policies, HCD staff began developing the policies for King County, with the goal that the programs would be compatible so that we can make joint interim loans in appropriate circumstances.

The draft interim loan policies were circulated for comment to the following individuals on the basis of their expertise: Caroline McShane, Finance and Business Operations Deputy Director; Nigel Lewis, Executive Services Senior Debt Analyst; Cindy West, Office of Management and Budget (OMB) Supervisor, and other OMB staff; and Mike Sinsky, King County PAO. Many comments were received, which HCD staff addressed in back and forth discussions. It was through this process that the final proposed interim loan policies were vetted and refined. In addition, Mike Sinsky, PAO, reviewed and approved the proposed loan documents, which are also compatible with the Seattle loan program documents.

In early February 2009, HCD staff began working with the MIDD Housing Sub-committee on the development of an interim loan program report and the finalization of program policies. The report and policies were presented to the MIDD Oversight Committee on February 26, 2009, and received the full support of the committee.

Susan Duren, President of the Washington Community Reinvestment Association, has reviewed the proposed policies, and has also agreed to participate as a member of the Interim Loan Program Loan Committee.

Program Benefits

This program will add an additional tool to King County's existing Capital Finance Program for affordable housing, allowing non-profit developers to acquire property more quickly and at a reduced rate, thereby incurring lower holding costs on debt while they work to secure all the

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funds necessary to complete a project. The addition of an interim loan program will extend our ability to run a more comprehensive program that reduces project costs, and is likely to increase leverage from other financing sources on favorable terms. This has been the experience of the City of Seattle.

This program will also add an important resource that will help us reach our goal of moving homeless housing projects along the development continuum as rapidly as possible, a goal that was firmly embraced by the Committee to End Homelessness in implementing King County's Ten-Year Plan to End Homelessness. Moving our projects along as rapidly as possible is a good thing for our economy, as for every 100 units of housing created, there are approximately 133 jobs created.

In the current economic climate, the program will likely have other benefits. The program will allow non-profit developers to seize the opportunity to acquire suitable properties at lower prices than in prior years. This is particularly important given the current more difficult environment for securing private loans.

Program Risks

The loan program is for acquisition of property secured by a lien on the property, which is by nature a lower risk loan program. An affordable housing covenant will be placed in first lien position on every property acquired through the interim loan program, ensuring that in the event the property is ever foreclosed upon, the property will still remain affordable. In addition to the affordable housing covenant in first lien position, our interim loan will be secured by a lien on the property.

The primary risk of the program is related to the potential for a borrower to have problems performing pursuant to the loan agreement, and for such a problem to have an affect on the fund sources used for the program. There are many elements of the proposed program that mitigate a potential borrower default. The HCD staff will be monitoring the loan portfolio carefully, and if there are problems emerging with a borrower, HCD will enforce the loan agreement to endeavor to secure prompt performance. If that does not yield appropriate results, HCD staff will work to facilitate a transfer of the property to another non-profit in order to continue forward with the development of affordable housing, pursuant to the affordability covenant. If the property cannot be transferred to a suitable non-profit, King County may pursue legal recourse to recover the funds, including the option to release the covenant and invoke repayment through the sale of the property for any purpose.

Due to the potential risks associated with the program, the interim loan program will only accept applications from agencies whose projects have a high likelihood of successful completion: a strong track record and portfolio of projects that are performing well, and the project for which

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they are submitting the loan application will have to meet the threshold feasibility required for our permanent funds.

Even though it could take a number of years to recover a problem loan, the fund balance in the HOF fund will have adequate cushion to continue paying out on all five year awards. If the cushion were to become too slim at some point, a decision could be made to reduce the amount of funds awarded in the next funding round as a temporary measure. In the event that the sale of a property were to result in repayment of less than 100 percent of the amount owed to King County (or to all lenders by proportionate share in the case of a joint loan with Seattle and/or United Way), such shortfall would be accounted for in the next funding round in order to cover the loss.

Due to the high degree of scrutiny of each application, the likelihood of experiencing such consequences are highly unlikely, and have not been experienced by the City of Seattle, for example, in eight years of running their program.

Components and Requirements of Program

The program will use funds that have been appropriated and committed to projects. However, because the projects spend down slowly over a five year period, a large portion of the commitment is held in reserve as part of the fund balance. We propose to primarily use Homeless Housing and Services Funds (derived from RCW 36.22.178 and 36.22.179), a sub-fund in the HOF for homeless housing supportive services, rental assistance and affordable housing operating support, and to a lesser extent, Mental Illness and Drug Dependency (MIDD) Housing Services Funds in the HOF for homeless housing supportive services to MIDD-eligible persons in housing.

The funds spend down slowly over a five year period because the annual awards are intended to be spent over a five year period, an approach that was endorsed by the Committee to End Homelessness as the Homeless Housing and Services Fund was implemented. Five year awards are important for both scattered site model housing programs and production of new permanent supportive housing units. Five year awards allow the agencies receiving funds to work with households for the period of time necessary to provide rental supports and supportive services to homeless households transitioning to scattered site permanent supportive housing. In accordance with the same principle, new units of permanent supportive housing for very low-income homeless households must be underwritten with adequate operating subsidy for at least five years in order to be feasible.

The MIDD Housing Implementation Plan adopted by the King County Council specifically allows the use of MIDD funds for interim loans, and the funds derived from RCW 36.22.178 and 36.22.179 can be used for any purpose that meets the goals of our Ten Year Plan to End Homelessness. The MIDD funds will only be used to support projects with units for MIDD-

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eligible tenants. The King County Prosecuting Attorney's Office (PAO) has reviewed the interim loan policies and has also verified that funds derived from RCW 36.22.178 and 36.22.179 are an appropriate source to support an interim loan program for projects containing housing units for homeless households. The interim loan program is consistent with the goals of Ten-Year Plan to End Homelessness in King County, the MIDD Implementation Plan and the King County Consortium Consolidated Housing and Community Development Plan.

The interim loan program will provide funds at a very low three percent interest rate to non-profit affordable housing developers for the acquisition of property suitable for affordable housing at the time the property is available. There will be a cap of six million dollars on the total amount of interim loans out at any one time. This is quite a conservative cap, leaving adequate cushion to pay out on all the five year contracted awards even if a loan were to falter and not be paid back on time. The estimated ongoing balance in the HOF fund ranges from \$11 to \$13 million annually from both fund sources combined. Due to the fact that the MIDD is a smaller fund that has a lower ongoing fund balance, we will be limited in the number of MIDD-eligible projects we can fund through the program at any one time (see Attachment C - HOF Fund Flow Rate Analysis).

The interim loan funds can only be used to acquire and hold a property that will be used for eligible affordable housing until all permanent financing can be pursued and secured. The maximum loan term will be five years. We set this time limit after consulting with the City of Seattle, which has been administering an established loan program since 1998 and recently increased their term to five years. Most projects will take about two years to pay back the loans, but the five year term allows for the possibility that a number of projects will need more time to secure all necessary funds due to the potential for backlogs with public funding rounds.

Interim loan funds can also be used to take out a higher rate property acquisition loan in order to reduce project costs. The detail covering specific program requirements, as well as more information about the City of Seattle program, is contained in the attached Interim Loan Program Proposed Policies.

Loan Portfolio Oversight and Approval Process

Given the connection of the interim loan program to the existing HCD affordable housing capital funding program, reports on the progress of the interim loan program portfolio will be provided annually to the Joint Recommendations Committee, the interjurisdictional body that advises King County on annual permanent funding awards for affordable housing projects as well as an array of affordable housing and community development issues, pursuant to KCC Title 24, Chapter 24.13. If MIDD funds are included in a loan, an update item will be included in semi-annual reports to the MIDD Oversight Board.

Interim Loan Program Report

The HCD staff lead for the credit enhancement program (Business and Finance Officer III) will be the lead staff providing initial evaluation of interim loan program applications. Because we anticipate coordinating with other public funders to provide a portion of the permanent financing that will “take out” our interim loan, we will only accept applications from agencies whose projects have a high likelihood of successful completion: a strong track record and portfolio of projects that are performing well, and the project for which they are submitting the loan application will have to meet the threshold feasibility required for our permanent funds.

Application recommendations will be made to an Interim Loan Program Committee, consisting of the President of the Washington Community Reinvestment Association, the Business Director of DCHS, the Finance Manager of the CSD, the Director of CSD, and the HCD Program Manager. When and if MIDD funds are included in a loan for a MIDD-eligible project, the Mental Health, Chemical Abuse and Dependency Services Division Director will join the loan committee. The Interim Loan Program Committee will make a final recommendation on loan approval to the DCHS Director. Appeals will be subject to our standard criteria for capital projects and must be submitted in writing to DCHS Director within ten working days following notification of our decision.

Interim Loan Program Proposed Policies

Program Overview

King County Housing and Community Development (HCD) will administer an interim loan program for acquisition of property for low income housing using Homeless Housing and Services Program funds (derived from RCW 36.22.178 and 36.22.179), and Mental Illness and Drug Dependency (MIDD) Housing Services funds (derived from King County Ordinance 15949), in the Housing Opportunity Fund (HOF).¹ These fund sources are collected and awarded to projects annually but are spent down slowly over a period of five years, creating a fund balance that is carried over from year to year. Interim loans will have open applications at any time throughout the year in order to facilitate the acquisition of suitable property for affordable housing projects at the time the property is available.

The interim loan fund will allow rapid access to low-cost funds for experienced affordable housing developers who will partner with King County in reaching our goals for affordable and homeless housing. The borrower will have a maximum of five years to acquire permanent project financing before repayment on the interim loan is due. The HCD interim loans can also be used to take out a higher rate property acquisition loan and may be combined with loan funds provided by other lenders. Interim loans are intended to allow projects to proceed when the sponsor can provide satisfactory assurance to HCD that permanent funding will be provided from other sources on acceptable terms within a reasonable period of time. Six million dollars will be the maximum amount available in the interim loan fund at any point in time. The decision whether to approve an interim loan application is within King County's sole and complete discretion. This program is not intended to create any right or entitlement to interim loan funding for potentially eligible applicants.

Interim Loans General Conditions

- Except as otherwise specified below, interim loans are subject to the same conditions or policies for any capital housing funds allocated by the HCD program, except those specifically applicable to interim loans as described below.
- Interim loans may be made only when, in the judgment of the Interim Loan Committee and the DCHS Director, the borrower provides reasonable assurance that the funds will be used for eligible purposes, that permanent funding will be available on acceptable terms to ensure repayment of the funds before the loan maturity date, and that appropriate security is provided by the borrower to guarantee repayment.
- No more than one outstanding interim loan per borrower may be held at one time.

¹ The funds that are to be utilized for this project are derived solely from local homeless housing and assistance surcharges authorized under RCW 36.22.178 and RCW 36.22.179.

Interim Loan Program Proposed Policies

Interim Loans Purpose

The Interim Loan Program was created to provide low-cost financing for the acquisition of property that will be developed to provide low-income housing to households at or below 50 percent of (AMI), including a portion of units for homeless households, as outlined below.

Interim Loans Priority

Interim loan priority will be afforded to projects proposing development of permanent affordable housing that includes homeless housing. The housing may be located anywhere in King County if it meets site criteria. The program will prioritize projects that are designed with at least 25 percent of the units in the project set-aside for homeless households. The affordability of the units must be for households at or below 50 percent of AMI, with the target for homeless units to households at or below 30 percent of AMI. For the purposes of the interim loan program, projects will need to submit preliminary plans for an appropriate level of supportive services for the targeted homeless population(s) provided on the site identified.

Geographic Coverage

The interim loan program is intended to encourage the development of affordable housing that includes units set aside for homeless households throughout King County. The HCD Program will use the geographic targets established in the Regional Affordable Housing Program as a general guide to disburse loans throughout King County.

Potentially Eligible Borrowers

To be potentially eligible for an interim loan, the project borrower must meet the following criteria:

- Borrower has developed and operated at least three publicly funded capital projects in King County
- Borrower has completed annual independent organizational financial audits that reflect an unqualified opinion with no findings or material weaknesses that would indicate concerns about the financial operations of the borrower, and borrower has forwarded to HCD the last three years independent financial audits, as well as management letters
- Borrower is in good standing with local public funders, including being current with annual report submissions
- Borrower's publicly funded properties are well maintained and performing to industry standards and are in compliance with public funder regulatory and loan agreement terms
- Deposits have been made in borrower's replacement and/or operating reserve accounts in accordance with public funder contract requirements

Interim Loan Program Proposed Policies

- All borrower projects are current with any debt service including public funder loan payments, taxes and insurance
- Borrower's development track record demonstrates that projects were completed within acceptable timelines and within budget
- Borrower's current pipeline is sized such that they can demonstrate the ability to secure permanent funding and pay off the interim loan within five years

Loan Rate, Term and Requirements

- The interest rate on King County interim loans shall be three percent simple interest with accrued interest paid in full when the interim loan is repaid
- The maximum term of an interim loan shall be five years
- Up to 100 percent loan to value ratio allowed
- All loans will be secured with a lien on the property acquired
- While King County may subordinate to other loans that are larger than the King County loan, an affordability covenant agreement will be placed in first lien position
- Non-performance of loan terms: in the event of non-performance under the terms of the loan, King County may, in addition to other applicable remedies, transfer a site to a new owner who will develop the site into affordable housing
- If the property must be sold with a release of the affordability covenant, all proceeds shall go to the lender(s) first in order to make the lenders whole. Documented costs incurred by the borrower, which have been specifically approved by King County will be reimbursable to the extent enough proceeds are available
- Borrower shall begin the process to secure permanent financing from public and private funders, as applicable, within a year from the time the interim loan is made, and shall submit an application to King County through the Notice of Funding Availability process for permanent capital funding as soon as reasonably plausible
- Borrower must provide American Land Title Association title, liability and property insurance for the property
- Borrower must provide semi-annual progress reports regarding efforts to secure permanent financing and the use of the interim loan funds, and shall provide audited/unaudited financial statements throughout the term of the loan
- In the event that a property is transferred to a new owner and the original interim loan program borrower made a King County approved equity investment in the property, the original borrower may seek compensation for that equity investment from the new owner. The new owner may seek to increase the interim loan amount for the site in order to provide such compensation to the original borrower (Example: Original borrower invested \$300,000 in King County-approved expenditures and received an interim loan for \$1.7 million to acquire a \$2 million property. New owner will compensate original borrower for the

Interim Loan Program Proposed Policies

\$300,000 and may seek to increase the interim loan above \$1.7 million to cover compensation to original borrower)

Site and Other Criteria

- Site is zoned for proposed use, or the proposed use is compatible with the comprehensive plan of the jurisdiction where the site is located, and a letter of such compatibility from the appropriate jurisdiction is submitted
- Site has no outstanding environmental issues
- There is a current appraisal (within six months) on the site that supports the amount of the interim loan
- Site is suitable for proposed use and does not present adverse development constraints, in the judgment of the jurisdiction of the project site, such as critical areas, wetlands, environmental contaminants, steep slopes, etc
- If site will involve relocation of existing residential or commercial tenants, when permanent financing is secured, a plan and budget are required that demonstrate compliance with King County, federal and state requirements

How to Apply

Prior to submitting an application for an interim loan, borrower must schedule a pre-application meeting with King County HCD staff, at which time it will be determined if borrower can submit an application.

Applicants should allow a reasonable review time and at least six weeks to closing. The application will be presented to the DCHS Loan Committee, which will make a recommendation to the DCHS Director for a final decision. Application materials to be submitted shall include the following:

- Evidence of site control
- Phase I environmental assessment
- Zoning compliance letter or letter from the jurisdiction's planning director confirming that proposed use is compatible with the jurisdiction's comprehensive plan and has a reasonable expectation of a rezone, if necessary, to accomplish an objective of the comprehensive plan
- Complete residential appraisal, supporting the purchase price
- Proposed development budget with sources and uses
- Proposed operating budget

Interim Loan Program Proposed Policies

- Annual audit reports and management letters for the last 3 years conducted by an independent certified public accounting firm
- Other materials as King County HCD deems necessary to complete loan underwriting.

DCHS Loan Committee Members

Susan Duren, President, Washington Community Reinvestment Association

Marty Lindley, Business Director, DCHS

Amnon Shoenfeld, Division Director, Mental Health, Chemical Abuse and Dependency Services
Division (when MIDD funds are proposed to be loaned)

Linda Peterson, Division Director, Community Services Division (CSD)

Dick Woo, Finance and Administrative Services Manager, CSD

Cheryl Markham, Project/Program Manager IV, CSD

	2008		2009		2010		2011		2012		Comments				
	Actual balance, 2008 year-end	Est. expend- Hires 2008	Estimated ending balance 2008	New revenues	Est. expend- Hires 2009	Estimated balance 2009 year-end	New revenues	Est. expend- Hires 2010	Estimated balance 2010 year-end	New revenues		Est. expend- Hires 2011	Estimated balance 2011 year-end	New revenues	Est. expend- Hires 2012
Appropriations to the HOF - Housing Finance Program															
HOF budget (RAHP, CFSA, DD, Vets, MH only)															
"Traditional Sources"															
New RAHP project commitments	2,400,000	(1,200,000)	1,200,000	1,250,000	(1,225,000)	1,225,000	1,250,000	(1,237,500)	1,237,500	1,250,000	(1,243,750)	1,243,750	1,250,000	(1,246,875)	1,246,875
RAHP operations	-	(700,000)	700,000	700,000	(700,000)	700,000	700,000	(700,000)	700,000	700,000	(700,000)	700,000	700,000	(700,000)	700,000
New HOF-CX project commitments	1,500,000	(700,000)	800,000	362,727	(700,000)	462,727	-	-	-	-	-	-	-	-	-
Special needs housing (MHI, DD, Vets Program)	600,000	(300,000)	300,000	300,000	(300,000)	300,000	300,000	(300,000)	300,000	300,000	(300,000)	300,000	300,000	(300,000)	300,000
Interest earned on fund balance	73,600	-	73,600	33,761	-	33,761	-	22,294	22,294	-	-	25,472	-	-	35,578
Total HOF fund ending fund balance	(2,200,000)		2,300,000	1,987,727	(2,925,000)	1,987,727	1,837,500	(2,700,227)	1,837,500	1,543,750	(2,243,750)	1,543,750	1,543,750	(2,246,875)	1,546,875
Appropriations to the HOF - Homeless Housing Program															
2163 and 1359 funds "New Sources" (HHSF)															
2163 & 1359 (Document reworking fee, homeless housing)	10,324,471	(2,061,804)	8,262,667	3,785,600	(2,400,035)	9,636,141	10,737,393	(2,684,348)	10,737,393	3,785,600	(2,604,699)	11,618,395	3,785,600	(3,680,799)	12,333,198
MIDD Housing Services	-	(100,000)	1,600,000	2,000,000	(800,000)	2,800,000	2,000,000	(800,000)	2,800,000	2,000,000	(1,200,000)	3,600,000	2,000,000	(1,600,000)	4,000,000
Total	\$ -	\$ -	\$ 8,262,667	\$ 11,236,141	\$ -	\$ 11,236,141	\$ 13,537,393	\$ -	\$ 13,537,393	\$ 5,785,600	\$ (3,804,703)	\$ 15,218,395	\$ 5,785,600	\$ (5,280,799)	\$ 16,333,198
Estimated interest earnings on fund balance			73,600	33,761		33,761	22,294		22,294			25,472			35,578
HOF 1.45-3.15%			264,306	191,014		191,014	166,292		166,292			251,104			375,433
2163 & 1359 & MIDD 1.45-3.15%			337,906	284,866		284,866	216,586		216,586			276,575			411,912
Total interest, all fund sources			\$ 337,906	\$ 284,866		\$ 284,866	\$ 216,586		\$ 216,586			\$ 276,575			\$ 411,912
Funds Available for Interim Loan Program															
Note: average time from commitment to final voucher for current HOF projects is 23.2 months															
Assumptions:															
HFP Capital expended within two years.															
Special Needs Capital at \$300,000 per year.															
2163 funds expended at 20% per year for five year commitment.															
1359 funds expended at 20% per year for five year commitment.															
Total Available for Interim Loan Program \$ 17,038,720															
Total Available for Interim Loan Program \$ 16,281,082															