



Bond Financing Opportunities

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Page 1 of 2

Oregon Housing and Community Services (OHCS) assist's 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 Officers, 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 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.

Multifamily Housing Section offers predevelopment loans, loan guarantees, low-interest loans for farmworker housing, and a partial property tax exemption in specified areas. The Multifamily





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Page 2 of 2

Housing 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

To talk with someone about developing affordable housing in your area, contact a [Regional Advisor to the Department](#) or call 503.986.2000.

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. For a full description of the Programs, visit the Program Application web site.

Bond Issuer and Pooled Credit Enhanced Financing

| | Unit Minimums | Unit Types | Loan-to-Value (LTV) | Debt Coverage Ratio (DCR) Minimums | Term | Interest Rate | Reserves Requirements | Charges |
|---|------------------|---|-------------------------------------|------------------------------------|---|---------------------------|--|--|
| <u>Risk Sharing</u> | 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. |
| <u>Elderly and Disabled</u> | 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. |

Bond Issuer Only

| | | | | | | | | |
|--------------------------------|--------------------|---------------------------------------|---|---|--|---|--|---|
| <u>Conduit</u> | 2 contiguous units | Multifamily, elderly & disabled units | Negotiable depending on investor and lender | Negotiable depending on investor and lender | Flexible and negotiable depending on investor and lender | Below-market, fixed rate or variable rate | Contingency & Replacement reserve depending on investor and lender | \$1500 application charge, 1% of aggregate bond finance charge, 2% additional on short term bond, 20% annually based on original long term bond (NPV may be paid at bond sale closing). LIHTC monitoring costs currently \$35/unit/year. |
|--------------------------------|--------------------|---------------------------------------|---|---|--|---|--|---|