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Orrick: Novel Bond Offering Provides More Affordable Housing in Portland, Oregon at Lower Cost

BRIDGE Housing, a nonprofit affordable housing developer on the West Coast, has raised $70.7 million in a tax-exempt bond offering to finance the construction of 224 units of affordable housing at a crucial transit juncture in Portland, Oregon.

The project represents a public-private collaboration among BRIDGE, TriMet and numerous public and private funders and partners.

Orrick served as bond counsel to Oregon Housing and Community Services Department, which acted as the conduit issuer for the tax-exempt bonds, awarded low-income housing tax credits (LIHTC) to the project and provided a portion of the public gap-funding for the project

KeyBanc Capital Markets served as the underwriter in the public offering and sale of the bonds, which were sold as rated investment grade (AA-) bonds based on the guarantee of the bonds by BRIDGE Housing. Sam Adams, managing director of affordable housing for KeyBanc, noted that BRIDGE Housing is "the first nonprofit to guarantee municipal bonds using a credit rating" resulting in a considerably lower interest rate for the bonds.

THE PARTIES
The Oregon Housing and Community Services Department provides resources for Oregonians to reduce poverty and increase access to stable, affordable housing. The Department issued more than $550 million in conduit revenue bonds in 2024, financing 24 projects across Oregon, all leveraging low-income housing tax credits and numerous other public and private funding sources.

BRIDGE Housing is a nonprofit developer, owner, and manager of affordable housing on the West Coast, with a mission to strengthen communities and improve lives. Hollywood HUB is the most recent, among several, innovative BRIDGE Housing projects in the Portland metro region in recent years. Founded in 1983, BRIDGE Housing has participated in the creation of more than 22,000 affordable homes in California, Oregon and Washington, with a total development cost of $5.8 billion.

KeyBanc Capital Markets is a leading corporate and investment bank providing capital markets and advisory solutions to dynamic companies capitalizing on opportunities in changing industries, including a broad range of financing solutions in the affordable housing sector.

THE IMPACT
BRIDGE Housing will use the bond proceeds to develop Hollywood HUB. The 224-unit project is one of the largest affordable housing developments in Oregon in recent years and is located adjacent to the TriMet's Hollywood Transit Center in NE Portland. In addition to the bonds, the project received an award of low-income housing tax credits and numerous public and other gap funding sources, including METRO, HOME and Housing Trust Funds through the Portland Housing Bureau and the Department.

“We are constantly seeking innovative financing to spur sustainable growth and advance our urgent mission to provide affordable housing,” said BRIDGE Housing President and CEO Ken Lombard. “We are grateful to KeyBank for leading this pathbreaking bond sale, to our investors, and to our partners on this very important project.”

THE TEAM
Michael Schrader led the Orrick team that served as bond counsel and advised the Oregon Housing and Community Services Department on the project. The team included Paul Toland, Alexandra Bartos-O’Neill, Angie Gardner, Raiko Kaneshige-Green, Steven White and Barbara Jane League.

“Our aim is to help our client address the housing crisis in Oregon by efficiently and effectively maximizing the public and private funding sources that are essential to create safe, sustainable and affordable housing. The Hollywood HUB project exemplifies how the private and public sectors can innovate and collaborate, supported by a dedicated team of professionals, to finance these projects that are critical in beginning to address the housing crisis,” Toland said.

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