



**Northwest
Cooperative
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Center**



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Opening doors to a better life

Mercy Loan Fund



JPMorgan Chase Foundation

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Three Moses Lake neighborhoods transformed as residents buy the land beneath their homes

Contacts:

Margret Graham, Wash. State Housing Finance Commission: (206) 454-9058

Diane Gasaway, Northwest Co-op Development Center: (360) 943-4241

Michael Sloss, ROC USA® Capital: (603) 724-8370

Julie Gould, President, Mercy Loan Fund: (202) 495-7401

Paul Bradley, President, ROC USA, LLC: (603) 856-0709

Darcy Donahoe-Wilmot, JPMorgan Chase & Co.: (206) 500-2828

MOSES LAKE, Wash. – Homeowners in three “mobile-home parks” in this city of about 20,000 took control of the land beneath their homes when they formed three cooperatives and became not just homeowners, but landowners, too.

The 113 homes in Lakeview Terrace, Ponderosa and Cascade Village now make up three resident-owned communities (ROCs) run by three democratically controlled cooperatives.

“Each community faced important challenges along the way — Ponderosa and Cascade Village integrating the native Spanish-speaking and English-speaking homeowners into one community with one voice, and Lakeview Terrace addressing several key site and community infrastructure matters with business acumen,” said Michael Sloss, managing director of ROC USA Capital.

The properties were part of a portfolio sale totaling more than \$3 million by Cascade Communities Ltd. to the residents of the new cooperatives. Financing for the sale was provided by ROC USA® Capital, Mercy Loan Fund and the Washington State Housing Finance Commission.

“ROC USA Capital is proud to be the lender to each of these homeowner cooperatives and looks forward to a long-term and productive business relationship with each cooperative in Moses Lake,” Sloss said.

Northwest Cooperative Development Center of Olympia will continue to provide technical assistance to the co-op for the length of the mortgage—at least 10 years.

“It's exciting to witness and assist in the development of a new paradigm of ownership for the communities' residents,” said Diane Gasaway, Executive Director of NWCDC. “All the communities have already commented that they feel safer now that they know each other, their neighbors are taking better care of their landscaping, and everyone is excited about the upcoming infrastructure improvements. “

In a resident-owned community, homeowners each buy one low-cost share and become members of the co-op, with one vote on matters of the community. They elect a board of directors to act on day-to-day issues and vote on larger matters like the annual budget, by-laws and community rules.

That empowerment is important to officials at Washington State Housing Finance Commission, which helped ensure an affordable interest rate. This is the Commission's sixth financing partnership to preserve manufactured-home communities in Washington.

"We are proud to be a part of helping these diverse communities become self-owning, self-determining cooperatives," said Karen Miller, Commission chair. "This is our third successful collaboration with ROC USA and NWCDC, and we look forward to many more."

The ROC USA and Mercy Loan Fund financing was made available through a two-year, \$4 million grant from the JPMorgan Chase Foundation's CDFI (community development financial institution) Collaborative program. This first-of-its-kind program creates partnerships among CDFIs to help them build capacity and improve access to capital for small businesses, affordable housing and healthy food networks, as well as create economic growth in distressed and underserved communities.

"JPMorgan Chase is proud to help more residents call Moses Lake home and we congratulate them on taking the next step toward building assets for their families," said Janis Bowdler, Senior Program Director for Financial Capability and Community Development, JPMorgan Chase Foundation. "Manufactured housing is a critical source of affordable housing that is often overlooked. JPMorgan Chase's investment is helping ROC USA address the tough development challenges in this sector."

"Manufactured housing is the unsung hero of affordable home ownership, but low income owners who rent their land frequently face barriers to using their homes to build equity," said Julie Gould, president of Mercy Loan Fund. "These Moses Lake homeowners can use the security provided by this transaction to strengthen their community roots and invest in their homes and neighborhood. Our collaboration with ROC-USA supports our national mission of preserving lives and neighborhoods in a unique, cost effective way that answers a compelling need."

Sloss said it was easy for all partners in the financing to recognize that the homeowners in Moses Lake represented three strong groups of homeowners dedicated to bettering their homes and neighborhoods through resident ownership.

"ROC USA Capital is very pleased to have assembled over \$3.3 million to enable the homeowners to secure their long-term financial security by acquiring the land beneath their homes," he said. "The financing of these three communities marks the first time these institutions have been brought together to meet the community financing needs of homeowners in manufactured home communities. We look forward to much more productive business in Washington with each of these three valued financial partners."

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About the Partners

ROC USA (www.rocusa.org) is a non-profit organization with a national network of eight organizations (such as NWCDC) and a national financing source for co-ops. ROC USA® is sponsored by the Ford Foundation, NeighborWorks® America, NCB Capital Impact, the Corporation for Enterprise Development, and the New Hampshire Community Loan Fund. The Community Loan Fund, a non-profit community development financial institution in New Hampshire, leveraged its experience with 109 resident-owned communities in that state to launch ROC USA with national partners in May 2008. Since then, ROC USA Network has helped 67 communities preserve 4,315 homes in 14 states.

Northwest Cooperative Development Center (www.nwcddc.coop) is a nonprofit organization devoted to assisting new and existing cooperative businesses. It supports cooperatives in Oregon, Washington, Idaho and Hawaii. Founded by cooperatives in 1979, the Center has grown into the Northwest's leading provider of services for co-op business development. It has a long history of collaborating with communities,

governments, economic development agencies and other cooperatives, sharing expertise and building cross-sector support for new and existing cooperatives.

Mercy Loan Fund (www.mercyloanfund.org), a subsidiary of the national affordable housing organization Mercy Housing, provides financing to hundreds of local nonprofit organizations, enabling them to build or preserve affordable housing in their communities. Since 1985, the organization has made 454 loans in 38 states totaling \$245 million, resulting in 19,400 affordable homes for over 52,200 residents. These loans have leveraged more than \$1.6 billion in total development funding. Mercy Loan Fund is certified by the U.S. Treasury Department as a Community Development Financial Institution (CDFI). Mercy Loan Fund was formed with the goal of supporting the mission of Mercy Housing by making loans for affordable housing developments when conventional financing is not possible or affordable.

The **Washington State Housing Finance Commission** (www.wshfc.org) is a publicly accountable, self-supporting team, dedicated to increasing housing access and affordability, and to expanding the availability of quality community services for the people of Washington. The commission, which receives no regular state funding for its operations, works with lenders, investors, developers, nonprofit organizations, first-time homebuyers, beginning farmers and ranchers and energy companies to bring private investment dollars to benefit families and achieve public goals in Washington.

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