

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

July 10, 2024

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, July 17, 2024

The Private Activity Bond Committee will meet on Wednesday, July 17, 2024, to discuss 2024 committee Volume Cap Allocation requests and other agenda topics.

This meeting will be conducted from 10:00 am – 12:00 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

JULY 17, 2024

Jaime Alvarez, Chair & Designee
Office of the State Treasurer

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Department of Administrative Services

Theresa K. Deibele, Public Member



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PUBLIC MEETING NOTICE AND AGENDA

THE PRIVATE ACTIVITY BOND COMMITTEE WILL HOLD A REGULARLY SCHEDULED

HYBRID VIRTUAL MEETING ON

Wednesday, July 17, 2024

10:00am – 12:00pm¹

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 # 839 294 584#
IN-PERSON PARTICIPATION: 867 HAWTHORNE AVE SE – SALEM

AGENDA¹

1.	Call to Order & Roll Call	10:00 AM	10:05 AM
2.	Chair Message	10:05 AM	10:15 AM
3.	Private Activity Bond Status	10:15 AM	10:25 AM
	<ul style="list-style-type: none">• 2023 Carryforward Summary• 2024 Current Allocation Status• 2024 Volume Cap Status		
4.	Rulemaking Update	10:25 AM	10:45 AM
	<ul style="list-style-type: none">• Update• Vote on Final Draft		
5.	<u>Projects Update</u>	10:45 AM	11:00 AM
	Oregon Housing & Community Services Department		
	<ul style="list-style-type: none">• Public Comment ²		
6.	Adjournment		

¹ Estimated times

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

TAB 2 – PAB STATUS

2023 CARRYFORWARD SUMMARY UPDATE

2024 VOLUME CAP STATUS AND UPDATE

2024 VOLUME CAP ALLOCATIONS

Private Activity Bond Carryforward Allocation History

ALLOCATION YEAR	ALLOCATED TO/USED BY:	AMOUNT ALLOCATED	USED	Date Closed or Issued	Issuer Remaining / Expiring	PURPOSE
		\$287,155,474.00				Affordable Housi
2023	Oregon Housing and Community Services Department IRC 142(a)(7) and 142(d)					
	Housing Development Bond (Kafoury Court), 2024 Series C		\$14,300,000.00	2/23/2024		
	Housing Development Bond (Pacific Flats), 2024 Series E		\$13,200,000.00	2/28/2024		
	Housing Development Bond (Mountain View), 2024 Series F		\$15,000,000.00	5/10/2024		
	Housing Development Bond (College View), 2024 Series G-1, G-2		\$10,950,000.00	6/6/2024		
	Housing Development Bond (Cypress Hill), 2024 Series H		\$10,600,000.00	6/13/2024		
	Housing Development Revenue Note (Ollie Court) 2024 Services J		\$26,155,000.00	7/18/2024		
expires:						
12/31/2026						
	Subtotal - OHCS D		\$90,205,000.00			
			*Verified figures with OHCS D on 7/3/24			
	Total	\$287,155,474.00	\$90,205,000.00		\$196,950,474.00	

**Private Activity Bond Committee
2024 Current Allocations
As of 7/10/2024**

	Legislative Cap Allocations ¹	PAB Current Requests	PAB Committee Approved Allocations	Allocations	Meeting PAB Committee Approved Allocations
State Agencies					
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 78,169,750.00 (or \$19,542,437.50/quarter)³

Local Government			
Oregon Business Development Department		32,000,000.00	4/17/2024
Local Government Subtotals		\$ -	\$ 32,000,000.00

Oregon PAB Volume Cap Totals⁴	\$ 529,169,750.00	\$ -	\$ 32,000,000.00
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2024 Committee PAB Current Allocation Summary	
Committee Available Allocation Cap:	\$78,169,750.00
Current Approved: -	-\$32,000,000.00
Current Requests: -	\$0.00
Expired/Returned to Committee ⁵ : +	\$0.00
Potential Remaining Allocation:	\$46,169,750.00

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

² PAB Legislative Allocation for 2024 + 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 FY24 Population by 2024 IRS Cap per Capita: 4,233,358 \$125.00 \$529,169,750

⁵ Balance of expired/returned 2024 Committee Current Allocations

2024
STATE OF OREGON
PRIVATE ACTIVITY BOND (PAB) VOLUME CAP
\$529,169,750
As of 7/10/24

	Legislatively Allocated	Amount Requested To Date	Amount Approved To Date	Allocation			Date Allocated	Date Used	Date Expires/ Returned
				Used To Date	Remaining	Returned To Committee			
PAB Committee - Allocation x HB 5005 (2023-25 Legislature)	\$58,538,600								
Additional Allocation based on 07-01-2023 U.S. Census Data/2024 IF	\$19,631,150								
TOTAL PAB Committee Allocation for 2024:	<u>\$78,169,750</u>								
Oregon Business Development Department <i>Bulk Handling Systems Project at Lane County, LLC</i>		\$ 32,000,000.00	\$ 32,000,000.00				4/17/24		12/15/24
TOTALS		\$ 32,000,000.00	\$ 32,000,000.00	\$ -	\$ -	\$ -			

TOTAL PAB Committee Allocation for 2024: \$78,169,750.00
Allocation Approved to Date: (\$32,000,000.00)
Allocation Returned to Committee: \$0.00
Total Remaining Available to Allocate: \$46,169,750.00

Total Amount Volume Cap Requested for Today's Meeting: \$32,000,000.00

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

Oregon Housing & Community Services Department	\$450,000,000.00			
<i>Housing Development Note (Olive Plaza), 2024 Series A-1, A-2</i>			\$28,130,000.00	
<i>Housing Development Note (Killingsworth Plaza), 2024 Series D</i>			\$27,785,000.00	
<i>Housing Development Note (Julia West), 2024 Series B</i>			\$28,340,355.00	
				<u>\$365,744,645.00</u>
Oregon Business Development Department Beginning & Expanding Farmer Loan Program	\$1,000,000.00		\$0.00	
				<u>\$1,000,000.00</u>
Total amount Allocated for 2024 to State Agencies:	<u>\$451,000,000.00</u>		<u>\$84,255,355.00</u>	<u>\$366,744,645.00</u>

2024 PAB Allocation [population estimate x \$cap/capita]: ¹

FY24 U.S. Census Population for Oregon	IRS \$ Cap per Capita	Oregon Total PAB Volume Cap
4,233,358	\$125.00	\$529,169,750

¹ FY24 U.S. Census Bureau population estimates for July 2023 released late December 2023

TAB 3–

2024 PAB Rulemaking Update

Hearing Officer Report

Final Draft 170-071-0005



Hearing Officer Report

Date: July 10, 2024
To: Private Activity Bond Committee
From: Jaime Alvarez, Director of Debt Management
Subject: Hearing Officer's Report on Rulemaking Hearing
Hearing Date: May 16, 2024
Hearing Location: Hybrid In-person/Online

Rule Filing Caption: Private Activity Bond Allocation Amendments

The rulemaking hearing on the proposed rules was convened at 10:00 a.m. Two Oregon State Treasury employees attended, including the hearing officer. Zero members of the public attended. People were asked to state their names, affiliations, and whether they wished to comment on the proposed rules. They were informed of the procedures for taking comments. They also were told that the hearing was being recorded. Before taking recess, Jaime Alvarez briefly summarized the proposed rules.

Summary of Oral Public Comments

No oral comments were submitted during the hearing.

Written Comments

No written comments were submitted during the hearing.

Close of Hearing

The hearing was adjourned at 12:00 p.m. The public comment period closed at 5 p.m. on June 21, 2024.

Written Comments Submitted During Public Comment Period

Michael Schrader, Orrick:

We would propose the following technical edits be considered to proposed new Section 4 to OAR 170-071-0005:



(4) Suballocation. State agencies ~~with to whom~~ current CAP allocations ~~have been made~~ may choose to suballocate any amount of the agency's allocation to another issuer provided that the allocation is used for the same class of projects or activities ~~category of project~~ for which the allocation initial request was made to the agency. An issuer receiving a, ~~and the~~ suballocation must comply ~~complies~~ with the requirements set forth in section (9) of this rule by providing a report. ~~Report of the suballocation must be sent to the Committee through the OST as provided in OAR 170-055-0001(4) within 150 days after receiving such allocation or by December 15 of the current calendar year, whichever is earliest, and include the information required in section (3) of this rule.~~ An issuer receiving CAP pursuant to a suballocation pursuant to this section (4) shall be subject to all limitations, conditions and requirements of this rule and for the use of such CAP imposed on the agency making the suballocation.¶

All proposed edits from this comment were incorporated in the final draft of the rules.

Matthew Harris, Oregon Housing and Community Services:

I concur with all of Mike's suggestions below. I would add though that the Department intends to report all suballocations made with our legislative authorization to the Committee, but I would suggest this be a requirement quarterly, much as we provide all PAB data informally at the request of OST already. We could use this opportunity to make it a requirement that agencies receiving allocation (Currently OHCS and BizOR) report 4/1, 7/1, and 10/1 to the Committee of any use of PAB or suballocation of PAB the prior quarter. Rules already require this for December 15 in time for the PABC Carryforward meeting, so 1/1 wouldn't be necessary. This would ensure that the Treasury and the PABC always have updated data prior to each scheduled PABC meeting throughout the year.

The proposal of mandatory reporting each quarter was added to the final draft of the rules.

Chapter 170
Oregon State Treasury

170-071-0005
Allocation of Private Activity Bond Limit

(1) Definitions.

- (a) "CAP" means the state's private activity bond volume limit.
- (b) "Committee" means the Private Activity Bond Committee established pursuant to ORS 286a.615.
- (c) "Issuer" has that meaning given to it by ORS 286A.605.
- (d) "OST" means the Office of the State Treasurer.
- (e) "Private Activity Bonds" has the meaning given in Section 141 of the Internal Revenue Code of 1986. "OST" means the Office of the State Treasurer.

(2) Meetings of the Committee. Committee meetings will be held as necessary, and on dates determined by the Committee to be consistent with the efficient allocation of the CAP, with public notice given as required by law. Committee meetings are open to the general public and may be held in any location permitted under the public meetings law, ORS 192.610 to 192.690, where the Committee deems appropriate. The Committee reserves the right to change its meeting schedule as allowed by the Oregon Public Meetings Law.

(3) Allocation Requests. Applications for current year CAP must be submitted no earlier than 30 days prior to the year for which the allocation is requested. Requests must be received no later than 10 business days before the scheduled meeting of the Committee at which the request is to be considered. Private activity bond issuers not specifically granted CAP by the legislature must submit requests for CAP to the Committee. Issuers who have been granted a CAP allocation by the legislature may also apply to the Committee for additional CAP. Each applicant for CAP must submit with its application a fee in the amount set forth in OAR 170-061-0015. CAP requests may be made for a specific project or for an amount to be further allocated by the requestor among a class of projects or activities that meet the allocation criteria. CAP requests and all communications must be sent to the Committee through the OST as provided in OAR 170-055-0001(4) and include:

- (a) The name of the governmental bond issuer,
- (b) The title of the obligation to be issued,
- (c) The principal amount of the obligation,
- (d) The amount of the allocation request,
- (e) The date of any purchase commitment if such commitment has been made,
- (f) The name and address of the original purchaser(s) of the obligation if such purchase has been made;
- (g) The name, address and telephone number of the principal user(s) of the proceeds from the issue;

- (h) The anticipated sale date of the issue;
- (i) The anticipated closing date of the issue;
- (j) The name, address and phone number of bond counsel;
- (k) The section and paragraph of the Internal Revenue Code, as identified by bond counsel, under which the bonds are deemed private activity bonds;
- (l) How the project or activity for which an allocation is requested meets statutory standards;
- (m) The expected number of jobs created or saved as a result of the allocation;
- (n) The expected number of housing units to be constructed or renovated as a result of the allocation, (describe how the affordability requirements of the Internal Revenue Code and your local requirements, if applicable, are to be met); and
- (o) Any additional material, as required by the Committee, in support of the requested allocation.

(4) Suballocation. State agencies ~~with to whom~~ current CAP allocations ~~have been made~~ may choose to suballocate any amount of the agency's allocation to another issuer provided that the allocation is used for the same ~~class of projects or activities~~ category of project for which the ~~allocation initial request~~ was made ~~to the agency, and the~~ An issuer receiving a suballocation must comply ~~with the~~ requirements set forth in section (9) of this rule ~~by providing a report. Report of the suballocation must be sent to the Committee each quarter by April 1, July 1, and October 1, through the OST as provided in OAR 170-055-0001(4). within 150 days after receiving such allocation or by December 15 of the current calendar year, whichever is earliest, and include the information required in section (3) of this rule. An issuer receiving CAP pursuant to a suballocation pursuant to this section (4) shall be subject to all limitations, conditions, and requirements of this rules and for the use of such CAP imposed on the agency making the suballocation.~~

(5) Allocation Standards. The purpose of private activity bonding in this state is to maximize the economic benefits of such bonding to the citizens of this state. To this end, the Committee shall make allocations that are expected to further economic development, housing, education, redevelopment, public works, energy, waste management, transportation and other activities that the Committee determines will benefit the citizens of the state. The Committee, in determining whether an allocation is made to a project or class of projects or activities, will consider criteria including but not limited to the following:

- (a) Support projects that increase the number of family wage jobs in Oregon,
- (b) Promote economic recovery in small cities heavily dependent on a single industry,
- (c) Emphasize development in underdeveloped rural areas of this state,
- (d) Utilize educational resources available at institutions of higher education,
- (e) Support development of the state's small businesses, especially businesses owned by women and members of minority groups,
- (f) Encourage use of Oregon's human and natural resources in endeavors, which harness Oregon's economic comparative advantages.

(6) Decision Factors. The Committee shall consider the following factors in reaching its allocation decision:

(a) The amount of CAP remaining within the Committee's allocation discretion and the total amount of unused CAP remaining at the time the request is received;

(b) The amount of allocation requested;

(c) Whether the project(s) or activities promote one of the standards listed in section (5) of this rule; and

(d) The type of bond issuer making the request.

(7) Allocation Methods.

(a) The Committee may grant more or less than the originally requested amount of CAP. Issuers must submit requests in the form and manner described in section (3) of this rule.

(b) At the Committee's discretion, a portion of their CAP may be reserved for the last six months of the calendar year.

(8) Committee Decision Final. Issuers have the right to submit additional information, germane to their request, to the Committee at its meeting described in section (6) of this rule. Action of the Committee is final, however, if a CAP request is denied, a new application may be re-submitted through the procedures outlined in this rule.

(9) Bond Closing Fee and Post-Allocation Report. Issuers to whom current CAP allocations have been made under this rule must submit to the Committee, within 150 days after receiving such allocation or by December 15 of the current calendar year, whichever is earliest, a confirmation of bond closing. The Issuer shall pay the respective fees set forth in ORS 170-061-0015 to OST. In the event an issuer fails to file written confirmation of bond closing as required by this section, the CAP allocation shall automatically lapse. Bond closing confirmations must be delivered to the Committee as provided in OAR 170-055-0001(3) and includes:

(a) The name of the governmental bond issuer,

(b) The title of the obligation issued,

(c) The principal amount of the obligation issued and allocation used;

(d) The date of closing;

(e) The date of the bond allocation;

(f) The name and address of the individual submitting the bond closing confirmation; and

(g) Any additional material, which may be required by the Committee in support of the closing confirmation.

(10) Lapse or Extension of Allocation. Lapse of an allocation does not preclude the issuer from applying for a subsequent allocation for the same project. Subsequent allocation requests require a subsequent application fee as required by 170-061-0015(4). Issuers may, under compelling circumstances, request an extension of time to their initial 150-day period. Such requests must be filed

with the Committee for approval or denial of the extension. Extension requests do not require subsequent application fees. All current year CAP allocations automatically lapse on December 15 of the calendar year for which the allocation is made, unless the issuer who has received the allocation files with the Committee a binding commitment to purchase and close the bond issue on or before December 31.

(11) Carry Forward Allocations.

(a) The Committee, on behalf of the state's agencies, commissions, and governmental units, may elect to carry forward all unused CAP. To receive a carry forward CAP allocation, an issuer must file a carry forward request with the Committee not later than December 15 or earlier than September 30 of the current calendar year. The Committee will require information necessary for it to determine whether such carry forward request qualifies under the Internal Revenue Code and associated regulations. The Committee, not later than January 31 of the following year, shall make carry forward allocations to eligible issuers for specified purposes. Carry forward requests must include the information required in section (3) of this rule and be submitted with the application fee set forth in OAR 170-061-0015.

(b) An issuer receiving a carry forward allocation must forward to the Internal Revenue Service a document indicating the carry forward election made to that issuer by the Committee, in such manner and format proscribed by the Internal Revenue Service and any relevant state or federal regulations.

(c) It is the responsibility of the issuers to whom carry forward CAP is granted to file Form 8328 "Carry Forward Election of Unused Private Activity Bond Volume Cap" with the Internal Revenue Service Center, Ogden, UT 84201 on or before February 15 of the year in which the carry forward is granted, in order to validate the carry forward with the federal government. A signed copy of the issuer's filing with the Internal Revenue Service must also be sent to the Committee on or before February 15 of the year in which the carry forward CAP is granted.

(d) Use Report. Issuers to whom carry forward CAP is granted must submit to the Committee, within 30 days of closing, a confirmation of CAP use and bond closing information including:

(A) The name of the governmental bond issuer;

(B) The title of the obligation issued;

(C) The principal amount of the obligation issued and allocation used;

(D) The date of closing;

(E) The date of the carry forward bond allocation;

(F) The name and address of the individual submitting the bond closing confirmation; and

(G) Any additional material, which may be required by the Committee in support of the closing confirmation.

(e) Carry Forward Allocation Fees. The issuer shall pay the respective fees set forth in OAR 170-061-0015 to OST.

(12) Annual Needs Survey. The Committee during the final quarter of each calendar year will inquire of the private activity bond issuers of the state as to their anticipated private activity bond issuance and the need for private activity bond allocation in the ensuing year. To be taken into consideration by the

Committee for future allocation, issuers should provide their information to the Committee on or before December 15 of the calendar year prior to the year for which private activity bond projections are made.

(13) Additional Allocation. The Committee may allocate amounts, subject to the standards set forth in subsection (5) of this rule, among issuers without a request for allocation from the issuer in the event additional bond limit becomes available, because of changes in federal law or otherwise, that has not been specifically allocated to an issuer by the Legislative Assembly.

(14) Exceptions. The Committee, at its discretion, may waive any or all provisions of this rule.

Statutory/Other Authority: ORS 286A.005, 286A.615

Statutes/Other Implemented: ORS 286A.015, 286A.615

TAB 4 -

PAB Utilization Update

Oregon Housing and Community Services Department

PAB Use for Affordable Rental Housing

Update
