

Jacqueline B. Knights, Chair & Designee
Office of the State Treasurer

Renee A. Klein, Designee
Oregon Department of Administrative Services

Theresa K. Deibele, Public Member



**PRIVATE ACTIVITY
BOND COMMITTEE**
867 Hawthorne Ave SE
Salem, OR 97301-5241
(503) 378-4930
Fax (503) 378-2870
DMD@ost.state.or.us

October 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, October 19, 2022

The Private Activity Bond Committee will meet on Wednesday, October 19, 2022, to discuss 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 –

PUBLIC MEETING NOTICE & AGENDA

October 19, 2022

JACQUELINE B. KNIGHTS, Chair & Designee
Office of the State Treasurer

Renee A. Klein, Designee
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BOND COMMITTEE
867 Hawthorne Ave SE
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PUBLIC MEETING NOTICE AND AGENDA

THE PRIVATE ACTIVITY BOND COMMITTEE WILL HOLD A REGULARLY SCHEDULED

VIRTUAL MEETING ON

Wednesday, October 19, 2022

10:00am – 12:00pm¹

AUDIO AND VIDEO PARTICIPATION: [Click here to join the meeting](#)

AUDIO PARTICIPATION ONLY:	Dial-In Access	971-279-6217
	Dial-In Toll Free	833-213-7399
	Conference ID #	218 105 463#

AGENDA¹

- | | | | |
|----|--|----------|----------|
| 1. | Call to Order & Roll Call | 10:00 AM | 10:10 AM |
| 2. | Chair Announcement | 10:10 AM | 10:15 AM |
| 3. | Private Activity Bond Status | 10:15 AM | 10:25 AM |
| | • 2021 Carryforward Utilization Update | | |
| | • 2022 Volume Cap Status and Update | | |
| | • 2022 Volume Cap Allocations | | |
| 4. | Oregon Housing and Community Services Department | | |
| | • PAB Issuance and Program Update | 10:25 AM | 10:45 AM |
| | • Public Comment | 10:45 AM | 10:51 AM |
| 5. | Oregon Business Development Department | | |
| | • Project Update and Pipeline | 10:51 AM | 11:15 AM |
| | ○ Business Oregon CY 2022 IDB Project Reports | | |
| | ▪ Beaverton Foods | | |
| | ▪ EPCOR | | |
| | ○ Business Oregon CY 2023 IDB Pipeline Report | | |
| | ▪ Aymium | | |
| | • Public Comment | 11:15 AM | 11:21 AM |
| 6. | Adjournment | | |

¹ Estimated times

For public comment, each person will be restricted to 2 minutes

TAB 2 – PAB STATUS

2021 CARRYFORWARD UTILIZATION UPDATE

2022 VOLUME CAP STATUS AND UPDATE

2022 VOLUME CAP ALLOCATIONS

Private Activity Bond Carryforward Allocation History

ALLOCATION YEAR	ALLOCATED TO/USED BY:	AMOUNT ALLOCATED	USED	Closed or Issued	Issuer Remaining / Expiring
2021	Central Oregon Regional Housing Authority (Housing Works) IRC 142(a)(7) and 142(d) Ariel South	\$8,800,000.00	\$8,800,000.00	1/24/2022	
	Home Forward IRC 142(a)(7) and 142(d) Dekum Redevelopment	\$42,500,000.00	\$42,500,000.00	6/9/2022	
	Housing Authority of Washington County IRC 142(a)(7) and 142(d) Goldcrest Apartments	\$18,000,000.00	\$18,000,000.00	9/29/2022	
	Oregon Housing and Community Services Department IRC 142(a)(7) and 142(d)	\$294,872,256.40			
expires: 12/31/2024	Housing Development Bond (Nueva Esperanza), 2022 Series G		\$15,879,983.34	3/3/2022	
	Housing Development Bond (Aloha), 2022 Series F-1, F-2		\$16,680,000.00	3/30/2022	
	Housing Development Bond (Oregon 4), 2022 Series I		\$23,895,104.00	3/31/2022	
	Housing Development Bond (Minnesota Place), 2022 Series J		12,987,074.00	4/7/2022	
	Housing Development Bond (Moorehouse), 2022 Series K-1, K-2		7,870,000.00	4/14/2022	
	Housing Development Bond (Maple Apartments, 2022 Series Q		\$8,404,950.00	5/31/2022	
	Housing Development Bond (Timber Ridge), 2022 Series P		19,700,000.00	6/7/2022	
	Housing Development Note (SCM Main Street), 2022 Series R		45,150,000.00	6/16/2022	
	Housing Development Bond (Renaissance Flats), 2022 Series N		11,980,000.00	6/17/2022	
	Housing Development Bond (Saltzman Road Apartments), 2022 Series S		11,100,000.00	6/23/2022	
	Housing Development Bond (Molalla Apartments Project) 2022 Series U-1, U-2		10,512,420.00	6/30/2022	
	Housing Development Bond (Plaza Los Amigos) 2022 Series T-1, T-2		24,780,814.00	7/13/2022	
	Housing Development Bond (Nestucca Ocean), 2022 Series V		6,500,000.00	7/21/2026	
	Housing Development Note (5020 N Interstate), 2022 Series W		17,364,893.00	7/29/2026	
	Housing Development Bond (Powellhurst), 2022 Series Z-1, Z-2		13,530,000.00	8/18/2022	
	Housing Development Bond (Lincoln City 25th Street Apartments), 2022 Series AA		19,000,000.00	8/26/2022	
	Housing Development Note (Gateway Apartments), 2022 Series Y		6,500,000.00	8/31/2022	
	Housing Development Note (South Hills Commons), 2022 Series BB		16,000,000.00	9/7/2022	
	Housing Development Note (Marylhurst Commons), 2022 Series DD		7,037,018.06	9/15/2022	
	Subtotal - OHCS D		294,872,256.40		(\$0.00)
Total		\$364,172,256.40	\$364,172,256.40		

*Verified figures with OHCS D on 10/12/22

2022
STATE OF OREGON
PRIVATE ACTIVITY BOND (PAB) VOLUME CAP
\$467,077,050
As of 10/12/2022

	Legislatively Allocated	Amount Requested To Date	Amount Approved To Date	Allocation		Returned To Committee	Date Allocated	Date Used	Date Expires/ Returned
				Used To Date	Remaining				
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								
TOTAL PAB Committee Allocation for 2022:	\$176,077,050								
Housing Authority of Washington County <i>AHP4 Portfolio Rehab</i>		58,000,000	58,000,000	58,000,000	0.00		1/19/22	06/09/22	
Home Forward <i>Dekum Redevelopment</i>		5,790,000	5,790,000	5,790,000	0.00		4/20/22	04/28/22	
Oregon Housing and Community Services Department <i>Tigard Senior Housing Apartment Project</i>		72,287,050	72,287,050	13,890,000	0.00		4/20/22	04/28/22	
<i>148th Apartments</i>				15,500,000				05/19/22	
<i>Shore Pines at Munsel Creek Apartments</i>				14,302,000				05/26/22	
<i>Maple Apartments</i>				28,595,050				05/31/22	
Oregon Business Development Department - <i>Withdrawn 6/29/22</i> <i>EPCOR Foothills project</i>									
Housing Authority of Washington County <i>Goldcrest Apartments</i>		2,175,000.00	2,175,000.00	2,175,000.00	0.00		7/20/22	09/29/22	
Oregon Housing and Community Services Department <i>Sunshine Park Apartments</i>		37,825,000.00	35,000,000.00	3,500,000	0.00		7/20/22	08/10/22	
<i>Gateway Apartments</i>				31,500,000				08/31/22	
TOTALS		176,077,050.00	173,252,050.00	173,252,050.00	0.00				

TOTAL PAB Committee Allocation for 2022: \$176,077,050.00
Allocation Approved to Date: **(\$173,252,050.00)**
Allocation Returned to Committee: **\$0.00**
Total Remaining Available to Allocate: \$2,825,000.00

Total Amount Volume Cap Requested for Today's Meeting: \$0.00

State Agency Allocation x SB 5505 (2021-23 Session)

Oregon Business Development Commission - <i>Industrial Development Bonds</i>	\$40,000,000.00			\$0.00					
					\$40,000,000.00				
Oregon Housing & Community Services Department	\$250,000,000.00								
Housing Development Note (Maryhurst Commons), 2022 Series DD				\$15,302,428.94				9/15/22	
Housing Development Bond (Stayton Apartments), 2022 Series EE				\$11,750,000.00				10/6/22	
Housing Development Bond (La Creole Townhomes), 2022 Series BB				\$5,965,000.00				10/13/22	
Housing Development Bond Sequoia Crossing), 2022 Series FF-1, FF-2				\$12,200,000.00				10/26/22	
					\$204,782,571.06				
Oregon Business Development Department									
Beginning & Expanding Farmer Loan Program	\$1,000,000.00			\$0.00					
					\$1,000,000.00				
Total amount Allocated for 2021 to State Agencies:	\$291,000,000.00			\$45,217,428.94	\$245,782,571.06				

2022 PAB Allocation [population estimate x \$cap/capita]: ¹

FY21 U.S. Census Population for Oregon	IRS \$ Cap per Capita	Oregon Total PAB Volume Cap
4,246,155	\$110.00	\$467,077,050

Private Activity Bond Committee
2022 Allocations
As of 10/12/2022

State Agencies	Legislative Cap Allocations ¹	PAB Current Requests	PAB Committee Approved Allocations	Allocations	Meeting PAB Committee Approved Allocations
Oregon Housing & Community Services Department	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				
Housing Authority of Washington County	58,000,000.00	58,000,000.00		1/19/2022
Home Forward-Dekum Redevelopment	5,790,000.00	5,790,000.00		4/20/2022
Oregon Housing & Community Services Department	72,287,050.00	72,287,050.00		4/20/2022
Oregon Business Development Department - <i>Withdrawn 6/29/22</i>				
Housing Authority of Washington County	2,175,000.00	2,175,000.00		7/20/2022
Oregon Housing & Community Services Department	37,825,000.00	35,000,000.00		7/20/2022
Local Government Subtotals	176,077,050.00	173,252,050.00		

Oregon PAB Volume Cap Totals⁴	467,077,050.00	176,077,050.00	173,252,050.00
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2022 Committee PAB Current Allocation Summary	
Committee Available Allocation Cap:	\$176,077,050.00
Current Approved: -	-\$173,252,050.00
Current Requests: -	
Expired/Returned to Committee ⁵ : +	\$0.00
Potential Remaining Allocation:	\$2,825,000.00

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

TAB 3 –

2022 UPDATE REQUEST

Oregon Housing and Community Services Department

Project Update Presentation



**OREGON HOUSING *and*
COMMUNITY SERVICES**

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

DATE: October 5, 2022

TO: Private Activity Bond Committee

FROM: Andrea Bell, Executive Director OHCS
Caleb Yant, Deputy Director OHCS
Natasha Detweiler-Daby, Director Affordable Rental Housing OHCS
Matthew Harris, Capital Markets AD OHCS

SUBJECT: 2022 Housing PAB Issuance and Program Update

Chair Knights and members of the Private Activity Bond Committee (PABC),

We want to provide an update on resource use to-date, resource demand, and intent to request resources including any carry forward available for 2023. Oregon Housing and Community Services (OHCS) does not plan on requesting resources at the October Private Activity Bond Committee meeting.

At the July PABC meeting, we highlighted the critical importance of a unified and statewide approach to how PABC allocates bonding capacity to Affordable Rental Housing (ARH). Since then, OHCS has created, with the Oregon Housing Stability Council, the programmatic structure for prioritizing Private Activity Bond (PAB) investments in Affordable Rental Housing.

The two main strategies of the programmatic structure are to:

- Reduce oversubscription of PAB resources for affordable rental housing.
- Open an intake process that is predictable, clarifies resource investment priorities, and imbeds accountability and performance objectives.

This updated competitive structure for assigning resources prioritizes:

- Local Housing Authority resource needs
- Projects with significant local fund leverage
- Projects with culturally specific partner ownership
- Projects with highest percentage of units serving extremely low-income households
- Projects with Permanent Supportive Housing



Role of Private Activity Bonds in Meeting Housing Need

Oregon must develop 584,000 homes over the next 20 years according to the state [Housing Needs Analysis](#). For current Oregon residents, there is a need for about 140,000 homes.

Insufficient housing supply in the state increases competition, rent, and housing instability for Oregonians. Communities on the margins and vulnerable populations bear most of this impact.

In response to this extreme need for housing supply, local jurisdictions and the state have invested more resources in innovative ways for affordable housing. These public investments are invaluable for addressing this community crisis; by leveraging local and state resource investment with federal tax credits to maximize investments and bring housing to communities.

Private Activity Bonds can be used to meet a wide array of critical public benefits of equal importance as housing. Investing in housing is unique in that when using PAB for affordable rental housing, a 4% Low Income Housing Tax Credit (4% LIHTC) is generated. This 4% LIHTC not only creates funding to cover 30% of the project cost, it also leverages private investment broadening overall economic impact and public benefit.

The Department is making every effort to maximize the State's PAB investment in affordable housing. In addition to the allocation of PAB to Multifamily projects to maximize 4% LIHTC, this month the Department will close a short-term bond of \$15M to preserve recycled PAB for the Single-Family bond program. The Department intends to issue another short-term bond this spring to preserve another \$10M-\$20M in PAB until the Department can issue a sizable tax-exempt bond of around \$50M using this recycled PAB in October 2023 that would otherwise be lost due to federal tax law regarding recycled mortgage prepayments.

Rising Resource Demands

Over the last month, OHCS started accepting financial proposals that include resource requests for 4% LIHTC and PAB for projects that would move forward in financing and start construction in the first six-months of 2023. We have focused on the first six months to prioritize investments that can demonstrate true readiness to meet the housing need across the state.

Initial review of applications shows requests upwards of \$780 million in Private Activity Bonds, of which \$600 million is needed for the project to move forward in the first six months of 2023. OHCS will evaluate and apply prioritization criteria to these proposals. This will inform resource commitments that depend on OHCS receiving PAB allocation from the Private Activity Bond Committee meeting in 2023. Even with PAB allocation, we recognize these requests far exceed the PAB amount the state can provide.



Volatile Development Climate

Cost volatility and escalation have been persistent throughout this year; driven largely by shifts in workforce, construction materials cost increases, supply chain issues, inflation and rise in interest rates.

Labor Shortage – The construction industry needs more than two million more workers over the next three years to keep up with demand, according to the Home Builder Institute. This means that labor costs will likely continue to increase and labor shortages continue to persist.

Financing Costs – Construction loan costs have increased substantially across the entire pipeline as interest rates on financing continue to rise. More resources are needed to cover increased construction interest, replacement reserves, and loan/financing fees. For every full 100 basis point rise in interest rates, borrowing proceeds decline roughly 10%.

Supply Chain and Materials – While lumber costs have come down since last year, other building materials such as steel, concrete, and electrical have showed significant cost increase. The cost of building materials is rising by double-digits percentages.

OHCS has been able help developers address funding gaps through 2022 Legislative investments. However, in many cases, cost increases have caused projects that had planned to close in 2022 to push funding timelines to 2023.

Affordable Rental Housing PAB Use

Pipeline material in Appendices A and B shows:

1. By October 13, 2022, OHCS will have issued more than \$529.2M in PAB for 32 projects or 2368 affordable rental units this year.
2. OHCS has named projects that have closing dates and received funding commitments of \$173.1M remaining in 2022. These projects were awarded prior to establishment of a readiness criteria. Therefore the closing dates may shift and PAB amounts may increase due to rapidly increasing development cost.
3. If any of the remaining \$173.1M closing in 2022 can't proceed, these projects will likely be pushed into 2023.

OHCS has fully expend its 2021 Carryforward allocation awarded in January 2022. The Department has also fully expended all Current allocations awarded by the PABC in 2022. The



Housing PAB Issuance Updates – October 5, 2022

Department's legislatively allocated PAB of \$250 million of current year volume cap for 2022 is projected to be used for the remainder of this calendar year.



Appendix A

OHCS PAB 2022 Bond Issuance

OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT FEDERAL VOLUME CAP - PRIVATE ACTIVITY BONDS (PAB) AS OF October 5, 2022							
	Issue Date	2020 Multi-Family Carry Forward	2021 Multi-Family Carry Forward	2022 PABC Current Year	2022 Legislative Current Year	Total Private Activity Volume Cap Used	Total Issuance
PAB Current Year Allocation (as of 1/1/2022)							
PAB Carryforward Allocations							
Expires 12/31/23 (remaining balance)		\$94,071,733.66	\$294,872,256.40	\$107,287,050.00	\$250,000,000.00		
Expires 12/31/24							
Housing Development Note (Stillwater Crossing), 2022 Series C	2/3/2022	(3,900,000.00)				3,900,000.00	3,900,000.00
Housing Development Note (Kentonwood), 2022 Series B	2/10/2022	(4,037,000.00)				4,037,000.00	4,037,000.00
Housing Development Bond (Fremont Manor), 2022 Series A	2/16/2022	(5,400,000.00)				5,400,000.00	5,400,000.00
Housing Development Bond (Canopy Apartments at Powell), 2022 Series D-1, D-2	2/17/2022	(32,500,000.00)				32,500,000.00	36,500,000.00
Housing Development Bond (Garden Grove), 2022 Series E	2/24/2022	(6,330,000.00)				6,330,000.00	6,330,000.00
Housing Development Bond (Good Shepherd), 2022 Series H-1, H-2	2/28/2022	(31,425,000.00)				31,425,000.00	31,425,000.00
Housing Development Note (Nueva Esperanza), 2022 Series G	3/3/2022	(10,479,733.66)	(15,879,983.34)			26,359,717.00	26,359,717.00
Housing Development Note (Aloha), 2022 Series F-1,F-2	3/30/2022		(16,680,000.00)			16,680,000.00	16,680,000.00
Housing Development Note (Oregon 4), 2022 Series I	3/31/2022		(23,895,104.00)			23,895,104.00	23,895,104.00
Housing Development Note (Minnesota Place), 2022 Series J	4/7/2022		(12,987,074.00)			12,987,074.00	12,987,074.00
Housing Development Bond (Moorehouse), 2022 Series K-1,K-2	4/14/2022		(7,870,000.00)			7,870,000.00	7,870,000.00
Mortgage Revenue Bonds (Single-Family Mortgage Program), 2022 Series AB	4/27/2022				0.00	0.00	84,900,000.00
Housing Development Bond (Tigard Senior), 2022 Series L-1,L-2	4/28/2022			(13,890,000.00)		13,890,000.00	13,890,000.00
Housing Development Bond (La Creole Townhomes), 2022 Series BB (estimated close 10/13/2022)	5/19/2022			(15,500,000.00)		15,500,000.00	15,500,000.00
Housing Development Bond (Shore Pines at Munsel Creek), 2022 Series O-1, O-2	5/26/2022			(14,302,000.00)		14,302,000.00	14,302,000.00
Housing Development note (Maple Apartments, 2022 Series Q	5/31/2022		(8,404,950.00)	(28,595,050.00)		37,000,000.00	37,000,000.00
Housing Development Note (Timber Ridge), 2022 Series P	6/7/2022		(19,700,000.00)			19,700,000.00	19,700,000.00
Housing Development Note (SCM Main Street), 2022 Series R	6/16/2022		(45,150,000.00)			45,150,000.00	45,150,000.00
Housing Development Bond (Ranescianc Flats), 2022 Series S	6/17/2022		(11,980,000.00)			11,980,000.00	11,980,000.00
Housing Development Bond (Saltzman Road Apartments), 2022 Series S	6/23/2022		(11,100,000.00)			11,100,000.00	11,100,000.00
Housing Development Bond (Molalla Apartments Project), 2022 Series U-1,U-2	6/30/2022		(10,512,420.00)			10,512,420.00	10,512,420.00
Housing Development Bond (Plaza Los Amigos), 2022 Series T-1,T-2	7/13/2022		(24,780,814.00)			24,780,814.00	24,780,814.00
Housing Development Bond (Nestucca Ocean), 2022 Series V	7/20/2022		(6,500,000.00)			6,500,000.00	6,500,000.00
Housing Development Note (5020 N Interstate), 2022 Series W	7/28/2022		(17,364,893.00)			17,364,893.00	17,364,893.00
Housing Development Note (Sunshine Park), 2022 Series x	8/10/2022			(3,500,000.00)		3,500,000.00	3,500,000.00
Housing Development Bond (Powellhurst), 2022 Series Z-1,Z-2	8/18/2022		(13,530,000.00)			13,530,000.00	13,530,000.00
Housing Development Bond (Lincoln City 25th Street Apartments), 2022 Series AA	8/26/2022		(19,000,000.00)			19,000,000.00	19,000,000.00
Housing Development Note (Gateway Apartments), 2022 Series Y	8/31/2022		(6,500,000.00)	(31,500,000.00)		38,000,000.00	38,000,000.00
Housing Development Note (South Hill Commons), 2022 Series CC	9/7/2022		(16,000,000.00)			16,000,000.00	16,000,000.00
Housing Development Note (Marylhurst Commons), 2022 Series DD	9/15/2022		(7,037,018.06)		(15,302,428.94)	22,339,447.00	22,339,447.00
Housing Development Bond (Stoyton Apartments), 2022 Series EE (estimated close 10/6/2022)	10/6/2022				(11,750,000.00)	11,750,000.00	11,750,000.00
Housing Development Bond (La Creole Townhomes), 2022 Series BB (estimated close 10/13/2022)	10/13/2022				(5,965,000.00)	5,965,000.00	5,965,000.00
Mortgage Revenue Bonds (Single-Family Mortgage Program), 2022 Series CDE (estimated closing 10/27/2022)	10/27/2022				0.00	-	60,810,000.00
Balance of PAB Allocation Available		(\$0.00)	\$0.00	\$0.00	\$216,982,571.06	\$529,248,469.00	\$678,958,469.00



Appendix B

Shared statewide pipeline approach

Scenario 1

Assuming No additional PAB is made available to Affordable Rental Housing Projects

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	\$294,872,256	\$388,943,990	\$357,287,050	\$746,231,040	\$684,185,191	\$0	\$684,185,191	\$0	\$0	\$62,045,849
2023	\$0	\$0	\$0	\$250,000,000	\$250,000,000	\$782,932,790	\$0	\$782,932,790	\$0	\$0	(\$532,932,790)
2024	\$0	\$0	\$0	\$250,000,000	\$250,000,000	\$455,403,162	\$0	\$455,403,162	\$0	\$0	(\$205,403,162)

Scenario 2

Assuming OHCS receives Current Year Allocation as Carryforward

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	\$294,872,256	\$388,943,990	\$360,112,050	\$749,056,040	\$684,185,191	\$0	\$684,185,191	\$0	\$0	\$64,870,849
2023	\$0	\$64,870,849	\$64,870,849	\$250,000,000	\$314,870,849	\$782,932,790	\$0	\$782,932,790	\$0	\$0	(\$468,061,941)
2024	\$0	\$176,077,050	\$176,077,050	\$250,000,000	\$426,077,050	\$455,403,162	\$0	\$455,403,162	\$0	\$0	(\$29,326,112)



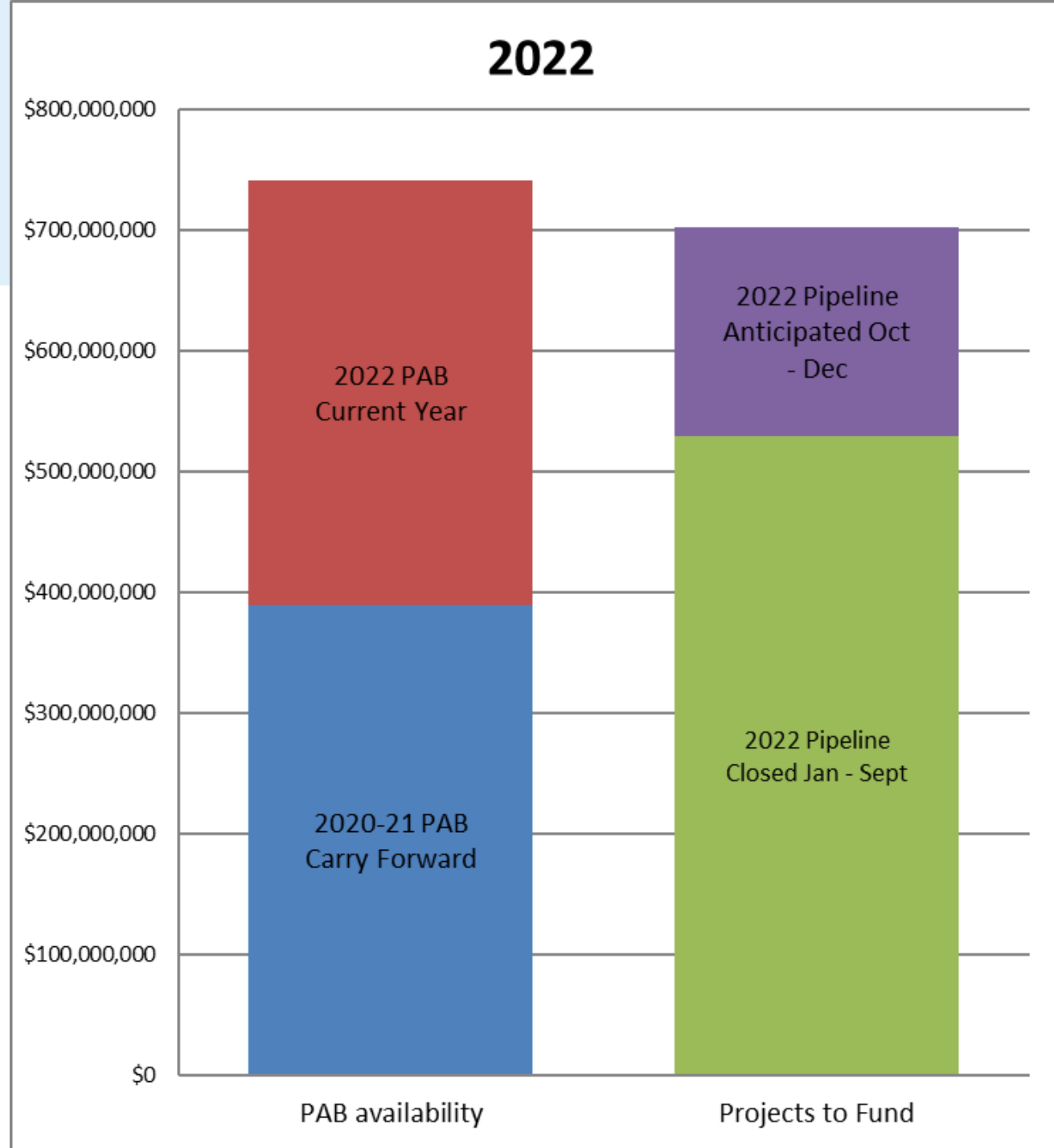
Oregon Housing & Community Services

Private Activity Bond Committee
October 19, 2022

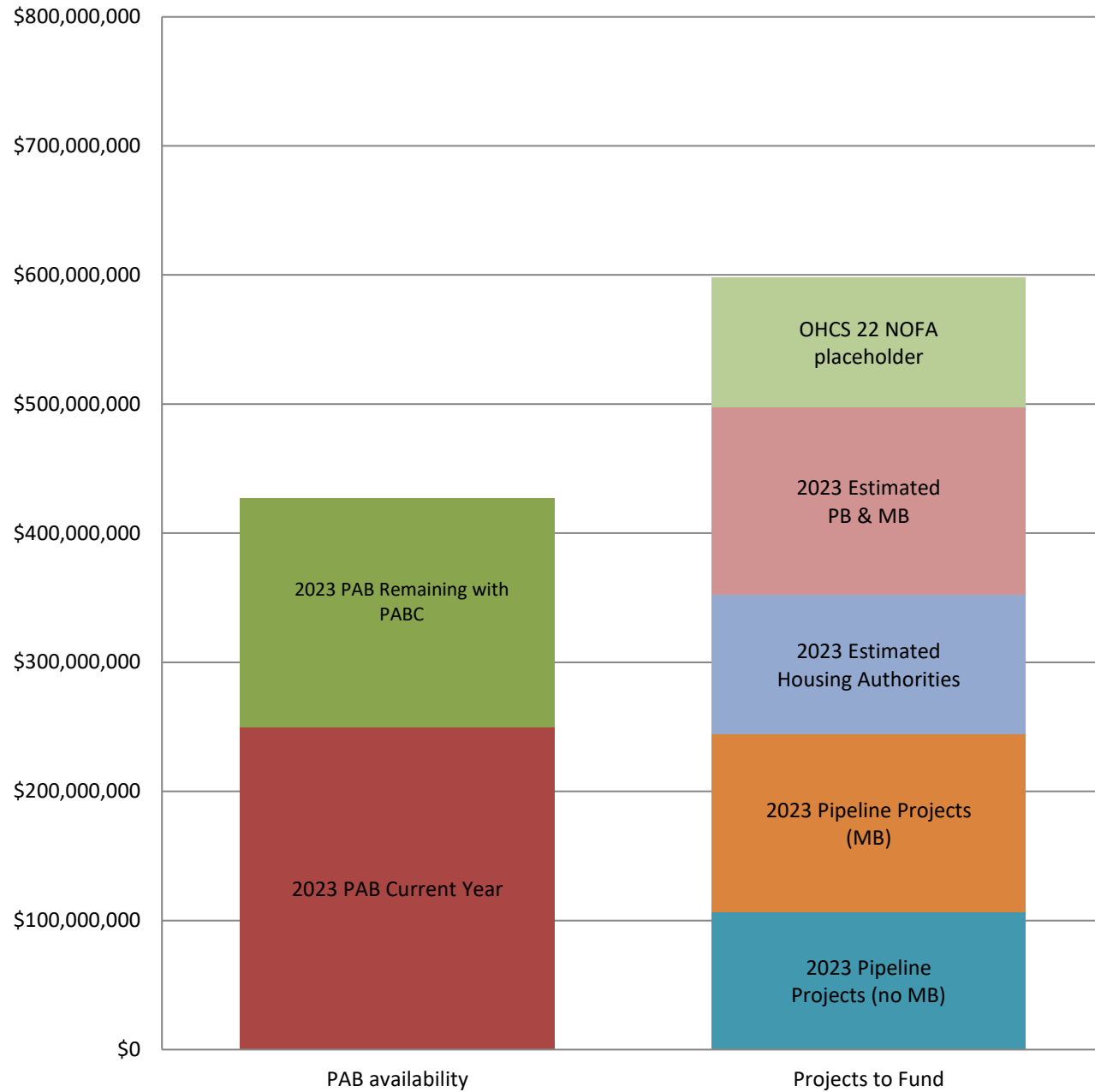


PAB Resource use for 4% LIHTC Leverage

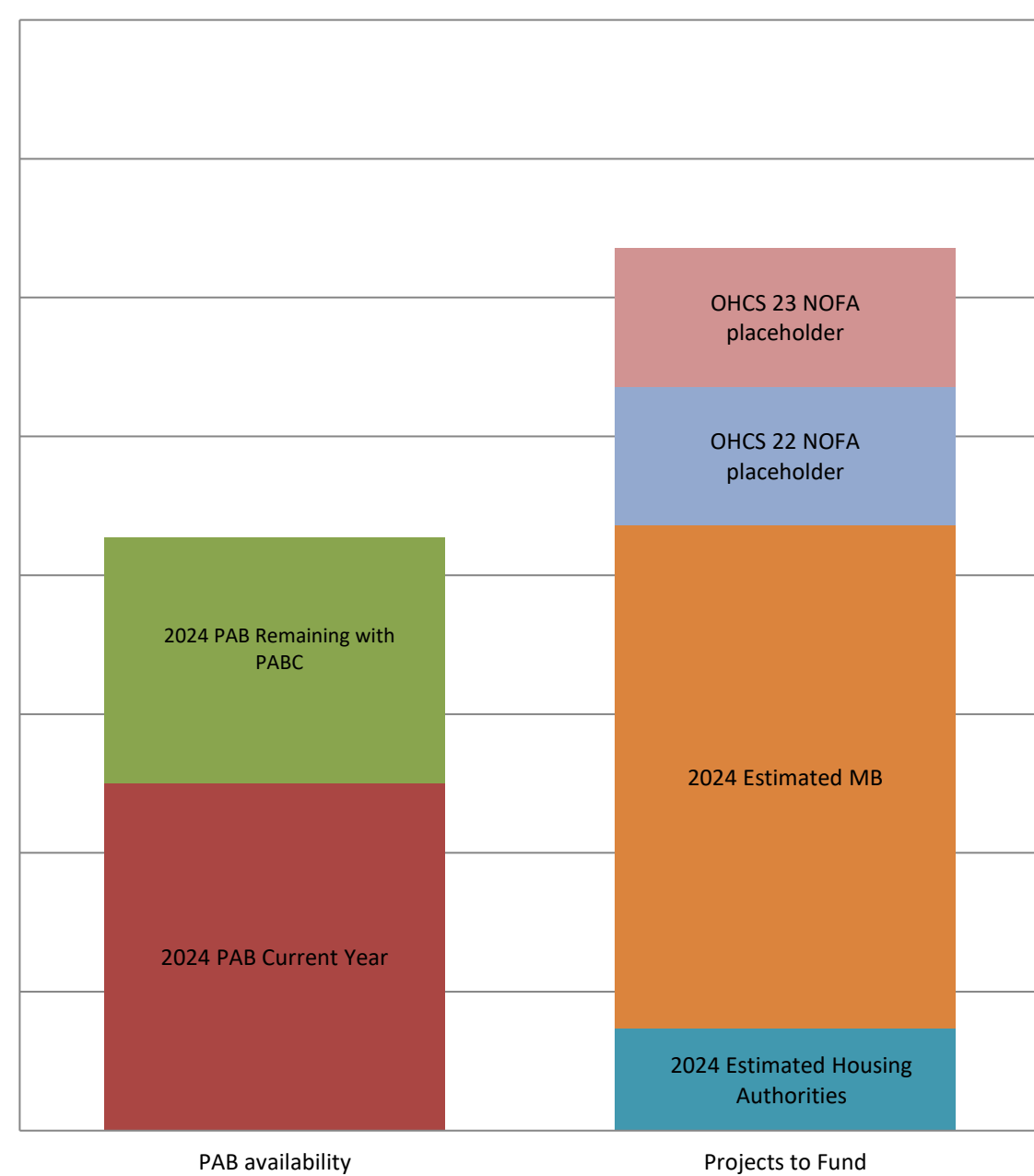
- \$529.2M in PAB by Oct 13, 2022
 - Deployed to fund 2369 units: 32 projects
- \$173.1M in PAB remaining
 - Project Recipients prior to establishment of a readiness criteria
 - PAB investment will serve to fully fund remaining 2022 pipeline, including cost escalations seen.
 - Closing dates may shift into 2023 due to rapidly increasing development cost.



2023



2024



Efforts to Maximize Impact of PAB

- Single-Family Bond Program
 - Short-term bond to preserve recycled PAB
 - Recycling PAB
- Multifamily Rental 4% LIHTC Program
 - Using a year of the 9% LIHTC resources to reduce reliance on PAB
 - Commitment of gap resources to Portland Metro projects to reduce reliance
 - Pilot effort to recycling short-term PAB to fund projects that do not require 4% leverage

OHCS 4% Process Changes

- Focus on Readiness to Proceed & Performance
 - Project to be held accountable to identified Readiness to Proceed Benchmarks and closing timelines
 - Implement efforts to mitigate unintended consequences for small and culturally specific organizations
- Updated Program Policies:
 - 60-year affordability
 - Required Cultural Responsiveness beyond affirmative marketing and tenant selection processes

OHCS 4% Process Changes

- PAB resources moving forward (2023 and ahead) will be allocated after the screening of award order:
 - Two set-asides:
 - 65% to Metro (Washington, Multnomah, and Clackamas Co.)
 - 35% to Balance of State (any other counties)
 - Award order will prioritize:
 - 1 - projects that are “Housing Authority Owned” projects
 - 2 - projects that have a significant amount of local funds
 - 3 – project with OHCS and/or federal funding
 - 4 – projects without any other subsidy source



OHCS 4% Process Changes

- Second tier priority (tie breaker)–
 - 1st priority will go to projects that have a culturally specific sponsor as outlined in the definitions of the QAP
 - 2nd priority will go to projects that are serving the highest percentage of units that are designated to serve Extremely Low Income (30% AMI) households.
 - 3rd priority will go to projects that have been awarded OHCS Permanent Supportive Housing resources either rental assistance or supportive funding.

Volatile Development Climate

- Labor Shortage - Nonresidential construction employment in the Portland metro region totaled 8,300 in June 2022. This is a 4% increase (300 jobs) compared to June 2021. Labor availability will remain a top concern throughout 2022.

CONSTRUCTION EMPLOYMENT



Source: Bureau of Labor Statistics

Volatile Development Climate

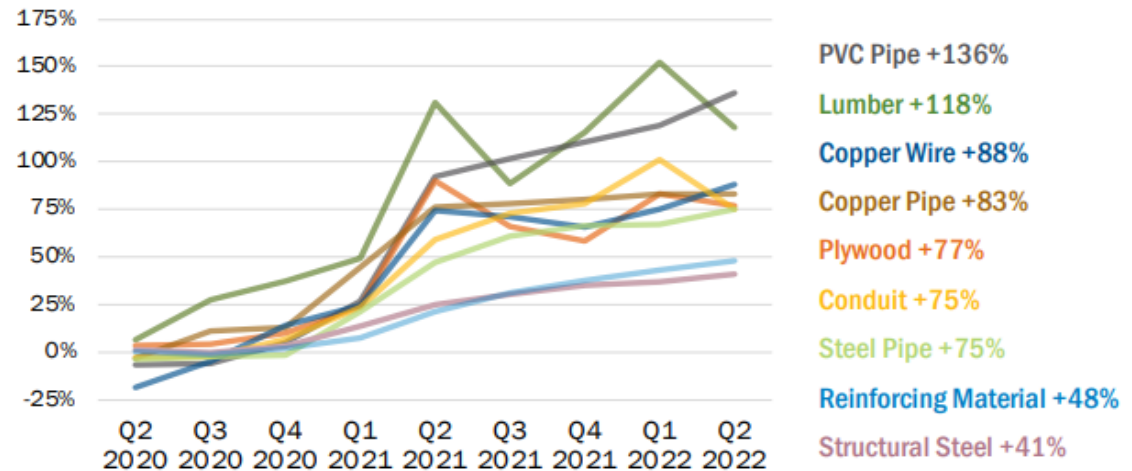
- Inflation–

- The Federal Reserve raised its key interest rate by 0.75% in September in an effort to curb inflation. It was the fifth hike of the year, and the third consecutive three-quarter point increase. That means the Fed's benchmark interest rate is around 3% to 3.25%, with expectations that it will exceed 4% by the end of the year.
- Higher rates can make borrowing debt more expensive and reduce loan proceeds, putting increasing stress on development budgets.
- 71%, of the 21 LIHTC syndicators surveyed in August expect credit pricing to develop to hold firm, while 29% expect prices to hold or dip in the second half of this year.
- For every full 100 basis point rise in interest rates, borrowing proceeds decline roughly 10%.

Volatile Development Climate

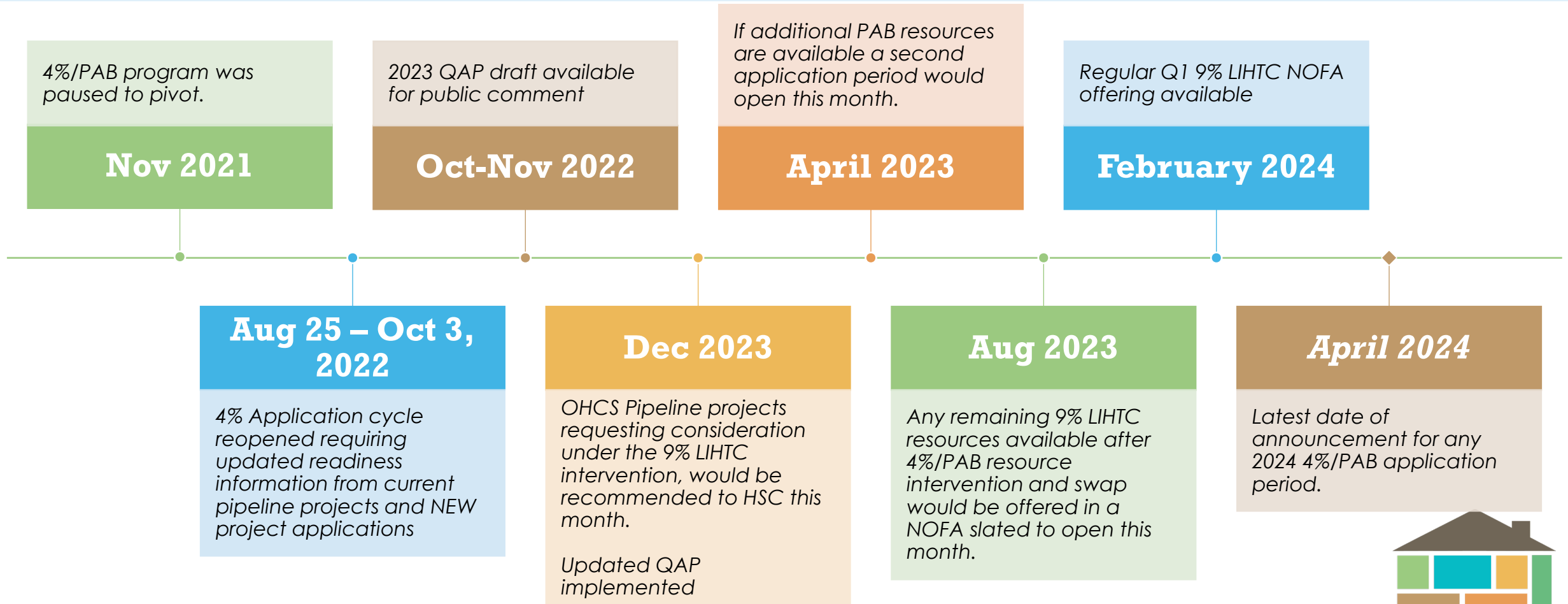
- Costs for building materials remain escalated due to continued increases in shipping costs, fuel surcharges, product lead times, and material shortages.

MATERIAL PRICING CHANGES
(Cumulative Q2 2020 to Q2 2022)



Source: Mortenson Cost Index

Timeline Review



Thank You



TAB 4 –

2022 UPDATE REQUEST

Oregon Business Development Department

Project Update Presentation for

Beaverton Foods

EPCOR

Aymium