

MCPFA Executive Director Report

September 17, 2026

Project Update

Since the Board's August meeting, we have continued to identify opportunities to reduce the project's funding gap and improve its overall feasibility. While the project continues to face financing challenges, recent work has identified opportunities to reduce project costs and financing expenses.

Value Engineering Efforts Are Underway

Since our last meeting, we have worked with the developer and contractor to identify value engineering opportunities. To date, approximately \$2 million in potential cost reductions have been identified.

These opportunities represent the initial results of the project's ongoing effort to identify efficiencies while preserving the project's core housing program and essential project objectives. Staff will continue to evaluate these and other opportunities to reduce construction and other project costs.

At this time, the identified value engineering opportunities have not been incorporated into the project's funding-gap calculation. Staff will continue to work with the developer and contractor to evaluate these opportunities and determine which, if any, can ultimately be incorporated into the project.

Environmental Mitigation Update

The State has now posted the Remedial Action Workplan (RAW) for public comment, representing an important step forward in the environmental mitigation process. Given the previous delays associated with the environmental process, Eden Housing will also be requesting that the State extend the project's tax credit financing.

We will continue to work with the State and the project consultants throughout the public comment and review process. We will also continue coordinating the environmental schedule with the development and financing timelines so that the project is positioned to proceed as soon as the required environmental conditions are satisfied.

Next Steps

Over the coming weeks, staff will focus on the following priorities:

- Continue to evaluate value engineering measures to determine whether additional construction cost reductions can be achieved without compromising the project's core objectives.

- Continue coordination with the State on the RAW public comment and approval process and monitor its impact on the overall project schedule.

Conclusion

Although the Oak Hill Workforce Housing Project continues to face a funding shortfall, we have made progress since the Board's August meeting in identifying opportunities to reduce the gap.

Once there is greater certainty regarding final construction costs, financing terms, and the environmental schedule, staff will work with potential guarantor partners and the development and financing teams to evaluate the remaining funding requirements and recommend next steps to the Board.