OREGON HOUSING AND COMMUNITY SERVICES

OHCS Production Update

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Senate Committee on Housing and Development

Production Increase Overview: 2016-2025

2016-2020

1,770 *avg new construction*

2,570 *avg w/ preservation*

Total: ~12,850 average units / year

2021-2025

2,960 *avg new construction*

4,460 *avg w/ preservation*

Total: ~22,300 average units / year

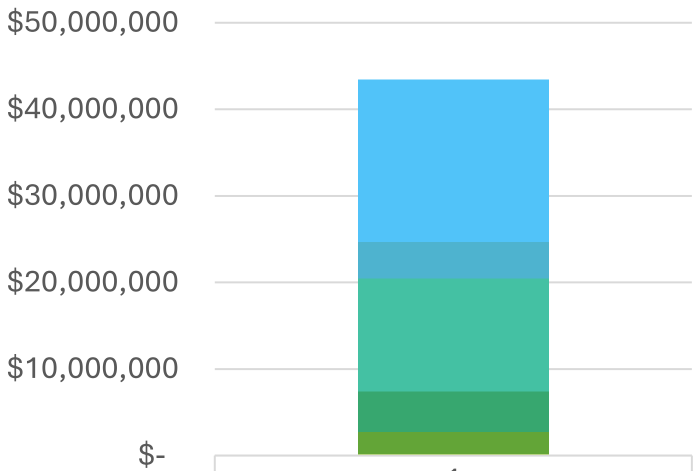
How OHCS Finances Affordable Housing

Resource Types

Affordable housing is only feasible when resources are combined to fill financing needs to build and operate affordable housing.

1. **Equity:** provided to projects through investors and developers who recover their investment through project performance.
2. **Debt:** loans or mortgages that are repaid from property operations / rent collections; lender repayment includes interest charge.
3. **Public Investment:** subsidy that fills the gap between what can be financed with equity & debt. OHCS public investment tools include tax credits, grants and loans.

Capital Stack: Mercy Greenbrae in Lake Oswego



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OHCS	Tax Credit Equity	$18,742,720
	OHCS Loan (LIFT)	$4,250,000
Non-OHCS	Permanent Loan	$13,010,538
	Private Loans	$4,700,000
	Deferred Developer Fee	$2,535,470
	Capital Funds	$201,000

How OHCS Finances Affordable Housing

Project Financing Resources

Equity

Tax Credit Investment*

Developer Equity Contributions

Debt

Private: Regional and National Banks

Public: OHCS Public Bond Financing

Public Investment

Tax Credit Incentives*

Grant subsidy

Loan subsidy

Equity

- **Tax Credit Equity:** leverages public investment in tax credits to investors who supply capital now. LIHTC investors receive federal tax credits claimed over 10 years. Investors pay market value for the credit, informed by federal policy and rent markets.
- **Developer Equity:** investment (individual or pooled) in exchange for repayment through future rent collections, but only after other expenses and debt are paid. Could include land, cash, or deferred developer fees.

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Private Debt

- Project costs financed through loans or mortgages which require repayment from property revenue (rent) over the term of the loan.
- Banks make loans to projects based on risk, return, and collateral. Interest rates and fees reflect market conditions and lenders risk exposure.
- Public Investment Tax Credit that supports Private Debt: OAHTC, a state tax credit, allows a lender to lower the interest rate on a project loan by covering the financial loss in revenue from that reduced rate.

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Public Debt

- **Conduit:** OHCS issues bonds, banks invest the proceeds to a project, and the project repays with interest to cover the cost of bond repayment and interest earnings for the bank.
- **Direct:** OHCS issues bonds, invests the proceeds to a project, and the project repays with interest to cover the cost of bond repayment and interest earnings for OHCS. Most often this is done through programs that allow OHCS to share risk with HUD, lowering the cost of the capital. OHCS is able to use interest to cover cost of doing the work and to reinvest into new or existing projects.

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Public Investment

- **Grant:** public funding with no repayment
  - Affordability covenants are recorded on the property
- **Loan:** public funding structured as debt that functions as a long-term affordability agreement
  - 0-1% interest with no monthly repayment
  - Repaid when affordability restrictions are removed; if loans mature before that day, most programs allow for extended affordability in lieu of repayment for long-term subsidy programs

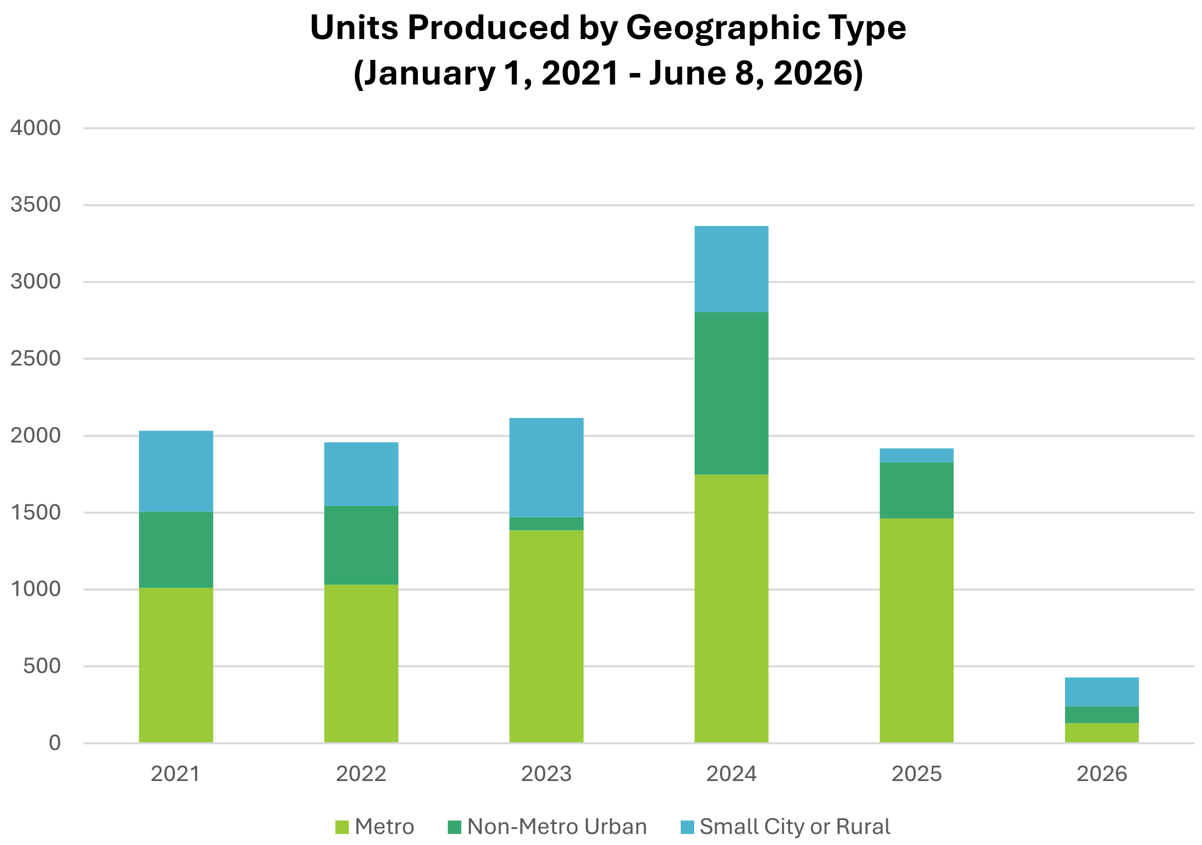
OHCS' Main Production Programs

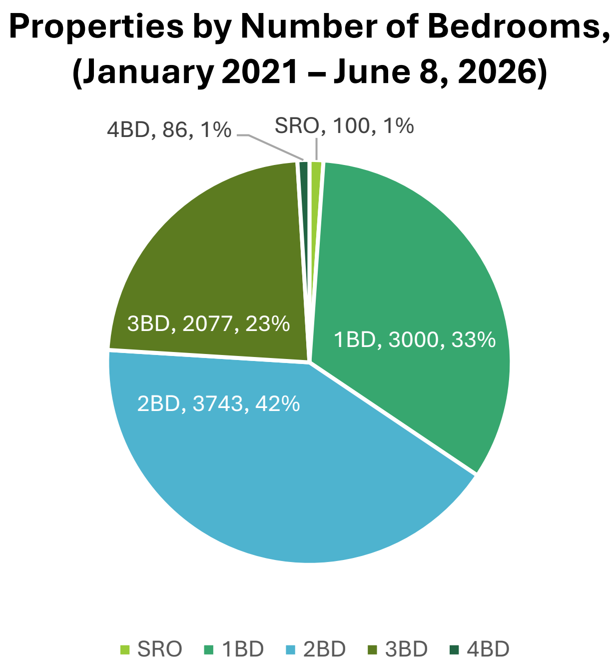
Equity Program	Private & Public Debt	Public Investment (Subsidy)
9% LIHTC 4% LIHTC Agricultural Workforce Housing Tax Credit	Oregon Affordable Housing Tax Credit (OAHTC) for private lender Construction Loan Guarantee Program (administed by CDFI NOAH) Conduit Private Activity Bonds for lender placement Elderly & Disabled Bonds Risk Share	Land Acquisition Program Moderate Income Revolving Loan LIFT HOLD/Preservation Mixed Income Revolving Loan Predevelopment Loan Program HOME Investment Partnerships National Housing Trust Fund General Housing Account Program Homeownership Development Incubator Program Manufactured Home Replacement Program

Legend:

Both Affordable Rental Housing & Affordable Homeownership | Affordable Rental Housing only | Affordable Homeownership only

Unit Progress in the Past 5 Years: Rental



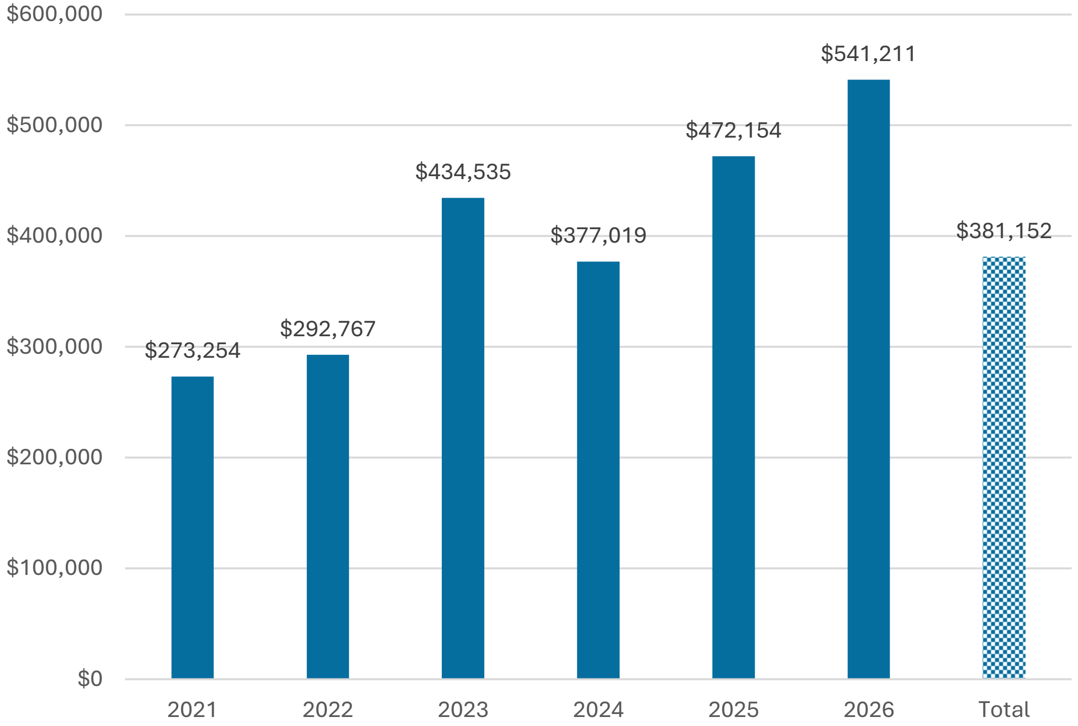


Graphs reflect units built. OHCS rental programs have funded approx. 2,700 units/yr since 2021. Comparatively, from 2016-2020, we funded approx. 1,700 units/yr.

Development Costs in the Past 5 Years: Rental

Avg. Construction Costs per Square Foot

Avg. Total Development Cost per Unit



Funded Projects in Construction: Rental

25 *projects*

1,789 *total units*

Currently in Underwriting

64 *projects*

4,480 *total units*

Currently in Construction

Rental Waitlist and Available Resources

Total Dollar Ask:

- Gap Resources: $847,783,227
- Private Activity Bonds: $526,233,481

Total Units Across

- All projects: 3,979

Total Project Count

- Gap only projects: 24
- 4% gap projects: 26

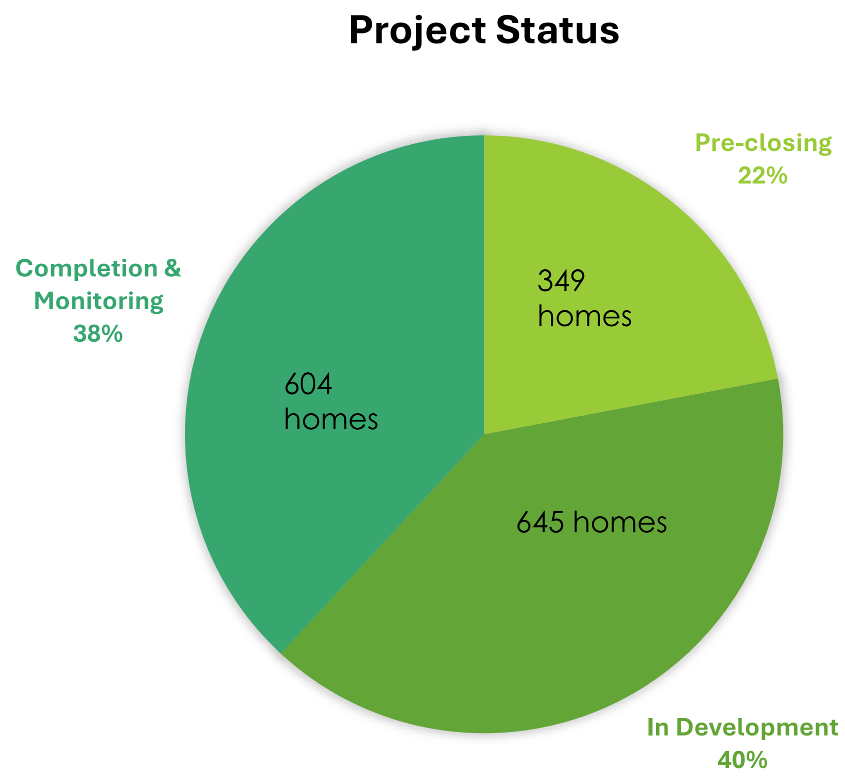
New Investments and Programs:

LIFT ($75M), HOLD/Preservation ($20M), OAHP ($23.5M), Elderly and Disabled Bonds ($50M), Direct Revenue Authority ($500M), Mixed-Income Revolving Loan ($20M)

Other Resources:

MIRL ($55M), OAHTC, PuSH, Land Acquisition ($11M), HOME ($3.3M), Private Activity Bonds ($92M left for 2026, $450M for 2027).

Unit Progress: Homeownership



Overview:

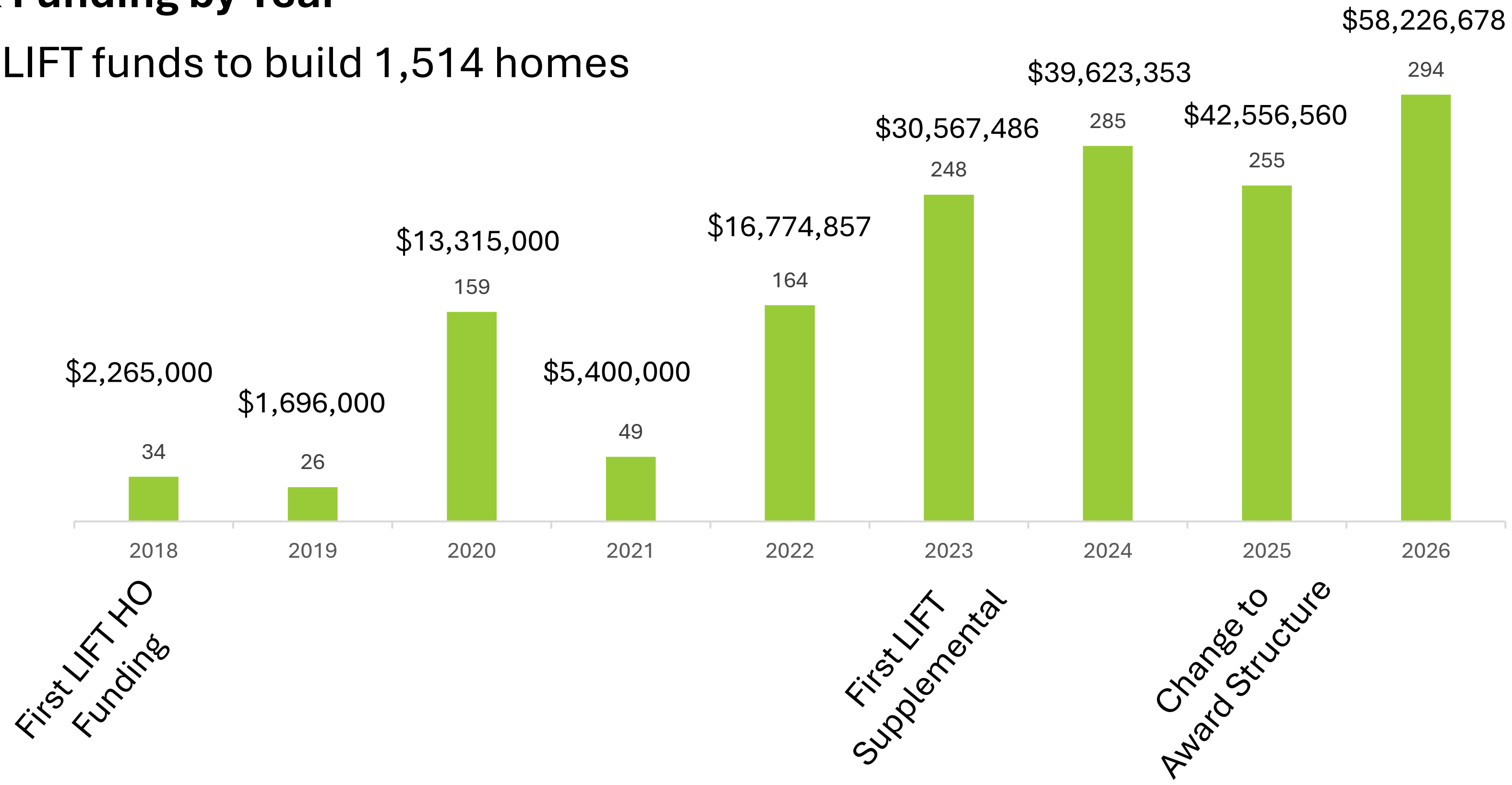
- 1598 new homes
- 26% are sold/occupied

Ownership models: land trusts, condos, limited equity cooperatives, fee simple (just HDIP)

LIFT Homeownership Growth

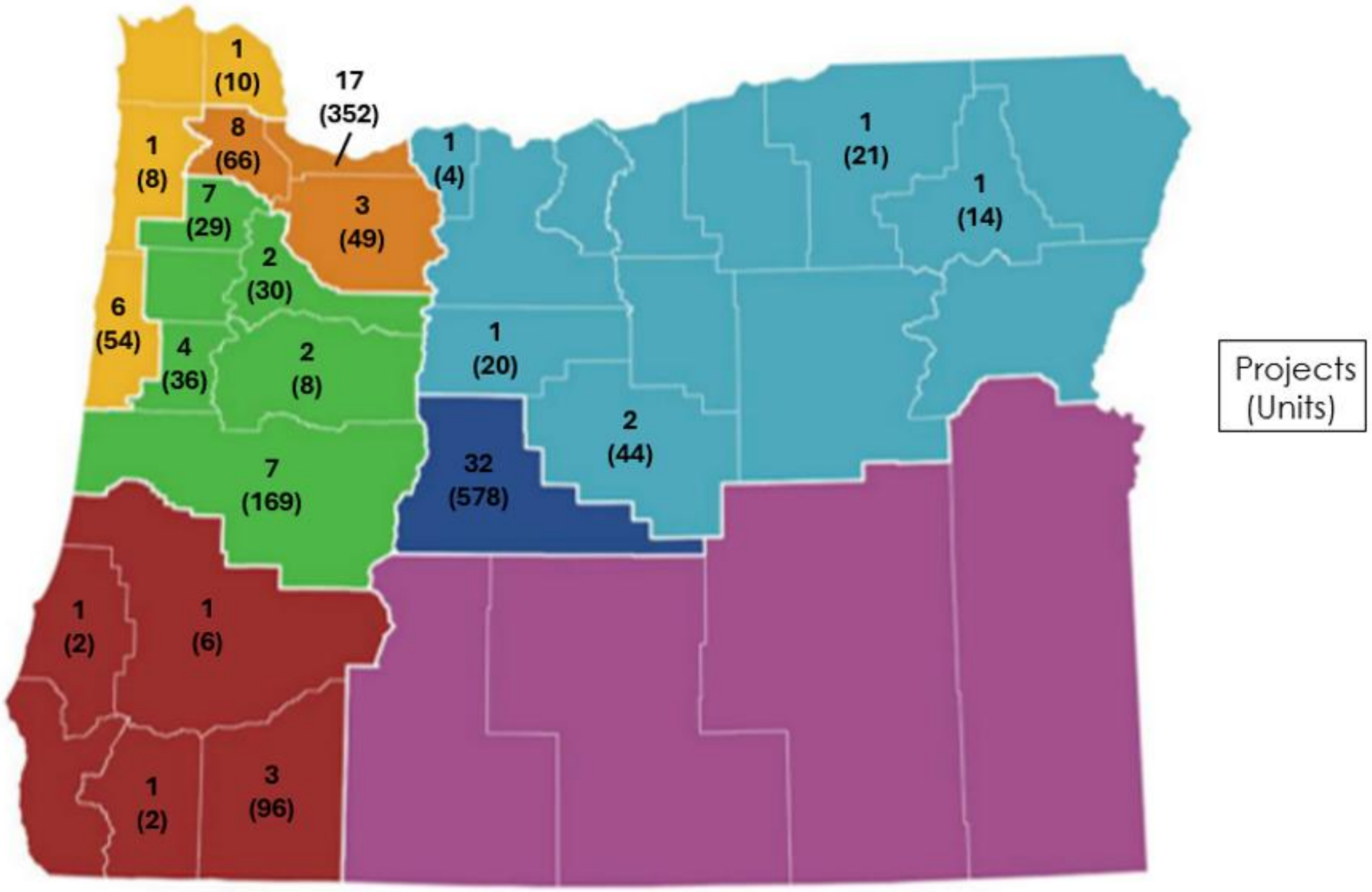
Homes & Funding by Year

$210M in LIFT funds to build 1,514 homes

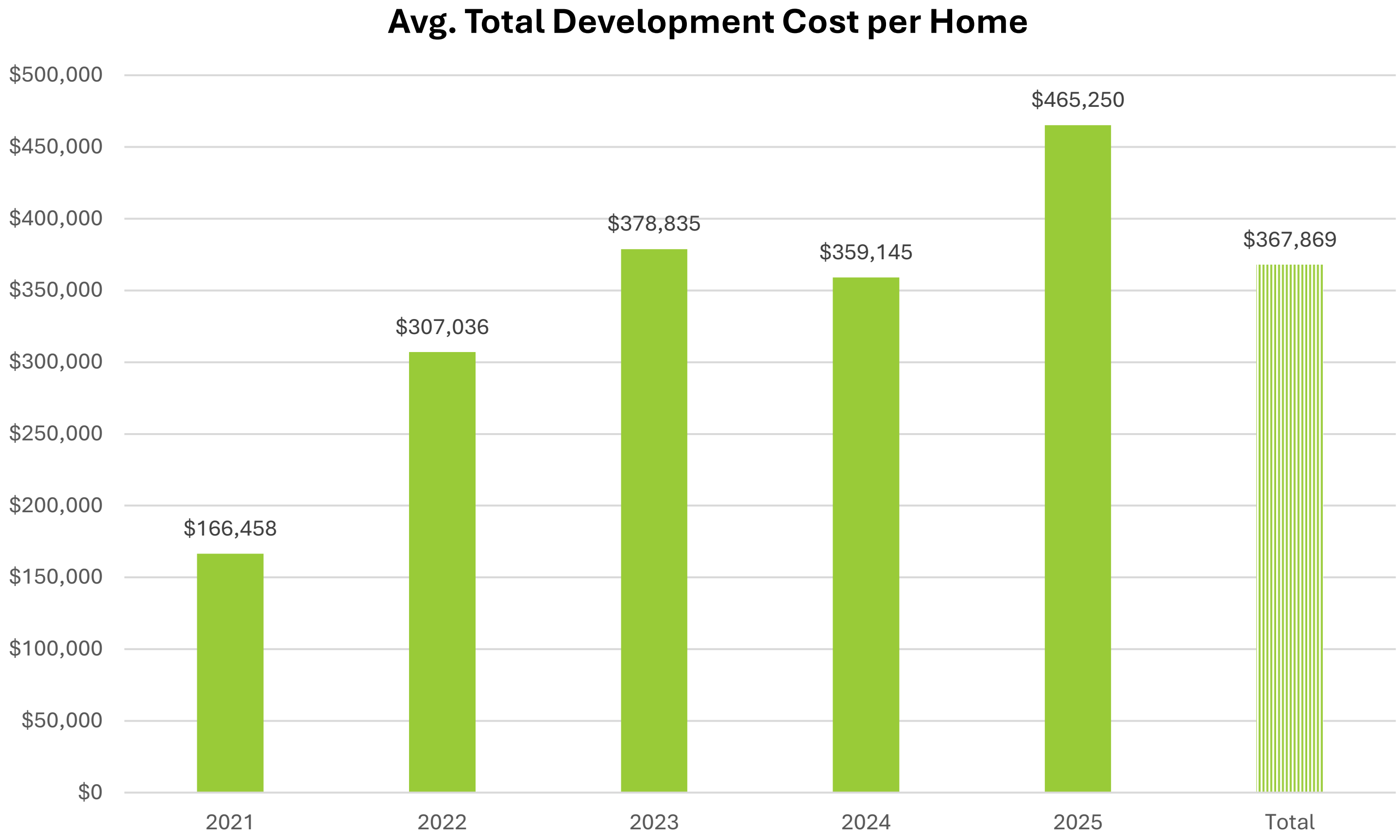


Ownership Projects Across Oregon

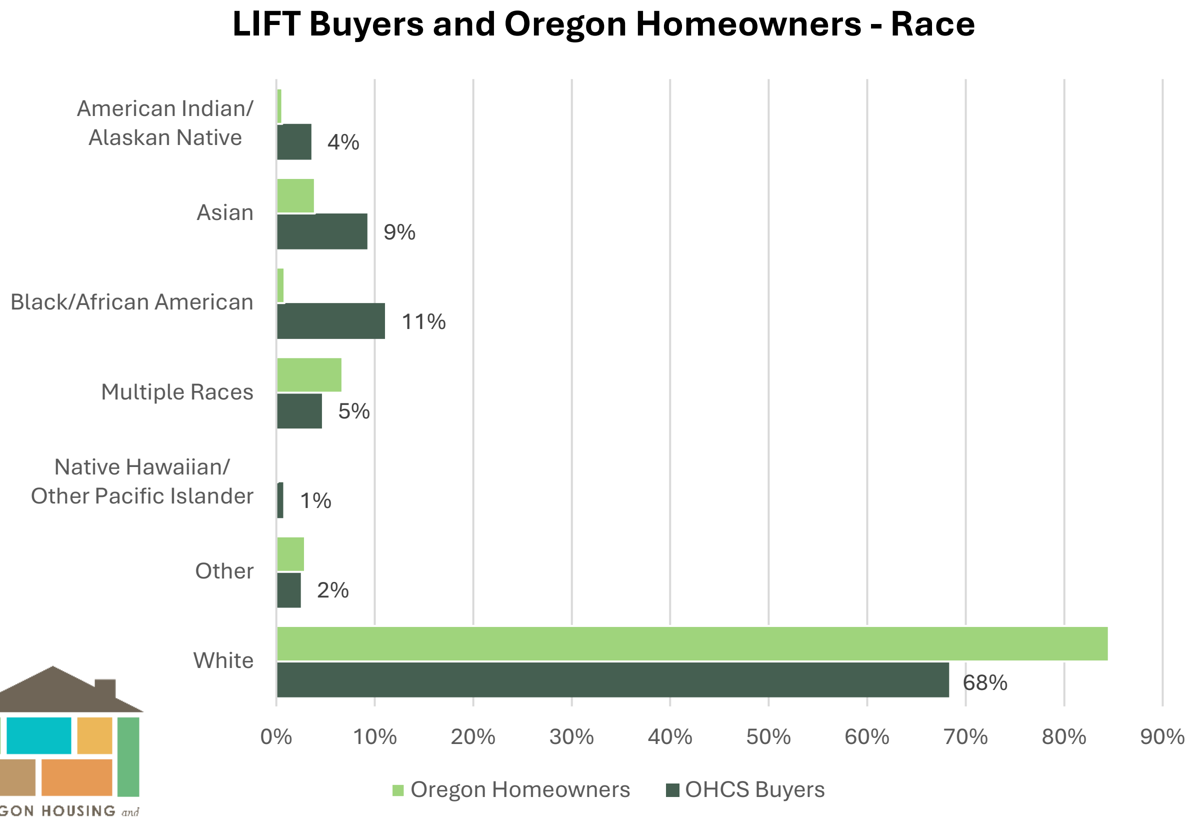
1 in 3 projects are in a rural community

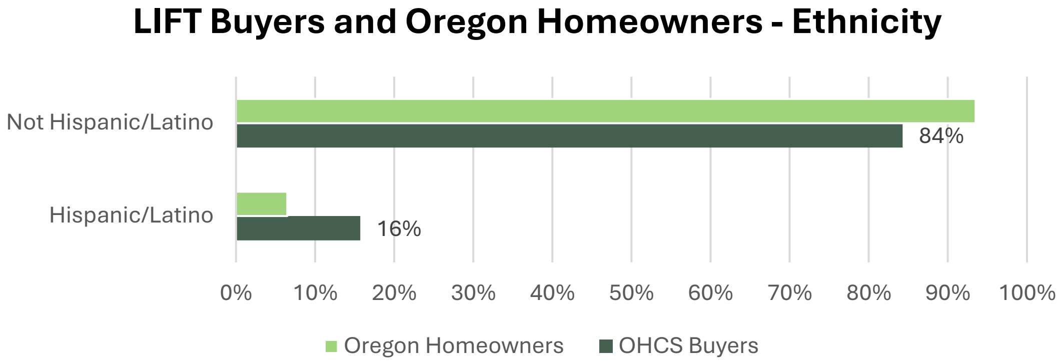


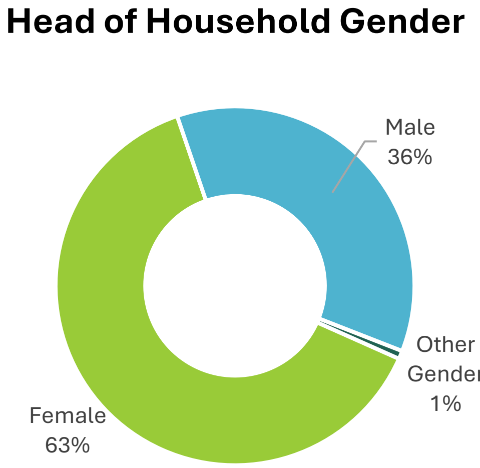
Development Costs in the Past 4 Years: HO



LIFT Homebuyers







Other Statistics

1,049 people housed

466 children served

Avg. HH Size: 2.7

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Note: *data only includes buyers who elected to provide information*

Ownership Waitlist & Available Resources*

Total Dollar Ask:

- LIFT: $53,542,322

Total Units Across

- LIFT projects: 318

Total Project Count

- LIFT Projects: 19

Homeownership Available Resources:

LIFT($39M to be fully allocated in Sept 2026)

OAHTC, Manufactured Housing Preservation Funds (HOLD + LRB, $7.5M), Manufactured Housing Replacement Funds, Land Acquisition ($4M)

**Though these numbers represent the current waitlist, it is not a true snapshot of overall demand since a)developers are capped at a specific amount of funds per biennium, and b) OHCS allocates LIFT HO funding annually. The next funding cycle will open in September 2026.*

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Questions?

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