

**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  
SALEM, OREGON 97301-3896  
(503) 378-4930  
FAX: (503) 378-2237  
[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 21, 2021  
10:00 AM – 12:00 PM (estimated end time)

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

AUDIO PARTICIPATION ONLY:      Dial-In Access      971-279-6217  
Conference ID #      783 543 228#

### AGENDA<sup>1</sup>

	<u>BEGIN<sup>1</sup></u>	<u>END<sup>1</sup></u>
1. Call to Order & Roll Call	10:00 AM	10:05 AM
2. Private Activity Bond Status	10:05 AM	10:10 AM
• 2021 Current Allocation Status		
3. 2021 Volume Cap Request		
• Central Oregon Regional Housing Authority DBA Housing Works <i>Ariel South, IRC 142(a)(7) &amp; 142(d)<sup>(2)</sup>; \$8,100,000</i>	10:10 AM	10:40 AM
• Housing Authority of Washington County <i>Terrace Glen; IRC 142(a)(7) &amp; 142(d)<sup>2</sup>, \$29,000,000</i>	10:40 AM	11:10 AM
• Home Forward <i>SE Powell Apartments; IRC 142(a)(7) &amp; 142(d)<sup>2</sup>, \$42,030,000</i>	11:10 AM	11:40 AM
4. Public Comment and Other		
5. Adjournment		

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<sup>1</sup> Estimated times

<sup>2</sup> Multi-Family Housing

TAB 2 – STATUS OF PAB ALLOCATIONS

2021 CURRENT VOLUME CAP

2021  
STATE OF OREGON  
PRIVATE ACTIVITY BOND (PAB) VOLUME CAP  
\$466,565,770  
As of 07/14/2021

	Legislatively Allocated	Amount Requested To Date	Amount Approved To Date	Allocation			Date Allocated	Date Used	Date Expires/ Returned
				Used To Date	Remaining	Returned To Committee			
<b>PAB Committee - Allocation x HB 5005 (2019-21 Legislature)</b>	\$147,524,865								
Additional Allocation based on 07-01-2020 U.S. Census Data	\$26,540,905								
<b>TOTAL PAB Committee Allocation for 2021:</b>	<b>\$174,065,770</b>								
Home Forward 85 Stories Group 7		43,240,000.00	43,240,000.00	0.00	0.00	43,240,000.00	1/13/21		3/19/21
Housing Authority of Washington County The Valfre at Avenida 26		7,200,000.00	7,200,000.00				4/21/21		9/20/21
Central Oregon Regional Housing Authority dba Housing Works Ariel South		8,100,000.00							
Housing Authority of Washington County Terrace Glen		29,000,000.00							
Home Forward SE Powell Apartments		42,030,000.00							
<b>TOTALS</b>		<b>129,570,000.00</b>	<b>50,440,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>43,240,000.00</b>			

**TOTAL PAB Committee Allocation for 2021:** \$174,065,770.00

Allocation Approved to Date: (\$50,440,000.00)

Allocation Returned to Committee: \$43,240,000.00

**Total Remaining Available to Allocate: \$166,865,770.00**

**Total Amount Volume Cap Requested for Today's Meeting: \$79,130,000.00**

**Private Activity Bond Committee**  
**2021 Allocations**  
*As of 07/14/2021*

State Agencies	Legislative Cap Allocations <sup>1</sup>	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
<b>State Agency Subtotals</b>	<b>292,500,000.00</b>			<b>292,500,000.00</b>

**Total PAB Committee Allocation<sup>2</sup>**

**174,065,770.00 (or \$43,516,442/quarter)<sup>3</sup>**

Local Government		
Home Forward--85 Stories Group 7	43,240,000.00	43,240,000.00
Housing Authority of Washington County--The Valfre at Avenida 26	7,200,000.00	7,200,000.00
CORHA DBA Housing Works--Ariel South	8,100,000.00	
Housing Authority of Washington County---Terrace Glen	29,000,000.00	
Home Forward---SE Powell Apartments	42,030,000.00	
<b>Local Government Subtotals</b>	<b>129,570,000.00</b>	<b>50,440,000.00</b>

<b>Oregon PAB Volume Cap Totals<sup>4</sup></b>	<b>466,565,770.00</b>	<b>129,570,000.00</b>	<b>50,440,000.00</b>
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2021 Committee PAB Current Allocation Summary	
Remaining Available Allocation Cap:	\$174,065,770.00
Current Approved: -	-\$50,440,000.00
Current Requests: -	-\$79,130,000.00
Expired/Returned to Committee <sup>5</sup> : +	\$43,240,000.00
Potential Remaining Allocation:	<b>\$87,735,770.00</b>

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

<sup>2</sup> PAB Legislative Allocation for 2021 + Additional Allocation Based on Census Data

<sup>3</sup> The Committee agrees to allocate its annual current volume cap in equal amounts throughout the year with any unallocated quarterly portions added to the next quarter.

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

<sup>5</sup> 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 3a –

2021 CURRENT VOLUME CAP REQUEST

Central Oregon Regional Housing Authority DBA Housing Works

Ariel South Project

Multi-Family Housing Qualifying IRC 142(a)(7) & 142(d), \$8,100,000

**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](mailto:DMD@OST.state.or.us)

**PRIVATE ACTIVITY BOND ALLOCATION REQUEST**

**ALLOCATION REQUEST TYPE**

Current Year Allocation Request  
Carry Forward Allocation Request

**DATE:**

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**ISSUER DETAILS**

Issuer:

Address:

City, State, Zip:

Contact Name:

Contact Phone:

Contact Email:

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**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:

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**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](#)?

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**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:

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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.*

**Issuer:** Central Oregon Regional Housing Authority  
**Project Name:** Ariel South  
**Location:** Bend  
**Date:** 7/6/2021

<b>Sources</b>	<b>Construction</b>	<b>Permanent</b>
Long term bond	7,100,000	7,100,000
Short term Bond	1,000,000	
Tax Credit Equity	993,778	4,622,666
Deferred Developer fee	964,049	964,049
Sponsor loan	2,663,285	2,663,285
cash flow during rehab	313,358	313,358
construction loan (not tax exempt)	2,628,888	
<b>Total</b>	<b>15,663,358</b>	<b>15,663,358</b>

<b>Uses</b>	<b>Total Project Costs</b>	Total Units	Total Sq. Ft.
		96	92,716
		<b>Per unit</b>	<b>Per Sq. Ft.</b>
Land	1,500,000	15,625	16
Improvements	5,500,000	57,292	59
Construction	5,510,319	57,399	59
Development costs	168,000	1,750	2
General Fees	1,684,000	17,542	18
Financing	330,252	3,440	4
Construction period Interest	298,837	3,113	3
Reserves and Contingencies	671,950	6,999	7
<b>Total</b>	<b>15,663,358</b>	<b>163,160</b>	<b>169</b>

	<b>Total</b>	<b>Cash Paid Fee</b>	<b>Deferred Fee</b>
Developer Fee	1,500,000	535,951	964,049
Consultant Fee	0	0	0
<b>Aggregate Fees</b>	<b>1,500,000</b>	<b>535,951</b>	<b>964,049</b>

PAB Volume Cap Requested 8,100,000  
 Estimated Tax Credit Basis 14,939,325  
 PAB Volume Cap/Basis 0.5422



July 6, 2021

Private Activity Bond Committee  
350 Winter Street NE, Suite 100  
Salem, Oregon 97301-3896

Re: Request for \$8,100,000 Million in Private Activity Bond Cap  
Property: Ariel South  
Location: Bend OR  
Issuer: Central Oregon Regional Housing Authority (DBA Housing Works)

Members of the Committee:

The purpose of this letter is to request an allocation of \$8,100,000 of Private Activity Bond Volume Cap for the acquisition/rehabilitation of Ariel South, a 96 unit affordable apartment community in Bend, Oregon. The 2021 allocation of \$8,100,000 million in bond cap is required to secure an estimated \$4.62 million in LIHTC tax credit equity from our financial partner.

### **Transaction Overview**

Housing Works has owned and operated Ariel South Apartments through a tax credit partnership since 2005 and is very familiar with the operations and needs at the property. Built in 1978, Ariel South is 43 years old and is in need of significant building system and site improvements that will be accomplished through this rehabilitation.

The rehabilitation scope will consist of major building systems including siding, weather barrier, and exterior rigid foam insulation. As with other Housing Works properties, energy efficiency inside the building envelop will also be a focus with just about everything in the building reaching energy star or higher ratings. Significant site improvements will also make it easier to get to apartment units with elimination of steps when possible and rerouting of sidewalks with new curb cuts. With its 924 square foot two bedroom units, the development serves Bend's workforce households with rent levels 40%-50% below market rates.

Housing Works has created AS Housing LLC, a special purpose limited liability company (**LLC**), to acquire, rehabilitate and operate the development. Housing Works will be the managing member of the LLC.

Housing Works expects three tranches of bonds to finance the acquisition and construction of the property: (1) \$7,100,000 in tax exempt, long term private activity bonds split between the \$3,000,000 portion with OAHTC (**A Bonds**) and the \$4,100,000 portion without OAHTC (**B Bonds**) (2) \$1,000,000 in tax exempt short-term private activity bonds (**C Bonds**) issued by Housing Works in a private placement to Washington Federal Bank.

**Transaction Detail**

Key aspects of the transaction are noted below:

**Ariel South Apartments**

**Address:** 1707 SE Tempest Bend, OR

<b>Unit Mix:</b>	Two bedroom units	96
		<hr/>

**Land:** Approximately 5.04 acres

**Improvements:** Major building system replacement including siding, insulation, venting, flooring, lighting, appliances, fixtures and site improvements.

<b>Rent Levels:</b>	<b><u>Type</u></b>	<b><u>No.</u></b>	<b><u>Rent</u></b>
	Two bedrooms	2	\$760 (50% AMI Units with OAHTC)
	Two bedrooms	94	\$775 (60% AMI Units with OAHTC)

<b>Key Players:</b>	A, B and C Bond Lender:	Washington Federal Bank
	LIHTC Equity:	PNC
	Bond Counsel:	Orrick (Michael Schrader)
	Contractor:	Pacific Construction and Development
	Housing Works Counsel:	Kantor Taylor (Mark Kantor)

<b>Schedule:</b>	PNC equity LOI	June 2021
	OHCS OAHTC reservation:	June 2021
	Washington Federal LOI	July 2021
	Private Activity Bond Cap allocation:	September 2021
	Closing:	October 2021
	Construction commencement:	November 2021
	Construction completion:	September 2022
	Lease up:	Ongoing 2022

Thank you for this opportunity to present our plans for the acquisition and rehabilitation of Ariel South. The allocation of Private Activity Bond Volume Cap is critical to the success of the transaction and your support is greatly appreciated.

Sincerely,

Keith Wooden  
Real Estate Director

Attachments:

Exhibit A - Building elevations  
Exhibit B - Bond Counsel Letters

CC: Michael Schrader  
Tai Dunson-Strane, Oregon Housing and Community Services

### Exhibit A





GABLE END SIDING  
ELEVATION JUST AT  
90 DEGREES TO & 11  
WHERE BUILDING  
FACES COURTYARD





**Orrick, Herrington & Sutcliffe LLP**

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Suite 200  
Portland, OR 97209-4163

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**orrick.com**

**Michael E. Schrader**

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July 6, 2021

Private Activity Bond Committee  
c/o Debt Management Division  
Oregon State Treasury  
350 Winter Street NE, Suite 100  
Salem, OR 97301-3896

Re: *Central Oregon Regional Housing Authority dba Housing Works – Request for  
Allocation of Private Activity Bond Volume Cap for Ariel South Apartments Project*

Ladies and Gentlemen:

This letter is submitted pursuant to OAR 170-071-0005(3)(k) and with respect to the acquisition and rehabilitation of an affordable 96 unit multifamily housing project known as the Ariel South located at 1707 SE Tempest in Bend, Oregon (the “Project”). The Project is proposed to be financed, in part, by the issuance of private activity bonds (the “Bonds”) by the Central Oregon Regional Housing Authority dba Housing Works (the “Authority”). We are serving as Bond Counsel to the Authority in connection with the financing of the Project.

The Authority has informed us that it wishes to finance a portion of the costs of the Project through the issuance by the Authority of its Multifamily Housing Revenue Bonds (Ariel South Apartments Project), Series 2021 in the principal amount of approximately \$8,100,000. The financing of the Project through the issuance of the Bonds is authorized by ORS Chapter 456, including specifically ORS §§ 456.120, 456.175 & 456.185. The Project will be financed, developed, constructed, owned and operated at all times as a “qualified residential rental project” within the meaning of Section 142(d)(1) of the Internal Revenue Code of 1986, as amended (the “Code”). The Project will be financed with exempt facility private activity bonds issued in accordance with Sections 141(e)(1)(A) and 142(a)(7) of the Code, which requires an allocation by the Committee of private activity bond volume cap to the Project.

Private Activity Bond Committee  
July 6, 2021  
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We would be pleased to answer any questions you may have regarding the qualification of the Bonds and Project under the Code.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

A handwritten signature in blue ink, appearing to read "MS", is placed over a faint, light blue rectangular stamp.

Michael E. Schrader

cc: David Brandt, Executive Director, Housing Works  
Keith Wooden, Real Estate Director, Housing Works  
Mark Kantor, Kantor Taylor PC



Orrick, Herrington & Sutcliffe LLP  
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July 6, 2021

Michael Schrader

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***VIA EMAIL***

David Brandt  
Executive Director  
Housing Works  
405 SW 6th Street  
Redmond, OR 97756

**Re: Bond Counsel Services for Central Oregon Regional Housing Authority, d/b/a Housing Works in connection with the Ariel South Apartments Project, Series 2021 Revenue Bonds**

Dear David:

This letter reflects the proposed terms of our engagement to act as bond counsel to the Central Oregon Regional Housing Authority, d/b/a Housing Works ("Housing Works" or "Issuer") in connection with the issuance by Housing Works of its Series 2021 Revenue Bonds (the "Bonds") in a principal amount of approximately \$8,100,000 to finance a portion of the costs associated with the acquisition and rehabilitation of a 96-unit multifamily housing project known as the Ariel South Apartments located in Bend. We understand that the Bonds will be privately placed with Washington Federal Bank (the "Bank") in a direct purchase transaction. The proceeds of the Bonds derived from their sale to the Bank will be loaned to AS Housing LLC, an Oregon limited liability company formed by Housing Works (the "Borrower"), to finance the acquisition, development, construction and rehabilitation of the Ariel South Apartments project, to pay associated costs of issuance, to fund any required reserves and to pay project costs (collectively, the "Project").

We are very pleased to have this opportunity to again work with Housing Works and to serve as bond counsel in connection with the issuance of the Bonds and the financing of the Project. We look forward to contributing to a successful financing.

The following is based on our standard form of engagement letter. We apologize in advance for the boilerplate language and legalese. Please let us know if there is anything you do



David Brandt  
Executive Director  
July 6, 2021  
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not fully understand or if there are any changes you would like us to make to better tailor the proposed terms of our engagement to the needs of Housing Works, the Borrower or the Project.

### **Scope of Services**

As bond counsel, Orrick, Herrington & Sutcliffe LLP would perform the following legal services:

- (1) Consult with representatives of Housing Works, the Borrower and its counsel, the Bank and its counsel, the Tax Credit Investor and its counsel and others, with respect to the timing, terms and legal structure of the Bonds.
- (2) Prepare bond-related documents for the Bonds, including the Bond Resolution to be adopted by Housing Works authorizing the sale and issuance of the Bonds, the Financing Agreement, the Regulatory Agreement and the Tax Certificate.
- (3) Assist in securing an allocation of private activity bond (PAB) volume cap for the Project from the Oregon Private Activity Bond Committee (PABC).
- (4) Attend such meetings or hearings of Housing Works and working group meetings or conference calls as Housing Works may request.
- (5) Prepare final closing papers to be executed by the Issuer required to effect delivery of the Bonds and coordinate the Bond closing.
- (6) Render bond counsel's customary form of final legal opinions on the validity of the Bonds and the tax-exempt status of interest on the Bonds.

We understand that the Borrower will be represented by Mark Kantor and others at Kantor Taylor PC ("Borrower's Counsel"). Bond counsel will circulate documents to and coordinate services with Borrower's Counsel consistent with customary roles, responsibilities and established practices among such counsel. Bond counsel will be entitled to assume that Borrower's Counsel has reviewed all documents and matters relevant to the interests of the Borrower and that all documents related to the Bonds and the Project to which the Borrower is a party have been duly authorized, approved, executed and delivered.

Bond counsel services are limited to those specifically set forth above. Bond counsel services with respect to the Bonds do not include representation of the Housing Works, the Borrower or any other party to the transaction in any litigation or other legal or administrative proceeding, audit or investigation involving the Bonds, the Project or any related matter.





David Brandt  
Executive Director  
July 6, 2021  
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Additionally, bond counsel services do not include any responsibility for the preparation or content or dissemination of any offering circular or private placement memorandum, the preparation or content of any placement agreement or the preparation, negotiation, content or validity of any policy insuring payment on the Bonds. Bond counsel services also do not include any responsibility for investment agreements related to the investment of Bond proceeds or compliance with federal or state securities laws, environmental, land use, real estate, tax, insurance or similar laws or matters or for title to or perfection of security interests in real or personal property. Bond counsel services do not include any financial advice or analysis. Further, bond counsel services will not extend past the date of issuance of the Bonds.

### **Compensation and Reimbursements**

Our objective is to obtain your desired results in a cost-effective manner. Based on our current understanding of the Project and financing plan, we would propose a fixed-fee arrangement in the range of \$45,000 to \$55,000 for Orrick's fees for services in connection with the financing, and would agree to a specific fee amount when the financing schedule, terms and conditions and other details are finalized. A fixed fee arrangement assumes that we close reasonably on schedule and there are no developments that would require significant legal work beyond that described above. In the event of significant delays or any such developments were to occur, we would discuss with you an appropriate adjustment to the fixed fee.

In addition, Housing Works will be responsible to pay Orrick for costs and expenses (direct and indirect) incurred in connection with bond counsel services performed under this engagement, including filing and publication, document reproduction and delivery, travel, long distance telephone, telecopy, computer research, final transcripts and other similar expenses, with such costs and expenses not to exceed \$500.

### **Relationships With Other Parties**

The role of bond counsel, generally, is to prepare or review the procedures for the issuance of bonds, notes or other evidence of indebtedness and to provide a legal opinion with respect to the validity thereof and other subjects (often including the tax status of interest thereon) addressed by the opinion. Consistent with the historical origin and unique role of bond counsel, and reliance thereon by the capital markets, Orrick's role as bond counsel under this engagement is to provide opinions and related legal services that represent an objective judgment on the matters addressed rather than the partisan position of an advocate.

Housing Works and the Borrower acknowledge that Orrick regularly performs legal services for many private and public entities in connection with a wide variety of matters including legal services to Oregon Housing and Community Services (OHCS) on matters unrelated to the



David Brandt  
Executive Director  
July 6, 2021  
Page 4

Project and the Bonds. For example, Orrick has represented, is representing or may in the future represent OHCS, other private and public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, contractors, suppliers, financial and other consultants/advisors, accountants, investment providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the Bond financing or the Project or that may be involved with or adverse to Housing Works or the Borrower in this or some other matter. Housing Works and the Borrower acknowledge that in the course of representing other clients, Orrick may receive confidential information which it will not reveal that may be material to Housing Works, the Borrower or the Bond financing. Given the special, limited role of bond counsel described above, Housing Works and the Borrower also acknowledge that no conflict of interest exists or would exist, and waives any actual or potential conflict of interest that might be deemed to arise, now or in the future, from this engagement or any such other relationship that Orrick may have had, have or enter into (including Orrick's bond counsel relationship with OHCS), and Housing Works and the Borrower specifically consent to any and all such relationships.

If the foregoing is acceptable, please so indicate by returning the enclosed copy of this letter, signed by you or another authorized officer of Housing Works, and retain an original for your files. We thank you for this opportunity and look forward to working with you for a successful closing of the Bonds.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

Michael E. Schrader



David Brandt  
Executive Director  
July 6, 2021  
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ACKNOWLEDGED AND AGREED:

**CENTRAL REGIONAL HOUSING AUTHORITY,**  
**d/b/a HOUSING WORKS,**  
on behalf of itself and the Borrower

By:   
David Brandt, Executive Director

Date: July 6, 2021

cc: Keith Wooden, Director – Real Estate & Facilities  
Mark Kantor, Kantor Taylor PC

TAB 3b –

2021 CURRENT VOLUME CAP REQUEST

Housing Authority of Washington County

Terrace Glen Project

Multi-Family Housing Qualifying IRC 142(a)(7) & 142(d), \$29,000,000



Jacqueline Knights, Chair & Designee  
Oregon State Treasury

Jean Gabriel, Designee  
Department of Administrative Services

Dan Anderson, Public Member



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## PRIVATE ACTIVITY BOND ALLOCATION REQUEST

### ALLOCATION REQUEST TYPE

DATE: July 7, 2021

- ☒ Current Year Allocation Request  
☐ Carry Forward Allocation Request

### ISSUER DETAILS

Issuer: Housing Authority of Washington County  
Address: 111 NE Lincoln St  
City, State, Zip: Hillsboro, OR 97124  
Contact Name: Komi Kalevor  
Contact Phone: (503) 846-4755 Contact Email: [komi\\_kalevor@co.washington.or.us](mailto:komi_kalevor@co.washington.or.us)

### PROJECT INFORMATION

Title of Project: Terrace Glen  
Project Amount: \$53,967,443 Bond Amount: \$29,000,000 Request Amount: \$29,000,000  
Sale Date: November 22, 2021 Closing Date: November 22, 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:

The 2.88-acre project site is located in the Metzger neighborhood within Tigard in the Washington Square District along Greenburg Road. The site is adjacent to retail, grocery, rapid public transit hub, and entertainment amenities. The project is a direct response to the rapid gentrification that the Metzger neighborhood is currently experiencing and has been consciously structured to meet the needs of vulnerable populations, mitigating displacement and creating a thriving community with dedicated resident services. Terrace Glen will create 144 units at or below 60% AMI that serve a variety of households - multigenerational, single households, seniors, and small families - and those who are particularly susceptible to displacement. Forty-three (43) of the units, or 29.9%, are for those at 30% AMI or less; 101 units, or 70.1%, are for those from >30% to 60% AMI.

The Housing Authority of Washington County (HAWC) and Related Northwest are forming a public-private partnership (as General Partners) that uniquely leverages HAWC's local presence and Related's development expertise and strength. Related will manage and execute the project development. The design and construction team for Terrace Glen consists of C2K and Walsh Construction ("Walsh"), both highly reputable Portland firms experienced in delivering excellent housing communities in the wider region. Quantum Management Services, based in Vancouver, Washington, will serve as the property management company, and EngAGE Northwest will utilize its resident-facing expertise to provide comprehensive of resident services, including award-winning arts and lifelong learning programs. The Permanent Supportive Housing units will be serviced by HomePlate, an organization that serves homeless youth in Washington County. Finally, we are working with Immigrant and Refugee Community Organization ("IRCO") who is assisting with outreach, connection, and culturally-specific services.

Expected Number of Family Wage Jobs Created/Saved: 150

Describe how the project meets statutory standards:

This allocation would be used to finance the construction of 144 units of affordable housing in Tigard, Oregon. All units will be restricted to households at 60% or less of median income and will be subject to the low income housing tax credit (LIHTC) regulatory requirements for the period of affordability. This site is financed by a mixture of 4% LIHTC, private debt, Metro Affordable Housing Bond as issued by Washington County, and sponsor contributions of deferred developer fee.


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#### HOUSING PROJECT INFORMATION, if applicable

Expected Number of Resulting Housing Units: 144

Describe how the affordability status of housing units was determined: **"Description" continued on next page...**

Data sets were used that looked at the City of Tigard's Housing Needs Assessment, Washington County's Consolidated Plan, Community Action's Issues of Poverty Report, State of Oregon Rent Burdened Cities data (from HB4006), Metro's Regional Affordable Housing Bond Framework, Washington County and the Housing Authority of Washington County Local Implementation Strategy, and Oregon Housing and Community Services 4% LIHTC Bond program guidance.

In addition to these regulatory criteria, the Terrace Glen team analyzed the expected populations to be served by networking with EngAGE, HomePlate and IRCO to arrive at the unit mix, needs and amenities that led to the affordability levels we are committed to serving. The team also conducted outreach via listening sessions and surveys that resulted in 

☒ 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:

Address:

City, State, Zip:

Contact Name:

Contact Phone:

Contact Email:

#### BOND COUNSEL

Firm Name: Orrick, Herrington & Sutcliffe LLP

Address: 1120 NW Couch St, Suite 200

City, State, Zip: Portland, OR 97209

Contact Name: Michael Schrader

Contact Phone: 503-943-4840

Contact Email: mschrader@orrick.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.*

*Continued from previous page "Description..." section*

levels we are committed to serving. The team also conducted outreach via listening sessions and surveys that resulted in specific feedback for needing more affordable three- and four-bedroom units, as well as units serving those at 30% AMI.

Lastly, all units will be subject to Federal tax law for projects financed with tax-exempt bonds to meet minimum thresholds of affordability. In the case of Terrace Glen, the project will elect that at least 40% of the units will serve households at 60% AMI.



# WASHINGTON COUNTY OREGON

7 July 2021

VIA ELECTRONIC TRANSMISSION

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

RE: Housing Authority of Washington County Private Activity Bond (PAB) Project request

Dear Ms. Knights:

We thank your Private Activity Bond Committee for its ongoing support of affordable housing development throughout the state and are pleased to present the Housing Authority of Washington County's (HAWC) request of \$29,000,000 in Private Activity Bonds for the development of 144 units of regulated affordable housing in Tigard, Oregon—Terrace Glen Apartments for consideration at your July 21, 2021 meeting. Terrace Glen Apartments is a private-public partnership between Related NW and HAWC. The project will serve households at a 30% and 60% MFI and is on schedule to close in November 2021. A formal set of materials, including project sources and uses are submitted with this cover letter.

Terrace Glen Apartments is one of ten projects awarded Metro Affordable Housing Bond funds in Washington County. With the passage of the Metro Affordable Housing Bond in November 2018, Washington County received an allocation of \$116.47 million to support the production of 814 units. The County has awarded \$102 million of those funds to-date, which will provide 812 units. Like Terrace Glen, many of these projects intend to leverage Metro Affordable Housing Bond funds with 4% LIHTC and Private Activity Bonds issued by HAWC or Oregon Housing and Community Services over the next two years.

HAWC works alongside private and nonprofit developers to address the need for affordable housing in Washington County. This month HAWC is working with DCM Communities, LLC to close on financing and begin construction on The Valfre at Avenida 26 project, thanks in large part to Your Committee's support of that project with a bond cap allocation of \$7.2 million this past April. Additionally, in October 2021, an 81-unit project HAWC has partnered with Community Development Partners on will complete construction and lease-up. HAWC has two additional projects in its pipeline for which it plans to request Private Activity Bonds.

## **Goldcrest Apartments**

Developer: BRIDGE Housing  
PAB Issuer: Housing Authority of Washington County  
Ownership: Limited Partnership. BRIDGE Housing will be the sole general partner.

Housing Authority of Washington County  
Washington County, Oregon, Department of Housing Services  
111 NE Lincoln Street, Suite 200-L, MS 63, Hillsboro, OR 97124-3082  
(503) 846-4794 • fax (503) 846-4795 • TTY dial 711  
[www.co.washington.or.us/housing](http://www.co.washington.or.us/housing)  
***Equal Housing Opportunity***



## WASHINGTON COUNTY OREGON

**Description:** Goldcrest Apartments will provide 75 units of new construction affordable housing in the South Cooper Mountain area of the City of Beaverton. This is high opportunity area. The project will leverage Private Activity Bonds with Metro Affordable Housing Bond funds, investments from the City and County, and 4% LIHTC. HAWC intends to submit a request for 2021 PAB Volume cap at the October meeting. A formal set of materials will be prepared and submitted in advance of that meeting.

**Financing:**  
Anticipated Project Amount: \$ 29,943,674  
Anticipated PAB Request: \$23,280,000

**Schedule:**  
PAB Request Date: October 2021  
Bond Sale Date: December 2021  
Closing Date: December 2021

### **HAWCAHP4 Portfolio Rehab:**

**Developer:** Housing Authority of Washington County  
**PAB Issuer:** Housing Authority of Washington County  
**Ownership:** Limited Partnership. HAWC will be the sole general partner.  
**Description:** HAWC AHP4 will preserve and recapitalize 240 existing units at four properties within HAWC's affordable housing portfolio. This work will allow the properties to address physical needs, leveraging debt and LIHTC equity to do so. HAWC is considering expansion of this project to include another property in its portfolio. This has delayed the previously shared anticipated timeline.

**Financing:**  
Anticipated Project Amount: \$TBD  
PAB Request: \$TBD

**Schedule:**  
PAB Request Date: October 2021 or January 2022  
Bond Sale Date: February 2022  
Closing Date: February 2022

Again, HAWC appreciates your Committee's support of housing for low-income Oregonians. We look forward to the opportunity to share more detail about Terrace Glen at your July 21<sup>st</sup> meeting.

Sincerely,

A handwritten signature in black ink that reads "Komi P. Kalevor".

Komi P. Kalevor  
Executive Director

**Cc:** Shannon Wilson, Housing Authority of Washington County  
Michael Schrader, Orrick, Herrington & Sutcliffe LLP

Housing Authority of Washington County  
Washington County, Oregon, Department of Housing Services  
111 NE Lincoln Street, Suite 200-L, MS 63, Hillsboro, OR 97124-3082  
(503) 846-4794 • fax (503) 846-4795 • TTY dial 711  
[www.co.washington.or.us/housing](http://www.co.washington.or.us/housing)  
**Equal Housing Opportunity**

**Issuer: Housing Authority of Washington County**  
**Project Name: Terrace Glen**  
**Location: 9640 SW Greenburg Rd, Portland OR 97223**  
**Date: June 21st, 2021**

<b>Sources</b>	<b>Construction</b>		<b>Permanent</b>	
Tax Exempt Bond Financing	\$	29,000,000	\$	10,000,000
Tax Credit Equity	\$	3,445,991	\$	22,973,276
Metro Housing Bond	\$	16,620,039	\$	17,484,000
METRO TOD Grant			\$	500,000
Sponsor Cash			\$	25,000
OHCS MEP			\$	50,000
Deferred DDF through construction completion	\$	4,079,130		
Reserves (deffered until completion)	\$	822,283		
Permanent Deferred Developer Fee			\$	2,935,167
<b>Total</b>	\$	53,967,443	\$	53,967,443

			144	125000
Uses	Total Project Costs		Per Unit	Per Sq Ft.
Land	\$	2,800,000	\$ 19,444	\$ 22.40
Building			\$ -	
Construction	\$	37,989,262	\$ 263,814.32	\$ 303.91
Soft costs			\$ -	
Development Costs	\$	2,492,149	\$ 17,306.59	\$ 19.94
General Fees	\$	6,287,144	\$ 43,660.72	\$ 50.30
Financing	\$	1,295,605	\$ 8,997.26	\$ 10.36
Construction Period Interest	\$	851,064	\$ 5,910.17	\$ 6.81
Post-construction period interest	\$	569,936	\$ 3,957.89	\$ 4.56
Relocation			\$ -	
Reserves and Contingencies	\$	1,682,283	\$ 11,682.52	\$ 13.46
<b>Total</b>	\$	53,967,443	\$ 374,773.91	\$ 431.74

		Total		Cash Paid Fee	Deferred Fee
Developer Fee	\$	5,000,000	\$	2,064,833	\$ 2,935,167
Constulant Fee					
Aggregate	\$	5,000,000	\$	2,064,833	\$ 2,935,167

PAB Volume Cap Requested	\$	29,000,000
Estimated Tax Credit Basis	\$	48,420,598
PAB Volume Cap/Basis		59.9%



**Orrick, Herrington & Sutcliffe LLP**

1120 NW Couch Street  
Suite 200  
Portland, OR 97209-4163

+1 503 943 4800

**orrick.com**

**Michael E. Schrader**

E mschrader@orrick.com

D +1 503 943 4840

F +1 503 943 4801

July 2, 2021

Private Activity Bond Committee  
c/o Debt Management Division  
Oregon State Treasury  
350 Winter Street NE, Suite 100  
Salem, OR 97301-3896

Re: *Housing Authority of Washington County -- Request for Allocation of Private Activity Bond Volume Cap for Terrace Glen Apartments Project*

Ladies and Gentlemen:

This letter is submitted pursuant to OAR 170-071-0005(3)(k) and with respect to an affordable 144 unit multifamily housing project to be known as the Terrace Glen Apartments and located at 9640 SW Greenburg Road, Tigard, Oregon 97223 (the "Project"). The Project is proposed to be financed, in part, by the issuance of private activity bonds (the "Bonds") by the Housing Authority of Washington County ("HAWC or the "Authority"). We are serving as Bond Counsel to the Authority in connection with the financing of the Project.

The Authority has informed us that it wishes to finance a portion of the costs of the Project through the issuance by the Authority of its Housing Development Revenue Bonds (Terrace Glen Apartments Project), Series 2021 in the principal amount of approximately \$29,000,000. The financing of the Project through the issuance of the Bonds is authorized by ORS Chapter 456, including specifically ORS §§ 456.120, 456.175 & 456.185. The Project will be financed, developed, constructed and operated at all times as a "qualified residential rental project" within the meaning of Section 142(d)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). The Project will be financed with exempt facility private activity bonds issued in accordance with

Private Activity Bond Committee  
July 2, 2021  
Page 2



Sections 141(e)(1)(A) and 142(a)(7) of the Code, which requires an allocation by the Committee of private activity bond volume cap to the Project.

We would be pleased to answer any questions you may have regarding the qualification of the Bonds and Project under the Code.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

A handwritten signature in black ink, appearing to read "Michael E. Schrader". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael E. Schrader

cc: Komi Kalevor, Executive Director, HAWC  
Shannon Wilson, Housing Development Manager, HAWC





# Terrace Glen

## Private Activity Bond Request

Komi Kalevor, Executive Director  
Shannon Wilson, Housing Development Manager

Housing Authority of Washington County  
Private Activity Bond Committee – July 21, 2021

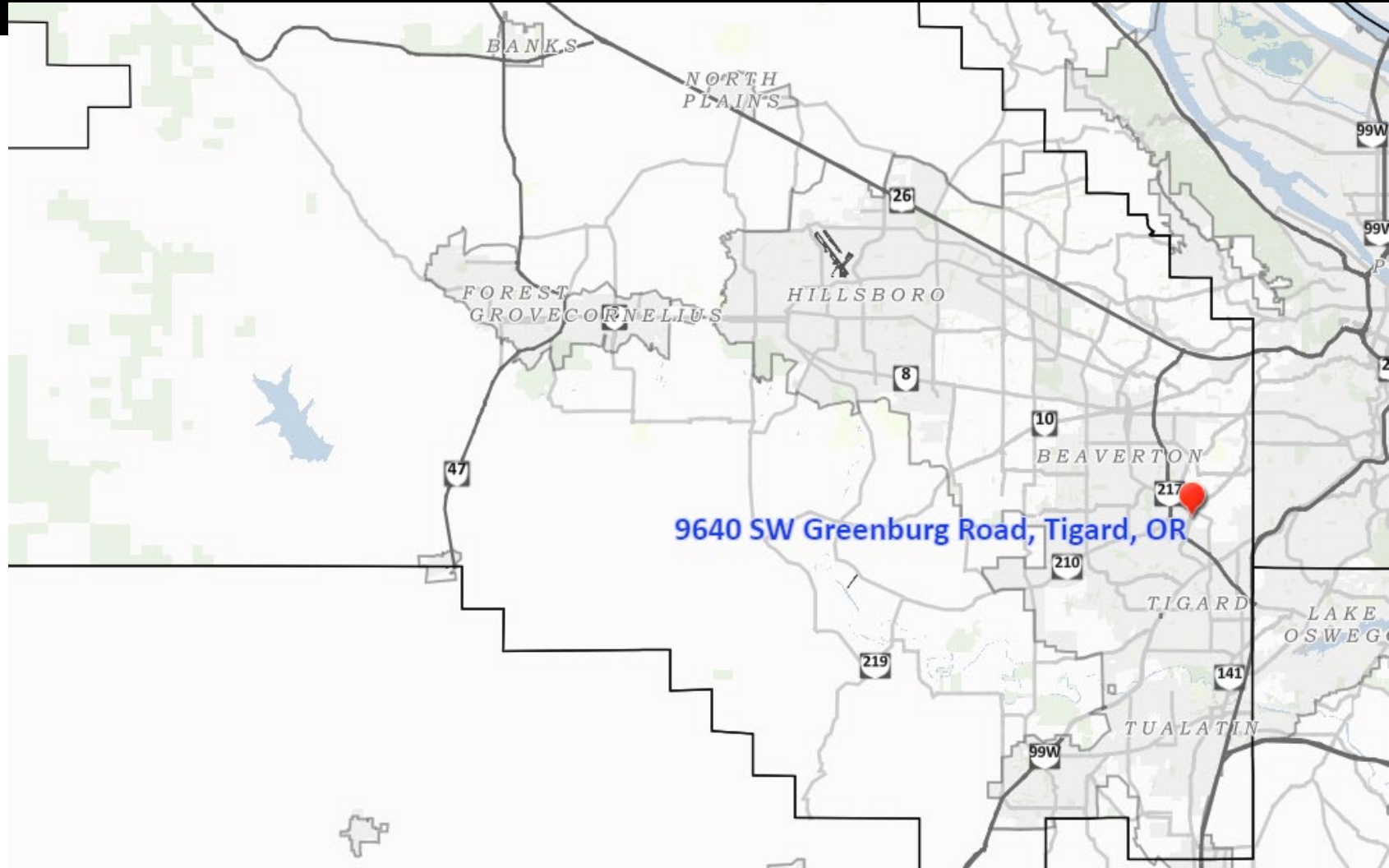




# Location

## Located in Tigard

- Southeast Washington County
- Across from Washington Square Mall
- Near schools, parks, and transit



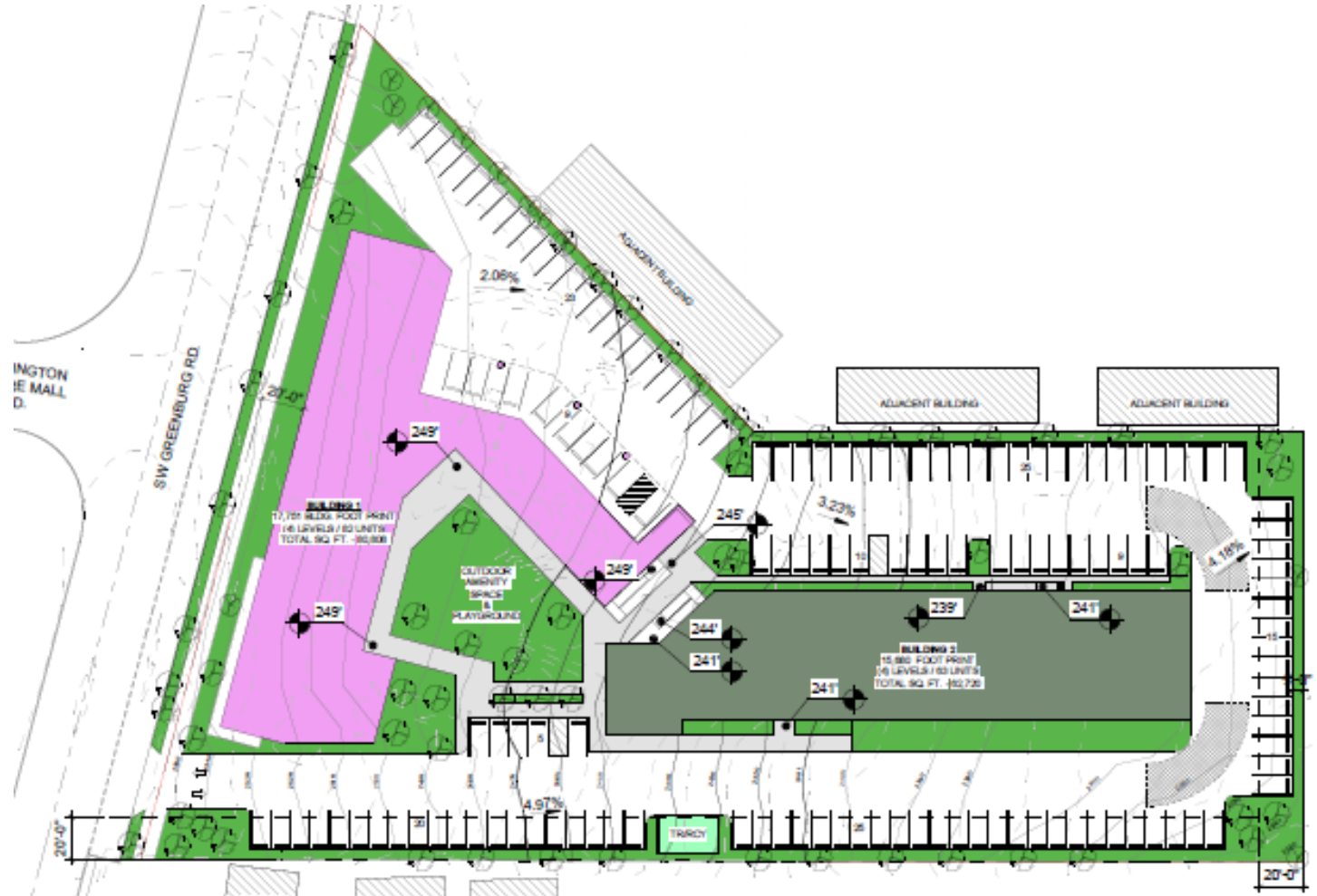
# → Terrace Glen

## Metro bond project—

Limited partnership with  
Related NW and Housing  
Authority of Washington  
County

## 144 units of housing

- 29 studios
- 41 one-bedroom units
- 58 two-bedroom units
- 13 three-bedroom units
- 3 four-bedroom units





# → Project Features

NO FRAME OR TRIM

GREENBURG - NORTH CORNER



- Three Permanent Supportive Housing units
- Service partnerships with EngAGE, HomePlate, and IRCO
- Outdoor courtyard and indoor multi-purpose rooms





# Funding and Timeline

Permanent Sources	
Permanent Tax-Exempt Bonds	\$10,000,000
Tax Credit Equity	\$22,973,276
Metro Affordable Housing Bond	\$17,484,000
Transit Oriented Development (Metro)	\$500,000
Sponsor Cash	\$25,000
OHCS MEP	\$50,000
Deferred Developer Fee	\$2,935,167
<i>Total</i>	<i>\$53,967,443</i>
Uses	
Acquisition Costs	\$2,800,000
Construction Costs	\$37,989,262
Development Costs	\$13,178,181
<i>Total</i>	<i>\$53,967,443</i>

## Estimated Closing Timeline

May 2021 – Land Use Approval Complete

October 5, 2021 – Final Approval (BOCC & Metro)

November 1, 2021 – Permit Ready

November 23, 2021 – Closing and Construction Start

May 23, 2023– Construction Completion

# → Project Pipeline

## Housing Authority Portfolio Rehab

PAB Request: \$TBD

240 units



## Goldcrest Apartments – BRIDGE Housing

PAB Request: \$23.28 million

75 units







# Questions/Comments



TAB 3c –

2021 CURRENT VOLUME CAP REQUEST

Home Forward

SE Powell Apartments Project

Multi-Family Housing Qualifying IRC 142(a)(7) & 142(d), \$42,030,000





July 7, 2021

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 – 3000 SE Powell Apartments

Dear Jacqueline Knights and Committee Members,

Home forward respectfully submits this request to the Private Activity Bond Committee (the “Committee”) for an allocation of Private Activity Bond Volume Cap of \$42,030,000 to finance the construction of the 3000 SE Powell Apartments. The allocation of Private Activity Bond Volume Cap is a critical element of the financing plan for this new housing.

The property will be owned by 3000 Powell Limited Partnership, of which Home Forward will serve as general partner and as issuer of the bonds pursuant to the authority granted in ORS 456.120(18) and (19). Home Forward will manage the design, construction and financing for the development.

**3000 SE Powell Summary:**

*Developer:* Home Forward  
*PAB Issuer:* Home Forward  
*Ownership:* 3000 Powell Limited Partnership. Home Forward will be the sole general partner.  
*Description:* 3000 SE Powell Apartments 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 206 units of affordable housing, of which 68 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% Low Income Housing Tax Credits (LIHTC), Portland Housing Bureau (PHB) Housing Bond funds and private debt and equity.

*Financing:*

Total Project Costs: \$83,098,700  
PAB Need: \$42,030,000

*Schedule:*

Bond Sale Date: 09/07/2021  
Closing Date: 09/07/2021

**Background and Description:**

On May 21, 2019, Home Forward and PHB executed a reservation of funds using City of Portland Housing Bonds to develop a vacant city-owned lot at the 3000 SE Powell site. To develop additional units at this site and make the project more feasible, Home Forward purchased the adjacent lot to the south on March 31, 2020. Collectively the two parcels will combine to be the 1.94 acre development site.

3000 SE Powell Apartments financing structure will include the use of Private Activity Bonds, 4% LIHTC equity, construction and permanent debt, PHB Housing Bonds and Home Forward sources.

When completed the 4-story building will be 100% LIHTC housing. Within the building, 18 units will be further restricted to serve households with incomes at or below 30% of AMI and an additional 50 units will be programmed for households at or below 30% of AMI under a project-based voucher (PBV) rent assistance contract that Home Forward will administer.

Unit Type by bedroom size:	Number of units by bedroom size:	Percent of Median Income as adjusted for family size will not exceed:
Studios	18	30%
Studios	105	60%
1 bedroom	18	60%
2 bedroom (PBV)	44 (25 PSH)	30%
2 bedroom	15	60%
3 bedroom (PBV)	6 (5 PSH)	30%
Total	206	

3000 SE Powell Apartments will provide 30 PSH units within the PBV contracted units, along with on-site resident services to serve and support chronically homeless families in partnership with the Joint Office of Homeless Services (JOHS).

The development team consists of Colas Construction and Holst Architecture. Home Forward has worked with both partners on previous affordable housing developments.

**Key Milestones and Schedule:**

In February 2020, The Home Forward Board of Commissioners authorized the bond inducement for 3000 SE Powell Apartments. Since then, the project has expanded from 180 units to 206 units of affordable housing. As a result of the development program expansion, an amended and restated bond inducement resolution has been reviewed by the Home Forward Board of Commissioners Real Estate and Development Committee at its July 2, 2021 meeting. The resolution has been assigned to the consent agenda at the Board of Commissioner's next meeting on July 20, 2021. The authorized amended and restated bond inducement will be provided to this Committee on July 21, 2021.

In April 2021, the 4% LIHTC Pre-application was submitted to OHCS.

In June, Bank of America was selected as the financial partner for equity and debt.

The upcoming project milestones are as follows:

- July 2021 – Submit the 4% LIHTC Full Application
- July 2021 – Construction bidding review
- August – City Council and PHB Investment Committee authorization
- August – Receive LIHTC reservation letter from OHCS
- September – Building permits received
- September – Financial closing
- September – Construction begins

**Closing:**

Enclosed with this letter is a Private Activity Bond Allocation Request Form and supportive documents that provide further detail in support of this request.

Enclosures include:

- 1) Private Activity Bond Volume Cap Allocation Request Form
- 2) Project Sources and Uses
- 3) Original bond inducement
- 4) Amended and restated bond inducement (anticipated to be authorized and executed on 07/20/2021)
- 5) Bond Counsel Letter
- 6) Architectural Renderings

3000 SE Powell Apartments will be leveraged with tax exempt bonds, 4% LIHTC, and other sources. This property will be affordable to households earning 60% or less of AMI for at least 60 years.

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

Warmest regards,

A handwritten signature in black ink, appearing to be 'Ben Loftis', written in a cursive style.

Ben Loftis  
Finance Manager

cc: Michael Buonocore, Home Forward  
Jonathan Trutt, Home Forward  
Julie Cody, OHCS  
Allison Schwartzman, Foster Garvey

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](mailto:DMD@OST.state.or.us)

**PRIVATE ACTIVITY BOND ALLOCATION REQUEST**

**ALLOCATION REQUEST TYPE**

**DATE:** July 7, 2021

- ☒ Current Year Allocation Request  
☐ Carry Forward Allocation Request

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**ISSUER DETAILS**

Issuer: Home Forward  
Address: 135 SW Ash St.  
City, State, Zip: Portland, OR 97204  
Contact Name: Ben Loftis  
Contact Phone: 503-802-8510 Contact Email: [ben.loftis@homeforward.org](mailto:ben.loftis@homeforward.org)

---

**PROJECT INFORMATION**

Title of Project: 3000 SE Powell Apartments  
Project Amount: 83,098,700 Bond Amount: 42,030,000 Request Amount: 42,030,000  
Sale Date: 09/07/2021 Closing Date: 09/07/2021  
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:**

3000 SE Powell Apartments is a 4-story, residential affordable housing project to be constructed in the Creston-Kenilworth neighborhood of inner Southeast Portland. The project will consist of 206 units of housing, affordable to households earning less than 60% of the area median income (AMI). Home Forward is working with the Portland Housing Bureau to develop this vacant lot to deliver safe, quality, affordable housing for qualified Oregonians.

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: 206

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: 3000 Powell Limited Partnership  
Address: 135 SE Ash St., Fifth Floor  
City, State, Zip: Portland, OR 97204  
Contact Name: Ben Loftis  
Contact Phone: 503-802-8510 Contact Email: ben.loftis@homeforward.org

#### BOND COUNSEL

Firm Name: Foster Garvey PC  
Address: 1111 Third Avenue, Suite 3000  
City, State, Zip: Seattle, WA 98101  
Contact Name: Allison Schwartzman  
Contact Phone: 206-447-6406 Contact Email: a.schwartzman@foster.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.*

**Issuer: Home Forward**  
**Project Name: 3000 SE Powell Apartments**  
**Location: 3000 SE Powell Blvd. Portland, Oregon 97202**  
**Date: 07/07/2021**

Sources	Construction	Permanent
Tax Exempt Bond Financing	42,030,000	10,535,600
Tax Credit Equity	5,153,190	36,647,590
Portland Housing Bonds	30,823,000	30,823,000
Seller Financing (Home Forward)	2,580,000	2,580,000
Home Forward Equity	100	100
Deferred Developer Fee	2,512,410	2,512,410
<b>Total</b>	<b>83,098,700</b>	<b>83,098,700</b>

Uses	Total Project Costs	206 Per Unit	134,123 Per Sq. Ft.
Land	4,500,000	21,845	34
Building (n/a, vacant land)	-	-	-
Construction	58,595,534	284,444	437
Soft Costs	-	-	-
Development Costs	1,510,000	7,330	11
General Fees	12,161,959	59,039	91
Financing	1,305,656	6,338	10
Construction Period Interest	3,319,819	16,116	25
Relocation	-	-	-
Reserves and Contingencies	1,705,732	8,280	13
<b>Total</b>	<b>83,098,700</b>	<b>403,392</b>	<b>620</b>

	Total	Cash Paid Fee	Deferred Fee
Developer Fee	6,000,000	3,487,590	2,512,410
Consultant Fee	-	-	-
<b>Aggregate Fees</b>	<b>6,000,000</b>	<b>3,487,590</b>	<b>2,512,410</b>
PAB Volume Cap Requested	42,030,000		
Estimated Tax Credit Basis and Land	76,421,625		
PAB Volume Cap / Basis	55%		



## RESOLUTION 21-07-03

### RESOLUTION 21-07-03 AUTHORIZES DECLARING AN INTENT TO ISSUE NOT TO EXCEED \$42,030,000 OF REVENUE BONDS FOR THE SE POWELL PROJECT

**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 sole general partner (the “Borrower”) to finance the acquisition, construction and equipping of a 206-unit apartment complex to be located at 3000 SE Powell Boulevard, in the City of Portland, Oregon, all to provide housing for low-income persons (the “Project”), the estimated cost of which is currently approximately \$83,100,000; and

**WHEREAS**, the Board of Commissioners of Home Forward previously adopted Resolution 20-02-06 declaring Home Forward’s intention to issue revenue bonds in an amount up to \$37,000,000 to finance the Project; and

**WHEREAS**, the anticipated cost of the Project has increased since the date of adoption of Resolution 20-02-06, and Home Forward anticipates that, as a result of such increase, the Borrower will request that Home Forward issue and sell its revenue bonds (the “Bonds”), in an aggregate amount not to exceed \$42,030,000 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 to finance part of the cost of the Project in a total amount not to exceed \$42,030,000; and

WHEREAS, Treasury Regulations Sections 1.103-8(a)(5) and 1.142-4(b) provide that, if an expenditure for an exempt facility is made before the issue date of the bonds issued to provide financing for that facility, in order for such expenditure to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse such expenditure from the proceeds of those bonds, and one of the purposes of this resolution is to update the declaration set forth in Resolution 20-02-06 to satisfy the requirements of such regulations.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF HOME FORWARD, as follows:**

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 \$42,030,000, to use the proceeds of the sale of the Bonds to make a loan (the “Loan”) to the Borrower, and to reimburse itself or to permit the Borrower to reimburse itself, as applicable, 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 issuance of 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, Home Forward and the Borrower are 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), 1.142-4(b), 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.

10. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED: JULY 20, 2021

Attest:

A handwritten signature in blue ink, appearing to read "M. Buonocore", written over a faint circular stamp.

For Michael Buonocore, Secretary

Home Forward:

A stylized handwritten signature in blue ink, likely reading "D. R. Hall", consisting of several connected loops and a long horizontal stroke.

Damien R. Hall, Chair



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June 24, 2021

Mr. Ben Loftis  
Development Finance Manager  
Home Forward  
135 SW Ash Street  
Portland, Oregon 97204

Re: Request for Allocation of Private Activity Bond Volume Cap – SE Powell

Dear Mr. Loftis:

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 SE Powell project and confirming Home Forward's ability to use such an allocation.

The SE Powell project is expected to include the acquisition, constructing and equipping of an approximately 206-unit apartment complex located at or around 3000 SE Powell Boulevard in Portland, Oregon, to provide housing for low-income persons. 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 SE Powell project will fit this pattern, and 4% low income housing tax credit equity will be an essential part of the financing package for the project. 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 construction and equipping of the SE Powell project 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 project to enable the owner of the project to obtain the low income housing tax credit equity necessary to finance the project.

Mr. Ben Loftis  
June 24, 2021  
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Home Forward is authorized under ORS 456.120(18) to lend money to a partnership to finance, plan, undertake, construct, acquire, manage or operate 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 SE Powell project 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







































