

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 12, 2022

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 19, 2022

The Private Activity Bond Committee will meet on Wednesday, January 19, 2022 to discuss 2021 carry forward and 2022 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
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PUBLIC MEETING NOTICE AND AGENDA

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

Wednesday, January 19, 2022
10:00 am – 12:00 pm (estimated end time)

AUDIO AND VIDEO PARTICIPATION: [Click here to join the 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. Summary Address	10:05 AM	10:10 AM
3. Private Activity Bond Status	10:10 AM	10:15 AM
<ul style="list-style-type: none">• 2018 – 2020 Carry Forward Allocations• 2021 Current and Carry Forward Status• 2022 Current Allocation Status		
4. 2021 Carry Forward Request		
<ul style="list-style-type: none">• Oregon Housing & Community Services Department \$407,000,000, <i>Qualifying IRC 142(2)(7) & 142(d)</i>²<ul style="list-style-type: none">○ Project Projection Presentation	10:15 AM	10:35 AM
5. 2022 Volume Cap Request		
<ul style="list-style-type: none">• OBDD, EPCOR Foothills Water Project<ul style="list-style-type: none">○ Information for upcoming request	10:35 AM	10:45 AM
<ul style="list-style-type: none">• CORHA, Ariel South \$8,800,000, <i>Qualifying IRC 142(a)(7) & 142(d)</i>²<ul style="list-style-type: none">○ Project Projection Presentation	10:45 AM	11:00 AM

¹ Estimated times

² Residential rental projects

<ul style="list-style-type: none"> • Home Forward, Dekum Redevelopment \$42,500,000, Qualifying IRC 142(a)(7) & 142(d)² <ul style="list-style-type: none"> ○ Project Projection Presentation 	11:00 AM	11:15 AM
<ul style="list-style-type: none"> • Housing Authority of Washington County <ul style="list-style-type: none"> • Goldcrest, \$18,000,000 <ul style="list-style-type: none"> ○ Qualifying IRC 142(a)(7) & 142(d)² ○ Project Projection Presentation • HAWC AHP4 Portfolio Rehab, \$58,000,000 <ul style="list-style-type: none"> ○ Qualifying IRC 142(a)(7) & 142(d)² ○ Project Projection Presentation 	11:15 AM	11:35 AM
6. Vote	11:35 AM	11:50 AM
7. Public Comment and Other	11:50 AM	12:00 PM
8. Adjournment		

¹ Estimated times

¹ Residential rental projects

TAB 2 – STATUS OF PAB ALLOCATIONS

2018 – 2020 CARRY FORWARD

2021 CARRY FORWARD AND CURRENT VOLUME CAP

2022 CURRENT VOLUME CAP

Private Activity Bond Committee
Historical Carry Forward Allocation and Use Summary
As of 01/05/2022

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)	TOTALS
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
		Expired			\$ 10,000,000.00	
		Remaining	\$ -	\$ -	\$ -	\$ -

Remaining Carryforward

2019	2022	Allocation	\$ 248,875,232.62			\$ 248,875,232.62
		Used	\$ 248,875,232.62			\$ 248,875,232.62
		Remaining	\$ -	\$ -	\$ -	\$ -
2020	2023	Allocation	\$ 386,080,580.65			\$ 386,080,580.65
		Used	\$ 292,008,846.99			\$ 292,008,846.99
		Remaining	\$ 94,071,733.66	\$ -	\$ -	\$ 94,071,733.66

Total Remaining Carryforward	Allocation	\$ 634,955,813.27	\$ -	\$ -	\$ 634,955,813.27
	Used	\$ 540,884,079.61	\$ -	\$ -	\$ 540,884,079.61
	Remaining	\$ 94,071,733.66	\$ -	\$ -	\$ 94,071,733.66

Private Activity Bond Committee
2021 Carry Forward Summary
As of 12/16/21

Agency	¹ Legislative Allocation for 2021	Committee Allotments of Allocation for 2021	Total Allocated or Alloted for 2021	Balance of Committee Allocation for 2021	Allocation Used for 2021	Allocations Returned to Committee for 2021	2021 Carry Forward Requests
Oregon Business Development Department - <i>Industrial Development Bonds</i>	\$40,000,000.00	-	40,000,000.00		-	40,000,000.00	
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		24,163,513.60	225,836,486.40	407,000,000.00
Home Forward - <i>85 Stories Group 7</i>		43,240,000.00	43,240,000.00		-	43,240,000.00	
Housing Authority of Washington County - <i>The Valfre at Avenida 26</i>		7,200,000.00	7,200,000.00		7,200,000.00	-	
Central Oregon Regional Housing Authority dba Housing Works - <i>Ariel South</i>		8,100,000.00	8,100,000.00		-	8,100,000.00	
Housing Authority of Washington County - <i>Terrace Glen</i>		29,000,000.00	29,000,000.00		29,000,000.00	-	
Home Forward - <i>SE Powell Apartments</i>		42,030,000.00	42,030,000.00		42,030,000.00	-	
Housing Authority of Washington County - <i>Goldcrest Apartments</i>		17,140,000.00	17,140,000.00		-	17,140,000.00	
Home Forward - <i>Dekum Redevelopment</i>		42,550,000.00	42,550,000.00		-	42,550,000.00	
Total:	\$292,500,000.00	189,260,000.00	481,760,000.00		102,393,513.60	379,366,486.40	407,000,000.00
² Adjusted PAB Committee Allocation	\$174,065,770.00	\$189,260,000.00					
³ Total 2020 Oregon PAB Allocation	\$466,565,770.00	2021 Carryforward:	(\$15,194,230.00)	+	379,366,486.40	=	\$364,172,256.40
2021 Carryforward:	\$466,565,770.00	-	\$481,760,000.00	+	379,366,486.40	=	\$364,172,256.40

2021 CF Balance = \$364,172,256.40

2021 PAB Allocation Summary

2021 Oregon Allocation	\$466,565,770.00
Less PAB Allocation Used	(\$102,393,513.60)
2021 PAB Carryforward	\$364,172,256.40

¹ House Bill 5505 (2021 Legislative Session for 2021-2023 biennium)

² 2021 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

Private Activity Bond Committee
2022 Allocations
As of 01/07/2022

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	1,000,000.00			1,000,000.00
State Agency Subtotals	291,000,000.00			291,000,000.00

Total PAB Committee Allocation²

176,077,050.00 (or \$44,017,512/quarter)³

Local Government		
Oregon Business Development Department/Commission	46,000,000.00	
Central Oregon Regional Housing Authority dba Housing Works	8,800,000.00	
Home Forward	42,500,000.00	
Housing Authority of Washington County	18,000,000.00	
Housing Authority of Washington County	58,000,000.00	
Local Government Subtotals	173,300,000.00	0.00

Oregon PAB Volume Cap Totals⁴	467,077,050.00	173,300,000.00	0.00
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2022 Committee PAB Current Allocation Summary	
Committee Available Allocation Cap:	\$176,077,050.00
Current Approved: -	\$0.00
Current Requests: -	
Expired/Returned to Committee ⁵ : +	\$0.00
Potential Remaining Allocation:	\$176,077,050.00

¹ Senate Bill 5505 (2021 Legislative Session for 2021-2023 biennium)

² PAB Legislative Allocation for 2022 + Additional Allocation Based on Census Data & IRS Cap per Capita

³ 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.

U.S.Census-Oregon x IRS Cap per Capita OR Total Volume Cap

⁴ Calculated by multiplying U.S. Census FY21 Population by 2022 IRS Cap per Capita 4,246,155 110 \$467,077,050

⁵ Balance of expired/returned 2022 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.

Request delayed to future meeting time. Presenting outline at meeting

	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			
PAB Committee - Allocation x SB 5505 (2021-23 Legislature)	\$151,862,385								
Additional Allocation based on 07-01-2021 U.S. Census Data	\$24,214,665								
<i>TOTAL PAB Committee Allocation for 2022:</i>	<u>\$176,077,050</u>								
Oregon Business Development Department/Commission <i>EPCOR Foothills Water Project</i>		46,000,000.00							
Central Oregon Regional Housing Authority dba Housing Works <i>Ariel South</i>		8,800,000.00							
Home Forward <i>Dekum Redevelopment</i>		42,500,000.00							
Housing Authority of Washington County <i>Goldcrest</i>		18,000,000.00							
Housing Authority of Washington County <i>AHP4 Portfolio Rehab</i>		58,000,000.00							
TOTALS		173,300,000.00	0.00	0.00	0.00	0.00			

TOTAL PAB Committee Allocation for 2022:	\$176,077,050.00
Allocation Approved to Date:	\$0.00
Allocation Returned to Committee:	\$0.00
Total Remaining Available to Allocate:	\$176,077,050.00

TAB 3 –

2021 CARRY FORWARD REQUESTS

Oregon Housing and Community Services

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

\$407,000,000

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

DATE: 12/16/2021

☐

Current Year Allocation Request

☒

Carry Forward Allocation Request

ISSUER DETAILS

Issuer: State of Oregon, Housing and Community Services Department

Address: 725 Summer Street NE Suite B

City, State, Zip: Salem, OR 97301-1266

Contact Name: Matthew Harris

Contact Phone: 503-580-7816

Contact Email: matthew.d.harris@hcs.oregon.gov

PROJECT INFORMATION

Title of Project: Various

Project Amount: TBD

Bond Amount: 407,000,000

Request Amount: 407,000,000

Sale Date: Various

Closing Date: Various

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:

This allocation would support OHCS's continuous efforts as well as the Governor's and Statewide Housing Plan, goals and initiatives concerning affordable multi-family housing under the Housing Development Revenue Bonds (Conduit) Program.

Expected Number of Family Wage Jobs Created/Saved: 1,799

Describe how the project meets statutory standards:

This allocation would be used to issue private activity bonds for the Departments ongoing Multi-Family housing programs. Loans financed under the Departments multi-family housing bond programs create economic benefits to the citizens of Oregon by providing for economic development and affordable housing opportunities. These loan programs are statewide, serving both urban and rural areas of the State. These loan programs also support the State's economy in various industries including construction, real estate, finance and banking. Borrowers under the multi-family housing bond programs are able to obtain financing at lower rates, which provides opportunities to reduce rents for multi-family project borrowers. These lower payments provide a direct financial benefit to eligible Oregonians

HOUSING PROJECT INFORMATION, if applicable

Expected Number of Resulting Housing Units: 5,536

Describe how the affordability status of housing units was determined:

For multi-family housing projects financed with tax-exempt bonds, Federal tax law requires that housing projects financed with tax-exempt bonds elect to provide either 1) 20% of the units affordable to individuals at 50% of median income or 2) 40% of the units affordable to individuals at 60% of median income. Compliance with these requirements is monitored through the Department's Asset Management and Compliance section.

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

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

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

Address: 1120 Nw Couch

City, State, Zip: Portland, Oregon 97209

Contact Name: Doug Goe

Contact Phone: 503-943-4810

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
Matthew Harris, Capital Markets Assistant Director OHCS
Roseanne Ward, Debt Operations Manager OHCS

DATE: January 5, 2022

SUBJECT: 2022 PAB Carryforward Allocation Request

Chair Knights and members of the Private Activity Bond Committee,

The following memo is provided to supplement OHCS's application for \$407 million in unused 2021 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 been a responsible steward of its allotted PAB allocations, having utilized nearly all its awarded Carry Forward allocations.
2. OHCS can provide the highest and best use of PAB allocations for the citizens of the State of Oregon through its promotion of affordable housing for Oregonians.
3. OHCS has an unprecedented pipeline of affordable rental housing projects, capable of using the entirety of Oregon's PAB allocation for future years.

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.

In addition to focusing PABs on affordable rental housing, OHCS recognizes and appreciates that this committee will face unfamiliar and potentially difficult allocation decisions. Oregon's ability to create affordable rental housing far exceeds its allocation of PABs. We believe that it is incumbent upon OHCS, as the state's housing finance agency, to provide this committee with recommendations on how this scarce resource should be equitably distributed for housing. To that end, OHCS has paused accepting applications for new 4% Low Income Housing Tax Credit project, which PAB leverages, to substantively engage with our business partners and create this recommendation. Our intent is to bring a

¹ Based on Calendar Year 2021 PAB utilization.



recommendation to April's committee meeting. To the extent that this committee receives substantive current year housing requests, we respectfully request that only immediate needs are granted to allow time for this recommendation, centered around geographic equity, to be collaboratively created.

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 Multifamily -Housing Development Revenue Bond program (Conduit).

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 the COVID-19 pandemic, OHCS has seen a reduction in loan purchases. Over the last two years OHCS has funded over \$145 million loans in calendar year 2020, and over \$127.7 million in calendar year 2021.

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 Article XI-Q bonds; Permanent Supportive Housing, Lottery-backed bonds; and the increased Document Recording fee. OHCS has and will continue to see a dramatic increase in the amount of bonds issued using PAB; 17 apartment projects totaling \$233 million in PABs during calendar year 2020 and an unprecedented 30 apartment projects totaling \$529 million in 2021. Currently, there are about \$767 million in 45 apartment projects currently anticipated to close in calendar year 2022, with another 7 projects totaling \$236 million on a wait list.

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, in addition to the increased stability and prosperity of those being housed.

Economic Benefits to Oregonians

Oregon Administrative Rule (OAR) Chapter 170 Division 71 states that 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 the 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 2021, OHCS closed six projects in rural communities², constituting about 20% 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 principles (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 communities where they are 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.

Leveraging PAB Allocations

OHCS pairs PABs for rental housing with the 4% LIHTC that is only constrained by the availability of PABs. In 2021 closings, OHCS used \$532 million in PABs to fund 30 projects and 3,269 rental housing units. These projects leveraged \$374 million in tax credit equity from the 4% LIHTC program, money that otherwise would not have been invested in Oregon.

Current and Future Pipeline of Affordable Rental Housing

In 2021, OHCS fully utilized all its remaining 2019 Carryforward by the first of June, totaling more than \$236 million for 14 Conduit projects. In that same year, OHCS also utilized \$292 million of its 2020 Carryforward allocation on 17 projects. OHCS is projecting the need for \$767 million in volume cap for projects closing in 2022, and in 2023 could utilize over \$620 million in volume cap. Additionally, OHCS has identified 7 projects totaling \$236 million in our pipeline that are waiting for pre-approval. OHCS is prepared to not move forward with these projects if PAB volume cap is not available. See Appendix A, Scenarios 1,2, and 4 attached to this memorandum for additional details.

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

² Using rural definition provided by the LIFT Competitive Funding Offering

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)

It is clear to OHCS that we will easily utilize every dollar of PAB that comes to OHCS in the next three years.

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.
- After a final use of Current Year 2021 volume cap totaling a little over \$24 million in August of 2021, OHCS will no longer use PAB allocations for the OBRLP.
 - Subsequently, OHCS will only utilize recycled PAB in our OBRLP through replacement refunding's (with limited restrictions allows prepayments of mortgages to be recycled 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.
- Launching a new model to provide homeownership lending that is not reliant on PABs or bond issuance. This new "Flex Lending" Program is intended to supplement the OBRLP program goals of financing new mortgages without using bonds or volume cap and expected to launch in 2022.

Future strategies include:

- Blending and supplementing funds with taxable bonds for the OBRLP program.
- Advocating for Federal legislation to increase the reach of PABs through provisions in the [Build Back Better Act \(BBB\)](#). BBB would lower the required amount of Tax-Exempt bonds to be issued to match with LIHTC 4% funds from 50% of the award amount to 25% of the award amount.
- Setting criteria to ensure future awards of PAB/LIHTC 4% funds create the most value for Oregonians and best align with OHCS's Statewide Housing Plan goals.

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 OHCS gap funding investments when used for rental housing, the critical need to increase the supply of affordable rental housing, as well as OHCS strategies to diversify its homeownership lending programs that don't rely on PABs.

If the Build Back Better Act is passed as currently structured, Conduit projects could be restructured to utilize 30% of the project cost as tax-exempt bonds as early as April 2022. If this change was implemented wholesale across all remaining projected projects for the year, it would lower the projected amount of volume cap needed from \$767 million to an estimated \$551 million in 2022 and \$338 million in 2023. Additional details are provided in Appendix A to this letter, in Scenario 3.



Conclusion

OHCS continues to acknowledge 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 wanted to provide this update to continue to inform the Committee of the unprecedented pipeline of affordable rental housing projects and ensure that the PAB Committee has all information necessary to make these decisions. OHCS always stands ready to provide any additional information necessary to inform the Committee's work with regards to affordable housing.



Scenario 1**Assuming OHCS receives all future Carryforward and 100% of To-Date Remaining 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)	
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	\$386,080,581	\$622,393,274	\$250,000,000	\$872,393,274	\$528,321,540	\$24,163,517	\$552,485,057	\$94,071,734	\$225,836,483	
2022	\$94,071,734	\$407,000,000	\$501,071,734	\$250,000,000	\$751,071,734	\$766,994,245	\$0	\$766,994,245	\$0	\$0	
2023	\$0	\$174,065,770	\$174,065,770	\$250,000,000	\$424,065,770	\$620,000,000	\$0	\$620,000,000	\$0	\$0	
2024	\$0	\$174,065,770	\$174,065,770	\$250,000,000	\$424,065,770	\$427,735,000	\$0	\$427,735,000	\$0	\$0	

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)	
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	\$386,080,581	\$622,393,274	\$250,000,000	\$872,393,274	\$528,321,540	\$24,163,517	\$552,485,057	\$94,071,734	\$225,836,483	
2022	\$94,071,734	\$225,836,486	\$319,908,220	\$250,000,000	\$569,908,220	\$766,994,245	\$0	\$766,994,245	\$0	\$0	
2023	\$0	\$0	\$0	\$250,000,000	\$250,000,000	\$620,000,000	\$0	\$620,000,000	\$0	\$0	
2024	\$0	\$0	\$0	\$250,000,000	\$250,000,000	\$427,735,000	\$0	\$427,735,000	\$0	\$0	

Scenario 3**Assuming OHCS receives all future Carryforward and 100% of To-Date Remaining PAB Committee Allocations and Build Back Better Passes in Current Form**

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)	
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	\$386,080,581	\$622,393,274	\$250,000,000	\$872,393,274	\$528,321,540	\$24,163,517	\$552,485,057	\$94,071,734	\$225,836,483	
2022	\$94,071,734	\$225,836,486	\$319,908,220	\$250,000,000	\$569,908,220	\$550,967,798	\$0	\$550,967,798	\$0	\$18,940,421	
2023	\$0	\$18,940,421	\$18,940,421	\$250,000,000	\$268,940,421	\$338,181,818	\$0	\$338,181,818	\$0	\$0	
2024	\$0	\$0	\$0	\$250,000,000	\$250,000,000	\$233,310,000	\$0	\$233,310,000	\$0	\$16,690,000	

Scenario 4**Assuming OHCS receives all future Carryforward and 100% of To-Date Remaining PAB Committee Allocations, and unapproved pipeline projects are included**

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)	
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	\$386,080,581	\$622,393,274	\$250,000,000	\$872,393,274	\$528,321,540	\$24,163,517	\$552,485,057	\$94,071,734	\$225,836,483	
2022	\$94,071,734	\$407,000,000	\$501,071,734	\$250,000,000	\$751,071,734	\$1,004,194,248	\$0	\$1,004,194,248	\$0	\$0	
2023	\$0	\$174,065,770	\$174,065,770	\$250,000,000	\$424,065,770	\$620,000,000	\$0	\$620,000,000	\$0	\$0	
2024	\$0	\$174,065,770	\$174,065,770	\$250,000,000	\$424,065,770	\$427,735,000	\$0	\$427,735,000	\$0	\$0	

TAB 4 –

2022 CURRENT VOLUME CAP REQUEST

Oregon Business Development

Department – EPCOR Foothills Water

Project

Outline for Upcoming Request

Project Projection Presentation

Memorandum

1/11/2022

TO: Oregon State Treasury, Private Activity Bond Committee
FROM: John Saris, Finance Manager, Business Oregon
SUBJ: Business Oregon – 2022 IDB Project Pipeline

Business Oregon 2022 IDB Project Pipeline

- Food manufacturer –
 - Beaverton
 - ~\$8 million 'regular' IDB project (agency allocation)
 - Awaiting final construction budget later this month.
 - Direct placement, IDB Express Bond projected to close within 90-120 day from receipt of a complete application.
- Sewage treatment facility (EPCOR Foothills Water Project Inc.)
 - Location: Lake Oswego
 - P3 partnership between the City of Portland, Lake Oswego, and EPCOR
 - ~\$75 million exempt facility IDB project (of which \$32 million is 2022 agency allocation) paired with ~\$75 million being funded via a federal WIFIA loan
 - Currently processing the application and will be obtaining Declaration of Eligibility and Intent at a meeting of the Finance Committee on January 20
 - Company is working with the City of Lake Oswego to finalize project details
 - Targeted close in Q3 of 2022
 - Anticipate bringing the application for \$45-50 million of 2022 current year volume cap to the PABC in July or October depending on the final timeline to issue the bonds.

Requested Action:

☐ Informational only

TAB 5 –

2022 CURRENT VOLUME CAP REQUEST

Central Oregon Regional Housing

Authority– Ariel South

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

\$8,800,000

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: 12-28-21

- ☒ Current Year Allocation Request
☐ Carry Forward Allocation Request

ISSUER DETAILS

Issuer: Central Oregon Regional Housing Authority DBA Housing Works
Address: 405 SW 6th St
City, State, Zip: Redmond, OR 97756
Contact Name: David Brandt
Contact Phone: 541-323-7405 Contact Email: dbrandt@housing-works.org

PROJECT INFORMATION

Title of Project: Ariel South
Project Amount: 17,222,544 Bond Amount: 8,800,000 Request Amount: 8,800,000
Sale Date: 1/27/22 Closing Date: 1/27/22

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:

Housing Works currently owns and operates Ariel South Apartments in Bend. Built in 1978, Ariel South is a 96 unit affordable housing development in need of significant capital improvements. AS Housing LLC has been created to rehabilitate Ariel South Apartments and this project will be financed with 4% low income housing tax credit equity, private activity bonds, and a loan from Housing Works. The project has also received an award of Oregon Affordable Housing Tax Credits (OAHTC) by Oregon Housing & Community Services.

Expected Number of Family Wage Jobs Created/Saved: 40

Describe how the project meets statutory standards:

1. The amount of private activity bonds will exceed 50% of development costs to allow the project to qualify for federal low income housing tax credits (LIHTC) under IRC Section 42. The private activity bond amount is not, however, expected to exceed 55% of development costs.
2. The housing will remain affordable for at least the minimum statutory requirements.

HOUSING PROJECT INFORMATION, if applicable

Expected Number of Resulting Housing Units: 96

Describe how the affordability status of housing units was determined:

Housing Works is proposing a mix of affordable units that are restricted at 50% AMI and 60% AMI. The affordability of the housing units will follow low income housing tax credit requirements and those of the Oregon Housing and Community Services. Through the utilization of multiple layers of financing and OAHTC, the rents at this proposed development will range from 50%-55% below market rates.

☒ 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: AS Housing LLC

Address: 405 SW 6th St

City, State, Zip: Redmond, OR 97756

Contact Name: David Brandt

Contact Phone: 541-323-7405 Contact Email: dbrandt@housing-works.org

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.*

Issuer: Central Oregon Regional Housing Authority
Project Name: Ariel South
Location: Bend
Date: 12/28/2021

Sources	Construction	Permanent
Long term bond	7,100,000	7,100,000
Short term Bond	1,700,000	
Tax Credit Equity	1,250,924	5,518,392
Deferred Developer fee	890,794	890,794
Sponsor loan	3,400,000	3,400,000
cash flow during rehab	313,358	313,358
construction loan (not tax exempt)	2,567,468	
Total	17,222,544	17,222,544

Uses	Total Project Costs	Total Units	Total Sq. Ft.
		96	92,716
		Per unit	Per Sq. Ft.
Land	285,000	2,969	3
Improvements	7,955,000	82,865	86
Construction	5,779,319	60,201	62
Development costs	75,800	790	1
General Fees	1,684,000	17,542	18
Financing	343,252	3,576	4
Construction period Interest	413,223	4,304	4
Reserves and Contingencies	686,950	7,156	7
Total	17,222,544	179,402	186

	Total	Cash Paid Fee	Deferred Fee
Developer Fee	1,500,000	609,206	890,794
Consultant Fee	0	0	0
Aggregate Fees	1,500,000	609,206	890,794

PAB Volume Cap Requested	8,800,000
Estimated Tax Credit Basis	16,313,149
PAB Volume Cap/Basis	0.5394



December 28, 2021

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

Re: Request for \$8,800,000 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 \$8,800,000 of Private Activity Bond Volume Cap for the acquisition/rehabilitation of Ariel South, a 96 unit affordable apartment community in Bend, Oregon. The Issuer is requesting an new award in 2022 of \$8,800,000 million in bond cap is required to secure an estimated \$5.51 million in LIHTC tax credit equity from our financial partner. The project appraisal completed following the award of the 2021 bond cap for the project resulted in the need for an additional award of bond cap to meet the LIHTC 50% test. As a result, the prior request and award for the project has been withdrawn and replaced with this request.

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 50%-55% 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 two tranches of bonds to finance the acquisition and construction of the property: (1) \$7,100,000 in tax exempt, long term private activity bonds with OAHTC (**A Bonds**) (2) \$1,700,000 in tax exempt short-term private activity bonds (**B 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

Unit Mix:	Two bedroom units	96

Land: Approximately 5.04 acres

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

Rent Levels:	<u>Type</u>	<u>No.</u>	<u>Rent</u>
	Two bedrooms	2	\$710 (50% AMI Units with OAHTC)
	Two bedrooms	94	\$735 (60% AMI Units with OAHTC)

Key Players:	A and B 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)

Schedule:	PNC equity LOI	June 2021
	OHCS OAHTC reservation:	June 2021
	Washington Federal LOI	July 2021
	Private Activity Bond Cap allocation:	January 2022
	Closing:	January 2022
	Construction commencement:	February 2022
	Construction completion:	February 2023
	Lease up:	Ongoing 2022/23

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





Exhibit B



Orrick, Herrington & Sutcliffe LLP

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

+1 503 943 4800

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Michael E. Schrader

E mschrader@orrick.com

D +1 503 943 4840

F +1 503 943 4801

December 28, 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 2022 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 2022 in the principal amount of approximately \$8,800,000. 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
December 28, 2021
Page 2



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

TAB 6 –

2022 CURRENT VOLUME CAP REQUEST

Home Forward – Dekum

Redevelopment

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

\$42,500,000

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: 1/05/2022

- ☒ 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: Dekum Redevelopment
Project Amount: \$82,764,636 Bond Amount: \$42,500,000 Request Amount: \$42,500,000
Sale Date: 3/10/2022 Closing Date: 3/10/2022

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:

Dekum's redevelopment includes 6 buildings (5 2-4 story residential and one 2-story community building) to be constructed in the Concordia neighborhood of inner Northeast Portland. The property will hold 187 units of housing affordable to households earning less than 60% of area median income (AMI). Home Forward is receiving Metro GO Bond funds to redevelop this site that now includes 40 public housing units. An address for the site is 7003 NE 27th Ave. Portland, OR 97211.

Expected Number of Family Wage Jobs Created/Saved: 9

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 expects to issue bonds supported by a Current Year allocation in March 2022.

HOUSING PROJECT INFORMATION, if applicable

Expected Number of Resulting Housing Units: 187

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 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: Dekum 2 Limited Partnership

Address: 135 SW Ash St. Fifth Floor

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 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

*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.*



January 5, 2022

VIA ELECTRONIC TRANSMISSION

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

RE: 2022 Private Activity Bond Volume Cap Request for Home Forward – Dekum Redevelopment

Dear Jacqueline Knights and Committee Members,

Home forward respectfully submits this request to the Private Activity Bond Committee (the “Committee”) for a 2022 allocation of Private Activity Bond (“PAB”) Volume Cap of \$42,500,000 to finance the construction of the Dekum Redevelopment. The allocation of Private Activity Bond Volume Cap is a critical element of the financing plan for this new housing. Your reservation of bond volume cap validates the financing structure for HUD and our financing partners.

Thank you for approving our request for 2021 allocation for Dekum, which expired in December. Even though the 2021 allocation has expired, it provided evidence for our lenders and partners of your support of the 187-unit development and our ability to finance the development. We are renewing our bond request for 2022 (current year) allocation of Private Activity Bond (“PAB”) Volume Cap of \$42,500,000 for Dekum.

We have reduced our request from \$42,550,000 to \$42,500,000 to align with the maximum allocation of 55% of land and depreciable basis. As we approach closing, we continue to refine two costs: land and construction costs. We estimate the land value until it can be set by an appraisal. We expect to receive the appraisal in February to support land and development value. We will continue to refine our construction estimates and consider impacts of the current economy for labor and materials.

The property will be owned by Dekum 2 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, financing and when construction is complete, property management for the development.

Dekum Redevelopment Summary:

Developer: Home Forward

PAB Issuer: Home Forward

Ownership: Dekum 2 Limited Partnership. Home Forward will be the sole general partner.

Description: Dekum 2 Apartments is new construction of six two-four story buildings to be located on the corner of Saratoga Street and NE 27th Avenue in the Concordia neighborhood of Portland, Oregon. The buildings will have 187 units of affordable housing, of which 61 units will serve households at or below 30% AMI. Sixty-seven (67) units will have project-based Section 8 rent assistance. This development will be leveraged with tax exempt bonds, 4% Low Income Housing Tax Credits (LIHTC), Oregon Affordable Housing Tax Credits (OAHTC), Metro Housing Go Bond proceeds and private debt and equity.

Financing:

Total Project Costs: \$82,764,636

PAB Need: \$42,500,000

Schedule:

Bond Sale Date: 3/10/2022

Closing Date: 3/10/2022

Background and Description:

Home Forward received approvals from HUD to convert Public Housing rent assistance to Section 8 rent assistance and remove the existing 40 units with plans to development more than 60 units. Metro confirmed their funding and the proposed production targets for the Dekum Redevelopment in May 2019. We received HUD's approval to transfer 27 units of RAD PBV assistance to Dekum bringing the total rental assistance to 67 units. We submitted the 4% pre-application for 187 units to OHCS in July and are following up with the full application.

Dekum Redevelopment financing structure will include the use of Private Activity Bonds, 4% LIHTC equity, OAHTC, construction and permanent debt, Metro Housing Go Bonds and Home Forward sources.

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

When completed the 6 buildings will be 100% LIHTC housing. Within the building, 61 units will be further restricted to serve households with incomes at or below 30% of AMI and 67 units will be supported with project-based voucher (PBV) rent assistance contracts that Home Forward will administrator.

Unit Type by bedroom size:	Number of units by bedroom size:	Percent of Median Income as adjusted for family size will not exceed:
Studios	24	30%
Studios	32	60%
1 bedroom	5	30%
1 bedroom	8	60%
2 bedroom	16 (PBV)	30%
2 bedroom	2	30%
2 bedroom	16 (PBV)	60%
2 bedroom	36	60%
3 bedroom	11 (PBV)	30%
3 bedroom	23 (PBV)	60%
3 bedroom	7	60%
4 bedroom	1 (PBV)	60%
4 bedroom	3	30%
4 bedroom	3	60%
Total	187	

Key Milestones and Schedule:

A bond inducement resolution was approved in October 2020.

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

We selected Wells Fargo Affordable Housing CDC as Tax Credit Limited Partner and Wells Fargo Bank and JPMorgan Chase as Construction Lenders and JPMorgan Chase as Permanent Lender.

The upcoming project milestones are as follows:

February 2021	Building permits received
January 2021	Submit the 4% LIHTC Full Application
February 2022	Construction bidding review
February 2022	Metro Go Bond authorization
February 2022	Receive LIHTC reservation letter from OHCS
March 2022	Financial closing
March 2022	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) Bond inducement Resolution
- 4) Bond Counsel Letter
- 5) Architectural Renderings

Dekum Redevelopment will be leveraged with tax exempt bonds, 4% LIHTC, OAHTC, and other sources. This property will be affordable to households earning 60% or less of AMI for at least 30 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
Tanya Stagrays, OHCS
Tyler Young, OHCS
Allison Schwartzman, Foster Garvey

Issuer: Home Forward
Project Name: Dekum Redevelopment
Location: 7003 NE 27th Ave. Portland, Oregon 97211
Date: 1/5/2022

Sources	Construction	Permanent
Tax Exempt Bond Financing	42,500,000	16,850,000
Tax Credit Equity	1,522,118	34,304,795
Metro Housing GO Bonds	21,034,083	21,034,083
Home Forward Financing	6,110,659	6,110,659
Home Land Lease (Est. Value)	2,200,000	2,200,000
Home Forward Equity	100	100
Deferred Developer Fee	9,397,677	2,265,000
Total	82,764,636	82,764,636

Uses	Total Project Costs	187 Per Unit	150,075 Per Sq. Ft.
Land	2,200,000	11,765	15
Building (no value for buildings to be demolished)	-	-	-
Construction	55,600,389	297,328	370
Soft Costs		-	-
Development Costs	1,521,798	8,138	10
General Fees	13,742,000	73,487	92
Financing	1,660,209	8,878	11
Construction Period Interest	2,817,563	15,067	19
Relocation	1,303,470	6,970	9
Reserves and Contingencies	3,919,208	20,958	26
Total	82,764,636	442,592	551

	Total	Cash Paid Fee	Deferred Fee
Developer Fee	11,000,000	8,735,000	2,265,000
Consultant Fee	-	-	-
Aggregate Fees	11,000,000	8,735,000	2,265,000

PAB Volume Cap Requested	42,500,000
Estimated Tax Credit Basis and Land	77,174,286
PAB Volume Cap / Basis	55%









Dekum Court Redevelopment
Private Activity Bond Committee
January 19, 2022

Dekum Court Context



Dekum Court Context



Dekum Court Context

Site Conditions

Topography



LEVER

Dekum Court

June 23, 2020



0'

64'

6

Dekum Court Redeveloped



LEGEND

- 01 PLAY AREA
- 02 OPEN LAWN
- 03 PICNIC TERRACE
- 04 BASKETBALL COURT
- 05 PARKING AREA
- 06 COMMUNITY GARDEN
- 07 COMMUNITY BUILDING
- 08 RESIDENT GARDEN
- 09 COURTYARD
- 10 RAMP
- 11 STAIR
- 12 LAND BANK

Dekum Court Redeveloped



homeforward

Dekum Court Redeveloped



homeforward

Dekum Court Redeveloped

30% AMI Units	
Studio	24
1BR	5
2BR	34
3BR	34
4BR	4
Total:	101

60% AMI Units	
Studio	32
1BR	8
2BR	36
3BR	7
4BR	3
Total:	86

Dekum Court Financing

Sources	
Low Income Housing Tax Credits	\$34,304,786
Permanent Loan with OAHTC	\$16,850,000
Deferred Developer Fee	\$2,265,000
HF Reserves	\$6,100,768
Metro GO Bond Funds (\$143,089 /new unit)	\$21,034,083
	\$80,554,636

Uses	
Construction Costs	\$58,380,408
Soft Costs	\$15,253,798
Financing Costs	\$4,477,771
Contingency / Reserves	\$2,442,658
	\$80,554,636



homeforward



MEMORANDUM

To:	Board of Commissioners	Date:	October 20, 2020
From:	Jonathan Trutt, Director, Development and Community Revitalization 503-802-8507	Subject:	Authorize an Inducement Resolution Declaring an Intent to Issue Bonds for the Redevelopment of Dekum Court Resolution 20-10-05
	Theresa Auld, Finance Manager, Development and Community Revitalization 503-802-8319		

The Board of Commissioners are being asked to approve an Inducement Resolution that declares the following intentions related to the redevelopment of Dekum Court:

- Home Forward's intention to issue and sell revenue bonds of Home Forward in a principal amount of not to exceed \$48 million.
- Home Forward's intention to reimburse the borrower or itself from proceeds of the bonds for expenditures made by Home Forward before the issue date of the bonds.

The requested action requested action supports Strategic Plan Goal, One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

BACKGROUND

Inducement resolutions are a standard step in all affordable housing financing efforts in which Home Forward issues Private Activity Bonds allocated by the Oregon State

Treasury and receives Low Income Housing Tax Credits provided by Oregon Housing and Community Services (OHCS). This technical step is required by federal law and regulation in order for projects to properly qualify for these two crucial affordable housing financing resources.

This inducement resolution merely announces Home Forward's intent to issue tax-exempt Private Activity Bonds, and to use bond proceeds to reimburse expenditures prior to the date of issue. It does not obligate Home Forward to issue the bonds or determine the specific terms of the bonds. Board of Commissioner approval of a separate "bond resolution" will occur prior to the issuance of any bonds to finance the Dekum Court project.

Staff provided the Real Estate and Development (READ) Committee a draft copy of this resolution at its October 2, 2020 meeting.



RESOLUTION 20-10-05

RESOLUTION 20-10-05 AUTHORIZES DECLARING AN INTENT TO ISSUE NOT TO EXCEED \$48,000,000 OF REVENUE BONDS FOR REDEVELOPMENT OF DEKUM COURT AFFORDABLE HOUSING

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 construction of Dekum Court affordable housing development (the “Project”), located at NE 27th and Saratoga St. in Portland Oregon, to provide housing for low-income persons, the estimated cost of which is not expected to exceed \$83,000,000; 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 \$48,000,000 pursuant to the Act to assist the Borrower in financing all or part 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 \$48,000,000, 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 \$48,000,000, 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: OCTOBER 20, 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. 20-10-05 (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 October 20, 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 20th day of October, 2020.

HOME FORWARD

A handwritten signature in dark ink, appearing to read "M. Brown", followed by a long horizontal flourish.

Executive Director and Secretary



1111 Third Avenue
Suite 3000
Seattle, WA 98101

Main: 206.447.4400
Fax: 206.447.9700
foster.com

Direct Phone: 206.447.6406
Fax: 206.749.1962
a.schwartzman@foster.com

December 16, 2021

Ms. Theresa J. Auld
Finance Manager
Development & Community Revitalization
Home Forward
135 SW Ash Street
Portland, Oregon 97204

Re: Request for Allocation of Private Activity Bond Volume Cap – Dekum Court

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 Dekum Court project and confirming Home Forward's ability to use such an allocation.

The Dekum Court project is expected to include the acquisition, constructing and equipping of an approximately 187-unit apartment complex located in the vicinity of 7003 NE 27th Avenue 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 Dekum Court 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 Dekum Court 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.

Ms. Theresa Auld
December 16, 2021
Page 2

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 the Dekum Court 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

TAB 7 –

2022 CURRENT VOLUME CAP REQUEST

Housing Authority of Washington

County – Goldcrest & HWAC AHP4

Portfolio Rehab

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

\$18,000,000

\$58,000,000

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

DATE: January 5, 2022

- ☒ Current Year Allocation Request - 2022
☐ 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

PROJECT INFORMATION

Title of Project: Goldcrest
Project Amount: \$34,521,099 Bond Amount: \$18,000,000 Request Amount: \$18,000,000
Sale Date: 2/10/2022 Closing Date: 2/10/2022

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 2.15-acre project site is located in the South Cooper Mountain area of the City of Beaverton at 12495 SW 172nd Terrace across from Mountainside High School to the northeast. The site is a growing area of Beaverton with a large mix of new multifamily apartments and single-family homes in close proximity to retail, grocery, and entertainment amenities. The increased density and number of housing units is anticipated to transform the area with a growing transit presence nearby on SW Scholls Ferry Road. Goldcrest Apartments - an inclusive community to households and families with children at or below 60% of the Area Median Income (AMI) with on-site resident services - helps ensure permanent affordable rental housing is included in the mix of new housing in the South Cooper Mountain area.

BRIDGE Housing is sponsoring this 4% LIHTC development with tax-exempt bonds issued by the Housing Authority of Washington County (HAWC). BRIDGE will manage and execute the project development. The design and construction team for Goldcrest consists of Salazar Architect and Colas Construction ("Colas"), both highly reputable Portland firms experienced in delivering excellent housing communities in the wider region. The equity in contracting goals for this project is 50% for professional services and 25% for hard construction costs (with a 30% aspirational goal). BRIDGE Property Management Company ("BPMC") serves as the property management company, and Hacienda Community Development Corporation ("Hacienda") will serve as the resident services provider on-site for BRIDGE with a focus on coordination of services partnerships with area organizations, youth and family services including early childhood education and afterschool programming, housing stabilization and asset development, and economic opportunity.

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 75 units of affordable housing in Beaverton, 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 project is proposed to be 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 in addition to Private Activity Bonds.

HOUSING PROJECT INFORMATION, if applicable

Expected Number of Resulting Housing Units: 75

Describe how the affordability status of housing units was determined:

Data sets were used that looked at the City Beaverton's Community Vision Plan and Five-Year Action Plan (for Housing), the Coalition of Communities of Color's Leading with Race: Research Justice in Washington County, BRIDGE's Strategic Plan, Metro's Regional Affordable Housing Bond Framework, Washington County and the City of Beaverton and Washington County's Local Implementation Strategy, and Oregon Housing and Community Services 4% LIHTC Bond program guidance.

BRIDGE and Hacienda have worked in tandem to analyze the demographics of West Beaverton with an eye towards ensuring primarily low-income Latinx and Asian American families are served at Goldcrest as well as Slavic, African-Americans, and those households who identify with multiple races and ethnicities. The team also conducted

☒ 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.*

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: January 5, 2022

- ☒ 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

PROJECT INFORMATION

Title of Project: HAWC AHP4 Portfolio Rehab
Project Amount: \$117,329,964 Bond Amount: \$58,000,000 Request Amount: \$58,000,000
Sale Date: 4/12/2022 Closing Date: 4/12/2022
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 HAWC AHP4 Rehab project is a scattered site project to significantly rehabilitate 332 units across 5 properties in effort to preserve long-term affordability and housing security in our community. The properties were built an average of 49 years ago, with each experiencing significant issues associated with deferred maintenance due to funding constraints. This project will address those deferred maintenance items and position the properties for long-term sustainability. Rehab scope varies by property from window, siding and plumbing replacement to accessibility improvements.

The five properties in the project are:

- Bonita Villa - 96 units in Tigard
- The Ridge at Bull Mountain - 96 units in Tigard
- Aloha Park - 80 units in Aloha
- Parkside Apartments - 24 units in Forest Grove
- Villager Apartments - 36 units in Forest Grove

This rehab project will position the properties for long-term sustainability. Work will be done on a rolling basis with temporary and permanent relocation required depending on the scope of work for specific units and income level of current residents.

Expected Number of Family Wage Jobs Created/Saved: 250

Describe how the project meets statutory standards:

This allocation would be used to finance the rehabilitation of 332 units of affordable housing in Tigard, Forest Grove and Aloha, 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 project is proposed to be financed by a mixture of 4% LIHTC, and private debt, in addition to Private Activity Bonds.

HOUSING PROJECT INFORMATION, if applicable

Expected Number of Resulting Housing Units: 332

Describe how the affordability status of housing units was determined:

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 the HAWC AHP4 Rehab, the project will elect that at least 40% of the units will serve households at 60% AMI. These units have been affordable to households earning at or below 60% MFI and they will continue to be with this project.

☒ 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.*



WASHINGTON COUNTY OREGON

January 5, 2022

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) requests

Dear Ms. Knights:

We thank your Private Activity Bond Committee for its ongoing support of affordable housing development throughout the state as well as the recent allocations to the Housing Authority of Washington County (HAWC). We are pleased to bring two requests before your committee now. HAWC is requesting \$76,000,000 total in Private Activity Bonds for two projects: to support the renovation of 332 units – HAWC AHP4 Portfolio Rehab - and for the development of 75 units – Goldcrest Apartments.

Our first request is for the HAWC AHP4 Portfolio rehab, which will preserve and recapitalize 332 existing units at five properties within the affordable housing portfolio owned by HAWC. The properties were built an average of 49 years ago, with each experiencing significant issues associated with deferred maintenance due to funding constraints and low rental revenue. This project will address those deferred maintenance items and position the properties for long-term sustainability. Rehab scope varies by property - from window, siding, and plumbing replacement to accessibility improvements.

Our second request is for Goldcrest Apartments, which is located in the South Cooper Mountain area of Beaverton and is sponsored by non-profit developer, BRIDGE Housing. This project is in a high opportunity area and plans to leverage Private Activity Bonds with Metro Affordable Housing Bond funds, investments from the City of Beaverton and County, along with 4% LIHTC. The project will serve households at 30% and 60% MFI and was initially scheduled to close in early January. However, due to changes in timing related to construction pricing the closing has been delayed until mid-February. This resulted in the need for an updated 2022 bond allocation request.

Again, HAWC appreciates your Committee's support of housing for low-income Oregonians. We look forward to the opportunity to share more detail about Goldcrest Apartments at your January 19, 2022 meeting.

Sincerely,

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

Komi P. Kalevor
Executive Director

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
Equal Housing Opportunity

Issuer: Housing Authority of Washington County
Project Name: Goldcrest Apartments
Location: 1647 SW 172nd Terrace, Beaverton, OR 97006
Date: January 5, 2022

Sources	Construction	Permanent
Tax Exempt Bond Financing	18,000,000	6,264,621
Tax Credit Equity	2,780,203	14,515,582
Metro Affordable Housing Bond	8,700,000	8,700,000
Local Funds	1,680,000	1,680,000
Sponsor Cash	2,294,684	2,294,684
OHCS MEP & Energy Trust of Oregon	166,212	166,212
Deferred Developer Fee	900,000	900,000
Total	34,521,099	34,521,099

		Total units	Total Sq. Ft.
		75	78,836
Uses	Total Project Costs	Per Unit	Per Sq Ft.
Land	2,445,306	32,604	31.02
Construction	21,149,476	281,993	268.27
Soft costs			
Development Costs	2,512,916	33,506	31.88
General Fees	6,183,418	82,446	78.43
Financing	1,068,021	14,240	13.55
Construction Period Interest	558,000	7,440	7.08
Lease-Up	189,970	2,533	2.41
Reserves and Contingencies	413,992	5,520	5.25
Total	34,521,099	460,281	438

	Total	Cash Paid Fee	Contributed	Deferred Fee
Developer Fee	4,822,902	1,628,218	2,294,684	900,000
Consultant Fee	270,000			

Aggregate Fees **5,092,902**

PAB Volume Cap Requested \$18,000,000
Estimated Tax Credit Basis \$30,344,969
PAB Volume Cap/Basis 52.14%

Issuer: Housing Authority of Washington County
Project Name: HAWC AHP4

Location A: 14650 SW 76th Ave., Tigard, OR
Location B: 1921 Fir Rd., Forest Grove, OR
Location C: 2715 Main St, Forest Grove, OR
Location D: 14260 SW 112th, Ave Tigard, OR
Location E: 875 SW 185th Ave., Beaverton, OR

Date: January 5, 2022

Sources	Construction	Permanent
Tax Exempt Bond Financing	58,000,000	34,000,000
Tax Credit Equity	18,285,762	42,285,762
Sponsor Seller Financing	29,000,000	29,000,000
Subordinate Sponsor Financing	9,250,200	9,250,200
Cash flow during construction period	2,794,002	2,794,002
Total	117,329,964	117,329,964

Total Units	Total Sq. Ft.
332	263,295

Uses	Total Project Costs	Per Unit	Per Sq. Ft.
Land (if acquired)	5,543,908	16,699	21.06
Building (if acquired)	40,546,234	122,127	153.99
Construction or Rehabilitation	45,668,628	137,556	173.45
Soft Costs			
Development Costs	2,108,600	6,351	8.01
General Fees	10,473,704	31,547	39.78
Financing	3,978,223	11,983	15.11
Construction Period Interest	1,703,069	5,130	6.47
Relocation	4,426,752	13,334	16.81
Reserves and Contingencies	2,880,846	8,677	10.94
Total	117,329,964	353,404	445.62

	Total	Cash Paid Fee	Deferred Fee
Developer Fee	8,723,704	8,723,704	0
Consultant Fee	1,750,000	1,750,000	0
Aggregate Fees	10,473,704	10,473,704	0

PAB Volume Cap Requested	58,000,000
Estimated Tax Credit Basis	112,100,996
PAB Volume Cap / Basis	52%



Goldcrest Apartments & HAWC AHP4 Portfolio Rehab

- Komi Kalevor, Executive Director
- Shannon Wilson, Housing Development Manager

Housing Authority of Washington County
Private Activity Bond Committee –
January 19, 2022





HAWC AHP4 Portfolio Rehab Project

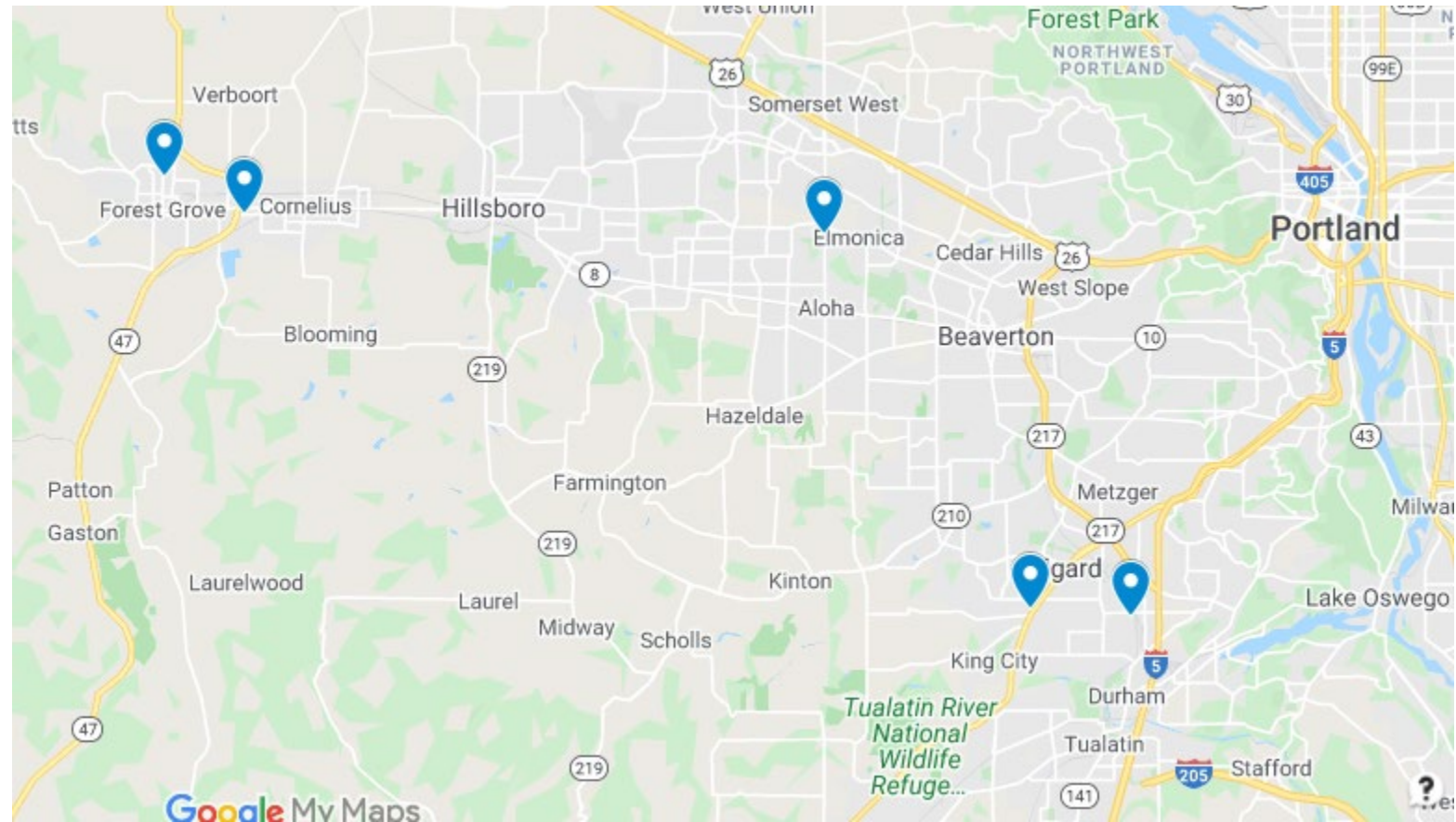


- 332 units at five properties
- A mix of 1-, 2- and 3-bedroom units
- Scope varies by property – includes envelope repair, building system replacement, accessibility improvements
- Anticipated closing: April 2022
- Anticipated construction completion: December 2023



HAWC AHP4 Property Locations

- Two properties in Tigard
- Two properties in Forest Grove
- One property in Aloha (unincorporated Washington County)





HAWC AHP4 Rehab Financing

Sources	Construction	Permanent
Tax-Exempt Bond Financing	\$58,000,000	\$34,000,000
Tax Credit Equity	\$18,285,762	\$42,285,762
Sponsor Seller Financing	\$29,000,000	\$29,000,000
Subordinate Sponsor Financing	\$9,250,200	\$9,250,200
Cash Flow During Construction	\$2,794,002	\$2,794,002
<i>Total</i>	<i>\$117,329,964</i>	<i>\$117,329,964</i>

PAB Volume Cap Requested \$ 58,000,000
Estimated Tax Credit Basis \$ 112,100,996
PAB Volume Cap/Basis 52%

Uses	
Acquisition Costs	\$46,090,142
Construction Costs	\$45,668,628
Development Costs	\$25,571,194
<i>Total</i>	<i>\$117,329,964</i>



Goldcrest Project Features



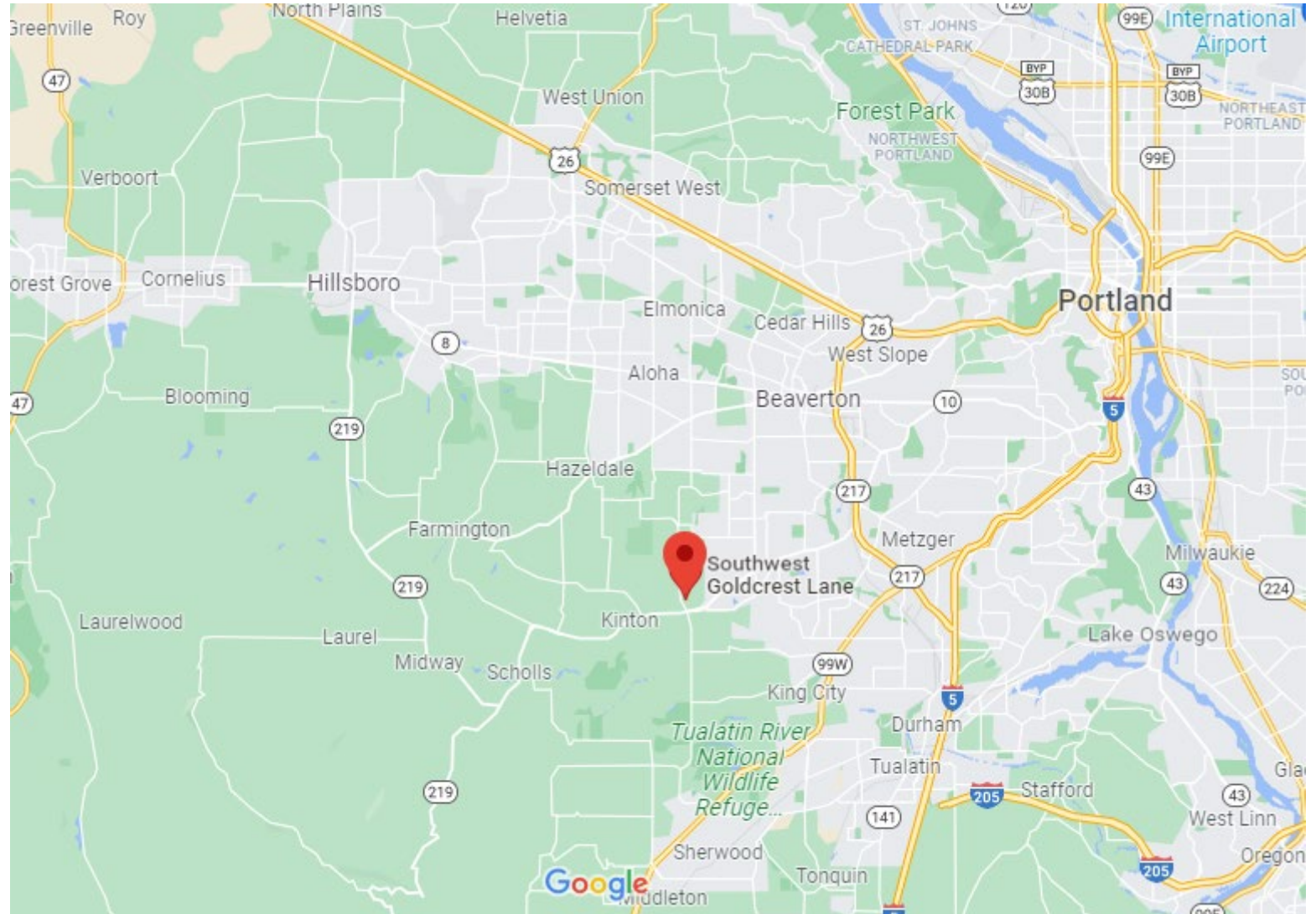
- 75 units; 14 units at 30% AMI
- A mix of 1-, 2- and 3-bedroom units
- COBID certified general contractor and architect
- Anticipated closing: mid-February 2022
- Anticipated construction completion: September 2023



Goldcrest Location

Located in South Cooper Mountain

- New urban growth area of Beaverton
- Adjacent to new high school
- High opportunity area with parks, schools and transit





Goldcrest Financing

Sources	Construction	Permanent
Tax-Exempt Bond	\$18,000,000	\$6,264,621
Tax Credit Equity	\$2,780,203	\$14,515,582
Metro Affordable Housing Bond	\$8,700,000	\$8,700,000
Local Funds	\$1,680,000	\$1,680,000
Sponsor Cash	\$2,294,684	\$2,294,684
OHCS MEP and Energy Trust of Oregon	\$166,212	\$166,212
Deferred Developer Fee	\$900,000	\$900,000
<i>Total</i>	<i>\$34,521,099</i>	<i>\$34,521,099</i>
Uses		
Acquisition Costs	\$2,445,306	
Construction Costs	\$21,149,476	
Development Costs	\$10,926,317	
<i>Total</i>	<i>\$34,521,099</i>	

PAB Volume Cap Requested \$ 18,000,000
Estimated Tax Credit Basis \$ 30,344,969
PAB Volume Cap/Basis 52.14%



Questions / Follow Up



Orrick, Herrington & Sutcliffe LLP

1120 NW Couch Street
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December 22, 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 Goldcrest Apartments Project*

Ladies and Gentlemen:

This letter is submitted pursuant to OAR 170-071-0005(3)(k) and with respect to an affordable 75-unit multifamily housing project to be known as the Goldcrest Apartments and located at 12495 SW 172nd Avenue, Beaverton, OR 97007 (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 (Goldcrest Apartments Project), Series 2022 in a principal amount not to exceed \$18,000,000. 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 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.

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December 22, 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 black ink, appearing to read "Michael E. Schrader".

Michael E. Schrader

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



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January 5, 2022

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 AHP4 Portfolio Rehab Projects*

Ladies and Gentlemen:

This letter is submitted pursuant to OAR 170-071-0005(3)(k) and with respect to five multifamily affordable housing projects referred to collectively as the AHP4 Portfolio Projects, consisting of: (i) Aloha Park, 875 SW 185th Avenue, Beaverton, Oregon 97006; (ii) Bonita Villa, 14620 SW 76th Avenue, Tigard, Oregon 97224; (iii) The Villager, 1921 Fir Road, Forest Grove, Oregon 97116; (iv) Parkside, 2715 Main Street, Forest Grove, Oregon 97116; and (v) Ridge at Bull Mountain, 14260 SW 112th Avenue, Tigard, Oregon 97224 (the "Projects"). The Projects are 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 Projects through the issuance by the Authority of its Housing Development Revenue Bonds (AHP4 Portfolio Projects), Series 2022 in a principal amount not to exceed \$58,000,000. 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 Projects will be acquired, financed, developed, rehabilitated, 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 Projects will be financed with exempt facility private activity bonds issued in accordance with

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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 Projects.

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

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

A handwritten signature in dark 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