

Jacqueline Knights, 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

January 6, 2021

TO: Members of the Private Activity Bond Committee

FROM: Jacqueline Knights, Chair
Office of the State Treasurer, Director of Debt Management Division

SUBJECT: Meeting on Wednesday, January 13, 2021

The Private Activity Bond Committee will meet on Wednesday, January 13, 2021 to discuss 2020 carry forward and 2021 committee volume cap allocation requests and other agenda topics.

This meeting will be conducted from 10:00 am – 12:00 pm (estimated 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.

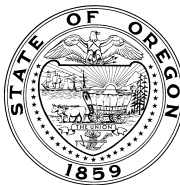
Please contact us at 503-378-4930 if you have any questions.

TAB 1 –
AGENDA

JACQUELINE KNIGHTS, Chair & Designee
Office of the State Treasurer

JEAN GABRIEL, Designee
Department of Administrative Services

DAN ANDERSON, Public Member



**PRIVATE ACTIVITY
BOND COMMITTEE**
350 WINTER STREET NE, SUITE 100
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PUBLIC MEETING NOTICE AND AGENDA

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

Wednesday, January 13, 2021
10:00 am – 12:00 pm (estimated end time)

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

AUDIO PARTICIPATION ONLY:	Dial-In Access	971-279-6217
	Conference ID #	530 887 31#

AGENDA¹

	<u>BEGIN</u>	<u>END</u>
1. Call to Order & Roll Call	10:00 AM	10:05 AM
2. Private Activity Bond Status	10:05 AM	10:10 AM
<ul style="list-style-type: none">• 2017 – 2019 Carry Forward Allocations• 2020 Current and Carry Forward Status• 2021 Current Allocation Status		
3. 2020 Carry Forward Request		
<ul style="list-style-type: none">• Oregon Housing & Community Services Department \$370,000,000, Qualifying IRC 142(2)(7) & 142(d)²<ul style="list-style-type: none">○ Project Projection Presentation	10:10 AM	10:40 AM
4. 2021 Volume Cap Request		
<ul style="list-style-type: none">• Home Forward, 85 Stories Group 7 \$43,240,000, Qualifying IRC 142(a)(7) & 142(d)²<ul style="list-style-type: none">○ Project Projection Presentation	10:40 AM	11:10 AM
5. Public Comment and Other	11:10 AM	11:20 AM
6. Adjournment		

¹ Estimated times

² Residential rental projects

TAB 2 – STATUS OF PAB ALLOCATIONS

2017 – 2019 CARRY FORWARD

2020 CURRENT VOLUME CAP AND CARRY FORWARD

2021 CURRENT VOLUME CAP

Private Activity Bond Committee
Historical Carry Forward Allocation and Use Summary
1/4/2021

Expired Carryforward

Allocation Year	Expiration Year	Description	Oregon Housing & Community Services Multi-Family 142(a)(7) & 142(d)	Oregon Housing & Community Services Single Family 143(a)	Port of Morrow Threemile Dairy or 142(a)(6)	Home Forward 142(a)(7) & 142(d)	Housing Authority of Clackamas County 142(a)(7) & 142(d)	City of Portland Mortgage Credit Certificate	TOTALS
2017	2020	Allocation	\$ 251,826,689.99						\$ 251,826,689.99
		Used	\$ 251,826,689.99						\$ 251,826,689.99
		Remaining	\$ -	\$ -	\$ -	\$ -			\$ -

Remaining Carryforward

2018	2021	Allocation	\$ 77,141,149.40	\$ 37,500,000.00	\$ 10,000,000.00				\$ 124,641,149.40
		Used	\$ 77,141,149.40	\$ 37,500,000.00					\$ 114,641,149.40
		Remaining	\$ -	\$ -	\$ 10,000,000.00	\$ -	\$ -		\$ 10,000,000.00
2019	2022	Allocation	\$ 248,875,232.62						\$ 248,875,232.62
		Used	\$ 12,562,539.61						\$ 12,562,539.61
		Remaining	\$ 236,312,693.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,312,693.01

Total Remaining Carryforward	Allocation	\$ 326,016,382.02	\$ 37,500,000.00	\$ 10,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ 373,516,382.02
	Used	\$ 89,703,689.01	\$ 37,500,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,203,689.01
	Remaining	\$ 236,312,693.01	\$ -	\$ 10,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ 246,312,693.01

Private Activity Bond Committee
2020 Carry Forward Summary
As of 1/4/2021

Agency	¹ Legislative Allocation for 2020	Committee Allotments of Allocation for 2020	Total Allocated or Alloted for 2020	Balance of Committee Allocation for 2020	Allocation Used for 2020	Allocations Returned to Committee for 2020	2020 Carry Forward Requests
Oregon Business Development Department - <i>IRDBs (Red Rock Biofuels)</i>	\$40,000,000.00	-	40,000,000.00		24,996,864.60	15,003,135.40	
Oregon Business Development Department - <i>Beginning & Expanding Farmer Loan Program</i>	\$2,500,000.00	-	2,500,000.00		-	2,500,000.00	
Oregon Housing & Community Services Department	\$250,000,000.00	-	250,000,000.00		5,598,436.55	244,401,563.45	370,000,000.00
OBDD/Business Oregon (<i>Red Rock Biofuels</i>)		15,000,000.00	15,000,000.00		15,000,000.00	-	
Central Oregon Regional Housing Authority (<i>Midtown Place - Redmond</i>)		6,630,400.00	6,630,400.00		6,630,400.00	-	
Portland Housing Bureau (<i>MCC Program</i>)		4,556,103.20	4,556,103.20		4,556,103.20		
Total:	\$292,500,000.00	26,186,503.20	318,686,503.20		56,781,804.35	261,904,698.85	370,000,000.00
² Adjusted PAB Committee Allocation	\$150,362,385.00	\$26,186,503.20					
³ Total 2020 Oregon PAB Allocation	\$442,862,385.00	2020 Carryforward:	\$124,175,881.80	+	261,904,698.85	=	\$386,080,580.65
2019 PAB Carryforward:	\$442,862,385.00	-	\$318,686,503.20	+	261,904,698.85	=	\$386,080,580.65

2020 CF Balance = \$386,080,580.65

2019 PAB Allocation Summary

2020 Oregon Allocation	\$442,862,385.00
Less PAB Allocation Used	(\$56,781,804.35)
2019 PAB Carryforward	\$386,080,580.65

¹ House Bill 5005 (2019 Legislative Session for 2019-2021 biennium)

² 2019 Legislative Allocation + Additional Allocation Based on U.S. Census and IRS Cap per Capita data

³ Calculated by multiplying Population Estimate by Dollar Cap per Capita for Oregon

[illegible]

Total Amount Volume Cap Requested for Today's Meeting: \$43,240,000.00

Private Activity Bond Committee
2021 Allocations
As of 1/4/2021

State Agencies	Legislative Cap Allocations ¹	PAB Current Requests	PAB Committee Approved Allocations	Allocations
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--Beginning & Expanding Farmer Loan Program	2,500,000.00			2,500,000.00
State Agency Subtotals	292,500,000.00	0.00	0.00	292,500,000.00

Total PAB Committee Allocation² **174,065,770.00 (or \$43,516,442/quarter)**

Local Government		
Home Forward--85 Stories Group 7	43,240,000.00	
Local Government Subtotals	43,240,000.00	0.00

Oregon PAB Volume Cap Totals³	466,565,770.00	43,240,000.00	0.00
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2021 Committee PAB Current Allocation Summary	
Remaining Available Allocation Cap:	\$174,065,770.00
Current Approved: -	\$0.00
Current Requests: -	-\$43,240,000.00
Expired/Returned to Committee ⁴ : +	\$0.00
Potential Remaining Allocation:	\$130,825,770.00

¹ House Bill 5005 (2019 Legislative Session for 2019-2021 biennium)

² PAB Legislative Allocation for 2021 + Additional Allocation Based on Census Data

The Committee voted to allocate its annual current volume cap in equal amounts throughout the year with any unallocated quarterly portions added to the next quarter

³ Calculated by multiplying U.S. Census FY20 Population by 2021 IRS Cap per Capita: 4,241,507 x \$110 = \$466,565,770

⁴ Balance of expired/returned 2021 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 3 –

2020 CARRY FORWARD REQUESTS

Oregon Housing and Community Services

Multi-Family Housing Qualifying IRC 142(a)(7) & 142(d)

\$370,000,000

Project Projection Presentation

Jacqueline Knights, Chair & Designee
Oregon State Treasury

Jean Gabriel, Designee
Department of Administrative Services

Dan Anderson, Public Member



PRIVATE ACTIVITY BOND COMMITTEE

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

PRIVATE ACTIVITY BOND ALLOCATION REQUEST

ALLOCATION REQUEST TYPE

Current Year Allocation Request
Carry Forward Allocation Request

DATE:

ISSUER DETAILS

Issuer:

Address:

City, State, Zip:

Contact Name:

Contact Phone:

Contact Email:

PROJECT INFORMATION

Title of Project:

Project Amount:

Bond Amount:

Request Amount:

Sale Date:

Closing Date:

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

Please describe the project:

Expected Number of Family Wage Jobs Created/Saved:

Describe how the project meets statutory standards:

HOUSING PROJECT INFORMATION, if applicable

Expected Number of Resulting Housing Units:

Describe how the affordability status of housing units was determined:

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

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

PRINCIPAL USER OF ISSUE PROCEEDS, if different from Issuer

Company:

Address:

City, State, Zip:

Contact Name:

Contact Phone:

Contact Email:

BOND COUNSEL

Firm Name:

Address:

City, State, Zip:

Contact Name:

Contact Phone:

Contact Email:

*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.*



**OREGON HOUSING *and*
COMMUNITY SERVICES**

725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

TO: Private Activity Bond Committee

FROM: Margaret Solle Salazar, Executive Director OHCS
Caleb Yant, Deputy Director OHCS
Gaby Zhu, Chief Financial Officer OHCS

DATE: January 13, 2021

SUBJECT: PAB Carryforward Request and Issuance Updates

The following memo is provided to supplement OHCS's application for \$370 million in unused 2020 Private Activity Bond (PAB) allocation. In addition to supporting the carryforward request, OHCS respectfully requests the Committee consider allocating or reserving all 2021 current year PAB allocation to affordable rental housing, either to OHCS or local rental housing issuers, in recognition that:

1. OHCS has an unprecedented pipeline of affordable rental housing projects, capable of using the entirety of Oregon's PAB allocation.
2. OHCS programs closely align with the purpose of private activity bonding as defined in Chapter 170 of Oregon Administrative Rules (OAR).
3. OHCS has and will continue to implement strategies that maximize the utilization of PABs for affordable housing, including where necessary, reducing PABs used for homeownership to maximize production of rental housing.

Ultimately, OHCS will demonstrate that Oregon's PAB allocation over the next three years is insufficient to address Oregon's housing crisis and meet the demands of statewide housing programs. The result is that any current year **or** carryforward allocation provided to other programs/entities means less housing produced by PABs. Very simply, for every \$1 million in PABs provided to other programs/entities, 7¹ less units of rental housing will be produced.

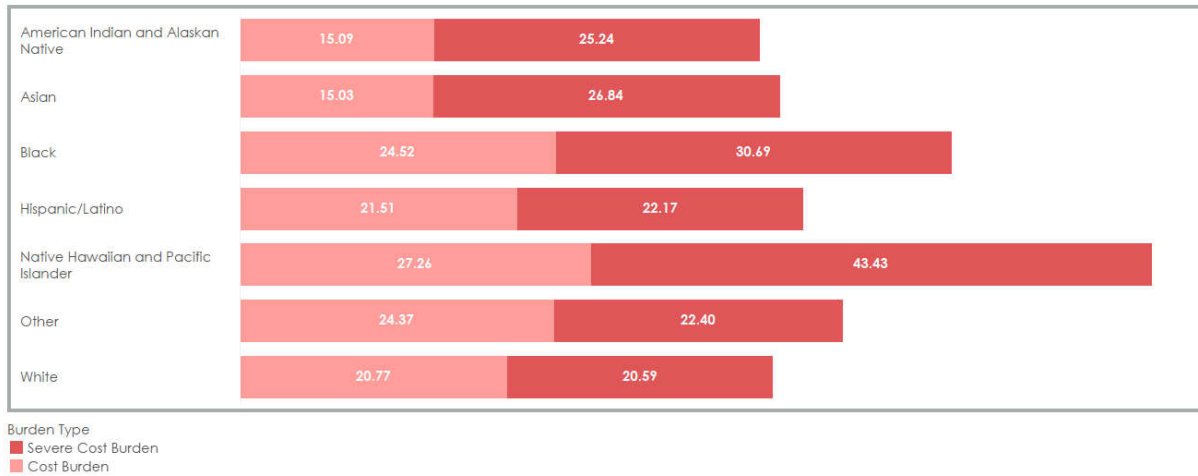
Background: Housing Affordability in Oregon

Too many Oregonians lack options when it comes to finding a safe, affordable, healthy place to live. 24% of Oregon renter households have a "severe housing cost burden" meaning they spend more than half of their income on housing and utilities. Additionally, housing cost burdens fall disproportionately on people of color; 27% of non-white renter households are severely cost burdened. Table 1 below displays the distribution of housing burden by race/ethnicity for renters. While burden rates are high across all racial/ethnic groups in the state, renter households of color generally experience greater rates of cost burden than their white counterparts.

¹ Based on Calendar Year 2020 PAB utilization.



Table 1



Source: 2013-2017 "CHAS" (Comprehensive Housing Affordability Strategy) provided by HUD (custom tabulations from ACS data)

In an effort to address these issues, OHCS developed a strategic plan that outlines key policy priorities, including increasing the supply for affordable rental housing, promoting equity and racial justice policies, and serving rural communities.

Background: OHCS Uses of PABs

OHCS has historically received \$125 million in current year PAB allocation (increased to \$250 million in CY 2020) and uses PABs to fund two active programs; the Oregon Bond Residential Loan Program (OBRLP), and the Conduit Revenue Bond program.

OBRLP: This program serves the entire state and uses proceeds from tax-exempt mortgage revenue bond sales to provide below market rate financing and cash assistance to low-moderate income first-time homebuyers. Historically, OHCS has utilized current year and carryforward allocations of PAB to fund this program. Due to historically low market interest rates, lack of affordable single-family housing, and lastly COVID-19 pandemic, OHCS has seen a reduction in loan purchases. Over the last two years OHCS has funded over \$140 million loans in calendar year 2019, and over \$145 million in calendar year 2020

Conduit: This program is available across the state and provides financing for rental housing development paired with the federal 4% Low Income Housing Tax Credit (LIHTC), which requires 50% of a project's cost to be funded with tax-exempt bonds. This federal tax credit is only constrained by a state's ability to issue tax-exempt bonds, however the sum of the bond proceeds and tax credit equity is often insufficient to make a project financially viable leaving a financial gap. With recent legislative changes and investments in affordable housing, Oregon governments have provided significantly more Gap financing, including key state funded programs: LIFT; Permanent Supportive Housing, Lottery-backed bonds; and the increased Document Recording fee. Subsequently, OHCS has and will continue to see a dramatic increase in the amount of bonds issued using PAB, including \$253 million in PABs during calendar year 2019 and \$233 million in 2020.

Both OHCS programs provide economic benefits to the state in the form of safe and affordable housing for low-moderate income residents **and** economic development catalyzed from the construction of the properties and the increased prosperity of those being housed.

Current and Future Pipeline of Affordable Rental Housing

Exhibit 1 of this memo shows a summary of the current and projected needs of PAB for the OBRLP and Conduit programs at OHCS, and Exhibit 2 shows additional details regarding the rental housing pipeline. Although the timing of future bond issuances varies, the assumptions are built on historical data and OHCS stands ready to modify its programs and policies to maximize affordable housing created through PABs.

Exhibit 1 shows two scenarios, both of which assume a constrained amount of PABs available for the OBRLP due to the fact that OHCS has and will issue more PABs in the Conduit program than at any time since its inception in 2000. To be clear, under scenario 1, OHCS will **not** consume all carryforward received in 2021 and will **not** use all current year allocation in 2021. However, under both scenarios carryforward and current year allocations are constrained in future years, meaning 2021 current year allocations will eventually be needed for statewide housing programs.

Scenario 1: OHCS receives every dollar of PAB other than what is statutorily provided to Oregon Business Development Department (assuming they use 100% of their current year allocation each year). This assumes the entirety of the PAB Committee's current year allocation will go to OHCS, and any unused current year allocation returns to OHCS in the form of carryforward.

Scenario 2: OHCS receives only what is statutorily provided and \$0 of the PAB Committee's current year allocation is provided to OHCS. This assumes any unused current year allocation returns to OHCS in the form of carryforward.

The dramatic increase in OHCS Conduit program volume results from significant Gap funding resources reliant on PAB. Key resources include:

State Gap Resources:

- Multifamily LIFT program funding
- Permanent Supportive Housing
- Lottery-backed bonds
- General Housing Account Program due to tripling of the Document Recording Fee

Local Government Gap Resources:

- Portland Housing Bureau's Bond
- Portland Metro Housing Bond
- Public Housing Conversions to Project Based Section 8 Rental Assistance model (RAD)

The projections in the Exhibits are based on recent deals closed by OHCS, and the timing on each specific project can vary significantly. That said, what is clear to OHCS is that we will utilize every dollar of PAB that comes to OHCS in the next three years.



Economic Benefits to Oregonians

Oregon Administrative Rule (OAR) Chapter 170 Division 71 defines the purpose of PABs in Oregon is to “maximize the economic benefits of such bonding to the citizens of this state.” In our current work, OHCS programs meet five of six allocation criteria listed in OAR, including: supporting projects that increase the number of family wage jobs; promoting economic recovery in small cities heavily dependent on a single industry; emphasizing development in underdeveloped rural areas of the state; supporting development in the state’s small businesses, especially women and minority owned businesses; and encouraging use of Oregon’s human and natural resources endeavors, which harness Oregon’s economic comparative advantages.

In addition to being the primary tool Oregon uses to address the supply of affordable housing, PABs provide economic benefits in the following ways:

Rural Oregonians

PABs enable increased production in rural Oregon. The 4% LIHTC program often necessitate large projects in order to ensure they’re financially viable, leading to these programs being used predominantly in urban or suburban communities. That said, the availability of this resource to meet those needs enables OHCS to target other housing development resources to rural communities. In calendar year 2020, OHCS closed four projects in rural communities², constituting 24% of total projects, and in 2021 OHCS anticipates closing five projects in rural communities, constituting 13% of total projects.

Oregonians of Color

OHCS’s funding offerings promote racial equity. All PAB allocations provided by OHCS require a detailed plan on how the project owner will affirmatively further fair housing (e.g., in marketing of the homes and in recruitment of the residents). They also require planning to specify how the projects will equitably serve the racial and ethnic demographics of the community where it is located. Additionally, when paired with other OHCS resources, the ability of the project to promote equity and racial justice is a scoring element in the competitive funds offering.

Addressing Local Housing Needs

Statewide, over 100,000 new units with a variety of bedrooms are needed to house those households earning below 30% of MFI in units affordable to them. OHCS is currently working to address this disparity by tripling the existing pipeline of affordable rental housing by up to 25,000 homes in our development pipeline by 2023.

As shown in Table 2, PABs build a variety of unit types from studios to three bedrooms across Oregon. 2020 closings, and 2021 pipeline projections are as follows:

Table 2

	SRO/Studio	1 Bed	2 Bed	3 Bed	4 Bed	Total
2020	276	487	563	220	12	1,558
2021	651	883	1,169	662	13	3,378

² Using rural definition provided by the LIFT Competitive Funding Offering

Leveraging PAB Allocations

As demonstrated in Exhibit 1, OHCS has an affordable rental housing pipeline that exceeds \$453 million in each of the next three years. OHCS pairs PABs for rental housing with the 4% LIHTC that is **only** constrained by the availability of PABs. Based on calendar year 2020 closings, OHCS used \$233 million in PABs to fund 15 projects and 1,558 rental housing units. These projects leveraged \$133 million in tax credit equity from the 4% LIHTC program, money that otherwise would not have been invested in Oregon.

Economic Benefits and Contracting Practices

Building units with a variety of bedrooms not only helps increase the supply of housing for our most vulnerable community members, it also contributes to the economic development of Oregonian communities. According to a 2015 study analyzing the economic impact of home building in a typical local area completed by the National Association of Homebuilders, the estimated one-year impacts of building 100 rental apartments in a typical local area include:

- \$11.7 million in local income,
- \$2.2 million in taxes and other revenue for local governments, and
- 161 local jobs.

Additionally, OHCS requires all PAB allocations provide a detailed plan on using minority, women, and emerging small business contractors (MWESB) to ensure the economic benefits serve all Oregonians, particularly our most disadvantaged.

Strategies to Maximize PAB Utilization for Housing

In recognition of growing constraints on PAB, OHCS has taken a series of actions to maximize its 4% LIHTC program while minimizing the use of PAB authority.

Strategies already employed include:

- Requesting and advocating to ensure carryforward allocations are only used for OHCS rental housing purposes, leaving current year allocations available for OBRLP or other potential rental housing issuers.
- Recycling PAB in our OBRLP through replacement refundings (allowing prepayments of mortgages to be used to fund new mortgage originations without using PABs).
- Limiting the amount of tax-exempt bonds to 55% of the total project cost and requiring additional funding be from the issuance of taxable bonds for the Conduit program.
- Requesting position authority and preparing to launch a new model to provide homeownership lending that is not reliant on PABs or bond issuance.

Future strategies include:

- Blending tax-exempt and taxable bonds for the OBRLP program.
- Advocating for federal legislation to increase the reach of PABs through the [Tax Credit Improvement Act](#).

In addition to previously listed strategies, OHCS is prepared to reduce PABs used for homeownership to maximize production of rental housing. This decision, although difficult, was made in recognition of the value provided by leveraging PABs and gap funding investments when used for rental housing, the critical need to increase the supply for rental housing, as well as OHCS strategies to diversify its homeownership lending programs that don't rely on PABs. That said, PABs used to promote homeownership are incredibly valuable. Over the last 30+ years, OHCS has promoted homeownership with PABs through a Mortgage Credit Certificate (MCC) program, and through the OBRLP program. Since 1995, OHCS has solely utilized the OBRLP due to the incredible borrower benefit it provides.

Conclusion

OHCS acknowledges that the PAB Committee is facing difficult allocation decisions as PABs become constrained. We also believe that every Oregonian deserves a safe and affordable place to call home, and allocations of PABs for housing are a critical tool in pursuit of that objective. We want to ensure the PAB Committee has all information necessary to make these decisions and OHCS stands ready to provide any additional information necessary to inform this decision.

Private Activity Bond (PAB) Actual and Projected Usage
Oregon Housing and Community Services Department
Exhibit 1

As of 12/30/2020

OHCS Actual and Projected Annual PAB Usage

	CY 2018	CY 2019	CY 2020	CY 2021 (Est)	CY 2022 (Est)	CY 2022 (Est)
Conduits Issued	\$151,965,000	\$253,303,004	\$232,973,325	\$520,439,968	\$471,109,992	\$453,750,000
OBRLP (Single-Family)	292,023,699	78,654,945	5,598,437	65,000,000	65,000,000	65,000,000
	\$443,988,699	\$331,957,949	\$238,571,762	\$585,439,968	\$536,109,992	\$518,750,000

Scenario 1

Assuming OHCS receives all future Carryforward and 100% of PAB Committee Allocations

Calendar Year	PAB Begin Balance					Bonds Issued Using PAB - Actual and Projected			PAB Ending Balance		Additional PAB Needed
	Existing Carryforward	Carryforward Allocated by PAB Committee	Total Carryforward Available in Calendar Year	Current Year Allocation	Total Carryforward & Current Year	Multi-Family Affordable Housing Projects	Oregon Bond Loan1st-time Homebuyer Mortgages	Total	Remaining Carryforward	Current Year (reverts to PAB Committee at CYE)	
2019	\$396,572,640	\$114,641,149	\$511,213,789	\$125,000,000	\$636,213,789	\$253,303,004	\$78,654,945	\$331,957,949	\$220,410,785	\$83,845,055	
2020	\$220,410,785	\$248,875,233	\$469,286,018	\$250,000,000	\$719,286,018	\$232,973,325	\$5,598,437	\$238,571,762	\$236,312,693	\$244,401,563	
2021	\$236,312,693	\$370,000,000	\$606,312,693	\$250,000,000	\$856,312,693	\$520,439,968	\$65,000,000	\$585,439,968	\$85,872,725	\$185,000,000	
2022	\$85,872,725	\$185,000,000	\$270,872,725	\$250,000,000	\$520,872,725	\$471,109,992	\$65,000,000	\$536,109,992	\$0	\$0	(\$15,237,267)
2023	\$0	\$0	\$0	\$250,000,000	\$250,000,000	\$453,750,000	\$65,000,000	\$518,750,000	\$0	\$0	(\$268,750,000)

Scenario 2

Assuming OHCS receives only their future Carryforward and 0% of PAB Committee Allocations

Calendar Year	PAB Begin Balance					Bonds Issued Using PAB - Actual and Projected			PAB Ending Balance		Additional PAB Needed
	Existing Carryforward	Carryforward Allocated by PAB Committee	Total Carryforward Available in Calendar Year	Current Year Allocation	Total Carryforward & Current Year	Multi-Family Affordable Housing Projects	Oregon Bond Loan1st-time Homebuyer Mortgages	Total	Remaining Carryforward	Current Year (reverts to PAB Committee at CYE)	
2019	\$396,572,640	\$114,641,149	\$511,213,789	\$125,000,000	\$636,213,789	\$253,303,004	\$78,654,945	\$331,957,949	\$220,410,785	\$83,845,055	
2020	\$220,410,785	\$248,875,233	\$469,286,018	\$250,000,000	\$719,286,018	\$232,973,325	\$5,598,437	\$238,571,762	\$236,312,693	\$244,401,563	
2021	\$236,312,693	\$244,401,563	\$480,714,256	\$250,000,000	\$730,714,256	\$520,439,968	\$65,000,000	\$585,439,968	\$0	\$145,274,288	
2022	\$0	\$145,274,288	\$145,274,288	\$250,000,000	\$395,274,288	\$471,109,992	\$65,000,000	\$536,109,992	\$0	\$0	(\$140,835,704)
2023	\$0	\$0	\$0	\$250,000,000	\$250,000,000	\$453,750,000	\$65,000,000	\$518,750,000	\$0	\$0	(\$268,750,000)

As of 12/30/2020				OREGON HOUSING & COMMUNITY SERVICES DEPT. SUMMARY OF PRIVATE ACTIVITY BOND ACTIVITY - EXHIBIT 2									
Basis	Close	Project Name	Location	MF/SF/Units	2016 CF MF	2017 CF MF	2018 CF MF	2019 CF MF	2020 CF MF	CY/CF/Unallocated SF	Projected CF	CY Unallocated MF	Total PAB
OHCS PAB Allocations		CALENDAR YEAR 2019											
2016 PAB Carryforward Allocation-remaining (expires 12/31/19)					\$144,745,950.00								\$144,745,950.00
2017 PAB Carryforward Allocation (expires 12/31/20)						\$251,826,689.99							\$251,826,689.99
2018 PAB Carryforward Allocation (expires 12/31/21)							\$77,141,149.40			\$37,500,000.00		\$0.00	\$114,641,149.40
2019 PAB Carryforward Allocation (expires 12/31/22)								\$248,875,232.62				\$125,000,000.00	\$125,000,000.00
TOTAL OHCS PAB AVAILABLE - 1/1/2019					\$144,745,950.00	\$251,826,689.99	\$77,141,149.40	\$248,875,232.62		\$37,500,000.00		\$125,000,000.00	\$636,213,789.39
OHCS Bond Issuance		CALENDAR YEAR 2019											
Actual	Jan-19	REACH Argyle	Portland	189	(\$25,300,000.00)								(\$25,300,000.00)
Actual	Feb-19	Center Village	Portland	60	(8,000,000.00)								(\$8,000,000.00)
Actual	Mar-19	N. Williams Center (LIFT & PHB)	Portland	61	(15,623,571.00)								(\$15,623,571.00)
Actual	Mar-19	Gateway/Hermiston (LIFT)	Portland/Hermiston	207	(22,381,000.00)								(\$22,381,000.00)
Actual	May-19	Surfview Village (LIFT)	Newport	110	(12,500,000.00)								(\$12,500,000.00)
Actual	Jun-19	85 Stories Apartments	Portland/Gresham	315	(44,030,000.00)								(\$44,030,000.00)
Actual	Aug-19	Montebello	Hillsboro	49	(7,250,000.00)								(\$7,250,000.00)
Actual	Aug-19	124th & Ash Apartments	Portland	175	(9,661,379.00)	(5,225,799.00)							(\$14,887,178.00)
Actual	Aug-19	Halsey 106 (PHB Award)	Portland	52		(8,670,000.00)							(\$8,670,000.00)
Actual	Aug-19	Milepost 5	Portland	95		(7,100,623.00)							(\$7,100,623.00)
Actual	Sep-19	Claxter Crossing	Salem	102		(6,990,438.00)							(\$6,990,438.00)
Actual	Sep-19	Red Rock Creek Commons (LII Tigard)		48		(7,600,000.00)							(\$7,600,000.00)
Actual	Oct-19	Red Canyon Apartments	Madras/Redmond	90		(10,000,000.00)							(\$10,000,000.00)
Actual	Sep-19	Single Family	Issuance \$99,000,000	610		0.00				(37,500,000.00)		(41,154,945.08)	(\$78,654,945.08)
Actual	Oct-19	Commons on MLK	Eugene	51		(6,500,000.00)							(\$6,500,000.00)
Actual	Nov-19	Merwyn Hotel	Astoria	40		(3,150,000.00)							(\$3,150,000.00)
Actual	Dec-19	SHA RAD	Salem	54		(10,700,000.00)							(\$10,700,000.00)
Actual	Dec-19	Rockwood 10	Gresham	224		(42,620,194.00)							(\$42,620,194.00)
Total Actual CY 2019					1,922	610	(\$144,745,950.00)	(\$108,557,054.00)		(\$37,500,000.00)		(\$41,154,945.08)	(\$331,957,949.08)
PAB Expired or Reverted													
2019 PAB Current Year Allocation - reverted (12/31/19)					\$0.00	\$0.00	\$0.00			\$0.00		\$83,845,054.92	\$83,845,054.92
TOTAL OHCS PAB AVAILABLE - 1/1/2020					\$0.00	\$143,269,635.99	\$77,141,149.40			\$0.00		\$83,845,054.92	\$304,255,840.31
OHCS PAB Allocations		CALENDAR YEAR 2020											
Actual 2017 PAB Carryforward Allocation-remaining (expires 12/31/20)						\$143,269,635.99							\$143,269,635.99
Actual 2018 PAB Carryforward Allocation (expires 12/31/21)							\$77,141,149.40						\$77,141,149.40
Actual 2019 PAB Carryforward Allocation (expires 12/31/22)								\$248,875,232.62					\$248,875,232.62
Actual 2020 PAB Current Year Allocation										\$250,000,000.00			\$250,000,000.00
TOTAL OHCS PAB AVAILABLE - 1/1/2020					\$0.00	\$143,269,635.99	\$77,141,149.40	\$248,875,232.62		\$250,000,000.00		\$0.00	\$719,286,018.01
OHCS Bond Issuance		CALENDAR YEAR 2020											
Actual	Feb-20	RAD Phase II	Eugene/Springfield	119		(\$16,900,000.00)						\$0.00	(\$16,900,000.00)
Actual	Mar-20	Fountain Place	Portland	74		(17,310,000.00)						0.00	(\$17,310,000.00)
Actual	Apr-20	Sunnyslope/College Manor (aka: Salem/Monmouth)		70		(9,800,000.00)						0.00	(\$9,800,000.00)
Actual	Apr-20	Sunrise Vista	Klamath Falls	58		(8,100,000.00)						0.00	(\$8,100,000.00)
Actual	May-20	Hillside Manor	Milwaukie	100		(15,000,000.00)						0.00	(\$15,000,000.00)
Actual	May-20	Holden Creek Village	Tillamook	60		(7,750,000.00)						0.00	(\$7,750,000.00)
Actual	May-20	Division Street Apts	Portland	60		(8,225,000.00)						0.00	(\$8,225,000.00)
Actual	Jun-20	Single Family	Issuance \$72,405,000	284						(2,412,598.65)		0.00	(\$2,412,598.65)
Actual	Jun-20	Tigard Triangle Apartments	Tigard	81		(17,000,000.00)				0.00		0.00	(\$17,000,000.00)
Actual	Jul-20	Patton Home	Portland	69		(5,400,000.00)				0.00		0.00	(\$5,400,000.00)
Actual	Jul-20	Glenhaven Park Apts	Tillamook/Newberg/Heppner/McMin	122		(12,750,000.00)				0.00		0.00	(\$12,750,000.00)
Actual	Sep-20	Orchard Plaza & Solhaven Pres	McMinnville & Clatskanie	117		(9,000,000.00)				0.00		0.00	(\$9,000,000.00)
Actual	Sep-20	Stillwater Project	Bend	240		(16,034,635.99)	(18,965,364.01)			0.00		0.00	(\$35,000,000.00)
Actual	Oct-20	Spring Tree	Portland	72			(9,170,000.00)			0.00		0.00	(\$9,170,000.00)
Actual	Oct-20	115th & Division St Apartments	Portland	138			(21,200,000.00)			0.00		0.00	(\$21,200,000.00)
Actual	Dec-20	Single Family	Issuance \$60,000,000	284						(3,185,837.90)		0.00	(\$3,185,837.90)
Actual	Dec-20	RiverPlace Phase 2	Portland	178			(27,805,785.39)	(12,562,539.61)				0.00	(\$40,368,325.00)
Total Actual CY 2020					1,558	568	\$0.00	(\$143,269,635.99)	(\$77,141,149.40)	(\$12,562,539.61)	(\$5,598,436.55)	\$0.00	(\$238,571,761.55)
PAB Expired or Reverted													
2020 PAB Current Year Allocation - expected to be reverted (12/31/20)					\$0.00	\$0.00	\$0.00	\$0.00		\$244,401,563.45		\$0.00	\$244,401,563.45
TOTAL OHCS PAB AVAILABLE - 12/31/2020					\$0.00	\$0.00	\$0.00	\$236,312,693.01	\$0.00	\$244,401,563.45		\$0.00	\$480,714,256.46

As of 12/30/2020					OREGON HOUSING & COMMUNITY SERVICES DEPT. SUMMARY OF PRIVATE ACTIVITY BOND ACTIVITY - EXHIBIT 2									
Basis	Close	Project Name	Location	MF/SF/Units	2016 CF MF	2017 CF MF	2018 CF MF	2019 CF MF	2020 CF MF	CY/CF/Unallocated SF	Projected CF	CY Unallocated MF	Total PAB	
OHCS PAB Allocations		CALENDAR YEAR 2021												
Actual	(2019 remain)	2019 PAB Carryforward Allocation-remaining (expires 12/31/22)			\$0.00			\$236,312,693.01					\$236,312,693.01	
Projected	(2020 request)	2020 PAB Carryforward Allocation (expires 12/31/23)			0.00				244,401,563.45				244,401,563.45	
Actual		2021 PAB Current Year Allocation (reverts to PABC 12/31/21)			0.00					65,000,000.00		185,000,000.00	250,000,000.00	
TOTAL OHCS PAB AVAILABLE - 1/1/2021					\$0.00	\$0.00	\$0.00	\$236,312,693.01	\$244,401,563.45	\$65,000,000.00		\$185,000,000.00	\$730,714,256.46	
OHCS Bond Issuance		CALENDAR YEAR 2021												
Projected	Jan-21	Cathedral Village	Portland	110				(\$18,750,000)					(\$18,750,000.00)	
Projected	Jan-21	Albertina Kerr	Portland	147				(\$22,421,000)					(22,421,000)	
Projected	Jan-21	Fuller Station Affordable Housir	Happy Valley	100				(\$30,000,000)					(30,000,000)	
Projected	Feb-21	Oak Crest Apartments	Corvallis	50				(\$5,801,889)					(5,801,889)	
Projected	Feb-21	Las Adelitas	Portland	142				(\$29,900,000)					(29,900,000)	
Projected	Feb-21	Barnes Butte	Prineville	44				(\$6,500,000)					(6,500,000)	
Projected	Feb-21	CCC Westwind Apartments	Portland	100				(\$14,500,000)					(14,500,000)	
Projected	Mar-21	NE Prescott	Portland	50				(\$8,980,000)					(8,980,000)	
Projected	Mar-21	5733 MLK LLC	Portland	93				(\$8,425,881)					(8,425,881)	
Projected	Mar-21	146th East & West	Portland	116				(\$8,740,154)					(8,740,154)	
Projected	Mar-21	Pepsi Blocks Phase 1A	Portland	44				(\$13,846,343)					(13,846,343)	
Projected	Apr-21	Ontario Townhomes	Ontario	70				(\$12,500,000)					(12,500,000)	
Projected	Apr-21	East Q Aparments	La Grande	104				(\$11,000,000)					(11,000,000)	
Projected	Apr-21	Rosemont	Portland	118				(\$6,026,017)					(6,026,017)	
Projected	Apr-21	Yaquina-Southfair	Salem	94				(\$13,501,016)					(13,501,016)	
Projected	Apr-21	Susan Emmons	Portland	146				(\$17,800,000)					(17,800,000)	
Projected	Apr-21	TBD Sunshine Apartments	Roseburg	144				(\$7,620,393)	(\$8,225,996)				(15,846,389)	
Projected	May-21	Webster Redevelopment	Gladstone	48					(\$9,450,308)				(9,450,308)	
Projected	May-21	Alder House	Portland	131					(\$13,850,000)				(13,850,000)	
Projected	May-21	Anna Mann	Portland	129					(\$19,200,000)				(19,200,000)	
Projected	May-21	Single Family	various	300						(\$32,500,000)			(32,500,000)	
Projected	May-21	Lincoln Street Apartments	Eugene	59					(\$7,650,758)				(7,650,758)	
Projected	Jun-21	Ankeny Woods	Portland	42					(\$8,132,409)				(8,132,409)	
Projected	Jun-21	Amanda Court	Portland	38					(\$4,850,000)				(4,850,000)	
Projected	Jun-21	Wildflower	Pendleton	80					(\$9,813,860)				(9,813,860)	
Projected	Jun-21	Minnesota Places	Portland	71					(\$11,911,636)				(11,911,636)	
Projected	Aug-21	Scholls Ferry Apartments	Beaverton	309					(\$53,657,021)				(53,657,021)	
Projected	Aug-21	St. Helens Apartments	St. Helens	238					(\$48,006,544)				(48,006,544)	
Projected	Aug-21	53rd Flats	Corvallis	100					(14,500,000)				(14,500,000)	
Projected	Sep-21	Garden Grove	Forest Grove	60					(10,000,000)				(10,000,000)	
Projected	Sep-21	Single Family	various	300						(\$32,500,000)			(32,500,000)	
Projected	Sep-21	USA Powell	Portland	165					(25,153,031)			(\$2,696,707)	(27,849,738)	
Projected	Sep-21	Colonia Paz II	Lebanon	109								(\$15,000,000)	(15,000,000)	
Projected	Sep-21	Baldwin PSH	Portland	60								(\$10,537,200)	(10,537,200)	
Projected	Oct-21	Shore Pines at Munsel Creek	Florence	67								(\$11,491,805)	(11,491,805)	
Projects for last quarter of 2021 are not included					3,378	600	\$0.00	\$0.00	\$0.00	(\$236,312,693)	(\$244,401,563)	(\$65,000,000)	(\$39,725,712)	(\$331,450,971)
PAB Expired or Reverted														
Projected		2019 PAB Carryforward Allocation-remaining (expires 12/31/22)						\$0.00	\$0.00					
Projected	(2020-OHCS's)	2020 PAB Carryforward Allocation (expires 12/31/23)						\$0.00	\$0.00					
2021 PAB Current Year Allocation - expected to be reverted (12/31/21)					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$145,274,288.46	\$0	\$145,274,288	
TOTAL OHCS PAB AVAILABLE - 12/31/2021					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$145,274,288.46	\$0	\$145,274,288	
OHCS PAB Allocations		CALENDAR YEAR 2022												
Projected		2022 PAB Carryforward Allocation (expires 12/31/25)									\$145,274,288.46			
Projected		2022 PAB Current Year Allocation (reverts to PABC 12/31/22)			0.00					65,000,000		185,000,000	250,000,000	
TOTAL OHCS PAB AVAILABLE - 1/1/2022					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$65,000,000	\$145,274,288.46	\$185,000,000	\$250,000,000	
OHCS Bond Issuance		CALENDAR YEAR 2022												
Projected	Various	Total Estimated 2022 MF Conduit - LIFT projects									(\$145,274,288.46)	(19,725,711.54)	(\$165,000,000.00)	
Projected	Various	Total Estimated 2022 MF Conduit - Preservation projects										(22,000,000.00)	(22,000,000.00)	
Projected	Various	Total Estimated 2022 MF Conduit - PSH										(44,000,000.00)	(44,000,000.00)	
Projected	Various	Total Estimated 2022 MF Conduit - Last Qtr of 2021										(130,109,992.00)	(130,109,992.00)	
Projected	Various	Total Estimated 2022 MF Conduit - Metro										(110,000,000.00)	(110,000,000.00)	
Projected	Various	Total Estimated 2022 Single-Family Issuance								(65,000,000.00)			(65,000,000.00)	
TOTAL BOND AUTHORITY USED - CY 2022					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$65,000,000.00)	(\$145,274,288.46)	(\$325,835,703.54)	(\$536,109,992.00)	

As of 12/30/2020			OREGON HOUSING & COMMUNITY SERVICES DEPT. SUMMARY OF PRIVATE ACTIVITY BOND ACTIVITY - EXHIBIT 2											
Basis	Close	Project Name	Location	MF/SF/Units	2016 CF MF	2017 CF MF	2018 CF MF	2019 CF MF	2020 CF MF		CY/CF/Unallocated SF	Projected CF	CY Unallocated MF	Total PAB
<u>PAB Expired or Reverted</u>														
2022 PAB Current Year Allocation - expected to be reverted (12/31/22)					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	(\$140,835,703.54)	(\$140,835,703.54)
TOTAL OHCS PAB AVAILABLE - 12/31/2022					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	(\$140,835,703.54)	(\$140,835,703.54)
<u>OHCS PAB Allocations</u>		<u>CALENDAR YEAR 2023</u>												
Projected		2023 PAB Carryforward Allocation (expires 12/31/26)			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	0.00
Projected		2023 PAB Current Year Allocation (reverts to PABC 12/31/23)			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$65,000,000.00	\$0.00	\$185,000,000.00	\$250,000,000.00
TOTAL OHCS PAB AVAILABLE - 1/1/2023					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$65,000,000.00	\$0.00	\$185,000,000.00	\$250,000,000.00
<u>OHCS Bond Issuance</u>		<u>CALENDAR YEAR 2023</u>												
Projected	Various	Total Estimated 2023 MF Conduit - LIFT projects											(\$233,750,000.00)	(\$233,750,000.00)
Projected	Various	Total Estimated 2023 MF Conduit - Preservation projects											(22,000,000.00)	(22,000,000.00)
Projected	Various	Total Estimated 2023 MF Conduit - PSH											(88,000,000.00)	(88,000,000.00)
Projected	Various	Total Estimated 2023 MF Conduit- Metro											(110,000,000.00)	(110,000,000.00)
Projected	Various	Total Estimated 2023 Single-Family Issuance									(\$65,000,000.00)	\$0.00		(65,000,000.00)
TOTAL BOND AUTHORITY USED - CY 2023					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		(\$65,000,000.00)	\$0.00	(\$453,750,000.00)	(\$518,750,000.00)
<u>PAB Expired or Reverted</u>														
2023 PAB Current Year Allocation - expected to be reverted (12/31/23)					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
TOTAL OHCS PAB AVAILABLE - 12/31/2023					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	(\$268,750,000.00)	(\$268,750,000.00)

TAB 4 –

2021 CURRENT VOLUME CAP REQUEST

Home Forward – 85 Stories Group 7

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

\$43,240,000

Project Projection Presentation

Jacqueline Knights, Chair & Designee
Oregon State Treasury

Jean Gabriel, Designee
Department of Administrative Services

Dan Anderson, Public Member



PRIVATE ACTIVITY BOND COMMITTEE

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

PRIVATE ACTIVITY BOND ALLOCATION REQUEST

ALLOCATION REQUEST TYPE

DATE: 12/23/2020

- ☒ Current Year Allocation Request
☐ Carry Forward Allocation Request

ISSUER DETAILS

Issuer: Home Forward
Address: 135 SW Ash St.
City, State, Zip: Portland, OR 97204
Contact Name: Theresa Auld
Contact Phone: 503-869-6550 Contact Email: Theresa.Auld@HomeForward.org

PROJECT INFORMATION

Title of Project: 85 Stories Group 7
Project Amount: \$78,601,788 Bond Amount: \$43,240,000 Request Amount: \$43,240,000
Sale Date: 3/31/2021 Closing Date: 3/31/2021

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

Residential rental projects (IRS 142(a)(7) & 142(d))

Please describe the project:

Home Forward has worked with HUD to develop a strategy to preserve our public housing portfolio over the past decade. Collectively the 85 Stories Preservation Initiative (the Initiative) will convert rent assistance to project-based Section 8 and preserve 2,756 units of housing in properties located in areas of opportunity with access to services, healthy food and public transportation.

The conversion to project-based vouchers allows for capital investment to preserve the housing by addressing their physical needs. Public housing has been subjected to years of Federal proration of the public housing operating subsidy, while the need for funding in public housing has grown, especially over the last 35 years. The scope of work included in this and previous applications were never financially possible under the encumbering and restrictive public housing model.

We have converted 2,111 housing units from public housing subsidy to project-based Section 8 rental assistance. Some housing units (791 at 13 properties) were recently constructed or renovated and didn't need additional work or financial support. The Private Activity Bond Committee (PABC) supported 1,320 housing units in 20 properties with PAB allocations to Home Forward or Oregon Housing & Community Services (OHCS) since 2014. We still have 645 housing units to convert.

85 Stories Group 7 (the subject of this application) consists of four properties: Dahlke Manor, Eastwood Court, Fir Acres and Stark Manor totaling 209 units.

Eastwood Court, Fir Acres and Stark Manor all have RAD Commitments to enter into Housing Assistance Payment contracts (CHAPs). Dahlke Manor has Section 18 disposition approval. All four properties are addressing their capital needs now as a condition of releasing public housing restrictions. Home Forward recognizes the value in these four properties that serve 413 of our most vulnerable populations in the desirable neighborhoods within Portland and Gresham. Home Forward committed \$15.2 million of its own equity to invest in 85 Stories Group 7. HUD recognizes the value in these buildings by fully awarding our RAD and Section 18 applications which include new rent assistance vouchers, thereby enabling this preservation-through-subsidy-change. HUD and Home Forward have partnered to take the necessary steps to preserve these buildings. Throughout the preservation process, which has taken years to get where we are today, Home Forward has communicated to the 209 households in Group 7 about the 85 Stories Initiative. The communication efforts include mailings, on-site resident meetings and presentations to explain next steps in the preservation process. The preservation of the physically deteriorating homes of 209 households that house senior, disabled and family populations, in Group 7 directly hinges on this application.

Expected Number of Family Wage Jobs Created/Saved: 10

Describe how the project meets statutory standards:

The development of this project relies upon financing that includes 4% low-income housing tax credits, tax exempt bond financing with an allocation of volume cap, and other conventional financing sources. This project would not be able to proceed without each of these financing sources. At least 50% of the aggregate basis of this project will be financed with tax exempt bonds supported with a volume cap allocation. Home Forward is authorized under ORS 456.120(19) to issue bonds for financing this type of project and will issue bonds supported by a 2018 Current Year allocation.

HOUSING PROJECT INFORMATION, if applicable

Expected Number of Resulting Housing Units: 209

Describe how the affordability status of housing units was determined:

All units of this low-income housing project will be restricted to serve households at or below 60% of median family income. Covenants that specify income and rent restrictions will be recorded against the property for the low-income housing tax credit program for at least 30 years and in the Regulatory Agreement for the bond financing.

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

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

PRINCIPAL USER OF ISSUE PROCEEDS, if different from Issuer

Company: To-Be-Determined Limited Partnership (Home Forward will be the General Partner)

Address: 135 SW Ash St.

City, State, Zip: Portland, OR 97204

Contact Name: Theresa Auld

Contact Phone: 503-869-6550 Contact Email: Theresa.Auld@HomeForward.org

BOND COUNSEL

Firm Name: Foster Garvey, PLLC

Address: 1111 Third Avenue, Suite 3400

City, State, Zip: Seattle, WA 98101

Contact Name: Allison Schwartzman

Contact Phone: 206-447-6406 Contact Email: A.Schwartzman@Foster.com

*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.*



December 23, 2020

VIA ELECTRONIC TRANSMISSION

Jacqueline Knights
Private Activity Bond Committee
350 Winter Street NE, Suite 100
Salem, OR 97301-3896

RE: 2021 Private Activity Bond Volume Cap Request for Home Forward – 85 Stories Group 7

Dear Jacqueline,

Welcome to Oregon! We look forward to working with you to finance and develop more affordable housing for Multnomah County in 2021 and beyond. We appreciate the assistance we've received from the Debt Management Division and the Private Activity Bond Committee. Thank you for your on-going support of Home Forward and its projects.

The purpose of this letter is to request PABs and provide information on the latest group of properties within our 85 Stories affordable housing preservation initiative. Home Forward requests \$43,240,000 in Private Activity Bond (PAB) Volume Cap to preserve 209 units in four properties. The four properties are bundled into one financial transaction, known as 85 Stories Group 7.

The Private Activity Bond Committee (PABC) support of our 85 Stories initiative started in 2014 when they allocated \$65,000,000 of Private Activity Bond (PAB) Volume Cap to preserve 655 units on four properties in 85 Stories Groups 1 and 2. 85 Stories Groups 3 and 4 are properties in good physical condition and successfully converted from public housing without recapitalization needs, and therefore did not come before the PABC. PABC allocated \$56,200,000 of PAB in 2018 to 85 Stories Group 5 with seven properties consisting of 350 units of affordable housing. Group 6 is nearing completion of renovations on 315 units after closing in the June 2019 with \$44,030,000 of tax-exempt bonds issued by Oregon Housing and Community Services (OHCS). The PABC's support for the 85 Stories initiative has preserved and renovated 1,320 units of housing serving extremely low-income Oregonians. Without this housing these households would have little-to-no housing options in the open market.

The demand for affordable housing continues to grow, and 85 Stories Group 7 will need to leverage debt and 4% Low Income Housing Tax Credit (LIHTC) equity to address the physical needs of the buildings for their long-term preservation. The preservation of existing affordable rental units plays an important role in addressing this demand.

Home Forward plans to request an allocation of 2021 PABs at the January 13th meeting.

Below is a summary of 85 Stories Group 7:

Developer: Home Forward

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

Description: Group 7 will preserve and recapitalize four properties within Home Forward's traditional public housing portfolio by converting the operating subsidy to Section 8 via two HUD programs: the Rental Assistance Demonstration ("RAD") and Section 18 Disposition. The properties are: Dahlke Manor, Eastwood Court, Fir Acres, and Stark Manor. Conversion will allow the properties to leverage debt and LIHTC equity to address physical needs. Group 7 consists of 209 units of affordable housing for low-income Oregonians. We request for \$43,240,000 in 2021 PAB Volume Cap.

Financing:

Project Amount: \$78,601,787

PAB Bond Need: \$43,240,000

PAB Bond Request: \$43,240,000

Schedule:

Bond Sale Date: 3/31/2021

Closing Date: 3/31/2021

Group 7 will be leveraged with tax exempt bonds, 4% LIHTC, and other sources. These properties will be affordable to households earning 60% Area Median Income or less for 60 years.

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

Warmest regards,

Theresa Auld
Finance Manager

cc: Michael Buonocore, Home Forward
Jonathan Trutt, Home Forward

Issuer	Home Forward
Project Name:	85 Stories Group 7: Central Group LP
Location	Portland and Gresham, Oregon
Date	12/23/2020

Sources	Construction	Permanent
Tax Exempt Bond Financing	43,233,000	-
Permanent Loan	-	20,900,000
Tax Credit Equity	2,358,520	23,585,203
Seller Financing (Home Forward)	16,272,244	16,272,244
Portland Housing Bureau	-	-
Home Forward Capital	14,083,023	15,189,340
Deferred Developer Fee	2,655,000	2,655,000
Totals	78,601,787	78,601,787

Uses	Total Project Costs	209 Units Cost Per Unit	136,059 Sq. Ft. Cost Per Sq. Ft.
Land	5,857,244	28,025	43
Building	20,650,000	98,804	152
Construction or Rehabilitation	32,335,266	154,714	238
Soft Costs	19,759,278	94,542	145
Totals	78,601,788	376,085	578

Fees	Total Fees	Cash Paid Fee	Deferred Fee
Developer Fee	7,970,000	5,315,000	2,655,000
Consultant Fee	-	-	-
Totals	7,970,000	5,315,000	2,655,000

PAB Volume Cap Requested	43,240,000		
Estimated Tax Credit Basis	69,826,060	Land & Est'd TC Basis	75,683,304
PAB Volume Cap / Basis	62%		57.13%



1111 Third Avenue
Suite 3000
Seattle, WA 98101

Main: 206.447.4400
Fax: 206.447.9700
foster.com

December 29, 2020

Ms. Theresa Auld
Finance Manager
Home Forward
135 SW Ash Street
Portland, Oregon 97204

Re: Request for Allocation of Private Activity Bond Volume Cap – 85 Stories
Group 7

Dear Ms. Auld:

This letter is intended to satisfy the requirement of the Debt Management Division for a letter from Home Forward's bond counsel describing the need for a private activity bond cap allocation for the 85 Stories Group 7 projects and confirming Home Forward's ability to use such an allocation.

The 85 Stories Group 7 projects are anticipated to include four low-income housing properties. In general with such projects, conventional financing either is not available to cover the entire cost of the project, or is too expensive for the project to bear, or both, and many other funding sources are required, including in many cases the so-called "4%" low income housing tax credits.

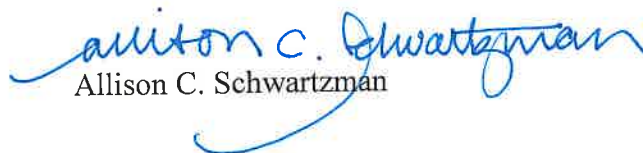
The financing for the 85 Stories Group 7 projects will fit this pattern, and the 4% low income housing tax credit equity will be an essential part of the financing package for the projects. The 4% tax credits are available only to projects in which at least 50% of the aggregate basis of the land and buildings constituting the project is financed with tax-exempt bonds. See Section 42(h) of the Internal Revenue Code of 1986, as amended (the "Code"). Bonds issued to finance the acquisition and rehabilitation of the 85 Stories Group 7 projects will be deemed private activity bonds under Section 142(d) of the Code. Thus, it is essential that Home Forward receive an allocation of volume cap with respect to the projects to enable the owner of the projects to obtain the low income housing tax credit equity necessary to finance the projects.

Ms. Theresa Auld
December 29, 2020
Page 2

Home Forward is authorized under ORS 456.120(19) to finance projects that are not owned by Home Forward, under ORS 456.120(18) to lend money to a partnership to finance, acquire and/or construct a housing project, and under ORS 456.175 to issue bonds for any of its corporate purposes. Hence, Home Forward has the ability to issue tax-exempt bonds for the 85 Stories Group 7 projects if an allocation is granted.

I hope this satisfies your requirements. Please let me know if you have any questions or if you need additional information.

Sincerely,


Allison C. Schwartzman



RESOLUTION 20-12-03

RESOLUTION 20-12-03 AUTHORIZES DECLARING AN INTENT TO ISSUE NOT TO EXCEED \$47,000,000 OF REVENUE BONDS FOR THE COMBINED SECTION 18 DISPOSITION AND/OR RENTAL ASSISTANCE DEMONSTRATION PRESERVATION PROJECT KNOWN AS “85 STORIES GROUP 7” OR “CENTRAL GROUP”

WHEREAS, Home Forward is a public body corporate and politic of the State of Oregon and is empowered by ORS 456.005 to 456.235 (the “Act”) to issue revenue bonds for the purpose of financing housing projects; and

WHEREAS, Home Forward intends to form one or more Oregon limited partnerships of which Home Forward will be the general partner (the “Borrower”) to finance the acquisition, and rehabilitation of some or all of the Dahlke Manor, Eastwood Court, Fir Acres and Stark Manor apartment complexes located in the cities of Portland and Gresham, and containing approximately 209-unit in the aggregate, in connection with Central Group or Group 7 of Home Forward’s 85 Stories project (collectively, the “Project”), all to provide housing for low-income persons, the estimated cost of which is not expected to exceed \$85,000,000; and

WHEREAS, Home Forward anticipates that the Borrower will request that Home Forward issue and sell its revenue bonds (the “Bonds”), in an aggregate amount not to exceed \$47,000,000 pursuant to the Act to assist the Borrower in financing part of the costs of the Project; and

WHEREAS, Home Forward desires to provide such assistance, if certain conditions are met; and

WHEREAS, the use of the proceeds of the sale of the Bonds by the Borrower will permit the Borrower to finance the Project, thereby providing decent, safe, and sanitary housing for persons and families of lower income (as defined in the Act) for a period of not less than 15 years and otherwise promoting the general health and welfare of the inhabitants within the jurisdictional limits of Home Forward; and

WHEREAS, Home Forward deems it necessary and advisable that it take such action as may be required under the Act to authorize and issue the Bonds in one or more series in a total amount not to exceed \$47,000,000, to finance part of the cost of the Project; and

WHEREAS, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations.

NOW, THEREFORE, BE IT RESOLVED:

1. To assist in the financing of the Project, with the public benefits resulting therefrom, Home Forward declares its intention, subject to the conditions and terms set forth herein, to issue and sell its revenue bonds or other obligations (the "Bonds") in a principal amount of not to exceed \$47,000,000, and to reimburse itself or the Borrower from proceeds of the Bonds for expenditures for the Project made by Home Forward or the Borrower before the issue date of the Bonds.

2. The proceeds of the Bonds will be used to assist in financing the Project, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Bonds.

3. The Bonds will be payable solely from sources specified by resolution of the Board of Commissions of Home Forward. The Bonds may be issued in one or more series, and shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by resolution of the Board of Commissioners of Home Forward.

4. The Bonds shall be issued subject to the conditions that (a) Home Forward, the Borrower and the purchaser of the Bonds shall have first agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the loan or other agreement for the Project, and (b) all governmental approvals and certifications and findings required by laws applicable to the

Bonds first shall have been obtained. The Executive Director of Home Forward or his or her designee is authorized to seek an allocation of volume cap for the Bonds from the Private Activity Bond Committee of the Debt Management Division of the Oregon State Treasury.

5. For purposes of applicable Treasury Regulations, the Borrower is authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Bonds authorized herein.

6. The adoption of this resolution does not constitute a guarantee that the Bonds will be issued or that the Project will be financed as described herein. The Board of Commissioners of Home Forward shall have the absolute right to rescind this resolution at any time if it determines in its sole judgment that the risks associated with the issuance of the Bonds are unacceptable.

7. It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of the Bonds, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

8. Any actions of Home Forward or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

9. Any action required by this resolution to be taken by the Executive Director of Home Forward may in the absence of such person be taken by the duly authorized acting Executive Director of Home Forward.

ADOPTED: DECEMBER 15, 2020

Attest:



Michael Buonocore, Secretary

Home Forward:



Damien R. Hall, Chair

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director of Home Forward and keeper of the records of Home Forward, CERTIFY:

1. That the attached Resolution No. 20-12-03 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of Home Forward, as adopted at a meeting of Home Forward held on December 15, 2020, and duly recorded in the minute books of Home Forward.
2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of Home Forward present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of December, 2020.

HOME FORWARD

A handwritten signature in dark ink, appearing to read "An Brown", followed by a long horizontal line extending to the right.

Executive Director and Secretary



January 13, 2021

VIA ELECTRONIC TRANSMISSION

Jacqueline Knights, Chair
Private Activity Bond Committee
350 Winter Street NE, Suite 100
Salem, OR 97301-3896

RE: 2021 and Future Home Forward Private Activity Bond (PAB) Projects

Dear Jacqueline Knights,

It is our pleasure to welcome you to Oregon and introduce ourselves at the Private Activity Bond Committee meeting in January. We thank the PAB Committee 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. 2021 includes four projects that will create 453 new units and preserve 209 existing units for a total of 662 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 \$136,240,000 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. In 2015, the City of Portland declared a state of emergency to help address the city's growing homeless and affordable housing crisis, which continues to this day. 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 (regional government agency), and the City of Portland Housing Bureau (PHB) in new ways, to bring these housing systems together. All of these 662 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 \$124,840,000 of PAB Volume Cap, and OHCS will serve as bond issuer on one project needing \$11,400,000 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](#)

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 household income of 18% AMI. Conversion will allow the properties to leverage debt and LIHTC equity to address physical needs. We are submitting a request for 2021 PAB Volume Cap at the January meeting. A formal set of materials, including project sources and uses are submitted along with this cover letter.

Financing:

Project Amount: \$78,601,787

PAB Need: \$43,240,000

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 30th Avenue. The building will have 206 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, PHB Housing Bond funds and private debt and equity. We anticipate a request for 2021 PAB Volume Cap at the April meeting. A formal set of materials, including project sources and uses will be prepared in advance of the April PAB Committee meeting.

Financing:

Total Project Costs: \$71,200,000

PAB Need: \$36,600,000

Schedule:

Bond Sale Date: 07/25/2021

Closing Date: 07/25/2021

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 187 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 April meeting. A more formal set of materials, including project sources and uses will be prepared in advance of the April PAB Committee meeting and we can provide an update in the October 2020 meeting.

Financing:

Total Project Costs: \$81,800,000

PAB Need: \$45,000,000

Schedule:

Bond Sale Date: 08/31/2021

Closing Date: 08/31/2021

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, 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: \$21,500,000
PAB Need: \$11,400,000

Schedule:

Bond Sale Date: 09/09/2021
Closing Date: 09/09/2021

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.

When we last updated the PAB Committee at the July 2020 meeting, we included estimated 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. Attached with this letter is our PAB activity through 2023. We will continue to update the PAB Committee 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,

A handwritten signature in black ink, appearing to read 'Ben Loftis', with a stylized, cursive script.

Ben Loftis
Finance Manager

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

Private Activity Bond Issuance by Project, by Year

		Past Recent Issuances			Future Issuances (estimates)		
Public Housing Preservation & Redevelopment							
Project Name	PAB Issuer	2018	2019	2020	2021	2022	2023
Group 5 (100% complete)	Home Forward	52,900,000	-	-	-	-	-
Group 6 (95% complete)	OHCS	-	44,030,000	-	-	-	-
Group 7	Home Forward	-	-	-	43,240,000	-	-
Dekum Court	Home Forward	-	-	-	45,000,000	-	-
Group 8	Home Forward	-	-	-	-	-	46,400,000
Subtotal		52,900,000	44,030,000	-	88,240,000	-	46,400,000
Non-RAD New Construction Sites							
SE Powell	Home Forward	-	-	-	36,600,000	-	-
N Baldwin	OHCS	-	-	-	11,400,000	-	-
Troutdale	Home Forward	-	-	-	-	23,000,000	-
PCC Killingsworth	OHCS	-	-	-	-	-	19,300,000
Subtotal		-	-	-	48,000,000	23,000,000	19,300,000
TOTAL		52,900,000	44,030,000	-	136,240,000	23,000,000	65,700,000

Unit Count and Construction Debt Assumptions by Future Project

Project Name	# of Affordable Units	Issuance / Closing Year	Construction Loan
Public Housing Preservation & Redevelopment			
Group 7	209	2021	43,240,000
Dekum Court	187	2021	45,000,000
Group 8	243	2023	46,400,000
Subtotal	639		134,640,000
Non-RAD New Construction Sites			
SE Powell	206	2021	36,600,000
N Baldwin	60	2021	11,400,000
Troutdale	103	2022	23,000,000
PCC Killingsworth	85	2023	19,300,000
Subtotal	454		90,300,000
TOTAL	1,093		224,940,000

Private Activity Bond Issuance by Year, by Issuer

Annual Home Forward Anticipated PAB Requests

Year	# of Affordable Units	Request to PABC
2021	602	124,840,000
2022	103	23,000,000
2023	243	46,400,000
Total Anticipated Requests ('21-'23)	948	194,240,000

Annual OHCS Anticipated PAB Issuances

Year	# of Affordable Units	Request to OHCS
2021	60	11,400,000
2022	-	-
2023	85	19,300,000
Total Anticipated Requests ('21-'23)	145	30,700,000
TOTAL ('21-'23)	1,093	224,940,000