

Jaime Alvarez, Chair & Designee
Office of the State Treasurer

Rhonda L. Nelson, 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

January 8, 2025

TO: Members of the Private Activity Bond Committee

FROM: Jaime Alvarez, Chair
Office of the State Treasurer, Director of Debt Management Division

SUBJECT: Meeting on Wednesday, January 15, 2025

The Private Activity Bond Committee will meet on Wednesday, January 15, 2025, to discuss the 2024 Carryforward, 2025 committee Volume Cap Allocation requests and other agenda topics.

This meeting will be conducted from 1:00 pm – 3:00 pm (estimated end time) via a hybrid system; Microsoft Teams will be used for the virtual meeting side, while the Jim Hill Conference room located at the Oregon State Treasury building will house anyone that would like to physically attend the meeting; see enclosed Public Meeting Notice and Agenda for participation details.

An e-copy of the meeting packet is provided on the [PAB webpage](#). 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

January 15, 2025

Jaime Alvarez, Chair & Designee
Office of the State Treasurer

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**PRIVATE ACTIVITY
BOND COMMITTEE**
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(503) 378-4930
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PUBLIC MEETING NOTICE AND AGENDA

THE PRIVATE ACTIVITY BOND COMMITTEE WILL HOLD A REGULARLY SCHEDULED

HYBRID VIRTUAL MEETING ON

Wednesday, January 15, 2025

1:00pm – 3:00pm¹

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

AUDIO PARTICIPATION ONLY:	Dial-In Access	971-279-6217
	Dial-In Toll Free	833-213-7399
	Conference ID #	693 406 679#
IN-PERSON PARTICIPATION:	867 HAWTHORNE AVE SE – SALEM	

AGENDA¹

- | | | | |
|----|--|---------|---------|
| 1. | Call to Order & Roll Call | 1:00 PM | 1:05 PM |
| 2. | Chair 2024 Summary | 1:15 PM | 1:25 PM |
| 3. | Private Activity Bond Status | 1:25 PM | 1:30 PM |
| | <ul style="list-style-type: none">• 2024 Carryforward Summary• 2025 Volume Cap Status• 2025 Current Volume Cap Allocations | | |
| 4. | <u>2024 Carryforward Request</u> | | |
| | Oregon Housing and Community Services Department | | |
| | <ul style="list-style-type: none">• \$134,971,230, <i>various projects</i>• Public Comment ²• Vote | 1:30 PM | 2:00 PM |
| 5. | Adjournment | | |

¹ Estimated times

² Public comment, each person will be restricted to 2 minutes

TAB 2 – PAB STATUS

2024 CARRY FORWARD SUMMARY UPDATE

2025 VOLUME CAP STATUS AND UPDATE

2025 VOLUME CAP ALLOCATIONS

Private Activity Bond Committee
Historical Carry Forward Allocation and Use Summary
As of 12/18/24

Allocation Year	Expiration Year	Description	Oregon Housing & Community Services Multi-Family (Various Projects)	Home Forward (Dekum Redevelopment)	Central Oregon Regional Housing Authority (Ariel South)	Housing Authority of Washington County (Goldcrest Apartments)	TOTALS
2021	2024	Allocation	\$ 294,872,256.40	\$ 42,500,000.00	\$ 8,800,000.00	\$ 18,000,000.00	\$ 364,172,256.40
		Used	\$ 294,872,256.40	\$ 42,500,000.00	\$ 8,800,000.00	\$ 18,000,000.00	\$ 364,172,256.40
		Expired					
		Remaining	\$ -	\$ -	\$ -		\$ -

Remaining Carryforward

2022	2025	Allocation	\$ 157,849,180.06				\$ 157,849,180.06
		Used	\$ 157,849,180.00				\$ 157,849,180.00
		Expired					
		Remaining	\$ 0.06	\$ -	\$ -		\$ 0.06
2023	2026	Allocation	\$ 287,155,474.00				\$ 287,155,474.00
		Used	\$ 287,155,474.00				\$ 287,155,474.00
		Expired					
		Remaining	\$ -	\$ -	\$ -		\$ -

Total Remaining Carryforward	Allocation	\$ 739,876,910.46	\$ -	\$ -	\$ -	\$ 809,176,910.46
	Used	\$ 739,876,910.40	\$ -	\$ -	\$ -	\$ 809,176,910.40
	Remaining	\$ 0.06	\$ -	\$ -		\$ 0.06

Private Activity Bond Committee
2024 Carry Forward Summary
As of 12/18/24

Agency	¹ Legislative Allocation for 2024	Committee Allotments of Allocation for 2024	Committee Allocation Used for 2024	Allocation Used for 2024	Balance of Committee Allocation for 2024	Allocations Returned to Committee for 2024	2024 Carry Forward Requests	2024 Carry Forward Allocations
Oregon Business Development Department - <i>Beginning & Expanding Farmer Loan Program</i>	\$1,000,000.00	-	-	-		1,000,000.00	-	
Oregon Housing & Community Services Department	\$450,000,000.00	-	-	362,198,520.00		87,801,480.00		
² Adjusted PAB Committee Allocation	\$78,169,750.00				\$46,169,750.00	46,169,750.00		
Oregon Business Development Department - BHS at Lane County		32,000,000.00	32,000,000.00	32,000,000.00				
Total:	\$529,169,750.00	32,000,000.00	32,000,000.00	394,198,520.00	46,169,750.00	134,971,230.00		-
³ Total 2024 Oregon PAB Allocation	\$529,169,750.00	2024 Carryforward:					= \$134,971,230.00	

2024 CF Balance = \$134,971,230.00

2024 PAB Allocation Summary	
2024 Oregon Allocation	\$529,169,750.00
Less PAB Allocation Used	(394,198,520.00)
2024 PAB Carryforward	\$134,971,230.00

¹ House Bill 5005 (2023 Legislative Session for 2023-2025 biennium)
² 2024 Legislative Allocation + Additional Allocation Based on U.S. Census and IRS Cap per Capita data
³ Calculated by multiplying Population Estimate by Dollar Cap per Capita for Oregon

2025
STATE OF OREGON
PRIVATE ACTIVITY BOND (PAB) VOLUME CAP
\$555,408,230
As of 1/08/2025

	Legislatively Allocated	Amount Requested To Date	Amount Approved To Date	Allocation		Returned To Committee	Date Allocated	Date Used	Date Expires/ Returned
				Used To Date	Remaining				
PAB Committee - Allocation x HB 5005 (2023-25 Legislature)	\$58,538,600								
Additional Allocation based on 07-01-2024 U.S. Census Data	\$45,869,630								
TOTAL PAB Committee Allocation for 2025:	<u>\$104,408,230</u>								
TOTALS		0.00	0.00	0.00	0.00				

TOTAL PAB Committee Allocation for 2025: \$104,408,230.00
Allocation Approved to Date: \$0.00
Allocation Returned to Committee: \$0.00
Total Remaining Available to Allocate: \$104,408,230.00
Total Amount Volume Cap Requested for Today's Meeting: \$0.00

State Agency Allocation x HB 5005 (2023-25 Session)

Oregon Housing & Community Services Department	\$450,000,000.00		
Oregon Business Development Department			
Beginning & Expanding Farmer Loan Program	\$1,000,000.00		
Total amount Allocated for 2025 to State Agencies:	<u>\$451,000,000.00</u>		

2025 PAB Allocation [population estimate x \$cap/capita]: ¹

FY25 U.S. Census Population for Oregon	IRS \$ Cap per Capita	Oregon Total PAB Volume Cap
4,272,371	\$130.00	\$555,408,230

¹ FY25 U.S. Census Bureau population estimates for July 2024 released December 2024

Private Activity Bond Committee
2025 Current Allocations
As of 1/08/2025

State Agencies	Legislative Cap Allocations ¹	PAB Current Requests	PAB Committee Approved Allocations	Allocations	Meeting PAB Committee Approved Allocations
Oregon Housing & Community Services Department	450,000,000.00			450,000,000.00	
Oregon Business Development Department-- <i>Beginning & Expanding Farmer L</i>	1,000,000.00			1,000,000.00	
State Agency Subtotals	451,000,000.00			451,000,000.00	

Total PAB Committee Allocation² **104,408,230.00 (or \$26,102,057.50/quarter)³**

Local Government				
Local Government Subtotals		\$ -	\$ -	

Oregon PAB Volume Cap Totals⁴	\$ 555,408,230.00	\$ -	\$ -
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2025 Committee PAB Current Allocation Summary	
Committee Available Allocation Cap:	\$104,408,230.00
Current Approved: -	\$0.00
Current Requests: -	\$0.00
Expired/Returned to Committee ⁵ : +	\$0.00
Potential Remaining Allocation:	\$104,408,230.00

¹ House Bill 5005 (2023 Legislative Session for 2023-2025 biennium)

² PAB Legislative Allocation for 2025 + Additional Allocation Based on Census Data & IRS Cap per Capita

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

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

⁴ Calculated by multiplying U.S. Census FY25 Population by 2025 IRS Cap per Capita: 4,272,371 \$130.00 \$555,408,230

⁵ Balance of expired/returned 2024 Committee Current Allocations

Any excess resulting from an increase in population and/or dollar cap subsequent to adoption of the bond bill is allocated to the PAB committee for allocation.

TAB 3 -

2024 CARRY FORWARD REQUEST

Oregon Housing and Community Services
Multi-Family Housing Qualifying IRC 142(a)(7) &
142(d) \$134,971,230.00

Project Projection Presentation

Jaime Alvarez, Chair & Designee
Oregon State Treasury

Rhonda L. Nelson, Designee
Department of Administrative Services

Theresa K. Deibele, Public Member



PRIVATE ACTIVITY BOND COMMITTEE

867 Hawthorne Ave SE
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PRIVATE ACTIVITY BOND ALLOCATION REQUEST

ALLOCATION REQUEST TYPE

Current Year Allocation Request
Carry Forward Allocation Request

DATE:

ISSUER DETAILS

Issuer:

Address:

City, State, Zip:

Contact Name:

Contact Phone:

Contact Email:

PROJECT INFORMATION

Title of Project:

Project Amount:

Bond Amount:

Request Amount:

Sale Date:

Closing Date:

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

Please describe the project:

Expected Number of Family Wage Jobs Created/Saved:

Describe how the project meets statutory standards:

HOUSING PROJECT INFORMATION, if applicable

Expected Number of Resulting Housing Units:

Describe how the affordability status of housing units was determined:

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

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

PRINCIPAL USER OF ISSUE PROCEEDS, if different from Issuer

Company:

Address:

City, State, Zip:

Contact Name:

Contact Phone:

Contact Email:

BOND COUNSEL

Firm Name:

Address:

City, State, Zip:

Contact Name:

Contact Phone:

Contact Email:

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



**OREGON HOUSING *and*
COMMUNITY SERVICES**

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

TO: Private Activity Bond Committee

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

DATE: December 31, 2024

SUBJECT: 2025 PAB Carryforward Allocation Request

Chair Alvarez and members of the Private Activity Committee,

The following memo is provided to supplement OHCS's application for \$133,971,230 in unused 2024 Private Activity Bond (PAB) allocations. OHCS respectfully requests that the Committee consider allocation of all the State's carryforward to OHCS in recognition that:

1. OHCS has been a responsible steward of its allotted PAB allocations, having utilized all its awarded Carry Forward and of the agency legislative current year allocations minus what has been returned for use as Carry Forward.
2. OHCS can provide the highest and best use of PAB allocations for the citizens of the State of Oregon through its promotion of affordable housing for Oregonians.
3. OHCS continues to have a pipeline of affordable rental housing projects, capable of using the entirety of Oregon's PAB allocation for future years.
4. Legislation and the Governor's office continue to invest at historical levels of funds for OHCS that can be paired with PAB allocations for the creation of affordable housing for Oregonians.

OHCS recognizes and appreciates that this committee will face difficult allocation decisions for the use of this resource beyond its ability to generate a 4% Low Income Housing Tax Credits to leverage state and local resources to fund the development and preservation of affordable rental housing. Oregon's need and ability to create affordable rental housing far exceeds its allocation of PABs. We believe that is incumbent upon OHCS, as the state's housing finance agency, to provide this committee with recommendations on how this scarce resource should be equitably distributed for housing.



The request for the carry forward today will support active projects we have in our pipeline with closing dates within the next two quarters of 2025, which include projects that were moved from the 2024 pipeline to the beginning of 2025 along with new projects that have been awarded funds from OHCS. Available remaining PABs will support projects yet to be awarded in the last two quarters of 2025. All Carry Forward is projected to be utilized for Multifamily projects, and any remaining legislative allocation made to OHCS that is unused for 2025 projects will be allocated to the Single-Family program or requested to be returned to OHCS for Carry Forward. The request we bring today factors in all agreed upon needs for housing investments in PAB through OHCS and Oregon's local Housing Authorities.

Use of resources

Over the past two years OHCS has used its legislatively allocated amount of current year PAB allocation, along with all Carry Forward and Current Year allocations made available to fund the Multifamily Housing Development Revenue Bond Program (Conduit Revenue Bonds) and the Single-Family Mortgage Revenue Bond program (to be called FirstHome going forward). OHCS has acted intentionally to ensure funds have been available to projects across the state to finance affordable rental housing developments that are paired with the federal 4% Low Income Housing Tax Credit (LIHTC). To generate LIHTCs, 50% of project costs are required to be financed with tax-exempt bonds. In 2024 twenty-two projects with 2,262 units of affordable rental housing were financed using PAB and 4% LIHTC resources.

OHCS' affordable rental housing programs and single-family mortgage programs provide economic benefits to the State in the form of safe and affordable housing for low-moderate income residents, economic development catalyzed from the construction of the properties, and increased stability and prosperity of those being housed.

Economic Benefits to Oregonians

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

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

Rural Oregonians

PABs enable increased production in rural Oregon. The 4% LIHTC program often necessitate large projects in order to ensure they're financially viable, leading to these programs being used predominantly in urban or suburban communities. That said, the



availability of this resource to meet those needs enables OHCS to target other housing development resources to rural communities. In calendar year 2024, of the total PAB projects financed, OHCS closed five projects with over a four hundred units in rural communities¹, constituting about 20% of total projects.

Oregonians of Color

OHCS's funding offerings strive to promote racial equity. All PAB allocations provided by OHCS require a detailed plan for how the project owner will affirmatively further fair housing principles (e.g., in marketing of the homes and in recruitment of the residents) and incorporate MWESB goals and reporting. At a minimum these projects are required to specify how the projects will incorporate culturally responsive services and communication to serve the racial and ethnic demographics of the communities where they are located. Additionally, when paired with other OHCS resources, the efforts made to achieve equity and racial justice standard for all projects receiving state resources for development.

OHCS PAB Use Strategy

Oregon continues to face a critical affordable rental housing supply crisis. Given the state and local investments directed to increasing affordable rental housing supply, the demand for PABs to generate a 4% Low Income Housing Tax Credit has increased tremendously. The PABs serve to further leverage public resources and bring private tax credit equity to the state to support needed development. The agency has prioritized our use of PAB on affordable rental housing, along with paired gap finance resources. The gap resources used in combination with PAB include:

- Multifamily LIFT program funding: Article XI-Q Bonds
- Permanent Supportive Housing: Article XI-Q Bonds
- Lottery-Backed Bonds
- General Funds
- General Housing Account Program (derived from the Document Recording Fee).

With the increases in affordable housing development and preservation funds from Legislature in 2023, and with more expected from the 2025 Legislative session, OHCS believes that we will continue to operate with this resource fully subscribed for the next several years. In 2024, OHCS funded twenty-two 4% projects using \$574.4 million in PABs (Exhibit A), leveraging over \$440 million in tax credit equity from the 4% LIHTC program, money that otherwise would not have been invested in Oregon. In addition to the number of projects funded in 2024, OHCS has a pipeline of another ten projects needing \$354.9 million in new PAB volume cap in the first half of 2025. These are projects with secured gap resource commitments to move forward into construction. This current pipeline represents commitments made already for over 75% of OHCS' legislative allocation. In addition to the projects already in the OHCS pipeline, through

¹ Using rural definition provided by the LIFT Competitive Funding Offering



the Oregon Centralized Application (ORCA) intake process, as of December 2024 we see 65 project applications representing nearly 6,000 units indicating they are waiting for OHCS to open the application process for LIHTC. Many of these projects have indicated permit readiness to move forward with project financing and construction in 2025 if resource availability allows; OHCS anticipates opening for new LIHTC applications in the first quarter of 2025. Considering the burden of demand, Oregon Housing and Community Services continues to engage with affordable rental housing developers, funders, and housing authorities about prioritizing the use of this resource to meet the housing needs of Oregonians. This includes:

- OHCS is working to coordinate all housing needs, including with local government Housing Authorities. This work includes standing up a shared pipeline approach and an OHCS sub-allocation process for PABs that may be directly issued by Housing Authorities where other state gap resources are involved.
- Incorporation of strategies to support development statewide, including capacity, land acquisition and predevelopment investments.
- Use of existing resources to leverage and prioritize over-subscribed resources.
- Imbed clear accountability and performance objectives. In our new ORCA process for affordable rental housing finance we have embedded explicit timelines and performance expectations to ensure that resources are being deployed to serve the state as well as to lessen risk of funding gaps as we continue to navigate volatile market conditions.

In addition to working with Partners on investments in affordable housing statewide, OHCS has continued to work on strategies to maximize the impact of each PAB dollar received and reduce the agency over-subscription dependency on PAB resources. Efforts include:

- Exploring the use of 501c3 tax-exempt bonds to create funding strategies outside PAB/4% LIHTC reliance.
- Funding considerations to find opportunities to diversify the states use of gap financing and 9% LIHTC that does not rely on the use of PAB.
- Taxable Mortgage Revenue Bond (MRB) strategies, including the use of “zeroes”, variable rate debt, and interest rate swaps to reduce demand with the Single-Family MRB program for PABs.
- The implementation of “To Be Announced” financed of the Department’s single-family loan programs to again reduce demand on the agency for PABs.

OHCS acknowledges that the PAB Committee faces difficult allocation decisions given the scale of demand for PABs to meet public needs. We also believe that every Oregonian deserve a safe and affordable place to call home, and allocations of PABs for housing are a critical tool in pursuit of that objective. We want to provide the Committee with updates on the unprecedented pipeline of affordable rental housing projects; and ensure that the PAB Committee has all information necessary to make these decisions. OHCS always stands ready to provide any additional information necessary to inform the Committee’s work with regards to affordable



Appendix A

Shared statewide pipeline approach

Appendix A

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		
	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)	Additional PAB Needed
2022	\$94,071,734	\$294,872,256	\$388,943,990	\$357,287,050	\$746,231,040	\$632,206,859	\$0	\$632,206,859	\$0	\$114,024,181	
2023	\$157,849,180	\$157,849,180	\$157,849,180	\$250,000,000	\$407,849,180	\$284,402,306	\$0	\$284,402,306	\$0	\$123,446,874	
2024	\$0	\$287,155,474	\$287,155,474	\$450,000,000	\$737,155,474	\$574,353,994	\$75,000,000	\$649,353,994	\$0	\$87,801,480	
2025	\$0	\$0	\$0	\$450,000,000	\$450,000,000	\$354,899,087	\$0	\$354,899,087	\$0	\$95,100,913	

Scenario 2

Assuming OHCS gets its Full Carryforward Requests

Calendar Year	PAB Begin Balance					Bonds Issued Using PAB - Actual and Projected			PAB Ending Balance		
	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)	Additional PAB Needed
2022	\$94,071,734	\$294,872,256	\$388,943,990	\$357,287,050	\$746,231,040	\$632,206,859	\$0	\$632,206,859	\$0	\$114,024,181	
2023	\$157,849,180	\$157,849,180	\$157,849,180	\$250,000,000	\$407,849,180	\$284,402,306	\$0	\$284,402,306	\$0	\$123,446,874	
2024	\$0	\$287,155,474	\$287,155,474	\$450,000,000	\$737,155,474	\$574,353,994	\$75,000,000	\$649,353,994	\$0	\$87,801,480	
2025	\$0	\$133,971,230	\$133,971,230	\$450,000,000	\$583,971,230	\$354,899,087	\$0	\$354,899,087	\$0	\$229,072,143	



Appendix B

Quarter 1 & 2 2025 Closing Projects

Project	Units	Location	PAB Amount
Orchard Park	224	Salem	\$47,850,000
M Carter Commons	63	Portland	\$19,236,824
Peacefull Villa	166	Portland	\$54,600,000
Barbur Apartments	150	Portland	\$36,300,000
Woodspring Apartments- Housing Authority issuance	172	Tigard	\$51,700,000
Clara Vista Redevelopment	108	Portland	\$32,300,000
Rose Schintzer Tower	233	Portland	\$43,300,000
Rand Road	129	Hood River	\$36,433,100
The Clifford Apartments	88	Portland	\$18,479,163
Lake Grove Apartments	55	Lake Oswego	\$14,700,000
Total	1,388		\$354,899,087





Private Activity Bond Committee

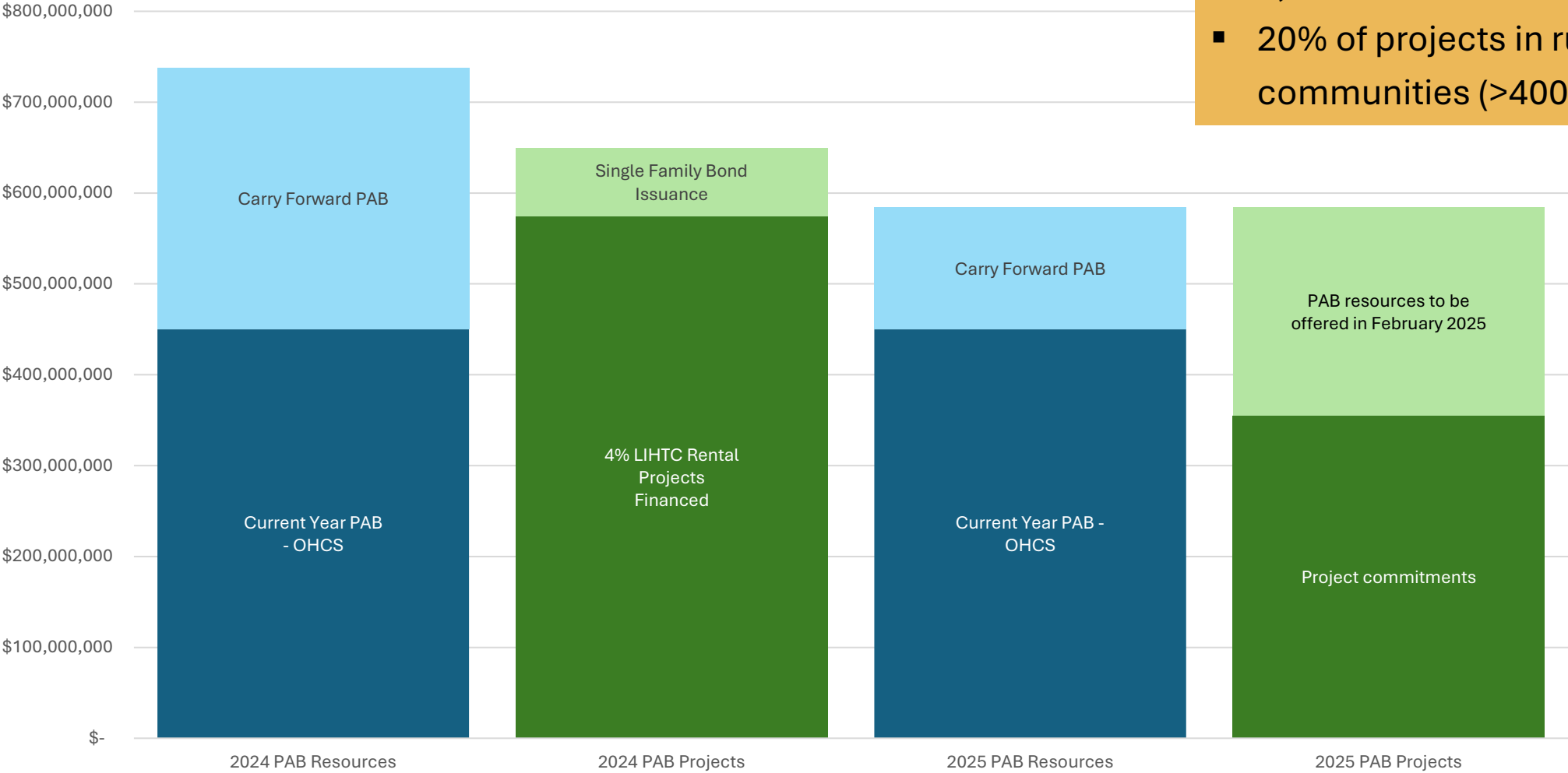
Oregon Housing and Community Services Department

January 15, 2025

Private Activity Bond use in 2024 and plan for 2025

CY 2024 Results

- \$574,353,994 in rental PAB issued
- 22 projects
- 2,262 affordable housing units
- 20% of projects in rural communities (>400 units)



Note: Assumes carryforward request is approved for 2025.

Program updates in 2025

- OHCS has several updates to its programs that use PABs for multifamily affordable rental projects; will launch through the new Affordable Rental Housing Oregon Centralized Application (ORCA) in the first quarter.

		Pass-through Revenue (Conduit) Bond Financing Program	4% Low-Income Housing Tax Credit (LIHTC) Program
2025 Updates	Summary	<ul style="list-style-type: none">OHCS provides bond issuance services to lenders.	<ul style="list-style-type: none">OHCS allocates federal tax credits which require PABs to fund at least 50% of construction costs.Developers resyndicate tax credits to generate private equity.
		<ul style="list-style-type: none">Planned updates to OHCS conduit bond fees so they are comparable to other states.	<ul style="list-style-type: none">4% LIHTC is integrated with the ORCA.\$100M Housing Authority Owned PAB Set-aside.

Multifamily affordable housing market in 2025

Opportunities

- High demand: in the past 6-months, the agency has received project intakes requesting ~\$1.7 billion in OHCS funds.
- 501c3 tax-exempt bonds to create funding strategies outside PAB/4% LIHTC reliance.
- Diversify the states use of gap financing and 9% LIHTC that does not rely on the use of PAB.
- Taxable Mortgage Revenue Bond (MRB) strategies, including the use of “zeroes”, variable rate debt, and interest rate swaps to reduce PAB demand
- Launch of the Department’s TBA single-family loan program aims to reduce demand on the agency for PABs.

Challenges

- Uncertainties in market and new federal administration: potential legislation may impact PABs and regulations
- Construction cost drivers: high interest-rate environment, labor and material costs are not coming down
- Operational cost drivers: higher costs for insurance and services

Open Discussion