

## Bond Financing Opportunities

**Housing Finance Loan Closer**  
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As part of our mission to “reach out to create partnerships that improve Oregonian’s lives and the quality of our communities,” Oregon Housing and Community Services (OHCS) assists developers with all phases of their financing needs. Applicants may apply for one of three bond financing programs, or a combination of OHCS funding sources. Oregon is one of the few states to offer affordable housing financing this comprehensive.

### **What makes applying to OHCS for your affordable multifamily rental housing financing so attractive?**

#### **One-Stop Finance Options**

OHCS offers the only one stop shopping opportunity for affordable multifamily rental housing finance programs. With our simplified permanent loan approval process, you can simultaneously access multiple tax credit, grant and predevelopment loan programs. Successful developers have realized that it just makes more sense to partner with a funding source where you have many finance structuring options and full support throughout the process. OHCS staff guides you step by step through an interactive underwriting and approval process where you have an opportunity to work through important issues as they arise.

#### **Committed Staff Make the Difference**

The department offers experienced, professional consultation through our Regional Advisors, Loan Officer, Loan Closer and other highly skilled professional staff to assist the borrower throughout the process—from initial concept through loan closing and ongoing asset management. OHCS also offers the opportunity to work with a shared mission. Affordable multifamily rental housing providers generally share our mission to improve Oregonian’s lives and the quality of our communities.

#### **Lower Costs from Greater Financing Flexibility**

OHCS is dedicated to financing safe, decent and affordable housing to low-income Oregonians. Various financing options are designed to achieve lower project costs. Flexible financing tools can reduce the cost of tax-exempt bond issuance even further for our Risk Sharing AAA, credit enhanced loans.

Benefits include reduced total financing costs by spreading fixed costs over several loans in a pooled tax-exempt bond sale. This is especially beneficial for smaller loans. Additional options reduce interest rate costs, such as “variable to fixed” interest rate swaps.

Continued -



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OHCS can help finance your project's energy saving appliances with an energy saving/weatherization grant and other grant funds. Housing Finance Section offers predevelopment loans, loan guarantees, low-interest loans for farmworker housing, and a partial property tax exemption in specified areas. The Housing Finance Section can effectively assist you by coordinating multiple funding sources simultaneously, such as grants, 4% Low Income Housing Tax Credits, Weatherization loans or other grant funds combined with tax-exempt bonds.

These flexible financing tools can be the solution to making your affordable housing project successful.

### For More Information

For more information, contact **Becky Baxter**, Loan Closer, at 503.986.2074 or by E-mail [Becky.Baxter@hcs.state.or.us](mailto:Becky.Baxter@hcs.state.or.us).

To talk with someone about developing affordable housing in your area, contact a **Regional Advisor to the Department** at 503.986.2000 or visit the website at:  
[http://www.ohcs.oregon.gov/OHCS/DO\\_RegionalAdvisors.shtml](http://www.ohcs.oregon.gov/OHCS/DO_RegionalAdvisors.shtml)

OHCS is the state housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for lower income Oregonians. The agency also administers federal and state antipoverty, homeless and energy assistance community service programs.



Caring, knowledgeable staff in your area to guide you through the process.

## Easy Bond Comparison

**OHCS**  
Your One-Stop funding source for all three bond programs, state and federal tax credits, & grant programs.

OHCS offers three tax-exempt bond financing programs to developers of affordable housing. All three programs share some similarities, such as:

- Single site or multi non-contiguous sites;
- New construction or acquisition & substantial rehabilitation
- Affordable minimums that meet Section 142 of the IRS code  
20% of the units at 50% of area median income (AMI) or  
40% of the units at 60% of AMI;
- Affordability maximums of no more than 33% of the units above 120% of AMI;
- Design, construction phases, & ongoing maintenance must meet OHCS livability standards;
- Funding can be available as soon as 30 days after loan request is approved.

The Chart below compares the differences among the three tax-exempt bond programs OHCS offers.

### Bond Issuer and Pooled Credit Enhanced Financing

	<u>Unit Minimums</u>	<u>Unit Types</u>	<u>Loan-to-Value (LTV)</u>	<u>Debt Coverage Ratio (DCR) Minimums</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Reserves Requirements</u>	<u>Charges</u>
<b>Risk Sharing</b>	5 units	Multifamily units	85% using favorable financing value	1.10:1	Usually 30-year, fully amortizing mortgage (up to 40-year possible)	Below-market, fixed rate.	3% contingency reserve. Replacement reserve.	\$1500 application charge, 2% commitment charge, 2% or actual cost of issuance, whichever is less.  Actual negative arbitrage, if applicable.
<b>Elderly and Disabled</b>	2 attached units	Senior apartments, assisted living facilities, residential care facilities, and congregate care facilities.	85% using favorable financing value	1.10:1	Usually 30-year, fully amortizing mortgage (up to 40-year possible)	Below-market, fixed rate	3% contingency reserve. Replacement reserve.	\$1500 application charge, 2% commitment charge.  Actual negative arbitrage, if applicable.

### Bond Issuer Only

<b>Conduit</b>	2 contiguous units	Multifamily, elderly & disabled units	Negotiable depending on investor or credit enhancement of bonds	Negotiable depending on investor or credit enhancement of bonds	Flexible and negotiable depending on enhancement and investor	Below-market, fixed rate or variable rate	Contingency & Replacement reserve depending on investor or credit enhancement of bonds.	\$1500 application charge, 1% commitment charge, 25 basis points annually based on original bond issuance amount  LIHTC monitoring costs currently \$35/unit/year.  Actual cost of issuance.
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