

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

April 13, 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, April 20, 2022

The Private Activity Bond Committee will meet on Wednesday, April 20, 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

April 20, 2022

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

Renee A. Klein, Designee  
Department of Administrative Services

Theresa Deibele, Public Member



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## PUBLIC MEETING NOTICE AND AGENDA

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

Wednesday, April 20, 2022  
10:00 am – 12:00 pm (estimated end time)

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

AUDIO PARTICIPATION ONLY:                      Dial-In Access                      971-279-6217  
Conference ID #                                      450 643 425#

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

	<u>BEGIN</u>	<u>END</u>
1. Call to Order & Roll Call	10:00 AM	10:05 AM
2. Introduction of new Committee members	10:05 AM	10:15 AM
3. Comments from the Chair	10:15 AM	10:25 AM
4. Private Activity Bond Status	10:25 AM	10:30 AM
<ul style="list-style-type: none"><li>• Prior Year Carry Forward Utilization Update</li><li>• 2022 Volume Cap</li><li>• 2022 Allocations</li></ul>		
5. 2022 Volume Cap Request		
<ul style="list-style-type: none"><li>• Home Forward, Dekum Redevelopment \$5,790,000, Qualifying IRC 142(a)(7) &amp; 142(d)<sup>2</sup><ul style="list-style-type: none"><li>○ Project Projection Presentation</li></ul></li><li>• Public Comment - <i>Each person will be restricted to 3 minutes</i></li><li>• Vote</li></ul>	10:30 AM 10:50 AM 10:56 AM	10:50 AM 10:56 AM 11:00 AM
6. 2022 Volume Cap Request		
<ul style="list-style-type: none"><li>• Oregon Housing &amp; Community Services Department \$72,287,050, Qualifying IRC 142(2)(7) &amp; 142(d)<sup>2</sup><ul style="list-style-type: none"><li>○ Project Projection Presentation</li></ul></li><li>• Public Comment - <i>Each person will be restricted to 3 minutes</i></li><li>• Vote</li></ul>	11:00 AM 11:20 AM 11:29 AM	11:20 AM 11:29 AM 11:35 AM
7. Red Rock Bio-Fuels Lakeview Project Update	11:35 AM	12:00 PM
8. Adjournment		

<sup>1</sup> Estimated times

<sup>2</sup> Residential rental projects

TAB 2 – PAB STATUS

PIOR YEAR CARRY FORWARD UTILIZATION UPDATE

2022 VOLUME CAP 2

2022 ALLOCATIONS

# Prior Year Carry Forward Utilization Update

2021	Central Oregon Regional Housing Authority (Housing Works) IRC 142(a)(7) and 142(d)	\$8,800,000.00	
	Ariel South		
	Home Forward IRC 142(a)(7) and 142(d)	\$42,500,000.00	
	Dekum Redevelopment		
	Housing Authority of Washington County IRC 142(a)(7) and 142(d)	\$18,000,000.00	
	Goldcrest Apartments		
	Oregon Housing and Community Services Department IRC 142(a)(7) and 142(d)	\$294,872,256.40	
expires:	Housing Development Bond (Nueva Esperanza), 2022 Series G	\$15,879,983.34	3/3/2022
12/31/2024	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
Total		\$364,172,256.40	\$56,455,087.34

2022  
STATE OF OREGON  
PRIVATE ACTIVITY BOND (PAB) VOLUME CAP  
\$467,077,050  
As of 04/13/2022

	Legislatively Allocated	Amount Requested To Date	Amount Approved To Date	Allocation			Date Allocated	Date Used	Date Expires/ Returned
				Used To Date	Remaining	Returned To Committee			
<b>PAB Committee - Allocation x SB 5505 (2021-23 Legislature)</b>	\$151,862,385								
Additional Allocation based on 07-01-2021 U.S. Census Data	\$24,214,665								
<b>TOTAL PAB Committee Allocation for 2022:</b>	<b>\$176,077,050</b>								
 Oregon Business Development Department/Commission EPCOR Foothills Water Project		46,000,000.00							
 Housing Authority of Washington County AHP4 Portfolio Rehab		58,000,000.00	58,000,000.00	0.00	58,000,000.00		1/19/22		12/15/22
 Home Forward Dekum Redevelopment		5,790,000.00							
 Oregon Housing and Community Services Department Various		72,287,050.00							
<b>TOTALS</b>		<b>182,077,050.00</b>	<b>58,000,000.00</b>	<b>0.00</b>	<b>58,000,000.00</b>	<b>0.00</b>			

Request delayed to July meeting. Presented 1/19/22 to Committee

**TOTAL PAB Committee Allocation for 2022:** \$176,077,050.00  
Allocation Approved to Date: (\$58,000,000.00)  
Allocation Returned to Committee: \$0.00  
**Total Remaining Available to Allocate: \$118,077,050.00**

**Total Amount Volume Cap Requested for Today's Meeting: \$78,077,050.00**

**Private Activity Bond Committee**  
**2022 Allocations**  
*As of 04/13/2022*

State Agencies	Legislative Cap Allocations <sup>1</sup>	PAB Current Requests	PAB Committee Approved Allocations	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
<b>State Agency Subtotals</b>	<b>291,000,000.00</b>			<b>291,000,000.00</b>

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

**176,077,050.00 (or \$44,017,512/quarter)<sup>3</sup>**

Local Government		
Oregon Business Development Department/Commission	46,000,000.00	
Housing Authority of Washington County	58,000,000.00	58,000,000.00
Home Forward-Dekum Redevelopment	5,790,000.00	
Oregon Housing & Community Services Department	72,287,050.00	
<b>Local Government Subtotals</b>	<b>182,077,050.00</b>	<b>58,000,000.00</b>

<b>Oregon PAB Volume Cap Totals<sup>4</sup></b>	<b>467,077,050.00</b>	<b>182,077,050.00</b>	<b>58,000,000.00</b>
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2022 Committee PAB Current Allocation Summary	
Committee Available Allocation Cap:	\$176,077,050.00
Current Approved: -	-\$58,000,000.00
Current Requests: -	
Expired/Returned to Committee <sup>5</sup> : +	\$0.00
Potential Remaining Allocation:	<b>\$118,077,050.00</b>

<sup>1</sup> Senate Bill 5505 (2021 Legislative Session for 2021-2023 biennium)

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

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

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

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

<sup>5</sup> 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 July meeting. Presented to Committee at 1/19/22 meeting

TAB 3 –

2022 VOLUME CAP REQUEST

Home Forward

Dekum Redevelopment

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

\$5,790,000

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Project Projection Presentation



Jacqueline B. Knights, Chair &  
Designee Oregon State Treasury

Renee A. Klein, Designee  
Department of Administrative Services

Theresa K. Deibele, Public Member



## PRIVATE ACTIVITY BOND COMMITTEE

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## PRIVATE ACTIVITY BOND ALLOCATION REQUEST

### ALLOCATION REQUEST TYPE

DATE: 4/6/2022

- ☒ Current Year Allocation Request  
☐ Carry Forward Allocation Request

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### ISSUER DETAILS

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

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### PROJECT INFORMATION

Title of Project: Dekum Redevelopment  
Project Amount: \$93,810,285 Bond Amount: \$48,290,000 Request Amount: \$5,790,000  
Sale Date: 4/28/2022 Closing Date: 4/28/2022

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.

Home Forward is requesting \$5,790,000 in current year bond volume cap in addition to the 2021 carryforward allocation of \$42,500,000 for a total of \$48,290,000 to support this \$93.8 million project. Construction bids increased the project costs and require additional bond volume cap so the project can achieve the 50% bond-financed test and receive the full allocation of 4% low income housing tax credits.

Home Forward and Walsh Construction Co. have completed value engineering to reduce possible costs before setting the project budget at \$93.8 million.

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 456.12 0(19) to issue bonds for financing this type of project and expects to issue bonds supported by a Current Year allocation in April 2022.

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#### 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?](#)

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#### 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

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



April 6, 2022

VIA ELECTRONIC TRANSMISSION

Jacqueline Knights  
Private Activity Bond Committee  
Oregon State Treasury  
867 Hawthorne Ave SE  
Salem, OR 97301-5241

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

Dear Jacqueline Knights and Committee Members,

Thank you for previously providing Home Forward with a 2021 Carryforward allocation of \$42,500,000. Home forward respectfully submits this request to the Private Activity Bond Committee (the “Committee”) for an additional allocation of \$5,790,000 current year Private Activity Bond (“PAB”) Volume Cap for Dekum’s Redevelopment. The additional request would bring Dekum’s total allocation to \$48,290,000 for the \$93.8 million Dekum Redevelopment.

#### **Request Overview**

PAB Volume Cap facilitates 4% Low Income Housing Tax Credits (LIHTC) financing and generates approximately 40% of the Dekum Redevelopment’s project sources: \$39 million in tax credit equity for the \$93.8 million project. The requested \$5,790,000 additional allocation enables Home Forward to meet the obligatory 50% bond financing test so that Dekum can maximize its private investment and receive its full allocation of 4% Low Income Housing Tax Credits (LIHTC). Without the additional allocation, Dekum would lose at least \$19 million of its potential \$39 million of private tax credit equity. Additionally, the tax-exempt interest rate also reduces interest charges for approximately \$1 million over the life of the construction loan.

Home Forward is requesting the increased allocation because of the current spike in construction costs. As is typical for our closing process, Home Forward had Dekum’s general contractor begin its competitive subcontractor bidding process approximately four months before our anticipated closing date. As we entered that process, we had a baseline construction cost estimate

completed in August 2021. That August 2021 estimate was the basis of our January 2022 Private Activity Bond request.

The results of the bidding process were striking, a potential 18% increase in construction costs in less than six months. The bid results led Home Forward to value engineer \$2.3 million of potential cost increases out of the project, leaving a net increase in construction costs of \$8.4 million. The increase in total project costs is \$11.1 million based upon the increase of construction costs and related costs, such as contingency, loan fees and other proportional costs.

Assuming the Committee grants our request, the construction lenders has agreed to increase its construction loan to \$48.29 million and the LIHTC investor has agreed to pay another \$4.9 million for the additional tax credits.

### **Key Project Information**

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.

*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 27<sup>th</sup> 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: \$93,810,285

PAB Need: \$48,290,000

*Schedule:*

Bond Sale Date: 4/28/2022

Closing Date: 4/28/2022

### **Additional 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% (full) application for 187 units to OHCS in January and are working through due diligence for closing in April 2022.

The 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. A bond issuance resolution was approved March 2022.

In January 2022, the 4% LIHTC (full) 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. Metro Regional Government provided approval and authorization for the Metro Go Bond funding.

The upcoming project milestones are as follows:

April 2022	Receive building permits
April 2022	Receive LIHTC reservation letter from OHCS
April 2022	Financial closing
May 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 Issuance 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.

Warm regards,

Theresa Auld  
Finance Manager

cc: Ivory N. Mathews, 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: 4/6/2022**

Sources	Construction	Permanent
Tax Exempt Bond Financing	48,290,000	16,650,000
Tax Credit Equity	3,180,778	39,219,077
Metro Housing GO Bonds	21,170,883	21,170,883
Home Forward Financing	10,052,534	12,423,226
Home Land Lease (Est. Value)	2,090,000	2,090,000
Home Forward Equity	100	100
Deferred Developer Fee	9,025,990	2,257,000
<b>Total</b>	<b>93,810,285</b>	<b>93,810,285</b>

Uses	Total Project Costs	Per Unit	Per Sq. Ft.
Land	2,090,000	11,176	14
Building (no value for buildings to be demolished)	-	-	-
Construction	63,634,533	340,292	424
Soft Costs	-	-	-
Development Costs	2,422,368	12,954	16
General Fees	15,950,295	85,296	106
Financing	1,806,692	9,661	12
Construction Period Interest	2,850,233	15,242	19
Relocation	722,470	3,863	5
Reserves and Contingencies	4,333,694	23,175	29
<b>Total</b>	<b>93,810,285</b>	<b>501,659</b>	<b>625</b>

	Total	Cash Paid Fee	Deferred Fee
Developer Fee	13,208,295	10,951,295	2,257,000
Consultant Fee	60,000	60,000	-
Aggregate Fees	13,268,295	11,011,295	2,257,000
PAB Volume Cap Requested	48,290,000		
Estimated Tax Credit Basis and Land	87,804,613		
PAB Volume Cap / Basis	55%		













## MEMORANDUM

To:	Board of Commissioners	Date:	March 15, 2022
From:	Jonathan Trutt, Director Development & Community Revitalization 503.802.8507  Theresa Auld Finance Manager 503.802.8319	Subject:	Authorize the Issuance of Governmental Notes in the Combined Principal Amount of up to \$51,000,000 to Finance the Construction and Equipping of Dekum Court Redevelopment Resolution 22-03-04

Staff requests the Board of Commissioners to approve Resolution 22-03-04 authorizing the issuance and sale of two governmental notes (together, the “Governmental Notes”) in an original combined principal amount not to exceed \$51,000,000. The Governmental Notes will finance a portion of the costs of constructing and equipping a multifamily rental housing complex to be located on an approximately 4.09 acre site in the vicinity of 7003 NE 27<sup>th</sup> Avenue, in Portland, Oregon, to be known as Dekum Court (the “Project”).

This action supports Home Forward’s 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

Pursuant to Resolution 20-10-05 adopted October 20, 2020, Home Forward declared its intent to sell bonds to provide financing for the Project. Dekum 2 Limited Partnership, an Oregon limited partnership of which Home Forward is the sole general partner (the “Borrower”) has requested that Home Forward issue the Governmental Notes for the purpose of providing part of the funds with which to pay the costs of the Project. The proceeds of the Governmental Notes will be used to make loans (the “Project Loans”) to the Borrower pursuant to a Project Loan Agreement (the “Project Loan Agreement”). Pursuant to the Project Loan Agreement, the Borrower will agree (1) to apply the proceeds



of the Project Loans to pay costs of the Project and, if applicable, certain costs of issuing the Governmental Notes, (2) to make payments sufficient to pay the principal of and interest on the Governmental Notes when due, and (3) to observe the other covenants and agreements and make the other payments set forth in the Project Loan Agreement.

## **OVERVIEW**

Wells Fargo Bank, National Association is expected to offer to acquire the Governmental Notes upon terms set forth in the proposal letter dated September 27, 2021, as it may be amended from time to time. Each Governmental Note will bear interest at a variable rate, as is typical for construction financing. The Partnership, as Borrower, anticipates a taxable fixed-rate permanent loan and partner equity (described in Resolution 22-03-05 will pay off or take out the Governmental Notes when the property achieves stabilized operations.

In addition to serving as conduit issuer for the Governmental Notes and general partner of the Borrower, Home Forward will be required to guaranty certain of the Borrower's obligations with respect to the Project Loans and to be a party to an indemnification agreement. Home Forward and the Borrower will have ongoing obligations to maintain the tax-exempt status of the Governmental Notes. The Governmental Notes will be subject to acceleration at certain times and upon the occurrence of certain events, including occurrence of events of default.

This resolution will authorize Home Forward to execute all documents related to the issuance and sale of the Governmental Notes and the Project Loans, in order to advance the development of the Project. Completion of the Project will create approximately 187 affordable units in furtherance of Home Forward's overall mission to shelter those in need.

## **CONCLUSION**

The Board of Commissioners is requested to authorize the issuance and sale of two of Governmental Notes in an original combined principal amount not to exceed \$51,000,000. The Multifamily Notes will finance a portion of the costs of constructing and equipping the Project.

The Real Estate and Development Committee (READ) reviewed this memo and resolution at its March 4, 2022, meeting.

The bracketed numbers in the memo and resolution stem from the need to post the board agenda prior to the finalization of the project's budget. Staff will provide final numbers at the March 15<sup>th</sup>, 2022 meeting.



RESOLUTION 22-03-04

DEKUM COURT GOVERNMENTAL NOTE FINANCING

RESOLUTION 22-03-04 OF THE BOARD OF COMMISSIONERS OF HOME FORWARD PROVIDING FOR THE ISSUANCE OF TWO SERIES OF MULTIFAMILY NOTES IN A COMBINED PRINCIPAL AMOUNT NOT TO EXCEED \$51,000,000, THE PROCEEDS OF WHICH WILL BE USED TO MAKE LOANS TO DEKUM 2 LIMITED PARTNERSHIP, TO PROVIDE FUNDS WITH WHICH TO FINANCE A PORTION OF THE COSTS OF CONSTRUCTING AND EQUIPPING A MULTIFAMILY RENTAL HOUSING PROJECT TO CONTAIN APPROXIMATELY 187 RESIDENTIAL UNITS AND TO BE LOCATED IN THE VICINITY OF 7003 NE 27<sup>TH</sup> AVENUE IN THE CITY OF PORTLAND, OREGON, ALL TO PROVIDE HOUSING FOR LOW INCOME PERSONS; DETERMINING THE TERMS AND COVENANTS OF THE MULTIFAMILY NOTES; AUTHORIZING THE EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT, A PROJECT LOAN AGREEMENT, A REGULATORY AGREEMENT, AND OTHER FINANCING DOCUMENTS; PROVIDING FOR THE SALE AND DELIVERY OF THE MULTIFAMILY NOTES TO WELLS FARGO BANK, NATIONAL ASSOCIATION; AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF HOME FORWARD TO EXECUTE SUCH DOCUMENTS AS ARE USEFUL OR NECESSARY TO THE PURPOSES OF THIS RESOLUTION; AND DETERMINING RELATED MATTERS.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF HOME FORWARD as follows:

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of Home Forward finds and determines:

(a) Statutory Authorization. Home Forward is a public body corporate and politic of the State of Oregon and a housing authority authorized by the Housing Authorities Law (ORS 456.005 to 456.235) to, among other things, to: (i) “[p]repare, carry out, acquire, lease and operate housing projects” (ORS 456.125(5)) and [p]rovide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (ORS 456.125(6)); (ii) “lease or rent any housing, land, buildings, structures or facilities embraced in any housing project and, subject to the limitations of the Housing Authorities Law, to establish and revise the rents or charges therefor” (ORS 456.120(8)) and “mortgage,

lease, rent, transfer, assign, pledge or otherwise dispose of any real property or any interest therein” (ORS 456.120(11)); (iii) “form, finance and have a nonstock interest in, and to manage or operate, partnerships . . . in order to further the purposes of the housing authority” (ORS 456.120(20)) and “enter into a partnership agreement with or loan money to an individual, partnership, corporation or other association to finance, plan, undertake, construct, acquire, manage or operate a housing project” (ORS 456.120(18)); (iv) “finance, develop, own, operate or manage a mixed income housing project” if certain requirements are met (ORS 456.120(19), ORS 456.153); (v) “issue bonds . . . for any of its corporate purposes” (ORS 456.175), which “bonds” include “any bonds, notes, interim certificates, debentures or other obligations” (ORS 446.055(3)), and in connection therewith “pledge all or any part of its . . . revenues to which its right then exists or thereafter comes into existence” (ORS 456.200(1)), “mortgage its real or personal property” (ORS 456.200(2)), and “make any covenants and do any acts and things necessary or convenient to secure its bonds, or, in the absolute discretion of said authority, tending to make the bonds more marketable” (ORS 456.200(22)); (vi) enter into intergovernmental agreements for the purpose of establishing areas of operation of a housing authority (ORS 456.060(3)); (vii) “make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority” (ORS 456.120(4)); and (viii) “delegate to one or more of its agents or employees such powers or duties as it deems proper” (ORS 456.135). As used in the Housing Authorities Law, “housing project” includes any work or undertaking “[t]o provide decent, safe and sanitary urban or rural housing for persons or families of lower income” which may include “buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances” (ORS 456.065(2)), “mixed income housing” means “a housing project that houses tenants with a mixture of income levels, including those not of lower income, for the purpose of reducing the rents for tenants whose incomes are no greater than 60 percent of the area median income” (ORS 456.055(10)), and “person of lower income” or “family of lower income” means a person or a family residing in the State of Oregon “whose income is not greater than 80 percent of area median income, adjusted for family size” (ORS 456.055(14)).

(b) The Intergovernmental Agreement. The City of Portland, the City of Gresham, Multnomah County, and Home Forward (formerly known as the Housing Authority of the Portland), are parties to that certain Intergovernmental Agreement dated June 4, 1992, expanding Home Forward’s area of operation to all territory within the boundaries of Multnomah County.

(c) The Borrower. Pursuant to the authority provided by ORS 456.120(18) and (20), Home Forward caused Dekum 2 Limited Partnership (the “Borrower”) to be formed by

filing a certificate of limited partnership with the Oregon Secretary of State on January 28, 2021, and executing an Agreement of Limited Partnership dated as of January 28, 2021, with Home Forward Development Enterprises Corporation, an Oregon nonprofit corporation, for the purpose of acquiring (by ownership and/or long term lease), developing, rehabilitating, operating, managing, and maintaining the Project (as defined below). Wells Fargo Affordable Housing Community Development Corporation, or an affiliate thereof (the "Investor Limited Partner") is willing to be a limited partner in the Borrower and to make capital contributions to the Borrower.

(d) The Project. The Borrower has applied to Home Forward for financial assistance for the purpose of providing part of the funds with which to finance, acquire, construct, and equip an approximately 187-unit affordable rental housing project to be located in the vicinity of 7003 NE 27<sup>th</sup> Avenue, in the City of Portland, Oregon, to provide housing for low-income persons within Home Forward's area of operation and to be initially known as Dekum Court (the "Project"). In connection with the financing of the Project, Home Forward will lease the land on which the Project will be located to the Borrower and the Borrower will provide Home Forward with an option and right of first refusal to acquire the Borrower's interest in the Project at the end of the 15-year low-income housing tax credit "compliance period."

(e) Issuance of Governmental Notes Necessary and Advisable and in the Best Interests of Home Forward; Determination and Declaration of Need for Additional Housing. The Borrower has requested that Home Forward issue two series of multifamily notes in the combined principal amount of not to exceed \$51,000,000 for the purpose of assisting the Borrower in financing the Project. It is necessary and advisable, important for the feasibility of the Project, and in the best interest of Home Forward to issue the multifamily notes in a combined principal amount of not to exceed \$51,000,000, the proceeds of which will be used to make loans to the Borrower for the purposes described herein. The Board hereby determines that a substantial number of persons of eligible income in the area served by Home Forward cannot obtain housing for 30% of less of their income. Based on the foregoing determination, the Board hereby declares, on behalf of Home Forward, the need for additional housing for persons or families of lower income that can be addressed by Home Forward participating in the financing and development of the Project, which may be a mixed income housing project.

(f) Definitions. As used in this resolution, the following words have the following meanings:

“Agreement for Disbursement Prior to Recording” means the Agreement for Disbursement Prior to Recording to be executed by the Borrower and the Funding Lender, setting forth the agreement of such parties regarding disbursement by the Funding Lender of a portion of the proceeds of the Funding Loans prior to the recording of the Security Instrument, including any supplements or amendments thereto made in conformity therewith.

“Assignment” means the Assignment of Security Instrument and Loan Documents to be executed by Home Forward and the Funding Lender, and acknowledged by the Borrower and Home Forward, in its capacity as guarantor, assigning Home Forward’s interest in the Security Instrument and certain other Financing Documents to the Funding Lender, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Architectural Agreement and Plans and Specifications” means the Assignment of Architectural Agreement and Plans and Specifications to be executed by the Borrower, relating to assignment to the Funding Lender of certain of the Borrower’s rights under certain agreements relating to the design of the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Construction Agreements” means the Assignment of Construction Agreements to be executed by the Borrower, relating to assignment to the Funding Lender of certain of the Borrower’s rights under certain agreements relating to the construction of the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Development Fee Agreement” means the Assignment and Subordination of Development Fee Agreement to be executed by the Borrower, the Funding Lender, and Home Forward, in its capacity as the developer for the Project, relating to assignment to the Funding Lender of certain of the Borrower’s interests in the development agreement with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Management Agreement” means the Assignment of Property Management Agreement to be executed by the Borrower, the Funding Lender, and Home Forward, in its capacity as the property manager for the Project, relating to assignment to the Funding Lender of certain of the Borrower’s interests in the management agreement with respect to the Project, including any supplements or amendments thereto made in conformity therewith.



“Authorized Officers” means the Chair of the Board, Home Forward’s Executive Director, Home Forward’s Deputy Executive Director - Finance, Home Forward’s Deputy Executive Director – Administration, and their respective designees.

“Board” means the Board of Commissioners of Home Forward.

“Borrower” means Dekum 2 Limited Partnership, an Oregon limited partnership of which Home Forward is the sole general partner.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

“Construction Disbursement Agreement” means the Construction Disbursement Agreement to be entered into by and between the Borrower and the Funding Lender, as the same may be amended, modified or supplemented from time to time.

“Disbursement Instruction Agreement” means the Disbursement Instruction Agreement to be signed by the Borrower and delivered by the Borrower to the Funding Lender to designate individuals to request disbursements and provide other instructions to the Funding Lender, as the same may be amended, modified or supplemented from time to time.

“Financing Documents” means, collectively, the Funding Loan Agreement, the Governmental Notes, the Tax Certificate and Agreement, the Project Loan Documents, and all other documents or instruments evidencing, securing or relating to the Loans.

“Fiscal Agent” means the entity serving as fiscal agent under the Funding Loan Agreement.

“Funding Lender” means any person who is the holder of the Governmental Notes, initially Wells Fargo Bank, National Association.

“Funding Loans” means, together, the Series 2022A Funding Loan and the Series 2022B Funding Loan.

“Governmental Notes” means, together, the Series 2022A Governmental Note and the Series 2022B Governmental Note, so long as such note is outstanding.

“Guaranty” means, collectively the Repayment Guaranty and the Completion Guaranty, each to be executed by Home Forward in favor of the Funding Lender, collectively providing for a guaranty of certain of the Borrower’s obligations with respect to the construction of the Project and repayment of the Project Loans, including any supplements or amendments thereto made in conformity therewith.

“Home Forward” means Home Forward, a housing authority formed under the Housing Authorities Law, and a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Oregon.

“Indemnity Agreement” means the Hazardous Material Indemnity Agreement (Unsecured) to be executed by Home Forward, in favor of the Funding Lender, relating to environmental and other claims with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Loans” means, together, the Project Loans and the Funding Loans.

“Pledge and Security Agreement” means the Pledge and Security Agreement to be entered into by the Borrower, Home Forward (in its capacity as general partner), for the benefit of the Funding Lender, relating to assignment to the Funding Lender of certain rights of Home Forward and the Borrower under the Borrower’s governing documents, including any supplements or amendments thereto made in conformity therewith.

“Priority Agreement” means a priority and subordination agreement to be among Home Forward, the Borrower, the Funding Lender, and any other parties named therein, including any supplements or amendments thereto made in conformity therewith.

“Project” means, depending on the context (1) construction and equipping of the approximately 187-unit multifamily residential housing project, located in the vicinity of 7003 NE 27<sup>th</sup> Avenue, in the City of Portland, Oregon, or (2) the multifamily residential housing project so constructed and equipped.

“Project Loans” means, together, the Series 2022A Project Loan and the Series 2022B Project Loan.

“Project Loan Agreement” means the Project Loan Agreement among the Borrower, Home Forward, and the Fiscal Agent, as amended, supplemented or restated from time to time.

“Project Loan Documents” means the Security Instrument, the Project Notes, the Project Loan Agreement, the Regulatory Agreement, the Agreement for Disbursement Prior to Recording, the Assignment, the Assignment of Architectural Agreement and Plans and Specifications, the Assignment of Construction Agreements, the Assignment of Development Fee Agreement, the Assignment of Management Agreement, the Construction Disbursement Agreement, the Disbursement Instruction Agreement, the Guaranty, the Indemnity Agreement, the Pledge and Security Agreement, the Priority Agreement, and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loans or any portion thereof.

“Project Notes” means, together, the Series 2022A Project Note and the Series 2022B Project Note, so long as such note is outstanding.

“Regulatory Agreement” means the Regulatory Agreement to be executed by the Borrower and Home Forward (in its capacities as Governmental Lender and ground lessor), governing the use of the Project, including any supplements or amendments thereto made in conformity therewith.

“Revenues” means (a) all payments made with respect to the Project Loans pursuant to the Project Loan Agreement, the Project Notes or the Security Instrument, including but not limited to all casualty or other insurance benefits and condemnation awards paid in connection therewith and all payments obtained through the exercise of remedies under the Financing Documents, and (b) all money and securities held by the Fiscal Agent in the funds and accounts established pursuant to the Funding Loan Agreement (excluding money or securities designated for deposit into and held in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund), together with all investment earnings thereon.

“Security Instrument” means the Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, to be made by the Borrower, granting a security interest in the Borrower’s interest in the Project to Home Forward to secure the repayment of the Project Loans and related obligations, which Security Instrument will be assigned by Home Forward to the Funding Lender pursuant to the Assignment as security for the Funding Loans, as the same may be further amended, supplemented or restated.

“Series 2022A Funding Loan” means the loan to be made to Home Forward by the Funding Lender pursuant to the Funding Loan Agreement, and evidenced by the Series 2022A Governmental Note.

“Series 2022A Governmental Note” means the Multifamily Note (Dekum Court), Series 2022A to be issued pursuant to this resolution and the Funding Loan Agreement, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

“Series 2022A Project Loan” means the loan made by Home Forward to the Borrower pursuant to the Project Loan Agreement, as evidenced by the Series 2022A Project Note.

“Series 2022A Project Note” means the Series A Promissory Note Secured by Security Instrument to be made by the Borrower, including all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Series 2022A Project Loan, which Series 2022A Project Note will be delivered to Home Forward and endorsed by Home Forward to the Funding Lender as security for the Funding Loans, as the same may be further amended, restated, supplemented or otherwise modified from time to time.

“Series 2022B Funding Loan” means the loan to be made to Home Forward by the Funding Lender pursuant to the Funding Loan Agreement, and evidenced by the Series 2022B Governmental Note.

“Series 2022B Governmental Note” means the Multifamily Note (Dekum Court), Series 2022B to be issued pursuant to this resolution and the Funding Loan Agreement, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

“Series 2022B Project Loan” means the loan made by Home Forward to the Borrower pursuant to the Project Loan Agreement, as evidenced by the Series 2022B Project Note.

“Series 2022B Project Note” means the Series B Promissory Note Secured by Security Instrument to be made by the Borrower, including all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Series 2022B Project Loan, which Series 2022B Project Note will be delivered to Home Forward and endorsed by Home Forward to

the Funding Lender as security for the Funding Loans, as the same may be further amended, restated, supplemented or otherwise modified from time to time.

“Servicer” means the entity, if any, appointed to serve as servicer in accordance with the Funding Loan Agreement.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement to be executed by the Borrower and Home Forward in connection with the Governmental Note, including any supplements or amendments thereto made in conformity therewith.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Funding Loan Agreement.

Section 1. Authorization of Governmental Notes and Application of Proceeds. Home Forward shall issue and sell the Governmental Notes in a combined principal amount not to exceed \$51,000,000 for the purpose of making loans to the Borrower to provide financing for a portion of the costs of the Project and, at the option of the Borrower, costs of issuing the Governmental Notes. All proceeds from draws on the Governmental Notes shall be lent to the Borrower for those purposes.

Section 2. Description of Governmental Notes. The Series 2022A Governmental Note shall be called the “Multifamily Note (Dekum Court), Series 2022A” and the Series 2022B Governmental Note shall be called the “Multifamily Note (Dekum Court), Series 2022B.” The Governmental Notes shall be dated their date of delivery, shall be issued in a combined principal amount of not to exceed \$51,000,000, and shall be issued in registered form. The Governmental Notes shall be in such principal amounts (subject to the preceding sentence) and denominations, shall bear interest payable on such dates and at such rates, shall mature at such times and in such amounts, shall have such prepayment or redemption provisions, and shall have such other provisions consistent with the purposes of this resolution as set forth in the Governmental Notes and the Funding Loan Agreement. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Governmental Notes. The execution of the Financing Documents by any Authorized Officer shall be conclusive evidence of approval by Home Forward of the terms set forth therein.

Section 3. Draws on the Governmental Notes. The Board authorizes the Authorized Officers, and each of them acting alone, as authorized signors for Home Forward, in its capacity as general partner of the Borrower, and their respective designees, to make

draws on the Governmental Notes in such amounts and at such times as they may determine, those draws to be made in accordance with the terms and provisions set forth in the Financing Documents. Draws on each Governmental Note shall be limited to the not to exceed principal amount of such Governmental Note. In the event that Home Forward determines that it is in the best interest of Home Forward or the Borrower to convert either Governmental Note or both Governmental Notes into a fully funded obligation, Home Forward is authorized to draw amounts which have not been drawn to date (the "Remaining Authorized Amount") on such Governmental Note(s), and to take any other action and to execute such other documents as may be required to be taken or executed by Home Forward, on behalf of itself or as general partner of the Borrower, in connection therewith (including, without limitation, execution of agreements relating to the deposit and investment of such Remaining Authorized Amount prior to application to pay costs of the Project).

Section 4. Security for the Governmental Notes. The Funding Loans, the Governmental Notes, and the obligations of Home Forward in its capacity as Governmental Lender under the Funding Loan Agreement and the other Financing Documents shall be special obligations Home Forward payable solely from the Revenues and other funds and money and the Pledged Security, which shall include: (a) all right, title and interest of Home Forward in and to all Revenues; (b) all right, title and interest of Home Forward in and to the Project Loan Agreement, the Project Notes, the Security Instrument and the other Project Loan Documents (with certain reservations and exceptions noted in the Funding Loan Agreement); and (c) except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Funding Loan Agreement for the Funding Loans by Home Forward or by anyone on its behalf or with its written consent to the Funding Lender.

No provision, covenant or agreement contained in the Funding Loan Agreement, the Governmental Note, or the other Financing Documents, nor any obligation therein imposed upon Home Forward, in its capacity as Governmental Lender, or the breach thereof, shall constitute an indebtedness of Home Forward within the meaning of any constitutional or statutory limitation, or shall constitute or give rise to a charge against the general credit of Home Forward. Home Forward does not have taxing power.

Neither the commissioners of Home Forward, nor any person executing the Funding Loan Agreement, the Governmental Notes, or any other Financing Document on behalf of Home Forward shall be liable personally on any obligation thereunder by reason of the issuance of the Governmental Notes or the execution of the Funding Loan Agreement or other Financing Documents.

None of the City of Portland, the State of Oregon, or any political subdivision thereof (except Home Forward, to the limited extent set forth herein and the Funding Loan Agreement) shall be liable for any obligation under the Funding Loan Agreement, the Governmental Notes, or any other Financing Documents. Nor, in any event, shall such obligations be payable out of any funds or properties other than Revenues and the Pledged Security pledged and assigned hereunder and under the Funding Loan Agreement.

Neither Home Forward nor any of the Commissioners, officers or employees of Home Forward shall be personally liable for the payment of the Funding Loan, the Governmental Notes, or the obligations of Home Forward under the Funding Loan Agreement or any other Financing Documents.

Section 5. Form and Execution of Governmental Notes. The Governmental Notes shall be in a form consistent with the provisions of this resolution, the Funding Loan Agreement, and state law, shall bear the manual or facsimile signatures of the Chair of the Board and the Executive Director of Home Forward and shall be impressed with the seal of Home Forward or shall bear a facsimile thereof. The Governmental Notes shall be authenticated by the Fiscal Agent as set forth in the Funding Loan Agreement. No Governmental Note shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Governmental Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution and the Funding Loan Agreement.

Section 6. Preservation of Tax Exemption for Interest on the Governmental Notes. Subject to the next succeeding paragraph, Home Forward covenants that it will take all actions necessary to prevent interest on the Governmental Notes from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Governmental Notes or other funds of Home Forward treated as proceeds of the Governmental Notes at any time during the term of the Governmental Notes that would cause interest on the Governmental Notes to be included in gross income for federal income tax purposes. Home Forward also covenants that, to

the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Governmental Notes, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Governmental Notes, including the calculation and payment of any penalties that Home Forward has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Governmental Notes from being included in gross income for federal income tax purposes (but only from amounts received by Home Forward from the Borrower as payments for those purposes).

The Project Loan Agreement shall require the Borrower to reimburse Home Forward for all costs to Home Forward of its compliance with the covenants contained in this section, and Home Forward shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the Project Loan Agreement, in so complying.

Section 7. Approval of Issuance and Sale of Governmental Notes to the Funding Lender. It is anticipated that the Funding Lender will offer to lend the proceeds of the Funding Loans to Home Forward under the terms and conditions contained in this resolution and to be set forth in the Funding Loan Agreement and the Governmental Notes. The Board finds that such offer is in the best interest of Home Forward, and therefore approves the offer to make such financing available under the terms and conditions in this resolution. The Governmental Notes will be delivered to the Funding Lender with the approving legal opinion of Foster Garvey P.C. regarding the Governmental Notes.

Section 8. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Financing Documents and the forms of the Governmental Notes. The Board authorizes and approves the execution and delivery of, and the performance by Home Forward of its obligations contained in, the Governmental Notes, the Financing Documents to which it is a party, and this resolution, and the consummation by Home Forward of all other transactions contemplated by this resolution in connection with the issuance of the Governmental Notes. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to execute on behalf of Home Forward and deliver the Governmental Notes, the Financing Documents to which Home Forward is a party, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Governmental Notes or required by the Funding Lender as a condition the transactions contemplated by this resolution. The



Board further authorizes the Authorized Officers, and each of them acting alone, to do everything necessary or appropriate for the issuance, execution and delivery of the Governmental Notes, including, without limitation, appointing the Fiscal Agent, and to execute and deliver any other documents that may be useful or necessary to ensure the proper use and application of the proceeds from the sale of the Governmental Notes.

Section 9. Authorization of Borrower Documents and Execution Thereof. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to negotiate, execute and deliver, on behalf of Home Forward in its capacity as general partner of the Borrower, the Financing Documents, and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Governmental Notes, the Loans, and the transactions contemplated by this resolution.

Section 10. Acting Officers Authorized. Any action authorized or directed by this resolution to be taken by the Executive Director of Home Forward, may in the absence of such person, be taken by a duly authorized acting Executive Director of Home Forward or any other employee of Home Forward that has been designated by the Executive Director or the Board to act in the Executive Director's absence. Any action authorized or directed by this resolution to be taken by the Chair of the Board may, in the absence of such person, be taken by the duly authorized acting Chair of the Board. Any action authorized or directed by this resolution to be taken by the Deputy Executive Director - Finance of Home Forward may, in the absence of such person, be taken by the duly authorized acting Deputy Executive Director - Finance of Home Forward or any other employee of Home Forward that has been designated by the Deputy Executive Director - Finance to act in the Deputy Executive Director - Finance's absence. Any action authorized or directed by this resolution to be taken by the Deputy Executive Director - Administration of Home Forward may, in the absence of such person, be taken by the duly authorized acting Deputy Executive Director - Administration of Home Forward or any other employee of Home Forward that has been designated by the Deputy Executive Director - Administration to act in the Deputy Executive Director - Administration's absence.

Section 11. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of Home Forward to: (i) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, applications, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; (ii) cause Home Forward to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and

other costs relating to the actions authorized by this resolution; and (iii) create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records and signatures under any security procedure or platform, as in such Authorized Officer's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 12. Changes to Titles or Parties; Omission of Documents. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form. The Authorized Officers, and each of them acting alone, in their discretion, may determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause Home Forward (acting on its own behalf and/or in its capacity as general partner of the Borrower) not to execute or deliver such document.

Section 13. Ratification and Confirmation. 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.

Section 14. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or the Governmental Notes.

Section 15. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

**ADOPTED: MARCH 15, 2022**

**Attest:**



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Ivory N. Mathews, Secretary

**Home Forward:**



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Damien R. Hall, Chair

## CERTIFICATE

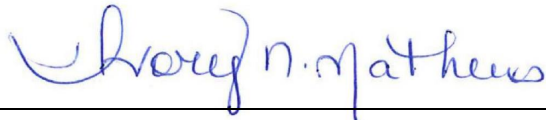
I, the undersigned, the duly chosen, qualified and acting Executive Director and Secretary-Treasurer of Home Forward and keeper of the records of Home Forward, CERTIFY:

1. That the attached Resolution 22-03-04 (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 March 15, 2022, 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 15<sup>th</sup> day of March, 2022.

HOME FORWARD



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Ivory N. Mathews, Executive Director



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](mailto: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 27<sup>th</sup> 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 4 –

2022 VOLUME CAP REQUEST

Oregon Housing and Community Services Department

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

\$72,287,050

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Project Projection Presentation

Jacqueline B. Knights, Chair &  
Designee Oregon State Treasury

Renee A. Klein, Designee  
Department of Administrative Services

Theresa K. Deibele, Public Member



## PRIVATE ACTIVITY BOND COMMITTEE

867 Hawthorne Ave SE  
Salem, OR 97301-5241  
(503) 378-4930  
[DMD@OST.state.or.us](mailto:DMD@OST.state.or.us)

## PRIVATE ACTIVITY BOND ALLOCATION REQUEST

### ALLOCATION REQUEST TYPE

DATE: 04/13/2022

- ☒ Current Year Allocation Request  
☐ Carry Forward Allocation Request

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### 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](mailto:matthew.d.harris@hcs.oregon.gov)

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### PROJECT INFORMATION

Title of Project: Various  
Project Amount: TBD Bond Amount: 72,287,050 Request Amount: 72,287,050  
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. This allocation is necessary to finance additional Multifamily Conduit Revenue bond projects in the overall OHCS pipeline.

The projects that may be funded include:

Tigard Senior Housing  
148th Apartments  
Renaissance Flats  
Shore Pines at Munsel Creek  
Maple Apartments  
Plaza Los Amigos  
Saltzman Road Apartments  
5020 N Interstate

Additional project details are attached to this application separately.

Expected Number of Family Wage Jobs Created/Saved: 359

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

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#### HOUSING PROJECT INFORMATION, if applicable

Expected Number of Resulting Housing Units: 695

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](#)?

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

Company:

Address:

City, State, Zip:

Contact Name:

Contact Phone:

Contact Email:

#### BOND COUNSEL

Firm Name: Orrick, Herrington, Sutcliffe

Address: 1120 Nw Couch

City, State, Zip: Portland, Oregon 97209

Contact Name: Doug Goe

Contact Phone: 503-943-4810

Contact Email: dgoe@orrick.com

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





**OREGON HOUSING *and*  
COMMUNITY SERVICES**

725 SUMMER STREET NE, SUITE B | SALEM, OR 97301  
503-986-2000 | [www.oregon.gov/OHCS](http://www.oregon.gov/OHCS)

**TO:** Private Activity Bond Committee

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

**DATE:** April 13, 2022

**SUBJECT:** 2022 Current PAB Allocation Request & Program Update

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

We're writing to provide an update since January's PABC meeting which highlighted the critical importance of a unified and statewide approach to how PABC is to allocate bonding capacity to Affordable Rental Housing (ARH). Since January, Oregon Housing and Community Services (OHCS) has convened numerous stakeholder meetings in order to gain consensus from industry partners on how this scarce resource should be allocated and prioritized. Initial conversations focused on establishing criteria for a competitive offering of 4% LIHTC/Private Activity Bond (PAB), however energy soon shifted to direct negotiations with Public Housing Authorities (PHAs). These negotiations are aimed at establishing a unified approach to managing the pipeline of projects seeking PABs, meeting industry needs, and where possible avoiding bureaucratic layers created by additional competitive fund offerings/prioritization decisions. These negotiations are ongoing and our intent is to bring this plan to the July PABC meeting. A framework for this shared approach can be found in Appendix A.

In the meantime, we're providing pipeline material in Appendices B and C which shows:

1. As of March 31, 2022, OHCS has issued more than \$150M in PAB totaling 9 projects which represents 1,104 affordable rental units this year
2. OHCS has named projects with closing dates and OHCS funding commitments of \$505M in 2022 (notably, these projects were awarded prior to readiness criteria being established and therefore the closing dates may shift **and** PAB amounts may increase as due to rapidly increasing development costs)
3. If any of the remaining \$505M in 2022 closing aren't able to proceed, OHCS has multiple projects in the 2023 pipeline that are ready to close in 2022 if possible



Considering this extensive pipeline, OHCS is requesting that the 2022 PABC award the Department a current year allocation of \$72,287,050, an amount that supports future decision-making desires of PABC to fund non-ARH projects. If received, OHCS will use this Private Activity Bond (“PAB”) allocation to issue of bonds for any of the IRC Section 142(a)(7) qualified residential rental projects described in Appendix D. Additionally the Sources and Uses of each project are also attached to this memo. Also attached is a summary description of OHCS’ prioritization objectives related to the Statewide Housing Plan.

Current projections indicate that OHCS will fully expend its 2021 Carryforward allocation awarded in January 2022 by mid-June of 2022 without a new award. The Department’s legislatively allocated PAB of \$250 million of current year volume cap for 2022 is projected to be fully utilized late in the third quarter or early in the fourth quarter of this year, depending on ongoing management of project timelines and schedules without any new award.

To summarize and caveating with the aforementioned variables related to shifting closing dates and increasing development costs:

- Should the PABC grant this request, which is requested by OHCS and supported by PHAs, OHCS anticipates funding **40 projects** totaling \$703.4M in PAB issuance, which would leave \$7.8M remaining to cover potential increased PAB needs in the pipeline (scenario 2 in Appendix C)
- Should the PABC **not** grant this request, OHCS will be \$16.7M short in PAB of funding **38 projects** totaling \$655.6M in PAB issuance (scenario 1 in Appendix C)

**Appendix A**

*Shared statewide pipeline approach*

<b>Core Tenants</b>	<b>Why Important</b>
MOUs between OHCS and HAs documenting shared prioritization schema	<ul style="list-style-type: none"><li>• With PAB constrained and in light of the housing crisis, Oregon must prioritize resources to units becoming available ASAP</li><li>• OHCS, as the statewide housing policy setting agency, is best positioned to set policy on how constrained resources should be allocated – absolving PABC from being the arbiter on those decisions</li></ul>
OHCS is issuer for projects containing OHCS resources (except OAHTC and LIHTC 4%), and HAs have option to issue bonds for their projects with no OHCS resources	<ul style="list-style-type: none"><li>• Maintains requisite funding for ARH operations while providing HAs flexibility (to issue or not) if desired</li></ul>

## Appendix B

### OHCS PAB 2022 Bond Issuance

OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT  
FEDERAL VOLUME CAP - PRIVATE ACTIVITY BONDS (PAB)  
AS OF March 31, 2022

			CURRENT YEAR		
			2022		
			Current Year		
Issue Date	2020 Multi-Family Carry Forward	2021 Multi-Family Carry Forward		Total Private Activity Volume Cap Used	Total Issuance
PAB Current Year Allocation (as of 1/1/2022)			\$250,000,000.00		
PAB Carryforward Allocations					
Expires 12/31/23 ( remaining balance)	\$94,071,733.66				
Expires 12/31/24		294,872,256.40			
Housing Development Bond (Stillwater Crossing), 2022 Series C	2/3/2022	(3,900,000.00)		(3,900,000.00)	3,900,000.00
Housing Development Bond (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 Bond (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 Bond (Aloha), 2022 Series F-1,F-2	3/30/2022		(16,680,000.00)	(16,680,000.00)	16,680,000.00
Housing Development Bond (Oregon 4), 2022 Series I	3/31/2022		(23,895,104.00)	(23,895,104.00)	23,895,104.00
Housing Development Bond (Minnesota Place), 2022 Series J (estimated close 4/7/2022)	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 (estimated close 4/12/2022)	4/12/2022		(7,870,000.00)	(7,870,000.00)	7,870,000.00
Balance of PAB Allocation Available					
	(\$0.00)	\$217,560,095.06	\$250,000,000.00	(\$171,383,895.00)	\$175,383,895.00



## Appendix C

### 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	\$250,000,000	\$638,943,990	\$655,661,284	\$0	\$655,661,284	\$0	\$0	(\$16,717,294)
2023	\$0	\$0	\$0	\$250,000,000	\$250,000,000	\$800,636,356	\$0	\$800,636,356	\$0	\$0	(\$550,636,356)
2024	\$0	\$0	\$0	\$250,000,000	\$250,000,000	\$487,213,748	\$0	\$487,213,748	\$0	\$0	(\$237,213,748)

#### Scenario 2

Assuming OHCS receives its Current Year Allocation Request

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	\$322,287,050	\$711,231,040	\$703,433,344	\$0	\$703,433,344	\$0	\$0	\$7,797,696
2023	\$0	\$7,797,696	\$7,797,696	\$250,000,000	\$257,797,696	\$800,636,356	\$0	\$800,636,356	\$0	\$0	(\$542,838,660)
2024	\$0	\$176,077,050	\$176,077,050	\$250,000,000	\$426,077,050	\$487,213,748	\$0	\$487,213,748	\$0	\$0	(\$61,136,698)



## **Appendix D**

### *OHCS Named Project List Overview and Statewide Housing Plan Alignment*

#### **Tigard Senior Housing:**

Tigard Senior Housing consists of one, 4-story, elevator building located in downtown Tigard, and will include 58 units (including one manager's unit) with a mix of fifty-eight 1-bedroom units. Along with 4% LIHTCs and tax-exempt bonds, Tigard Senior Housing will utilize OHCS MEP funds of \$18,000.

The primary population target is seniors aged 62 and older and will prioritize housing for veterans, seniors with disabilities, and households at risk or coming from homelessness. Forty percent of the units in the project will serve extremely low-income individuals. This includes 18 units that are designed for Project Based Vouchers (PBVs) and 5 VASH units that will serve senior veterans.

#### **OHCS Policy Priorities:**

- Homelessness
- Affordable Rental Housing
- Equity and Racial Justice

#### **148th Apartments:**

The 148th Apartments is a 96-unit development with a mix of 1, 2 and 3 bedroom units affordable to renters earning at or below 30% and 50-60% of area median income (AMI). The project will serve many of Portland's refugee communities, including the Zomi Community, and other Christian ethnic minority groups from Myanmar, Bangladesh and India that have resettled in Portland. The project is designed with services and building elements to meet the unique needs of refugees.

The building will achieve green building standards comparable to Earth Advantage Gold. Residents will benefit from services provided by Zomi Catholic Community Portland, a refugee-led nonprofit established to support individuals who have faced religious persecution in Myanmar. The planned 1,500 SF community space and outdoor amenities will support resident service delivery and promote community building.

#### **OHCS Policy Priorities:**

- Affordable Rental Housing
- Equity and Racial Justice



### Renaissance Flats:

Renaissance Flats will be a new 72-unit family development in the wildfire impacted community of Talent Oregon on a 3.5-acre site. The complex will consist of six three-story residential buildings and one community building. The unit mix will consist of 36 two-bedroom and 36 three-bedroom units serving households at 30%, 50% and 60% of Area Median Income. The community building will house the leasing office, community room, and fitness center. Other amenities include outdoor garden areas, a playground, internet access, and in-unit washer/dryers provided.

The project will serve those impacted by wildfire. Commonwealth has entered an MOU with ACCESS and Unete to provide services that focus on education, health, financial empowerment, and advocacy & civic engagement.

### OHCS Policy Priorities:

- Affordable Rental Housing
- Rural Communities
- Equity and Racial Justice

### Shore Pines at Munsel Creek:

Shore Pines at Munsel Creek is intended to be a place to call home for families, seniors, and individuals in the workforce. The project includes 67 affordable apartments and one managers unit, 31 of the homes will have Project Based Rental Assistance, and 35 will be three bedroom family homes. The site is located close to Florence's city center, just steps away from public transit; connecting residents to medical services, local food markets, and community services. NHA has been building community ties in Florence for over 8 years and currently owns and operates the very successful Siuslaw Dunes Apartments nearby.

### OHCS Policy Priorities:

- Affordable Rental Housing
- Rural Communities
- Equity and Racial Justice

### Maple Apartments:

Maple Apartments is a new construction multi-building project with 171 units to be located in Oregon City. All units are a mix of 1, 2, 3, and 4 bedrooms with 75% being two-bedrooms and larger, in eight



three story walk-up buildings. The project is intended to provide housing and wrap around services for Oregon City's homeless and at-risk residents. Forty-two percent of Maple's units are set aside for individuals and families making 30% or below the area median income. Additionally, 12 units are set aside for agricultural workers and their families through an award of Agriculture Workforce Housing Tax Credits. A partnership with Northwest Housing Alternatives (NHA) sets aside 9 units for individuals and families transitioning out of homelessness and include support services through NHA and Hacienda's Youth and Family Services division.

### OHCS Policy Priorities:

- Homelessness
- Affordable Rental Housing
- Equity and Racial Justice

### Plaza Los Amigos:

Plaza Los Amigos will be a new 113-unit family and permanent supportive housing development in Cornelius, Oregon. The development would consist of a single, large 4-story building containing all dwelling units, facilities, and community center space. The unit mix consists of 40 one-bedroom units, 61 two-bedroom units, and 12 three-bedroom units, with one two-bedroom unit reserved as a manager's unit which will not be income qualified. The location selected is part of the Gateway Mixed Use master plan and is supported by city planning. Planned amenities include on-site laundry, an outdoor recreation court, community center, rental office, supportive service office, among others.

These units will be limited to 60% AMI households at the highest, and 30% at the lowest. 10 of the 30% units are available without preference while 16 units supported by section 8 project based vouchers are set aside with preference for PSH clients of Sequoia Mental Health. Sponsors REACH and Bienestar are partnering with Sequoia Mental Health to supply project-based vouchers for rental assistance to those applicants who qualify under program specifications.

### OHCS Policy Priorities:

- Homelessness
- Affordable Rental Housing
- Permanent Supportive Housing
- Equity and Racial Justice





### Saltzman Road Apartments:

Saltzman Road Apartments, a new 55-unit building and campus, could help alleviate anxiety and create dignity and security for people in their later years. The 44,000-square-foot apartment complex will have one- and two-bedroom options, providing housing for people aged 50-75. Developers intend to use green materials and preserve as many of the trees on the property as possible. The project will also have common spaces indoors and out. The location is ideal for seniors—having walkable routes to shopping, library and other transit. Through a collaboration of key partners (Bienestar, Friendly House, and SAGE), the Saltzman Road Apartments will also be the only affordable housing apartment complex for seniors in Portland that has explicit anti-discriminatory policies for people who identify as LGBTQIA+.

### OHCS Policy Priorities:

- Affordable Rental Housing
- Equity and Racial Justice

### 5020 N Interstate:

5020 N Interstate is a 6-story, mixed-use, permit-ready, new construction project consisting of 63 units of family-focused affordable housing. The project will include 15 one-bedroom, 23 two-bedroom, and 25 three-bedroom units. Seventeen units (27%) will be restricted at 30% AMI with the remaining 46 units at 60% AMI. The 30% AMI units are distributed among the unit types to offer deeply affordable housing to households of all sizes. The project will also contain two small retail/commercial space as part of street activation. Along with 4% LIHTCs and tax-exempt bonds, 5020 N Interstate intends to utilize OHCS MEP funds totaling \$150,000.

The project will be targeted to serve people with histories of displacement or generational ties to North/Northeast Portland and will use the City of Portland's Preference Policy. On-site resident services is provided by Self-Enhancement, Inc., a co-developer/owner, and will focus on helping residents navigate social services and access referrals to community resources including job training, asset building, childcare, and family programs.

### OHCS Policy Priorities:

- Affordable Rental Housing
- Equity and Racial Justice



## Prioritizing Housing Investments for Affordable Rental Housing

As public funders of the development and preservation of Affordable Rental Housing, we can not underestimate the value of Private Activity Bonds ability to generate a 4% Low Income Housing Tax Credit and related equity investment it creates. Stewarding both the public (federal, state, and local) funds along with the Private Activity Bond authority is paramount. In assessing the opportunity to prioritize investments, Oregon Housing and Community Services relies on the core priorities from our Statewide Housing Plan which include:

- **Equity and Racial Justice:** in affordable housing investments these are projects that meet minimum requirements to use MWESB certified firms in the development and operations of their projects; engage in Affirmative Fair Housing Marketing to effectively reach historically underserved populations least likely to apply for housing; are culturally responsive or culturally specific development organizations; engage culturally specific or responsive organizations in their project design, services, and financial teams.
- **Rural:** affordable rental housing projects that foster development in rural communities statewide.
- **Homelessness:** affordable rental housing projects that include units set-aside to serve those experiencing homelessness; most often these are units that are restricted to 30% Area Median Income (AMI) or below or have attached rent assistance for the population.
- **Permanent Supportive Housing:** affordable rental housing projects that deliberately align the built unit with ongoing rent assistance and supportive services funding to provide case-management type supports to achieve tenant stability; OHCS's Permanent Supportive Housing Initiative for which the state has committed ongoing rent assistance and services funding is aligned with serving those that have experienced chronic homelessness and are referred through communities coordinated entry efforts.
- **Affordable Rental Housing:** the Statewide Housing Plan identified a gap upwards of 100,000 additional affordable rental housing units at or below 50% AMI; efforts to generate new and preserve existing affordable rental housing units are fundamentally aligned with this priority.
- **Homeownership:** though less frequently aligned with Affordable Rental Housing investments, many of our properties include access to financial literacy and Individual Development Account programs; on occasion rental projects could be situated to convert to eventual tenant ownership though more often this requires the use of the 9% LIHTC.

Over the past several months as we have engaged with partners around the use of Private Activity Bonds and the 4% LIHTC program it has become clear that delivering on policy objectives reflected in the above list of Statewide Housing Plan priorities is our shared objectives. Each structure and iteration of project reflects an array of nuance to the specific funding environment, local community, and planned priority that impacts overall financial

structures and costs. As such, as we put forward and report out on the impacts of the Private Activity Bond use and leverage, OHCS strives to align to impacts as they meet these core Statewide Housing Plan priorities of furthering Equity and Racial Justice, service to Rural Communities, address Homelessness; expand the reach of Permanent Supportive Housing; develop and preserve Affordable Rental Housing, and foster connections to Homeownership.

### OHCS Named Project List Overview and Project Financial Detail

Project Name	PAB Request	SROs	Studio	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms	Rural Projects	Total Units	Closing Date
Tigard Senior	\$13,890,000			58					58	4/28/2022
148th Apartments	\$13,500,000			16	20	60			96	5/19/2022
Renaissance Flats	\$11,980,000				36	36		1	72	5/20/2022
Shore Pines at Munsel Creek	\$14,302,000			33		35		1	68	5/26/2022
Maple Apartments	\$37,500,000			42	54	66	9		171	5/31/2022
Plaza Los Amigos	\$22,255,816			40	61	12			113	6/2/2022
Saltzman Road Apartments	\$8,300,000			44	9				53	6/23/2022
5020 N Interstate	\$14,881,257			16	23	25			64	June Waitlist
	<b>\$136,609,073</b>			249	203	234	9	2	<b>695</b>	

**Issuer:** Oregon Housing and Community  
**Services**  
**Project Name:** Tigard Senior  
**Location:** Tigard  
**Date:** 4/12/2022

Sources	Construction	Permanent
Tax Exempt Bond Financing	8,190,000	5,700,000
Tax Credit Equity	6,482,651	8,972,651
Metro Bond	6,270,000	6,270,000
Washington County HOME	1,200,000	1,200,000
Metro TOD	250,000	250,000
Washington County HPOF	500,000	500,000
OHCS Weatherization Funds	18,000	18,000
Contributed GP Fee	1,905,639	1,905,639
Deferred Developer Fee	757,463	757,463
<b>Total</b>	<b>25,573,753</b>	<b>25,573,753</b>

Uses	Total Project Costs	Per Unit	Total Sq. Ft.
Land (if acquired)	7501	58	47,679
Building (if acquired)	-	129	0.16
Construction or Rehabilitation	17,447,000	134,905	366
Soft Costs	-	-	-
Development Costs	1,321,317	22,781	28
General Fees	5,008,203	86,348	105
Financing	746,039	5,769	129
Construction Period Interest	560,900	9,671	12
Relocation	-	-	-
Reserves and Contingencies	482,793	3,733	10
<b>Total</b>	<b>25,573,753</b>	<b>197,744</b>	<b>536</b>

	Total	Cash Paid Fee	Deferred Fee
Developer Fee	2,039,121	1,281,658	757,463
Consultant Fee	1,805,855	-	-
<b>Aggregate Fees</b>	<b>3,844,976</b>	<b>1,281,658</b>	<b>757,463</b>
PAB Volume Cap Requested	13,890,000		
Estimated Tax Credit Basis and Land	25,260,335		
PAB Volume Cap / Basis	55.0%		

**Issuer:** Oregon Housing and Community  
**Services**  
**Project Name:** 148th Apartments  
**Location:** Portland OR  
**Date:** 4/12/2022

<b>Sources</b>	<b>Construction</b>	<b>Permanent</b>
Tax Exempt Bond Financing	13,500,000	
Perm Loan		11,650,000
Tax Credit Equity	5,057,800	6,907,800
OHCS LIFT Funds	5,100,000	5,100,000
OHCS Weatherization Funds	83,700	83,700
Sponsor Loan	1,800,000	1,800,000
Deferred Developer Fee	763,979	763,979
<b>Total</b>	<b>26,305,479</b>	<b>26,305,479</b>

<b>Uses</b>	<b>Total Project Costs</b>	<b>Per Unit</b>	<b>Total Sq. Ft.</b>
		96	88,184
Land (if acquired)	2,828,000	29458	32
Building (if acquired)	-	-	-
Construction or Rehabilitation	16899848	574	192
Soft Costs		-	-
Development Costs	530200	5,523	6
General Fees	3107600	32,371	35
Financing	927486	31	29458
Construction Period Interest	1078200	11,231	12
Relocation	-	-	-
Reserves and Contingencies	934145	32	11
<b>Total</b>	<b>26,305,479</b>	<b>893</b>	<b>298</b>

	<b>Total</b>	<b>Cash Paid Fee</b>	<b>Deferred Fee</b>
Developer Fee	2,500,000	1,736,021	763,979
Consultant Fee	-	-	-
<b>Aggregate Fees</b>	<b>2,500,000</b>	<b>1,736,021</b>	<b>757,463</b>
PAB Volume Cap Requested	13,500,000		
Estimated Tax Credit Basis and Land	24,468,084		
PAB Volume Cap / Basis	55.2%		

**Issuer:** Oregon Housing and Community  
**Services**  
**Project Name:** Renaissance Flats  
**Location:** Talent OR  
**Date:** 4/12/2022

<b>Sources</b>	<b>Construction</b>	<b>Permanent</b>
Tax Exempt Bond Financing	7,932,000	4,048,000
Tax Credit Equity	5,453,767	9,337,767
OHCS LIFT Funds	7,560,000	7,560,000
OHCS MCOF Funds/ Sponsor Loan	2,600,000	2,600,000
OHCS Weatherization Funds	110,880	110,880
Deferred Developer Fee	432,755	432,755
<b>Total</b>	<b>24,089,402</b>	<b>24,089,402</b>

Total Units  
72  
Total Sq. Ft.  
69,048

<b>Uses</b>	<b>Total Project Costs</b>	<b>Per Unit</b>	<b>Per Sq. Ft.</b>
Land (if acquired)	\$1,695,000	23542	25
Building (if acquired)	-	-	-
Construction or Rehabilitation	16514559	702	239
Soft Costs	-	-	-
Development Costs	841,097	11,682	12
General Fees	3,237,365	44,963	47
Financing	752,240	32	23542
Construction Period Interest	674,013	9,361	10
Relocation	-	-	-
Reserves and Contingencies	375,128	16	5
<b>Total</b>	<b>24,089,402</b>	<b>1,023</b>	<b>349</b>

	<b>Total</b>	<b>Cash Paid Fee</b>	<b>Deferred Fee</b>
Developer Fee	2,493,865	2,061,110	432,755
Consultant Fee	-	-	-
<b>Aggregate Fees</b>	<b>2,493,865</b>	<b>2,061,110</b>	<b>757,463</b>
PAB Volume Cap Requested	11,980,000		
Estimated Tax Credit Basis and Land	22,823,283		
PAB Volume Cap / Basis	52.5%		

**Issuer:** Oregon Housing and Community  
**Services**  
**Project Name:** Shore Pines at Munsel Creek  
**Location:** Florence  
**Date:** 4/12/2022

Sources	Construction	Permanent
Tax Exempt Bond Financing	8,880,000	5,422,000
Tax Credit Equity	5,925,357	8,732,257
OHCS LIFT Funds	10,075,000	10,075,000
OHCS MCOF Funds/ Sponsor Loan/Metro Loan	1,925,000	1,925,000
Deferred Developer Fee	963,029	963,029
Seller Note	651,100	651,100
<b>Total</b>	<b>27,768,386</b>	<b>27,768,386</b>

Uses	Total Project Costs	Total Units	Total Sq. Ft.
		68	68,750
Land (if acquired)	824,500	12125	12
Building (if acquired)	-	-	-
Construction or Rehabilitation	20352909	299,307	296
Soft Costs		-	-
Development Costs	693278	10,195	10
General Fees	3649833	53,674	53
Financing	1105460	16,257	68
Construction Period Interest	574000	8,441	8
Relocation		-	-
Reserves and Contingencies	568406	8,359	8
<b>Total</b>	<b>27,768,386</b>	<b>408,359</b>	<b>404</b>

	Total	Cash Paid Fee	Deferred Fee
Developer Fee	2,408,262	1,445,233	963,029
Consultant Fee		-	-
<b>Aggregate Fees</b>	<b>2,408,262</b>	<b>1,445,233</b>	<b>963,029</b>
PAB Volume Cap Requested	14,302,000		
Estimated Tax Credit Basis and Land	26,310,880		
PAB Volume Cap / Basis	54.4%		



**Issuer:** Oregon Housing and Community  
**Services**  
**Project Name:** Maple Apartments  
**Location:** Oregon City OR  
**Date:** 4/12/2022

Sources	Construction	Permanent
Tax Exempt Bond Financing	10,250,000	27,250,000
Taxable Direct Loan Financing	17,000,000	-
Tax Credit Equity	24,149,000	24,149,000
AWHTC Equity	1,010,283	1,010,283
Clackamas Metro Bond	15,903,000	15,903,000
OHCS MCOF Funds/ Sponsor Loan	1,500,000	1,500,000
Deferred Developer Fee	2,008,228	2,008,228
<b>Total</b>	<b>71,820,511</b>	<b>71,820,511</b>

Uses	Total Project Costs	Per Unit	Total Sq. Ft.
Land (if acquired)	\$3,839,959	22456	145,524
Building (if acquired)	-	-	26
Construction or Rehabilitation	49293345	2,195	339
Soft Costs	-	-	-
Development Costs	4,775,050	27,924	33
General Fees	8,554,523	50,026	59
Financing	1,933,448	86	22456
Construction Period Interest	1,411,297	8,253	10
Relocation	-	-	-
Reserves and Contingencies	2,012,889	90	14
<b>Total</b>	<b>71,820,511</b>	<b>3,198</b>	<b>494</b>

	Total	Cash Paid Fee	Deferred Fee
Developer Fee	6,058,000	4,049,772	2,008,228
Consultant Fee	-	-	-
<b>Aggregate Fees</b>	<b>6,058,000</b>	<b>4,049,772</b>	<b>2,008,228</b>
PAB Volume Cap Requested	37,500,000		
Estimated Tax Credit Basis and Land	69,055,847		
PAB Volume Cap / Basis	54.3%		

**Issuer:** Oregon Housing and Community  
**Services**  
**Project Name:** Plaza Los Amigos  
**Location:** Cornelius, OR  
**Date:** 4/12/2022

Sources	Construction	Permanent
Tax Exempt Bond Financing	9,367,305	12,888,511
Tax Credit Equity	20,901,326	17,380,120
Washington County Metro Bond	12,830,000	12,830,000
Metro TOD	500,000	500,000
Washington County HPOF	500,000	500,000
OHCS Weatherization Funds	114,000	114,000
ARPA Funding	500,000	500,000
City SDC Credits	733,607	733,607
OHCS MCOF Funds/ Sponsor Loan/Metro Loan	2,101,308	2,101,308
Cash Flow During Rehab	128,885	128,885
Deferred Developer Fee	603,569	603,569
<b>Total</b>	<b>48,280,000</b>	<b>48,280,000</b>

Uses	Total Project Costs	Total Units	Total Sq. Ft.
		113	112,886
Land (if acquired)	1214555	10748	10.76
Building (if acquired)	-	-	-
Construction or Rehabilitation	33,406,368	3,108	296
Soft Costs	-	-	-
Development Costs	2,170,463	19,208	19
General Fees	6,168,336	54,587	55
Financing	1,547,586	144	10748
Construction Period Interest	2,828,175	25,028	25
Relocation	-	-	-
Reserves and Contingencies	944,517	88	8
<b>Total</b>	<b>48,280,000</b>	<b>4,492</b>	<b>428</b>

	Total	Cash Paid Fee	Deferred Fee
Developer Fee	4,500,000	3,896,431	603,569
Consultant Fee	-	-	-
Aggregate Fees	4,500,000	3,896,431	603,569
PAB Volume Cap Requested	22,255,816		

**Issuer:** Oregon Housing and Community  
**Services**  
**Project Name:** Saltzman Road Apartments  
**Location:** Cedar Mill  
**Date:** 4/12/2022

<b>Sources</b>	<b>Construction</b>	<b>Permanent</b>
Tax Exempt Bond Financing	8,300,000	
Perm Loan		4,480,000
Tax Credit Equity	2,624,827	6,444,827
Washington County Metro Bonds	5,400,000	5,400,000
Deferred Developer Fee	290,397	290,397
<b>Total</b>	<b>16,615,224</b>	<b>16,615,224</b>

<b>Uses</b>	<b>Total Project Costs</b>	<b>Per Unit</b>	<b>Total Sq. Ft.</b>
Land (if acquired)	1,300,000	24528	40
Building (if acquired)	-	-	-
Construction or Rehabilitation	10406863	196,356	319
Soft Costs		-	-
Development Costs	861500	16,255	26
General Fees	2573000	48,547	79
Financing	751988	14,188	53
Construction Period Interest	310000	5,849	10
Relocation		-	-
Reserves and Contingencies	411873	7,771	13
<b>Total</b>	<b>16,615,224</b>	<b>313,495</b>	<b>510</b>

	<b>Total</b>	<b>Cash Paid Fee</b>	<b>Deferred Fee</b>
Developer Fee	1,750,000	1,459,603	290,397
Consultant Fee	350,000	-	-
<b>Aggregate Fees</b>	<b>2,100,000</b>	<b>1,109,603</b>	<b>290,397</b>
PAB Volume Cap Requested	8,300,000		
Estimated Tax Credit Basis and Land	15,387,692		
PAB Volume Cap / Basis	53.9%		

**Issuer:** Oregon Housing and Community  
**Services**  
**Project Name:** 5020 N Interstate  
**Location:** Portland OR  
**Date:** 4/12/2022

<b>Sources</b>	<b>Construction</b>	<b>Permanent</b>
Tax Exempt Bond Financing	9,500,000	5,381,257
Tax Credit Equity	9,799,989	13,918,732
PHB Metro Bonds	9,152,000	9,152,000
OHCS Weatherization Funds	150,000	150,000
Deferred Developer Fee	1,553,999	1,553,999
<b>Total</b>	<b>30,155,989</b>	<b>30,155,989</b>

<b>Uses</b>	<b>Total Project Costs</b>	<b>Per Unit</b>	<b>Total Sq. Ft.</b>
Land (if acquired)		64	55,837
Building (if acquired)	-	0	0
Construction or Rehabilitation	22965677	358,839	411
Soft Costs		-	-
Development Costs	565452	8,835	10
General Fees	4676048	73,063	84
Financing	815034	12,735	64
Construction Period Interest	580728	9,074	10
Relocation	-	-	-
Reserves and Contingencies	553049	8,641	10
<b>Total</b>	<b>30,155,989</b>	<b>471,187</b>	<b>540</b>

	<b>Total</b>	<b>Cash Paid Fee</b>	<b>Deferred Fee</b>
Developer Fee	3,936,014	2,382,015	1,553,999
Consultant Fee	-	-	-
<b>Aggregate Fees</b>	<b>3,936,014</b>	<b>2,382,015</b>	<b>1,553,999</b>
PAB Volume Cap Requested	14,881,257		
Estimated Tax Credit Basis and Land	27,000,525		
PAB Volume Cap / Basis	55.1%		

TAB 5 –

Public Written Comments

Alison McIntosh - Neighborhood Partnerships

Ryan Fisher - NW Public Affairs

Brian Hoop - Housing Oregon



# HOUSING ALLIANCE

April 13, 2022

Chair Jaqueline Knights  
Private Activity Bond Committee  
c/o Oregon State Treasury  
867 Hawthorne Ave, SE  
Salem OR, 97301

Dear Chair Knights and Members of the Committee,

I am writing to you today on behalf of the Oregon Housing Alliance to express our support for the Committee to commit current and future available private activity bonds towards affordable housing.

The Oregon Housing Alliance is a coalition of more than ninety organizations from all parts of the state. Our members have come together with the knowledge that housing opportunity is the foundation on which all success is built – individual success as students, parents, workers, and community members as well as the success of our communities. We represent a diverse set of voices including affordable housing developers, residents of affordable housing, local jurisdictions, and organizations working to meet basic needs in every corner of our state.

We believe that all Oregonians deserve a safe, stable, and affordable place to call home.

Too many seniors, families, and people who experience disabilities are paying too much of their income towards rent, and are experiencing other forms of housing instability. We simply don't have enough affordable homes for people who need them, and vacancy rates have dropped precipitously towards zero in communities across Oregon. People – our neighbors and members of our community – are struggling with homelessness, housing instability, rent burdens, and to make ends meet and put food on the table.

In every corner of Oregon, apartment homes have been built to make sure families, seniors, and people with disabilities have safe, stable, and affordable housing. Over the years, we've built thousands of affordable apartment homes in towns and cities across Oregon. These affordable apartment homes were built with public – local, state, and federal – dollars and come with restrictions as to how long these homes will be affordable, and at what rent levels. These apartment homes have provided stability, safety, and affordability for area residents for the last several decades, and the people who call these apartment buildings home are seniors, people experiencing disabilities, and families just starting out.

Over the last several biennia, Oregon has committed significant state resources to build and maintain affordable housing through general fund dollars, lottery bonds, Article XI-Q bonds and

**Contacts:** Alison McIntosh, [amcintosh@neighborhoodpartnerships.org](mailto:amcintosh@neighborhoodpartnerships.org); (503) 816-2882

Loren Naldoza, [lnaldoza@neighborhoodpartnerships.org](mailto:lnaldoza@neighborhoodpartnerships.org); (503) 226-3001 x104

[www.oregonhousingalliance.org](http://www.oregonhousingalliance.org)

other sources. In addition, voters have approved bond measures in the City of Portland, and Metro in order to address the lack of affordable housing in our communities. Homeless and the lack of affordable housing are directly linked, and today, far too many Oregonians are struggling to afford a roof over their head, and food on the table.

Private Activity Bonds are a key source of funding available for affordable housing development and preservation, and it is critical that the state commit every dollar of private activity bonds towards affordable housing. When private activity bonds are committed for affordable housing, they in turn bring the availability of federal resources through the federal Low Income Housing Tax Credit (LIHTC) program. The four percent Low Income Housing Tax Credit is only available when paired with Private Activity Bonds, which creates a significant opportunity to leverage private activity bonds to generate desperately needed federal dollars.

This leverage is key towards Oregon addressing its housing shortage and needs in our communities. Just like schools or hospitals, affordable rental homes are part of our community's infrastructure. Oregon must invest both in new apartment homes as well as maintaining our existing inventory of available homes to ensure that current and future Oregonians have safe and stable housing. Private activity bonds have been a critical source for both of these purposes, and we have important work to do in the years ahead both to build new affordable housing, but also to maintain existing affordable housing in communities across our state.

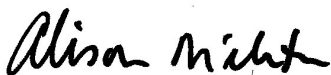
Housing developers across Oregon are ready with plans and proposals to both build new affordable housing as well as to maintain existing affordable housing in our communities. Housing providers, together with the state's housing finance agency have a long track record of success in this work, and are ready to do more.

As a coalition, we stand ready to work with our partners at Oregon Housing and Community Services, as well as public housing authorities and local jurisdictions to identify strategies to best prioritize and sequence the use of these critical resources.

Affordable housing is an important part of our community infrastructure, and the people who call these apartments home are vital members of our community. Investing in the basics – a safe, stable, affordable home for Oregonians with low incomes – has positive ripple effects across our state. We know what home, and what stable housing, means to all of us. When people have safe and stable housing, it has important and significant benefits. Kids are able to focus on the things that matter – being kids, doing their homework – instead of worrying about where their families will sleep at night. Parents are able to focus on work. Safe and stable housing that people can afford is key to accessing opportunity.

We urge your strong support of committing current and future Private Activity Bonds for affordable housing. Thank you very much for your time, and for your service to our state.

Sincerely,



Alison McIntosh  
On Behalf of the Oregon Housing Alliance

**Contacts:** Alison McIntosh, [amcintosh@neighborhoodpartnerships.org](mailto:amcintosh@neighborhoodpartnerships.org); (503) 816-2882  
Loren Naldoza, [lnaldoza@neighborhoodpartnerships.org](mailto:lnaldoza@neighborhoodpartnerships.org); (503) 226-3001 x104  
[www.oregonhousingalliance.org](http://www.oregonhousingalliance.org)

# Housing Alliance Members

1000 Friends of Oregon  
211info  
Advocates for Life Skills and Opportunity (ALSO)  
Aging in the Gorge  
Benton County  
Benton Habitat for Humanity  
Bienestar  
Bradley Angle  
BRIDGE Housing  
Business for a Better Portland  
CASA of Oregon  
Cascade AIDS Project  
Central City Concern  
Chrisman Development  
Church Women United of Lane County  
City of Beaverton  
City of Eugene  
City of Forest Grove  
City of Hillsboro  
City of Hood River  
City of Portland  
City of Tigard  
Clackamas County  
Coalition of Community Health Clinics  
Coalition of Housing Advocates  
College Housing Northwest  
Community Action Partnership of Oregon  
Community Action Team  
Community Action Program of East Central Oregon (CAPECO)  
Community Alliance of Tenants  
Community Development Partners  
Community Housing Fund  
Community Partners for Affordable Housing  
Community Services Consortium  
Community Vision  
Cornerstone Community Housing  
DevNW  
Ecumenical Ministries of Oregon  
Enterprise Community Partners  
Fair Housing Council of Oregon  
Farmworker Housing Development Corp.  
FOOD for Lane County  
Habitat for Humanity of Oregon  
Habitat for Humanity Portland/Metro East  
Hacienda CDC  
Home Forward  
Homes for Good  
Horizon Project, Inc.  
Housing Authorities of Oregon  
Housing Authority of Clackamas County  
Housing Development Center  
Housing Oregon  
Human Solutions  
Immigrant & Refugee Community Organization  
Innovative Housing, Inc.

Interfaith Alliance on Poverty  
JOIN  
Lane County Health and Human Services  
League of Oregon Cities  
League of Women Voters of Oregon  
Lincoln County  
Looking Glass Community Services  
Mainstream Housing Inc.  
Metro  
Mercy Housing Northwest  
Mid-Columbia Housing Authority  
Mid-Willamette Valley Community Action Agency  
NAYA Family Center  
Neighborhood Partnerships  
NeighborImpact  
NeighborWorks Umpqua  
Network for Oregon Affordable Housing  
Northwest Housing Alternatives  
Northwest Pilot Project  
Oregon AFSCME Council 75  
Oregon Coalition of Christian Voices  
Oregon Center for Public Policy  
Oregon Coalition on Housing & Homelessness  
Oregon Consumer Justice  
Oregon Council on Developmental Disabilities  
Oregon Food Bank  
Our Children Oregon  
Partners for a Hunger-Free Oregon  
Portland Community College  
Portland Community Reinvestment Initiatives  
Portland Housing Center  
Portland Homeless Family Solutions  
Portland: Neighbors Welcome  
Proud Ground  
Raphael House  
REACH CDC  
Residents Organizing for Change (ROC Oregon)  
Rogue Action Center  
Rose CDC  
St. Francis Shelter  
St. Vincent de Paul of Lane County, Inc.  
ShelterCare  
Sisters Habitat for Humanity  
Sponsors, Inc.  
Springfield Eugene Tenant Association (SETA)  
SquareOne Villages  
Street Roots  
Think Real Estate  
Transition Projects  
Washington County  
Welcome Home Coalition  
West Tuality Habitat for Humanity  
Wishcamper Development Partners

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Coos-Curry/North Bend City  
Housing Authority

Linn Benton Housing Authority

Home Forward (Multnomah County)

Homes for Good (Lane County)

Housing Authority of Clackamas County

Housing Authority of Douglas County

Housing Authority of Jackson County

Housing Authority of Lincoln County

Housing Authority of Malheur County

Housing Authority of the County of Umatilla

Housing Authority of Washington County

Housing Authority of Yamhill County

Housing Works (Central Oregon)

Josephine Housing & Community  
Development Council

Klamath County Housing Authority

Linn Benton Housing Authority

Marion County Housing Authority

Mid-Columbia Housing Authority

Northeast Oregon Housing Authority

Northwest Oregon Housing Authority

Salem Housing Authority

Vancouver Housing Authority

West Valley Housing Authority

April 13, 2022

TO: Private Activity Bond Committee

FROM: Ryan Fisher on behalf of Housing Authorities of Oregon

DATE: April 14, 2022

SUBJECT: Allocation of bonding capacity for affordable rental housing

Chair Knights and members of the Private Activity Bond Committee,

The Housing Authorities of Oregon (HAO) thank you for your service to the state, and for taking on the important role of managing a critical federal resource on behalf of Oregonians. Public Housing Authorities (PHAs) are governmental agencies that play a critical role in addressing the state's affordable housing crisis. PHAs develop and operate affordable housing and collectively are the largest providers of affordable housing in the State of Oregon. As owners of public housing, they are also tasked with the critical responsibility of preserving some of the oldest affordable housing stock in the State of Oregon.

As you know, Private Activity Bonds (PABs) have become central to the state's ability to meet demands for affordable rental housing preservation and development. As issuers of PABs, housing authorities know first hand the tremendous impact these bonds can have on our communities when issued to develop much needed affordable housing.

Recent local bond measures and state investments have made this resource all the more important and valuable. We write today to urge you to recognize this heightened importance and to continue to prioritize affordable rental housing as the highest use of this critical resource.

As key government partners with the critical responsibility of distributing federal housing assistance throughout the state, we are working closely and collaboratively with Oregon Housing and Community Services to support the committee in managing the state's bonding capacity. We are collaborating with OHCS to create a system for bringing you timely and actionable information to help you manage the state's bonding capacity over the coming years. This will include careful management and close communication about project readiness so that PABs are put to the highest use, maximizing local investments in building safe, affordable places for people to call home.



**HAO** advocates for policies and resources that create safe,  
stable housing options for all Oregonians **haoregon.org**

**We ask that for the remainder of this year, and for the next few years to come, you allocate all discretionary bonding capacity toward the preservation and development of affordable rental housing.** We are peering into a window of incredible opportunity to make progress toward addressing Oregon's affordable housing crisis and your actions can make a tremendous difference.

Thank you for considering our testimony.



April 13, 2022

*Sheila Stiley, Board  
chair – NW Coastal  
Housing*

*Kymberly Horner –  
Vice-chair - Portland  
Community  
Reinvestment Inc.*

*Rachael Duke,  
Secretary -  
Community Partners  
for Affordable  
Housing*

*Trell Anderson,  
Treasurer –NW  
Housing Alternatives*

*David Brandt,  
Housing Works*

*Wakan Alferes  
Homes for Good*

*Ernesto Fonseca -  
Hacienda CDC*

*Maria Elena Guerra -  
Farmworker Housing  
Development Corp*

*Garrick Harmel –  
Casa of Oregon*

*Nkenge Harmon  
Johnson – Urban  
League of Portland*

*Kristy Rodriguez –  
Housing Authority of  
Malheur & Harney  
Counties*

Chair Jacqueline Knights  
Private Activity Bond Committee  
c/o Oregon State Treasury  
867 Hawthorne Ave., SE  
Salem, OR 97301

Dear Chair Knights and Members of the Committee:

Thank you for the opportunity to offer Housing Oregon's support to commit current and future private activity bonds which are available towards affordable housing.

Housing Oregon is a membership-based statewide association of fifty affordable housing nonprofits committed to serving and supporting low-income Oregonians across the housing needs spectrum – from homeless to homeowner. We are working towards a day when every Oregonian has a safe and healthy place to call home.

Our mission-driven members have built thousands of units of affordable housing in communities across Oregon. These are units built with public – local, state, and federal – dollars and come with restrictions as to how long these homes will be affordable, and at what rent levels. These public resources are leveraged with private equity and community donations to produce high quality housing built to serve generations of Oregonians.

These are homes providing stability, safety, and affordability for thousands of Oregon families, seniors, and people with disabilities. Despite the strong economic recovery, many households have continued to struggle due to the economic fallout of the COVID-19 pandemic. Many are already paying too much of their income towards rent with few options for mobility due to record low vacancy rates across the state. Housing provided by our member organizations are often a last resort for individuals and families struggling with rent burdens, housing instability, and homelessness.

We are fortunate Oregon's legislature has committed significant state resources to build affordable housing through Article XI-Q bonds. The City of Portland and Metro benefit from voter approved bond measures

P.O. Box 8427, Portland, OR 97207

providing additional resources for affordable housing and homeless services. And yet, the need far outpaces available resources. EcoNorthwest estimated in a 2021 Regional Housing Needs report Oregon faces an immediate underproduction of 140,000 housing units. Up to 40,000 new homes need to be produced every to keep up. We are currently producing 20,000 new units statewide per year.

Private Activity Bonds are a critical component of Oregon's strategy for the development of new and preservation of affordable housing development. It is critical that the state commit every dollar of private activity bonds towards affordable housing. When private activity bonds are committed for affordable housing, they in turn bring the availability of federal resources through the federal Low Income Housing Tax Credit (LIHTC) program. The four percent Low Income Housing Tax Credit is only available when paired with Private Activity Bonds.

This leverage is key towards Oregon addressing its housing shortage. Our members have a long track record of success working with Oregon Housing and Community Services. They are ready with plans and proposals to continue building both new affordable housing as well as to maintain existing affordable housing in communities across our state.

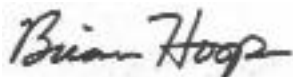
Housing Oregon and our members are working closely with OHCS as they develop new rules in their transition to a competitive 4% LIHTC process. Our goal is to ensure a new system is established utilizing a simple application process and improves coordination between OHCS and other public funders to better align their competitive solicitations. We hope to avoid challenges other states have experienced transitioning to competitive processes resulting in dramatic reductions in preservation of expiring LIHTC projects and delays in assembling financing due to misaligned solicitation processes.

The Private Activity Bond Council's support, by continuing to provide additional 4% LIHTC resources, is critical to ensure developers are able to increase the desperately needed production of affordable housing in Oregon.

We urge your strong support of committing current and future Private Activity Bonds for affordable housing.

Thank you very much for your time, and for your service to our state. You can reach me at 503-475-6056 or [brian@housingoregon.org](mailto:brian@housingoregon.org).

Sincerely,



Brian Hoop  
Executive Director  
Housing Oregon

TAB 6 –

Red Rock Bio-Fuels Lakeview Update

Presentation

(added to packet after conclusion of  
the public meeting)



# Lakeview Project Update

STATE OF OREGON PRIVATE ACTIVITY BOND COMMITTEE UPDATE

April 2022



# Timeline of Debt Issuances, Agreements & Key Dates











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\$245,500,000 Oregon Business Development Commission Economic Development Revenue Bonds (Red Rock Biofuels LLC Clean Energy Project) 2017 Series 248-A (Senior Tax-Exempt), 2018 Series 248-D (Senior Tax-Exempt), 2018 Series 248-E (Senior Taxable) and 2018 Series 248-F (Subordinate Tax-Exempt) remarketed and issued March 16, 2018

- July 15, 2020: Supplemental Construction Account Funding Agreement (SCAFA) entered into, providing forbearance by the Trustee with respect to certain Events of Default by the Company under the OBDC Bond Documents and permitting use of certain Bond funded reserves to pay permitted Project Costs.
- July 22, 2020: \$45,993,408.50 Oregon Business Development Commission Economic Development Revenue Bonds, 2020 (Red Rock Biofuels LLC Clean Energy Project) (\$39,996,864.60 Series 248-G (Senior Tax-Exempt) and \$5,996,543.90 Series 248-H (Senior Taxable) issued.
- August 13, 2021: Forbearance Agreement entered into between Red Rock and UMB Bank, N.A., as OBDC Project Revenue Bonds Trustee **and** \$22,807,489.70 Red Rock Biofuels LLC Clean Energy Project Notes, Series 2021A (Senior) issued.
- September 24, 2021: \$2,464,344 Red Rock Biofuels LLC Clean Energy Project Notes, Series 2021B (Senior) issued.
- October 22, 2021: \$3,589,404 Red Rock Biofuels LLC Clean Energy Project Notes, Series 2021C (Senior) issued.
- December 14, 2021: \$7,066,332 Red Rock Biofuels LLC Clean Energy Project Notes, Series 2021D (Senior) issued.
- February 10, 2022: \$7,103,791.50 Red Rock Biofuels LLC Clean Energy Project Notes, Series 2022A (Senior) issued. (Total of \$43,031,361.20 in RRB Clean Energy Project Notes issued in five Series from August 2021 through February 2022).
- March 31, 2022: Maturity Date for the Red Rock Biofuels LLC Clean Energy Project Notes.
- April 15, 2022: Forbearance Period under the Forbearance Agreement expired.

# Active Project Professionals

Company has retained a specialized roster of professional groups to manage, design, and finance the completion of the Facility under the moniker of “Project Ranger”

Engineers & Consultants	Scope / Personnel	Finance, Governance & Legal	Scope / Personnel
	<ul style="list-style-type: none"> <li>Completing plant redesign &amp; engineering plans</li> <li>Significant experience re-engineering energy projects, including prior work on Lakeview Facility</li> </ul>	<i>Independent Board</i>	<ul style="list-style-type: none"> <li>Special Committee of Patrick Bartels and Raphael Wallander, both of whom have substantial experience in energy project turnarounds</li> </ul>
	<ul style="list-style-type: none"> <li>Evaluating key technical areas of the plant, estimating construction costs and timeline</li> <li>Providing construction management services</li> </ul>		
	<ul style="list-style-type: none"> <li>Evaluating startup and commissioning efforts</li> <li>Advising owner with respect to design decisions and ultimate plant operations</li> </ul>		
	<ul style="list-style-type: none"> <li>Providing O&amp;M / asset management services</li> <li>Employer to project staff</li> </ul>		<ul style="list-style-type: none"> <li>Chip Cummins placed as Chief Restructuring Officer in early 2021 with role later expanded to include Interim Chief Executive Officer                             <ul style="list-style-type: none"> <li>Chip is a highly-qualified and experienced restructuring professional with expertise in ethanol, conventional and renewable power generation and other manufacturing facilities</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>Providing RIN and LCFS credit pricing</li> <li>Providing price projections for natural gas and transportation fuels</li> </ul>		
	<ul style="list-style-type: none"> <li>Assessing CI based on plant configuration and providing mitigation strategies to lower intensity</li> </ul>		
	<ul style="list-style-type: none"> <li>Evaluating availability, cost, and sustainability of biomass in FSA surrounding Lakeview Facility</li> </ul>		
	<ul style="list-style-type: none"> <li>Providing gasification and gas clean up technology</li> <li>Running pilot tests to deliver efficiency / performance of gasification equipment</li> </ul>		
			
			<ul style="list-style-type: none"> <li>Legal advisor supporting contract renegotiations, corporate governance, capital raise, bondholder discussions and implementation considerations</li> </ul>
			<ul style="list-style-type: none"> <li>Investment banker and financial advisor sourcing financing and strategic opportunities for project construction and completion</li> </ul>



Questions?

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TAB 7 –

Chair Comments

Presentation

(added to packet after conclusion of  
the public meeting)

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# **State of Oregon Private Activity Bond Committee**

## **Comments from the Chair**

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**April 20, 2022**

# Allocation of Private Activity Bond Volume Cap Statewide

- PAB Volume Cap is Legislatively allocated as part of the Biennium Budget process and is included in the Biennium Bond Bill
- In 2019, the Legislature, recognizing the need to fund affordable housing projects, doubled the amount available to OHCSO from \$125 million to \$250 million commencing in 2020 and has maintained this level of allocation through CY 2023
- After allocations to OHCSO and Oregon Business Development, the Legislature allocates the remainder to the Private Activity Bond Committee (PABC), subject to any adjustment based on increases in Oregon's population and a factor published by the IRS
- Unused current year allocation by December 15 in each year, at the state agency level or through the PABC, is returned to the PABC as Carryforward and is available to be allocated in the next January PABC meeting

## Annual Legislative Allocation of Oregon PAB Volume Cap Authority

	2019	2020	2021	2022
OHCSO	125,000,000	250,000,000	250,000,000	250,000,000
OBDD (IRDBs)	40,000,000	40,000,000	40,000,000	40,000,000
OBDD (Exp & Beg Farmer	5,000,000	2,500,000	2,500,000	1,000,000
PABC	270,024,865	150,362,385	174,065,770	176,077,050
<b>Total</b>	<b>440,024,865</b>	<b>442,862,385</b>	<b>466,565,770</b>	<b>467,077,050</b>

# Role of the PABC

**PAB Volume Cap allocation, use and administration are governed by the Internal Revenue Code (IRC), Oregon Revised Statutes (ORS 286A.605 to 286A.630) and OAR 170-071-0005**

- ORS 286A.615 establishes the PABC, Committee Members and charges the PABC with the job of maximizing the economic benefits of private activity bond to the citizens of this state.

286A.615 (3) The purpose of private activity bonding in this state is to maximize the economic benefits of private activity bonding to the citizens of this state. The committee shall adopt by rule standards for amounts allocated to the committee for further allocation for economic development, housing, education, redevelopment, public works, energy, waste management, waste and recycling collection, transportation and other activities that the committee determines will benefit the citizens of this state....
- Requests for PABC Volume Cap occurs through the process outlined in the OAR 170-071-0005
- The PABC evaluates each project on its merit with the goal of achieving the statutory directive of maximizing the economic benefits to the PAB Volume Cap to citizens of this State, particularly as demand increases for this scarce resource
  - With regard to housing projects, the PABC has sought guidance from OHCS&D on metrics that may be used to evaluate housing projects that are brought before the Committee to establish a uniform standard for awarding volume cap
  - For housing transactions, the PABC has employed the following metrics to evaluating requests for PABC volume cap: 1) the number of individuals served by the allocation, 2) number of jobs created, 3) the PAB allocation per unit of housing, and 4) allocation of units to Oregonians with the greatest need, among others

# Oregon PAB Volume Cap Allocation (CY 2019 – CY 2020)

- OHCS D and other Public Housing Authorities (PHAs) were allocated for utilization an aggregate of 86% of all PAB Volume Cap available to the State in calendar years 2019 through 2021
  - Includes Carryforward allocations and current year utilization
  - The remaining 14% was allocated to economic development projects statewide
- In 2021, all (100%) of the State's PAB Volume Cap was allocated to affordable housing
- The PABC has allocated \$58 million of its current year PAB Volume Cap allocation authority to affordable housing
  - In the aggregate, 2022 current year allocation to date is 66% for affordable housing (inclusive of OHCS D Legislative allocation and amounts already allocated by the PABC to local housing authorities)

State of Oregon					
Historical Allocation of Statewide Volume Cap (2019 -2021 Including Carryforward)					
	2019	2020	2021	Total CY 2019-2021	Percent
OHCS D Allocation	290,030,178	391,679,417	319,035,770	1,000,745,365	74%
Other PHA Housing	-	11,186,103	147,530,000	158,716,103	12%
Economic Development	149,994,687	39,996,865	-	189,991,552	14%
<b>Total</b>	<b>440,024,865</b>	<b>442,862,385</b>	<b>466,565,770</b>	<b>1,349,453,020</b>	<b>100%</b>

# Affordable Housing Considerations and Advocacy

- Oregon's housing supply has lagged growth in the State's population for the last two decade
- The Pandemic has exacerbated the need for housing at all income levels
  - Increased homeless
  - Displacement of individuals and families due to job losses
  - Evolution of the hybrid work environment that has increased demand for housing and has contributed to increases in the cost of homeownership, driving the need for more affordable homes
- Increasing the supply of affordable housing is important to the long-term economic sustainability of the State
- The PABC, together with the Legislature has demonstrated a record of prioritizing affordable housing
- The PABC encourages Oregonians to make this issue a priority at the State and Federal Legislative level to obtain reform of the scale needed to help solve this growing problem