

WCRA In Action!

Spring 2009

Meeting Washington's Affordable Housing Needs Through Partnership

News and Views:

WCRA Membership Makes a Difference

By Susan M. Duren

At a time when economic issues are at the forefront of all of our minds, it seems that the opportunities to feel good are quite infrequent. Over the years, our members have continued to make a huge difference in communities around the state. They have contributed to our making loans for affordable rental housing in 32 of the 39 counties in our state leaving only 7 counties that have not had a WCRA permanent loan for an affordable rental or special needs property.

The families, seniors, farm workers and formerly homeless tenants are all so very appreciative of the homes that have been provided for them and many have added garden areas where they grow and exchange vegetables with their neighbors, extra flower plantings that were not part of the original landscaping but add a pride of ownership to each of the tenants, a library with book sharing, and special celebrations and events planned for their apartment community. Many of the properties offer after school programs for children and adults in English as a second language, job placement opportunities, tutoring and other important living skills. Over all, our member banks should all feel very proud of the community changes they have participated in to improve the lives of many people around the state and through the construction of the units, the management of the units after completion and the maintenance of the properties, the many jobs that have been created, too.

The private capital provided by our member banks is generally leveraged with public funds from the Washington State Housing Finance Commission, the Washington State Community Trade and Economic Department and many county and municipal government programs. Over the last 17 years, this collaboration between the private and public funds through the WCRA has created over 8,700 housing units and 103,645 square feet of economic development space. The challenge remains to continue to add more units and space to all the communities around the state because there is still a really great need.

Susan M. Duren is President of the WCRA. She is a board member of the Office of Rural and Farmworker Housing, Washington Low Income Housing Alliance, and Impact Capital. She is a member of the King County Credit Enhancement Committee, WA State CTED Policy Advisory Team, and the Housing Trust Fund Credit Committee.



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PROPERTY PROFILE—GRuB

Garden Raised Bounty, Olympia

Garden-Raised Bounty (“GRuB”), operating out of Olympia, is a grassroots Washington nonprofit, formed in 1993 under the name of Kitchen Garden Project. GRuB’s mission is “nourishing a strong community by empowering people and growing good food.” The GRuB Garden home was originally the home of Bonnie Turner who began farming the land with her family in 1945. She was dedicated to urban food production and had donated the use of her land to GRuB projects since 1994. In 2004, Bonnie passed away and in May 2005, GRuB signed a purchase and sale agreement with her heirs. In February 2006 GRuB was approved for permanent financing through the WCRA’s *Capital Plus!* program, and the loan funded in April 2006.

Participants in the Kitchen Garden Program build therapeutic gardens for low-income seniors and help low income families to build raised-bed gardens at their residences. Since 2003, the Kitchen Garden Project has given over 2,000 gardens to low/no income families. KGP garden recipients receive 3 raised beds, a trellis, fertile soil, seeds, starts, a gardening guide, and the opportunity to



Working in the fields, photo courtesy of GRuB



Summer 2008, photo courtesy of GRuB

work with a garden mentor. The gardens are built with the help of the KGP coordinator, KGP assistant, interns, the GRuB Youth Crew, and many community volunteers.

GRuB also operates a program called Cultivating Youth, aimed at providing educational and employment opportunities to grow inspired, self-confident and community-minded youth. Currently, GRuB operates in Thurston and Mason counties. The organization holds the philosophy that gardens, in addition to decreasing hunger, promote good nutrition, foster self-reliant behavior and improve communities by improving their environment. As a result, assuming the responsibility of growing fresh food has been determined to be an important first step in breaking the cycle of dependency.

WCRA is proud to partner with the Washington State Housing Finance Commission on this *Capital Plus!* project. For more information about Garden Raised Bounty and all of its community-based programs go to www.goodgrub.org or call (360) 753-5522.

The Lending Queue:

Yes, We Finance More than Housing

By *Dulcie J. Claassen*

Although most of WCRA's loans support affordable housing, we also have two programs that go beyond housing.

The first program, our Economic Development loan, is funded by our member banks. Projects may qualify for the loan in one of several ways. The property may serve a low income population or be located in a low to moderate income census tract or other CRA targeted area. Another eligible property type is commercial space within a mixed use affordable housing development. Project uses may include commercial, social service, public facilities, or retail. Eligible borrowers include non-profits, for-profits, housing authorities, public development agencies and community action councils. The maximum loan is \$2.5 million with no minimum loan amount. Borrowers may elect a fixed rate term of fifteen years or a thirty year term with a one-time rate adjustment in year fifteen. In either case payments may be amortized over thirty years. The interest rate is based on the ten-year treasuries plus a margin, subject to a rate floor of 6.25%. Today's rate on this loan is 6.25%. A debt service coverage ratio of 1.25:1 is required.

Our companion program is called *Capital Plus!* This program is offered in conjunction with the Washington State Housing Finance Commission and is targeted towards small non-profit organizations that do not have access to favorable financing through traditional lending sources. The non-profit should provide community services primarily to lower income persons, persons with special needs, or be an organization that serves a unique or special purpose in the community. Collateral may be real estate or equipment.

Many of our real estate loans under this program have been owner-occupied by the non-profit. For real estate loans the maximum loan is \$500,000 with a maximum term of 10 years and amortization of 30 years. The current interest rate is 4.75%.

When equipment is collateral it should further the non-profit's mission. For equipment loans the maximum loan is \$100,000 with a maximum term of 5 years. The loan must be fully amortizing. The current interest rate is 5.5%.

Combined loans to one borrower under the *Capital Plus!* program may not exceed \$750,000. There is no minimum loan amount under the program. All loans are subject to a 1.10:1 debt service coverage requirement.

For more details on either program please call Dulcie Claassen at 206.622.6322 or email her at dclaassen@wcra.net.

Dulcie J. Claassen is the WCRA Vice President and Loan Officer. Send your questions for this column to her at the WCRA.



2009 CRA ROUNDTABLE SUMMARY

The inaugural meeting of the Washington Community Reinvestment Association’s CRA Officers was held prior to the WCRA Annual Meeting on February 6th, with representation from nineteen of the WCRA member banks. The concept for the meeting was planted during a brainstorming session at the 2008 WCRA Planning Retreat. As the idea was being discussed it became apparent that there was a pressing need for a forum where CRA Officers could discuss issues pertinent to today’s CRA environment. Voila! The CRA Roundtable Group was created. Lauren Edlund, the WCRA Loan Servicing Technician, facilitated this year’s roundtable discussion. Over box lunches the group went straight to work redesigning the quarterly reports the WCRA provides. Plans were made for the group to meet quarterly, with three meetings held via conference call and one in-person meeting per year. Topics for future meetings will include mobile home lending and legislative issues.

If you are interested in finding out more about the CRA Roundtable Group, please contact Lauren Edlund at 206-622-5958 or ledlund@wcra.net.

STAFF NEWS

In February the WCRA proudly welcomed Ellie Baird on board as the Office Manager. Prior to joining WCRA Ellie managed two small businesses she and her husband own. Her background includes work in sales, marketing and promotion for communications and printing companies. She has a Business Administration degree from Washington State University.

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WCRA In Action! is published for WCRA’s members and friends. It contains member and project profiles, CRA-related topics, and other items of interest about affordable housing in Washington. We appreciate your comments and suggestions.

WCRA In Action! is published by the Washington Community Reinvestment Association.

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