

Oregon Facilities Authority
Minutes of Meeting of
April 8, 2019

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on April 8, 2019, commencing at approximately 12:00 p.m. at 888 SW Fifth Avenue, Suite 1600, Portland, Oregon.

Authority Members participating in the meeting (in person, unless otherwise indicated) were: Chair Eric Johansen, Vice-Chair Allyson Anderson (by phone) and Authority Members Sean Hubert, Kevin McAuliffe, and Roy Kim.

Participating in the meeting to assist the Authority (in person, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority; Duncan Brown of PFM, Financial Advisor; Carol McCoog of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel, Michael Schrader and Doug Goe of Orrick, Herrington and Sutcliffe LLP, Lead Bond Counsel; Lee Anaya and Lee Helgerson of the Office of the State Treasurer ("OST"); and Assistant Attorney General Cynthia Byrnes (by phone), Oregon Department of Justice ("DOJ").

Chair Eric Johansen called the meeting to order and presented the notice of meeting.

Executive Director Reports

Ms. Griffith directed the Board's attention to the Bonding Report and General Report, both of which were included with the materials. A general discussion ensued.

Mr. Schrader reported on the PCRI transaction which is "on hold" pending further analysis by the Applicant.

Approval of Minutes

The Minutes of the meeting of March 19, 2019, were unanimously approved.

The Board took a brief recess and reconvened at approximately 1:00 p.m.

Consideration of Final Approval for the application by Howard Street Charter School for an OFA Traditional Bond in an amount not to exceed \$5,500,000.

Ms. Christina Tracy, Teaching Principal, Mr. Erik Davis, Board Treasurer, and Mr. Pablo Torrent, Board Member and Member of the Board Finance Committee, appeared on behalf of the Applicant. Mr. David Robertson of the financial advisory firm, Lewis Young Robertson & Burningham, Inc., assisted the Applicant with the presentation. Mr. Nick Hagen of the underwriting firm, Piper Jaffray & Co., assisted with the presentation.

Ms. Christina Tracy reviewed the Project and reported on the progress of the financing team since preliminary approval. She reviewed the Applicant's enrollment and wait list numbers and

the relationship with the sponsoring District. The Applicant's presentation materials are available upon request. Ms. Tracy reported that all issues have been addressed to the Applicant's satisfaction. Mr. Davis thanked the Authority for its support in providing this financing to the Applicant.

Mr. Robertson presented the terms of the financing. The Bonds will be structured as a limited offering available only for purchase by qualified institutional buyers. No ratings will be sought. The Bonds will be issued in both a tax-exempt and a federally taxable series, with fixed interest rates and 37-year maximum maturities. Mr. Robertson noted that the projections assumed an interest rate of 6.25% and 35-year amortization. Mr. Hagan described the bond sale process and timing for closing the transaction.

Bond Counsel's report is included in the materials. Mr. Schrader described the progress of the financing team since preliminary approval and the changes in the Project. He reported that all documents are in substantially final form and all required opinions have been received in approved form. Mr. Schrader recommended the transaction for final approval.

The Financial Advisor's report is included in the materials. Mr. Brown reviewed the nature of the financing as a limited offering to institutional investors and discussed the covenant relating to days of cash on hand. Mr. Brown recommended the transaction for final approval.

Ms. Griffith's report is included in the materials. She recommended the transaction for final approval.

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2019-4, granting final approval to Howard Street Charter School for an OFA Traditional Bond in an amount not to exceed \$5,500,000, and recommending that the State Treasurer consider issuing the bond. Mr. Kim seconded the motion and Resolution 2019-4 was unanimously approved.

Consideration of Preliminary Approval for the application by Human Solutions, Inc. for an OFA SNAP Loan in an approximate amount of \$1,794,406.

Ms. Sarah Schubert, Director of Housing, and Ms. Tanja Lux, CFO, appeared on behalf of the Applicant. Ms. Sharon Wynde, of Heritage Bank, the sponsoring bank, appeared to assist the Applicant with the presentation.

Ms. Schubert presented the mission, vision and goals of the Applicant. Human Solutions' mission is to counter the forces that keep people and communities in poverty by building relationships and assets that create opportunity - today and for future generations. It provides social services to low income and homeless persons in east Portland and currently owns 720 units of housing in 17 complexes throughout East Portland, Gresham and Fairview. Ms. Schubert described the Project, which is a refinance of the construction loans and reimbursement of cash expenditures used to rehabilitate the Carolyn Gardens Property, which is a 12-unit, income-restricted property originally constructed in 2001. The Applicant's presentation materials are available upon request.

Ms. Wynde presented the terms of the financing. The loan will have an initial 10-year term with amortization over 25 years. The loan has provisions for a formulaic interest rate reset at years 11 and 21.

SNAP Counsel's report is included in the materials. Ms. McCoog reported that she and Ms. Cordova participated in the scoping call and the Project and financing appeared to be straightforward. SNAP Counsel will perform the usual diligence. Ms. McCoog recommended the transaction for preliminary approval.

The Financial Advisor's Report is included in the materials. Mr. Brown reported that he met with the Applicant in June 2017 and that this Application is consistent with their conversation at that time. The Applicant and the transaction appear to meet the requirements for a SNAP Loan.

Ms. Griffith reported she has a conflict of interest because the law firm in which she is a partner provides legal representation to the Applicant. As a result, she did not provide any recommendation relating to this transaction.

Mr. Anaya, on behalf of OST, recommended the transaction for preliminary approval.

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2019-5, granting preliminary approval to Human Solutions, Inc. for an OFA SNAP Loan in an approximate amount of \$1,794,406. Mr. Kim seconded the motion. Resolution 2019-5 was unanimously approved.

The Chair asked for public comment. There was none.

There being no further business to come before the Authority, the meeting was adjourned at approximately 2:15 p.m.

/s/ Eric H. Johansen

Eric H. Johansen, Chair

/s/ Gwendolyn Griffith

Gwendolyn Griffith, Executive Director

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