

**Laura Lockwood-McCall**, Chair & Designee  
Office of the State Treasurer

**Jean Gabriel**, Designee  
Oregon Department of Administrative Services

**Dan Anderson**, Public Member



**PRIVATE ACTIVITY  
BOND COMMITTEE**  
350 WINTER STREET NE, SUITE 100  
SALEM, OREGON 97301-3896  
(503) 378-4930  
FAX (503) 378-2870

July 8, 2020

TO: Members of the Private Activity Bond Committee

FROM: Laura Lockwood-McCall, Chair  
Office of the State Treasurer, Director of Debt Management Division

SUBJECT: Meeting on Wednesday, July 15, 2020

The Private Activity Bond Committee will meet on Wednesday, July 15, 2020 to discuss 2020 committee volume cap allocation requests and other agenda topics.

This meeting will be conducted from 10:00 am – 12:00 pm (approximate end time) via Teams Virtual Meeting; see enclosed Public Meeting Notice and Agenda for participation details.

An e-copy of the meeting packet is provided. Due to remote working locations of staff, a hard copy is not distributed; please print if hard copy is preferred.

Please contact us at 503-378-4930 if you have any questions.

TAB 1 –  
AGENDA

Laura Lockwood-McCall, Chair & Designee  
Office of the State Treasurer

Jean Gabriel, Designee  
Department of Administrative Services

Dan Anderson, Public Member



**PRIVATE ACTIVITY  
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350 WINTER STREET NE, SUITE 100  
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(503) 378-4930  
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[DMD@ost.state.or.us](mailto:DMD@ost.state.or.us)

PUBLIC MEETING NOTICE AND AGENDA

THE PRIVATE ACTIVITY BOND COMMITTEE WILL HOLD A REGULARLY SCHEDULED  
**VIRTUAL MEETING ON**

Wednesday, July 15, 2020  
10:00 am – 12:00 pm (approximate end time)

AUDIO AND VIDEO PARTICIPATION: [Join Microsoft Teams Meeting](#)

AUDIO PARTICIPATION ONLY:           Dial-In Access           [+1 971-279-6217](tel:+19712796217)  
Conference ID #                       609 226 850#

AGENDA<sup>1</sup>

	<u>BEGIN</u>	<u>END</u>
1. Call to Order		
2. Private Activity Bond Status	10:00 AM	10:05 AM
• 2020 Current Allocation Status		
3. 2020 Current Volume Cap Requests		
• City of Portland / Portland Housing Bureau Mortgage Certificate Credit Program Close Out \$4,556,103.20, <i>Qualifying IRC 143(a)</i> <sup>2</sup>	10:05 AM	10:20 AM
• Home Forward 2021 Pipeline Update <i>Qualifying IRC 142(a)(7) and 142(d)</i> <sup>3</sup>	10:20 AM	10:45 AM
4. Other		
5. Adjournment		

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<sup>1</sup> Estimated times

<sup>2</sup> Qualified mortgage project

<sup>3</sup> Residential rental projects

TAB 2 – STATUS OF PAB ALLOCATIONS

2020 CURRENT VOLUME CAP

2020  
 STATE OF OREGON  
 PRIVATE ACTIVITY BOND (PAB) VOLUME CAP  
 \$442,862,385  
 7/8/2020

	Legislatively Allocated	Amount Requested To Date	Amount Approved To Date	Allocation		Date Allocated	Date Used	Date Expires
				Used To Date	Returned To Committee			
<b>PAB Committee - Allocation x HB 5005 (2019-21 Legislature)</b>	\$147,524,865							
Additional Allocation based on 2019 Census Data	\$2,837,520							
<b>TOTAL PAB Committee Allocation for 2020:</b>	<b><u>\$150,362,385</u></b>							
Oregon Business Development Department / Business Oregon <i>Red Rock Biofuels LLC Clean Energy Project</i>		30,000,000.00	15,000,000.00			1/22/20		12/15/20
Central Oregon Regional Housing Authority dba Housing Works <i>Midtown Place</i>		6,630,400.00	6,630,400.00			4/15/20		9/12/20
City of Portland / Portland Housing Bureau <i>MCC Program</i>		4,556,103.20						
		41,186,503.20	21,630,400.00					

**TOTAL PAB Committee Allocation for 2020:** \$150,362,385.00  
 Allocation Approved to Date: **(\$21,630,400.00)**  
 Expired Allocation Returned to Committee: \$0.00  
**Total Remaining Available to Allocate: \$128,731,985.00**

**Total Amount Requested for Today's Meeting: \$4,556,103.20**

**Private Activity Bond Committee  
2020 Allocations  
07/08/20**

<b>State Agencies</b>	<b>Legislative Cap Allocations<sup>1</sup></b>	<b>PAB Current Requests</b>	<b>PAB Committee Approved Allocations</b>	<b>Allocations</b>
Oregon Housing & Community Services	250,000,000.00			250,000,000.00
Oregon Business Development Department (OBDD)--IDBs	40,000,000.00			40,000,000.00
OBDD-- <i>Beginning &amp; Expanding Farmer Loan Program</i>	2,500,000.00			2,500,000.00
<b>State Agency Subtotals</b>	<b>292,500,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>292,500,000.00</b>

**Total PAB Committee Allocation<sup>2</sup> 150,362,385.00**

<b>Local Government</b>	
OBDD--Red Rock Biofuels, LLC	15,000,000.00
CORHA dba Housing Works--Midtown Place	6,630,400.00
City of Portland / Portland Housing Bureau - MCC Program	4,556,103.20
<b>Local Government Subtotals</b>	<b>4,556,103.20 21,630,400.00</b>

<b>PAB Volume Cap Totals<sup>3</sup></b>	<b>442,862,385.00</b>	<b>4,556,103.20</b>	<b>21,630,400.00</b>
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<b>2018 Current Allocation Summary</b>	
Remaining Available Allocation Cap:	\$150,362,385.00
Current Approved: -	-\$21,630,400.00
Current Requests: -	-\$4,556,103.20
Expired/Returned to Committee <sup>4</sup> : +	\$0.00
Potential Remaining Allocation:	<b>\$124,175,881.80</b>

<sup>1</sup> House Bill 5005 (2019 Legislative Session for 2019-2021 biennium)

<sup>2</sup> PAB Legislative Allocation for 2020 + Additional Allocation Based on Census Data

<sup>3</sup> Calculated by multiplying U.S. Census FY19 Population by 2020 IRS Cap per Capita: 4,217,737 x \$105 = \$442,862,385

<sup>4</sup> Balance of expired/returned 2019 Committee Current Allocations

**Any excess resulting from an increase in population and/or dollar cap subsequent to adoption of the bond bill is allocated to the PAB committee for allocation.**

TAB 3a –

2020 CURRENT VOLUME CAP REQUESTS

City of Portland /

Portland Housing Bureau –

Qualifying Residential Housing IRC 143(a), \$4,556,103.20

Laura Lockwood-McCall, Chair & Designee  
Oregon State Treasury

Jean Gabriel, Designee  
Department of Administrative Services

Dan Anderson, Public Member



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350 Winter Street NE, Suite 100  
Salem, OR 97301-3896  
(503) 378-4930  
[DMD@OST.state.or.us](mailto:DMD@OST.state.or.us)

**PRIVATE ACTIVITY BOND ALLOCATION REQUEST**

**ALLOCATION REQUEST TYPE**

**DATE:** June 17, 2020

- Current Year Allocation Request  
 Carry Forward Allocation Request

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**ISSUER DETAILS**

Issuer: City of Portland  
Address: 1120 SW 5th Ave, Rm 1250  
City, State, Zip: Portland, Oregon, 97204  
Contact Name: Matthew Gierach, City Debt Manager  
Contact Phone: 503-823-6822      Contact Email: [Matthew.Gierach@portlandoregon.gov](mailto:Matthew.Gierach@portlandoregon.gov)

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**PROJECT INFORMATION**

Title of Project: Mortgage Credit Certificate Program Close-Out  
Project Amount: \$1,139,025.80      Bond Amount: \$0      Request Amount: \$4,556,103.20  
Sale Date: NA      Closing Date: NA

IRC Section & Paragraph Applicable to Qualifying Private Activity Bond Project (*if selecting 'Other', specify below*):

Qualified mortgage project (IRC 143(a))



Please describe the project:

The City is requesting assistance in resolving an MCC program close-out issue. After the committee decision on January 22 to decline a further allocation, program administrators began winding down the program. Despite having to end the program, there was unallocated volume cap from the previous allocation that the administrators understood, incorrectly so, could be used prior to the termination of the program. Through program close-out, administrators were notified that MCC awards needed to end on December 31, 2019. This notification came after the city had committed to MCCs for 19 households, who had gone through underwriting and closed on home purchases, with the tax credit factored into the financial assumptions. The IRS offers no clear path for remedy, and we are concerned about how to mitigate impacts on the mortgages or home-purchases of the 19 new low-to-moderate homeowners.

36% of the 19 MCC households are BIPOC (Black, Indigenous, and People of Color) households compared to being only 22% of all households in Portland. More specifically, 15% of the MCC households are Black households compared to being only 5% of all households in Portland. The median home purchase price for the 19 households was \$330,000, which is 22% lower than the city median price of \$427,000. The median income for the 19 households is \$65,000 per year, and with this income, only 4 of 24 neighborhood areas in Portland would be considered affordable for homebuyers - all of these neighborhoods are on the eastern edge of the city.

Expected Number of Family Wage Jobs Created/Saved: 0

Describe how the project meets statutory standards:

The MCC program is available to all people and homes that qualify under Federal law. Under Federal law only a “first-time home buyer” may receive a mortgage credit certificate. A “first-time home buyer” is one who has not had an interest in an owner-occupied home in the last three years. The “first-time home buyer” requirement is waived if the home is purchased in a target area. Federal laws limit the purchase price and household income allowed under the MCC program. The current purchase price limit is \$480,962, based on FHA limits as of January 2019. Total household income of applicants with households of two or fewer may not exceed 100% of median family income. Total household income of applicants with families of three or more may not exceed 115% of median family income.

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**HOUSING PROJECT INFORMATION, if applicable**

Expected Number of Resulting Housing Units: 19

Describe how the affordability status of housing units was determined:

The MCC program is an affordable housing program which assists low and moderate income first-time homebuyers to purchase and occupy a home. This IRS-authorized federal program is designed to address housing affordability by reducing the after-tax cost of purchasing a home while leveraging private sector capital to fund the loans. The City of Portland administers the MCC program through the Portland Housing Bureau.

If project qualifies for 4% low income housing tax credit (LIHTC), submit a [Low Income Housing Tax Credit Uses & Sources](#) (see sample).

N/A Has either a pre-application package or a final application package been submitted to [Oregon Housing & Community Services for 4% LIHTC?](#)

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**PRINCIPAL USER OF ISSUE PROCEEDS, if different from Issuer**

Company: Portland Housing Bureau  
Address: 421 SW 6th Ave, Suite 500  
City, State, Zip: Portland, Oregon, 97204  
Contact Name: Dory Van Bockel  
Contact Phone: 503-823-4469 Contact Email: Dory.VanBockel@portlandoregon.gov

**BOND COUNSEL**

Firm Name: Hawkins, Delafield, and Wood  
Address: 200 SW Market Street  
City, State, Zip: Portland, Oregon, 97201  
Contact Name: Jennifer Booth Cordova  
Contact Phone: 503-402-1326 Contact Email: jcordova@hawkins.com

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*Requests must be received by Oregon State Treasury – Debt Management Division (contact details on page 1) at least 2 weeks prior to a scheduled Private Activity Bond Committee meeting and must include a non-refundable \$200 application fee payable to the Office of the State Treasurer with “PAB” in the memo field. Payments by wire are preferred; wire instructions can be provided by fax or phone.*

TAB 3b –

2021 PIPELINE UPDATE

Home Forward –

Various Residential Rental Projects

Qualifying IRC 142(a)(7) and 142(d)



July 1, 2020

VIA ELECTRONIC TRANSMISSION

Laura Lockwood-McCall  
Private Activity Bond Committee  
350 Winter Street NE, Suite 100  
Salem, OR 97301-3896

RE: Future Home Forward Private Activity Bond (PAB) Projects

Dear Laura,

Thank you for your on-going support of Home Forward and its projects. The purpose of this letter is to provide information regarding estimated future PAB volume cap requests for affordable housing developments for calendar year 2021. We do not anticipate any 2020 PAB requests, however the 2021 calendar year includes four projects that will create 470 new units and preserve 209 existing units for a total of 679 affordable housing units financed with PABs and 4% Low Income Housing Tax Credits (LIHTC). We estimate that the four projects combined will need a total of \$121,046,500 in 2021 PAB Volume Cap.

Affordable housing is what we do, and people are the reason it matters. The demand for affordable housing continues to grow. The creation of new units and the preservation of existing affordable rental units play important roles in addressing this need.

Home Forward will continue its established development agenda targeting both production and preservation of affordable housing in 2021, and beyond. We are not doing this alone. We are partnering with Oregon Housing and Community Services (OHCS), Metro, and the Portland Housing Bureau (PHB) in new ways, to bring these housing systems together. All of these 694 units will house low-income Oregonians and in many cases, will serve households at or below 30% of Area Median Income (AMI). Depending on individual project specifics, the PAB issuer will be Home Forward or OHCS. Consequently, some PAB volume cap requests will come directly to the PAB Committee, while others will go to OHCS. Specifically, we anticipate Home Forward will be the bond issuer for three of the four projects with a combined need of \$109,920,000 of PAB Volume Cap, and OHCS will serve as bond issuer on one project needing \$11,126,500 in PAB volume Cap.

Below are project summaries for the properties that are scheduled to begin construction in 2021.

[A new name for the Housing Authority of Portland](#)

MAIN TEL 503.802.8300 TTY 503.802.8554 [homeforward.org](http://homeforward.org)

**85 Stories Group 7:**

*Developer:* Home Forward

*PAB Issuer:* Home Forward

*Ownership:* Limited partnership. Home Forward will be the sole general partner.

*Description:* Group 7 will preserve and recapitalize 209 existing units at four properties within Home Forward's traditional public housing portfolio by converting the operating subsidy to Section 8 rent subsidy. The existing population in our public housing portfolio has an average income of 18% AMI. Conversion will allow the properties to leverage debt and LIHTC equity to address physical needs. We anticipate a request for 2021 PAB Volume Cap at the January meeting. A more formal set of materials, including project sources and uses will be prepared in advance of the January PABC meeting and we can provide an update in the October 2020 meeting.

*Financing:*

Project Amount:	\$65,700,000
PAB Need:	\$34,700,000

*Schedule:*

Bond Sale Date:	03/31/2021
Closing Date:	03/31/2021

**SE Powell:**

*Developer:* Home Forward

*PAB Issuer:* Home Forward

*Ownership:* Limited partnership. Home Forward will be the sole general partner.

*Description:* SE Powell is a new construction, elevator building to be located on the corner of SE Powell Blvd. and SE 30<sup>th</sup> Avenue. The building will have approximately 210 units of affordable housing, of which 70 units will serve households at or below 30% AMI. 30 units will be Permanent Supportive Housing (PSH). This development will be leveraged with tax exempt bonds, 4% LIHTC, Portland Housing Bureau Housing Bond funds and private debt and equity. We anticipate a request for 2021 PAB Volume Cap at the January meeting. A more formal set of materials, including project sources and uses will be prepared in advance of the January PABC meeting and we can provide an update in the October 2020 meeting.

*Financing:*

Total Project Costs:	\$68,200,000
PAB Need:	\$35,895,000

*Schedule:*

Bond Sale Date:	05/24/2021
Closing Date:	05/24/2021

**Dekum Court:**

*Developer:* Home Forward

*PAB Issuer:* Home Forward

*Ownership:* Limited partnership. Home Forward will be the sole general partner.

*Description:* Dekum Court is a new construction project on a Home Forward-owned site where 40 existing apartments will be replaced, and additional new units will be added as part of its redevelopment. Upon completion, Dekum Court will consist of approximately 200 affordable housing units. Like other 85 Stories properties, Dekum Court is currently in our public housing portfolio and will convert the operating subsidy to Section 8 rent subsidy. More than half of the units will be restricted to serve households at or below 30% of AMI. Conversion will allow the property to leverage debt and LIHTC equity. This development will be leveraged with tax exempt bonds, 4% LIHTC, Metro Housing Bond funds and private debt and equity. We anticipate a request for 2021 PAB Volume Cap at the January meeting. A more formal set of materials, including project sources and uses will be prepared in advance of the January PABC meeting and we can provide an update in the October 2020 meeting.

*Financing:*

Total Project Costs: \$71,500,000

PAB Need: \$39,325,000

*Schedule:*

Bond Sale Date: 06/30/2021

Closing Date: 06/30/2021

**N Baldwin:**

*Developer:* Home Forward

*PAB Issuer:* OHCS

*Ownership:* Limited partnership. Home Forward will be the sole general partner.

*Description:* N Baldwin is a new construction, elevator building to be located on the corner of N Baldwin St. and N Interstate Avenue. The building will have approximately 60 units of affordable housing, all of which will be PSH. All units will serve chronically homeless households and have rental assistance provided through a new partnership between OHCS and the Oregon Health Authority (OHA). This development will be leveraged with tax exempt bonds, 4% LIHTC, OHCS/OHA PSH capital funds and private debt and equity. We do not anticipate a request for 2021 PAB Volume Cap from this Committee, as OHCS will be the PAB issuer.

*Financing:*

Total Project Costs: \$20,230,000  
PAB Need: \$11,126,500

*Schedule:*

Bond Sale Date: 08/13/2021  
Closing Date: 08/13/2021

The financing structure of each development in this update will leverage tax-exempt PABs, LIHTC, permanent debt and other sources. The financing and regulatory agreements will ensure the affordable units serve households qualifying for the LIHTC AMI restrictions.

You'll recall we last updated the PABC at the January 2020 meeting for future activity through 2022. Since then, many aspects of our business activity has changed, but we continue our work to increase affordable housing options for low-income Oregonians. We will continue to update the PABC over the coming months about these developments as we prepare for formal allocation requests.

We appreciate the Committee's long standing support of Home Forward and its rental developments.

Warmest regards,



Ben Loftis  
Finance Manager

cc: Jonathan Trutt, Home Forward  
Allison Schwartzman, Foster Garvey