

Affordable Housing Financing

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What SVdP does

Founded in 1952

- Primary service area is Lane County

Serve over 20,000 annually in our core areas:

- Homeless and Emergency Services
- Materials recycling and retail thrift operations
- Affordable Housing & Supportive Housing

Developed over 1,700 units of affordable housing since 1988

- New construction, rehab, single family, multifamily, and manufactured home park redevelopment

Developed 14 commercial and retail properties for our operations



Funding for Multifamily Affordable Housing

- Major source of financing for new construction (30+ units) are LIHTCs (Low Income Housing Tax Credits)
 - Federal Tax Credits issued by the IRS to state allocation agencies (OHCS)
 - OHCS set requirements/process for allocation-updated every 2 years
 - Equity from the investor provides approximately 50%-90% of project funding
- Projects typically have 5-15 different funding sources
 - Each funder has specific requirements which result in multiple up front and compliance requirements



Bottlenecks in Financing

Complexity of development financing

- Projects typically have 5-15 different funding sources
 - It takes a long time to get all sources awarded—2 years is absolute best case scenario; 3-5+ more typical
 - Each funding source has specific requirements which result in multiple up front and compliance requirements
 - All funding sources are competitive
 - Since we rely on tax credits and loans; as market conditions change, tax credit pricing and interest rates change which can cause funding gaps
 - Developing agency must provide financial guarantees and meet liquidity requirements
- Multiple funding sources also means complexity in ongoing compliance and monitoring (which increases operating expenses)



Examples of some funding requirements

- In addition to funding program requirements, OHCS has a Core Development Manual with additional standards & policies including but not limited to: Visitability, Green standards, solar ready, EV ready, Minimum unit sizes, 50% native landscaping, and 30 year material durability standard
- MWESB contracting requirements
- Prevailing wage rates (if applicable)
- Neighbor engagement
- Underwriting requirements of the lenders and investors
- Environmental review (NEPA) for federal funding
- Long term funding of any services included for operations
- Note—meeting all the timelines and requirements of funders is running in parallel to meeting all the ‘regular’ development and permitting processes; any issues with either process can impact the other







