

**HOUSING AUTHORITY OF
WASHINGTON COUNTY, OREGON
BOND ISSUANCE
GUIDELINES**

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HOUSING AUTHORITY OF WASHINGTON COUNTY

(Adopted April 1997, Amended September 2006 and August 2016)

I. INTRODUCTION

The Housing Authority of Washington County (the “Authority” herein) has the capacity to issue tax-exempt, taxable and conduit revenue bonds for privately-owned and operated affordable housing projects. Authority’s conduit revenue bond issuance capacity, for example, includes 501(c)(3) bonds to qualified non-profits to develop housing for specific populations. For the Authority to do this, the affordable housing project must meet the requirements of the United States Internal Revenue Code of 1986, as amended, (the “IRC”) and the requirements of the Authority. The basic requirements of the Authority and its process for issuing those bonds are described in these guidelines.

Developers have to arrange for their own financing and for the purchase of the bonds. The bonds issued are payable solely from revenues from the housing project and the bonds issued are not a debt of any city, of Washington County, of the State of Oregon or any other political subdivision of the State of Oregon. Neither the Authority nor the County will contribute funds to repay the bonds.

II. POLICY STATEMENT

As the fastest growing county in Oregon, Washington County is experiencing rapidly escalating housing prices. The combination of low vacancy rates and increasing rents has significant negative impacts on persons of lower-income. Accordingly, the Board of Directors of the Housing Authority of Washington County has adopted these Bond Issuance Guidelines to stimulate the development of affordable housing opportunities for lower-income persons. It shall be the policy of the Authority to consider and to undertake the issuance of Bonds in accordance with applicable Oregon statutes and these guidelines with the goal of developing housing to serve the greatest number of lower-income tenants as set forth herein. Housing produced under the Bond program will be available to all income eligible households on a non-discriminatory basis pursuant to Executive Order 11063, as amended, promoting Equal Opportunity in Housing.

Overall, it is the general preference of the Authority that housing for lower-income occupancy is developed in smaller projects that are geographically dispersed. However, the Authority recognizes that financial feasibility is often a major factor in determining project site and density. By these Guidelines, the Authority seeks to assure exceptional quality in design and construction as well as the highest possible standards of professional practice in management and operations of bond-financed projects. In undertaking to issue bonds for the financing of affordable housing, the Authority intends to support the perception that housing developed for low-income persons can enhance the quality and viability of the surrounding community.

Purchasers/owners of tax-exempt bonds do not include bond interest in gross income under the federal income tax code; consequently, tax-exempt bonds bear interest at lower rates than bank loans or taxable bonds. This lower borrowing cost is passed on directly to the borrowing entity under the bonding program in lower interest rates than conventional loans of comparable maturity. Some of the benefits of using tax-exempt private activity bonds are:

- Higher loan amounts (greater leverage) due to lower interest rates.
- Access to a greater variety of financing tools such as variable rate demand bonds to provide greater cash flow.
- For private activity bonds subject to volume cap, access to equity from 4% Low-Income Housing Tax Credits (“LIHTCs”) which generally provides 25% to 30% more capital as a source of funding.

III. TENANT INCOME REQUIREMENTS

A. Public Benefit

The requirements of the IRC for tax-exempt housing bonds are complex and may change over time. Generally the IRC only allows financing of the capital costs of a project that consists of rental housing units and functionally-related and subordinate facilities, and for which a substantial number of the units are set aside for tenants of very low-income. See IRC Section 142(a)(7) and 142(d) and related sections of the IRC. The IRC also requires that certain types of bonds receive an allocation of private activity volume cap, which is generally only available on application to the Oregon Private Activity Bond (PAB) Committee. The IRC generally does not allow refinancing of existing borrowings, or financing of costs that were paid before the Authority adopts its Inducement Resolution.

The Authority generally requires greater low-income set-asides than are required by the IRC. Factors to be considered by the Authority in negotiating the low-income set-aside shall include "normal" development costs for a project of the size, scope, and locational characteristics of the proposed project. This will include site acquisition and development; construction; design and engineering; and costs and debt service during rent up. The Authority shall also consider additional front-end costs attendant to the issuance of the bonds including the underwriter's fee, legal and related costs, and costs attendant to acquiring any credit enhancement, the proposed fees and any other revenue to be paid to the Authority. Other factors to be considered are additional financial reserves required to market bond financing instruments; annual operating cost differentials, if any; property tax abatements, if any; annual debt service differentials; and annual impact (or the present value thereof) of Housing Tax Credits allowed under the Federal Tax Code.

The Authority shall approve only those projects that can reasonably be expected to comply with the Internal Revenue Code, Oregon law and the Authority’s requirements. The Developer shall be responsible for demonstrating, to the satisfaction of the Authority, that all applicable state and federal statutory requirements will be met, and that the proposed rents will meet published Housing and Urban Development (HUD) area median income guidelines in Washington County.

The Authority's participation in the bond program requires that the Developer agree to maintain the following income requirements for the "Qualified Project Period" as defined in Sec. 142(d) of the Internal Revenue Code, which is the later of 15 years from

the date on which 50 percent of the residential units in the project are occupied, the first day on which no tax-exempt private activity bond issued with respect to the project is outstanding, or the date on which any assistance with respect to the project under Section 8 of the United States Housing Act of 1937 terminates (“Compliance Period”).

B. Low-Income Set-Aside

1. The Developer must set aside, for the period defined above: (a) a minimum of 20% of the project units to be occupied by individuals and/or families whose income is 50% or less of the Metropolitan Statistical Area (MSA) median gross income, OR (b) a minimum of 40% of the project units to be occupied by individuals and/or families whose income is 60% or less of the MSA median gross income. The Authority's general preference is that bond-funded projects achieve the unit mix described in (b) above.
2. The Authority generally requires greater low-income set-asides than are required by the IRC minimums.
3. Units to be occupied under this Low-Income Set-Aside requirement must be geographically dispersed throughout the project, shall be of the same construction quality and standards as all other units, and shall be of a size and style mix as to be indistinguishable from other units.
4. Extended Use Period” shall be a minimum of 15 additional years from the date immediately following completion of the Internal Revenue Code (IRC) required Compliance Period that begins from the date the first building in the Project is placed in service for a combined total of at least 30 years of low income set-aside use.

C. Compliance Review and Monitoring

At the time of initial rental, tenants to whom Low-Income Set-Aside units are leased must have completed an application documenting that they meet income requirements, i.e. the minimum "low-income" requirement for tax-exempt bond financing. The final agreement signed by the Authority and the Developer will include provisions for the Authority's review and audit of tenant incomes, including but not limited to that which may be required by Internal Revenue Code (Sec. 142(d) and these Guidelines. On an annual basis the Authority will update maximum allowable entry level income based on HUD annual income guidelines for Portland-Vancouver-Hillsboro, OR-WA MSA calculation and so advise the Developer.

IV. BOND SECURITY

A. Bonds issued under these Program Guidelines shall be secured only by the funds and assets committed by the Developer and third parties to pay the Bonds. No funds of the Authority or Washington County will be committed or used to repay the Bonds. However,

the Authority will require the Bonds meet one of the following requirements, to insure that its bonds are marketed responsibly:

1. **Publicly-Offered Bonds:** Publicly offered Bonds must be rated “A” or better by Moody’s Investors Service, Standard & Poor’s Rating Service, Fitch Ratings Service, or similar rating agency acceptable to the Authority, must be underwritten by an underwriter that, in the judgment of the authority, is properly licensed and qualified to underwrite municipal bonds issued by housing authorities in the State of Oregon. The sale of the bonds must be accompanied by an official statement or similar disclosure document that is prepared for the Authority by competent professionals, and the Authority must receive an opinion of disclosure counsel regarding the disclosure that is acceptable to the authority.
2. **Privately-Placed Bonds:** Privately-placed bonds must be purchased by one or more accredited investors or qualified institutional buyers that are purchasing the bonds without intention to reoffer them, and that agree to restrict subsequent transfers of the Bonds to similar entities. If the Bonds are purchased by accredited investors that are not qualified institutional buyers, the Authority is likely to impose additional requirements under Section IV.B, below.

B. The Authority may impose additional requirements on the marketing and sale of any Bonds to protect the reputation of the Authority and help insure that the Bonds are marketed and sold responsibly. For example, the Authority may require that Bonds be insured, be secured by letters of credit or other forms of credit enhancement, or that defaults by those responsible for paying the bonds do not result in a bond default, but instead cause the bond to be exchanged for a taxable obligation to which the Authority is not a party.

C. **Bond Counsel/Financial Advisor/Underwriter:** Unless the Authority expressly approves an alternate arrangement, bond counsel for each bond issue shall be selected by the Authority and shall identify the Authority as its client for ethical purposes. The Authority may also retain the services of a municipal advisor to the Authority in connection with each Bond issue. Any entities providing services such as trustee, lender or underwriter, must be reasonably acceptable to the Authority. Costs for the Authority’s bond counsel, municipal, legal, and financial advisors, and others providing services to the Authority in connection with a Bond issue must be paid by the Developers, whether or not the Bond issue closes. If the Bond issue closes and the Internal Revenue Code (IRC) permits, those costs may be paid from Bond proceeds.

V. PROPERTY TAX EXEMPTION

Material participation in the development by the Authority or its wholly-owned affiliate in the Limited Partnership or the legal entity that will develop and own the project may make the project eligible for ad valorem tax exemption pursuant to Oregon Revised Statutes (ORS) 307.092

VI. PROJECT OWNERSHIP

Project ownership may be organized in any way that complies with all applicable State and Federal statutes. The actual configuration of project ownership, including any potential property tax exemption that may be legally and appropriately applied to the project, shall be negotiated by the Authority and the Developer and shall be contractually incorporated in the Regulatory Agreement.

The Authority may issue bond financing on a project combining non-bond sources (including private sources) if: (1) the units so financed provide a preference for very low-income (50% AMI) households or are set aside for site-based subsidy (such as Project-Based Vouchers) or the project will provide a preference for Housing Choice Voucher (aka Section 8) holders in its tenant selection criteria, (2) there is overall dispersion of low-income tenants throughout the total project, and (3) other acceptable joint operating restrictions and covenants are established that further the Authority's goal of providing housing to low-income persons.

VII. PROJECT MANAGEMENT

The Authority, at its sole discretion, reserves the right to approve the management team and the operations and management plan proposed by the Developer, and to monitor project management philosophy and practices throughout the term identified in the Regulatory Agreement. Prescheduled, periodic reviews of property management and operating records, in addition to tenant income monitoring mentioned in Section III-C shall be provided for in the Regulatory Agreement.

Tenant income requirements and the Low-Income Set-Aside shall apply throughout the Qualified Project Period and for any subsequent term mutually agreed upon by the Developer and the Authority in the Regulatory Agreement. In the event of sale, transfer or assignment of the project by the Developer/Owner, any successor in ownership shall be fully bound by tenant income and all other requirements of the Regulatory Agreement, including the approval of any management changes. (See Section XVII - Bond Assumption and Transfer of Ownership)

PROPOSAL REVIEW PROCESS

Set forth below in Sections VIII, IX, X, XI and XII are the criteria and approval process the Authority will use in evaluating proposed multifamily housing projects. The order in which the criteria are listed below shall not be deemed to be of more or less importance. The Authority is committed to a transparent and thorough review of both the Initial and Project Proposal Applications and will respond to applicants by phone, email or in writing within 30-45 days of submission of a complete application. Applicants must score a minimum of 75% to be eligible for further consideration. Applicants who score below 75% are at liberty to revise their applications to better meet the review criteria or they may appeal Authority's scoring decisions to the Executive Director of the Housing Authority whose decision shall be final.

VIII. DESIGN AND CONSTRUCTION CRITERIA (20 Percent)

A. Construction Standards and Costs

Construction under the bond program shall be of a type, quality and cost consistent with industry standards in Washington County for construction of new moderately-priced apartments. Construction standards and quality shall be substantially the same for all units in a development. The Authority shall not normally consider issuance of bonds to finance any project having per-unit construction-related costs over 10% higher than average costs of projects of similar magnitude under construction or completed within the past six months, as determined by the Authority in its sole discretion.

B. Design and Amenities

The design of the project(s) shall also be consistent with industry standards in Washington County for new moderately-priced apartment developments. In particular, designs shall: maximize the quality and quantity of open space available to tenants; provide for certain standard amenities, depending on the size of the project, such as playgrounds, clubhouse, laundry facilities, etc.; insure that significant landscaping and other amenities are used to enhance the development's interaction with and acceptance by the surrounding community; and present an attractive appearance.

C. Architectural Approval

It will be the responsibility of the Developer to submit evidence, satisfactory to the Authority at its sole discretion, demonstrating that development design standards, construction type, quality, and cost are consistent with the standards, type, quality, and cost of construction for moderately-priced housing developments in Washington County. The Authority reserves the right, at its sole discretion, to approve the development team, including but not limited to architects, planners, and engineers, participating with or retained by the Developer.

IX. REVIEW CRITERIA

A. Land Use Requirements Review Criteria (20 Percent)

The Developer shall provide reasonable evidence at the time of the Initial Application that the project is in compliance, or reasonably can be expected to be in compliance, with all applicable land use requirements. In this context, land use requirements include comprehensive plan designations, zoning ordinances, and specific plan review (including Planned Unit Development review). The Developer shall comply with all applicable land use requirements as a condition precedent to the Bond Authorization.

B. Services, Amenities and Proximity to Employment Centers Criteria (20 Percent)

Any project(s) funded under the bond program will be located in areas having reasonable access to off-site amenities, such as shopping, health care, employment centers and other services. Proposed projects in Census Tracts with a poverty rate of 10% or greater will not be approved unless: 1) the Census Tract has been identified as a HUD-designated Enterprise Zone, Economic Community, or Renewal Community; 2) the poverty rate will be, or has, decreased as a result of demolition or conversion to the open market of public, subsidized, or other regulated affordable housing; 3) the Census Tract is undergoing significant revitalization (including the investment of state, local, or federal dollars in the area with the intent of revitalization or increased economic opportunity); or 4) new market-rate units are being developed in the same Census Tract that will positively impact the poverty rate. Standards to be met in locating projects include:

1. Public Transportation – Bus or other transit services shall be available within one-half mile preferably and no greater than three-quarters mile maximum, of the proposed site. Access to bus or transit stops shall be via paved sidewalks and reasonably flat terrain.
2. Services – Shopping center(s) providing a full service grocery store, pharmacy and other services shall be within 20 minutes by bus or automobile from the proposed site.
3. Proximity of the proposed Development to employment centers.

C. Project Financing Review Criteria (20 Percent)

1. Ability of the Applicant to complete financing and development on a timely basis, including but not limited to the status of a commitment for credit enhancement or private placement of the bonds, a commitment from the purchaser of any low-income housing tax credits associated with the financing, and the status of the Applicant in the permitting process.
2. Financial commitments for the funding of the Project, and the proposed financing structure for the bonds, including the proposed credit enhancement or private placement and its related bond rating and term.
3. Conformance of the Development with legal restrictions governing the issuance of the bonds.
4. Likelihood of being able to complete the financing (including the receipt of all permits) within one hundred eighty (180) days after receipt of Bond Volume Cap allocation, where applicable.

D. General Review Criteria (20 Percent)

1. The financial soundness of the Applicant and the Development, including the experience of the Applicant and other Development team members.
2. The impact of the Development upon the housing shortage in Washington County and on any neighborhood development or redevelopment plan.
3. The affordability of the housing to low-income persons and the applicant's agreement to provide resident income set aside units in excess of the minimum amount required by state and federal law.
4. Economic impact of the Development, including the impact of jobs created by substantial rehabilitation and/or new construction.
5. Applicant's agreement to an Extended Use Period.
6. Applicant's agreement to coordinate or provide services to the residents relevant to the needs of the residents, such as a community room or clubhouse, day care, after school programs, financial and credit counseling, or other services approved by the Authority.
7. Appropriateness of the Development design, including the unit mix/number of bedrooms per unit in the Development targeted to family occupancy.
8. Development design and amenities that provide enhanced quality of life, energy efficiency, increased security, disabled accessibility, or other features.
9. Leveraging of the Authority's tax-exempt bond allocation by providing a portion of the financing from other sources, including, but not limited to, taxable bonds, tax credits, and Federal, state, county or city loans or grants.
10. Impact of the proposed Development on existing multi-family housing available in the affected market, i.e., market saturation.
11. Borrower's long-term commitment to the Project.

X. AUTHORITY'S APPROVAL PROCESS

- A. Initial application and payment of \$2,000 initial application fee.
- B. Preliminary Approval by the Authority.
- C. Submission of Project Proposal, payment of \$10,000 fee and signing of agreement to indemnify and pay Authority's costs.
- D. Review and scoring of Project Proposal using evaluation criteria (see Section VIII and IX), approval by the Authority and adoption of Inducement Resolution.
- E. Request for volume cap where applicable
- F. Coordination of bonding with LIHTC process where applicable
- G. Preparation of transaction documents, and confirmation from bond counsel that the bonds appear to be eligible for treatment as "qualified residential rental project bonds" under IRC Section 143(a)(7).
- H. Submission of transaction documents in substantially final form to the Authority for approval by the Authority's Board.
- I. TEFRA hearing and TEFRA approval by the Board of County Commissioners.
- J. Adoption of closing resolution by Authority's Board.
- K. Closing and payment of closing fees.

XI. INITIAL APPLICATION

A Developer seeking to participate in the PAB program shall submit an Initial Application, along with the requested documents. The Initial Application is accompanied by a fee of \$2,000, which represents the cost to the Authority of initial bond counsel, legal counsel and financial review and is nonrefundable. The purpose of the Initial Application is to obtain a general picture of the proposed development and of the Developer's capacity to carry out the project as envisioned. The Initial Application requests information about the Developer, including financial data and a history of similar projects completed; a description of the proposed project; evidence of actual or pending site control; preliminary site plan, floor plans and elevations; and a proforma indicating projected construction and financing costs, rental rates and total amount of bond financing anticipated. A market analysis may also be submitted at this stage.

Upon receipt of the Initial Application, Authority staff will evaluate the proposed project for compliance with the Authority's policies and goals for affordable housing in Washington County. Staff will also analyze the Developer's capacity to undertake such a project and to meet the Authority's standards and requirements. The Authority will make every effort to complete its review within a 30-day period. However, the Authority may, in its discretion, extend the review period as it deems necessary to ensure the project complies with the requirements of these Guidelines.

XII. PROJECT PROPOSAL AND FEE

Following a positive review of the Initial Application, the Developer will be invited to complete and submit a full Project Proposal. In general, Proposals will be expected to be submitted to the Authority within a period not to exceed 60 days after the Authority provides a positive review of the Initial Application to the Developer. The purpose of the Proposal is to enable the Authority to conduct a thorough and in-depth evaluation of the Developer and the proposed project, including but not limited to disclosure of any possible environmental review issues. To that end, and notwithstanding any information required or not required for the Initial Application and Project Proposal, it is the responsibility of the Developer to satisfy the Authority, at the Authority's sole discretion, that the project is viable and will provide the benefits described. To accomplish this, the Developer may be asked to provide additional information or to elaborate on information requested.

PROJECT PROPOSAL FEE: A Project Proposal shall be accompanied by a fee in the amount of \$10,000. This fee is to cover all costs directly associated with the evaluation process, including but not limited to staff evaluation; attorneys, consultants and bond counsels fees; long distance telephone, fax charges, travel, photocopying and printing charges, postage, etc. In the event the Authority's direct costs exceed \$10,000, the Developer will be required to reimburse the Authority for those additional costs within 30 days of receipt of an invoice for same. In the event that the Proposal is not accepted and the project not funded, any portion of the proposal fee not spent in the Authority's review will be refunded. Upon receipt of a full Proposal and fee, the Authority will undertake its evaluation of the Developer and project, and will make every effort to complete its review

within a 30- to 45-day period.

XIII. INDUCEMENT RESOLUTION, TEFRA HEARING, BOND AUTHORIZATION AND TRANSACTION FEES

The Authority shall undertake a two-stage process in establishing its relationship with the Developer and financing the proposed housing development. These stages are the Inducement Resolution and Bond Authorization.

A. Inducement Resolution

The Inducement Resolution serves as the first step in the issuance process and officially indicates the desire of the Authority to proceed with the issuance of bonds. The Authority shall present an Inducement Resolution to the Authority's Board for execution following a positive review of the Project Proposal by Authority staff. In addition, the Authority's project financing team will be prepared to work with the Developer toward obtaining Bond Authorization and drafting the Regulatory Agreement. The Inducement Resolution will serve as a "reimbursement declaration" under United States Treasury Regulation 1-150-2. Amounts spent by the Developers or others on the project more than 60 days before the date of the Inducement Resolution may not be eligible for reimbursement with Bond proceeds.

B. TEFRA Hearing and Bond Authorization

The second and final step in the process is the authorization to issue bonds which occurs after all appropriate bond documents have been drafted and firm commitments for security enhancements and/or financing have been obtained. At this point the Authority will have reviewed and accepted the Developer's final plans for design, construction, financing and operations. The Board of Directors of the Housing Authority of Washington County will publish a Notice of Hearing at least 14 days in advance of the official public hearing conducted by the Washington County Board of County Commissioners as required by the Tax Equity and Fiscal Responsibilities Act of 1982 (TEFRA hearing) advising of the Authority's intent to issue bonds for the project. Upon completion of the formal hearing, the Washington County Board of County Commissioners will adopt a formal resolution authorizing the sale of the bonds for the project. Following the TEFRA hearing, the Authority Board of Directors will adopt a formal resolution authorizing the sale and issuance of the bonds.

C: Bond Transaction Fees and Indemnification Requirement

Upon closing of the bond sale and signing of final documents, the Developer will be required to pay to the Authority, from bond proceeds, a non-refundable Issuer's Closing Fee equal to one-half of one percent of the amount of the bonds. Further, the Developer will be required to pay to the Authority, each year the bonds are outstanding, an Issuer's Annual Project Monitoring Fee to be set by the Authority

through negotiations with the Developer, but in no case to be more than one-quarter of one percent of the amount of the outstanding bonds. This fee will be used to cover ongoing project monitoring and other costs. The Applicant is also responsible for paying all fees and expenses of government agencies or professionals (including any fees charged by Washington County, the Authority or the Oregon State Treasurer's Office, if any) engaged on behalf of the Authority for services provided in connection with a bond financing, including all actual fees and costs incurred should an approved financing fail to close for any reason. The Applicant shall also be required to negotiate the Authority's share of Deferred Developer Fees and Excess Cash Distributions and to pay a negotiated Annual Partner/Limited Partner Fee when applicable.

In conjunction with the filing of the Project Proposal - a financially responsible affiliate of the Applicant will be required to execute a Memorandum of Understanding or an Expense and Indemnity Agreement, whereby the Applicant agrees to pay all bond issuance expenses, including, without limitation, the fees and disbursements of the Authority's Bond Counsel, Issuer's Counsel, Disclosure Counsel, Financial Advisor, Trustee and its in-house counsel, the Bond Underwriter(s) and their counsel(s), credit enhancers, rating agencies, Credit Underwriter, Compliance and Financial Monitoring Agents, and any other administrative charges or out-of-pocket expenses which relate to the issuance of the bonds and to indemnify the Authority and its members, officers, agents, attorneys and employees against any and all claims and liability arising out of the issuance of the bonds. The Authority reserves the right to charge fees for these services above the standard contract rate on deals of an unusual nature or with exceptionally complex structures.

XIV. REQUEST FOR ALLOCATION

Bonds that qualify as "qualified residential rental project bonds" under IRC 142(a)(7) require an allocation of federal private activity bond volume cap from the State Private Activity Bond Committee under ORS 286A.605 to 286A.630. The Authority will cooperate with Developers to secure private activity bond volume cap for their projects once the Authority has received and preliminarily approved a Project Proposal. The Authority cannot guarantee that private activity bond volume cap will be available for any bonds.

BOND TRANSACTION FEES SUMMARY

<u>#</u>	<u>FEE</u>	<u>AMOUNT</u>	<u>PAYABLE TO</u>
1	Initial Application Fee	\$2,000	Housing Authority of Washington County (Authority)
2	Proposal Application Fee	\$10,000 ¹	Authority
3	<i>Bond or PAB Volume Cap Allocation Fee</i>	<i>TBD</i>	<i>Oregon State Treasurer's Office–Debt Management Division</i>
4	Administrative Fee (for Bond sales greater than 8 million but less than \$50 million)	0.10% of the principal amount of the bonds	<i>Oregon State Treasurer's Office–Debt Management Division</i>
5	Issuer's Closing Fee	0.50% of the principal amount of the bonds	Authority
6	<i>Oregon State Treasurer's Office Reporting and Tracking Fee for bond sales greater than \$10 million.</i>	<i>\$10,000 due within ten days of closing.</i>	<i>Oregon State Treasurer's Office–Debt Management Division</i>
7	Issuer's Annual Project Monitoring Fee	Negotiable but in no case greater than one quarter of one percent of the outstanding principal amount of the bonds.	Authority
8	Authority's Share of Deferred Developer Fees	Negotiable	Authority
9	Authority's Share of Excess Cash Distributions	Negotiable	Authority
10	Annual Partner/Special Limited Partnership Fee ² (<i>Where applicable</i>)	Negotiable but generally \$5,000 or more	Authority

¹ In the event the Authority's direct costs exceed \$10,000, the Developer will be required to reimburse the Authority for those additional costs within 30 days of receipt of bill for same.

² Annual Special Limited Partnership fee is technically not a bond transaction fee but is listed here to help provide a full cost schedule.

XV. AUTHORITY’S DISCRETION AND WAIVER

Such elements as income requirements, bond security, design, location, ownership, management, and the application process are addressed in these Program Guidelines. At a number of points in the negotiation and development process, the Authority has reserved the right of approval at its sole discretion; however, the Authority's approval of participants, plans, designs and operations shall not be unreasonably withheld. It is the goal of the Authority to maximize the public benefit resulting from the bond program and to achieve its overriding objective, which is production of affordable housing.

Should the State of Oregon Private Activity Bond Committee authorize the use of a portion of the State's Private Activity Bond limit for a proposed project and the Developer be unable to proceed with the project, or should the Authority and the Developer be unable to negotiate terms for a mutually acceptable project, the Authority reserves the right to consider applications from other potential developers and to utilize any approved bond allocation. It is the Authority's policy to commit the full amount of any bond allocation prior to making any new request to the State.

XVI. GENERIC BOND ISSUANCE TIMELINE³

Initial Application	Day 1
Initial Application Review	Day 30-45
Project Proposal application	Day 90-105
Project Proposal Review	Day 105-165
<i>Inducement Resolution</i>	<i>Day 120-150</i>
TEFRA Public Notice	Day 120-165
TEFRA Public Hearing	Day 165-220
Request for Allocation from State Treasury	Day 165-220
<i>HABOD Bond Sale and Issuance Authorization</i>	<i>Day 175-220</i>
Bond Allocation/Certificate issued	Day 220-225
Bond Sale/Closing	Day 225-350

³ **DISCLAIMER** – This Bond Issuance Guidelines timeline is provided as a generic template that assumes all required processes work perfectly. It is subject to change since nearly all development deals are unique and some are likely to progress faster than others.

XVII. BOND ASSUMPTION AND TRANSFER OF OWNERSHIP

Any purchaser of developments financed with Housing Authority of Washington County Private Activity Bonds, unless the bonds are retired, shall provide to the Housing Authority:

- A minimum application fee of \$5,000 and a completed Bonds Proposal for Financing of Affordable Housing application form.
- Upon receipt of the completed application and fee, Authority staff will evaluate the proposed project for compliance with the Bond Issuance Guidelines and all legal requirements set forth in the bond documents related to a transfer of project ownership.
- A letter of approval to assume the bonds will be issued to the prospective Purchaser by Authority staff upon successful demonstration by the Purchaser that the Guidelines and all legal requirements of the bond issue have been met.

The allocation of authority to issue a specific amount of Bonds is by the State of Oregon to the Housing Authority of Washington County; and, once that allocation has been authorized, the Board of Directors of the Authority has sole discretion over project approval and issuance of the bonds.

PLEASE CONTACT US THROUGH AUTHORITY'S WEBSITE, EMAIL AUTHORITY AT:
HAWCdevelopment@co.washington.or.us
OR CALL AUTHORITY'S MAIN PHONE LINE AT **503-846-4794** TO BE IF YOU WISH
TO BE EMAILED AN INITIAL OR PROJECT PROPOSAL APPLICATION FORMS.
HARDCOPIES OF APPLICATIONS ARE ALSO AVAILABLE BY MAIL.