

# METRO HOUSING BOND QUARTERLY REPORT | OCTOBER-DECEMBER 2021

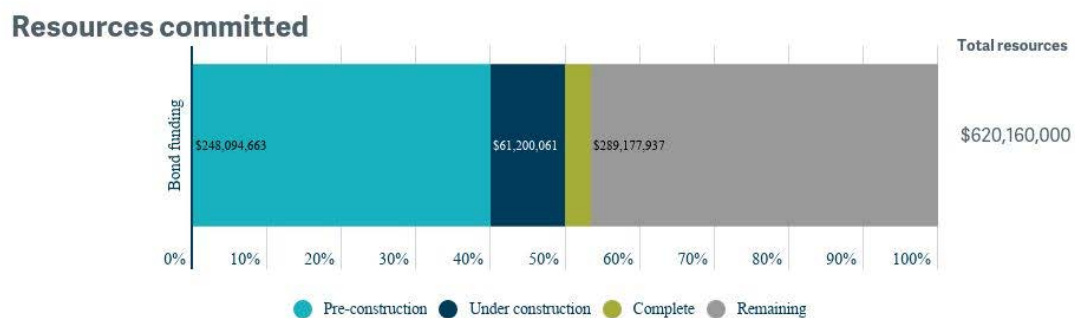
February 23, 2022

*This is the fourth quarterly progress report for the Metro Affordable Housing Bond of 2021. Similar reports are produced quarterly with the goal of keeping the Housing Bond Community Oversight Committee, Metro Council, and other stakeholders and partners informed about ongoing implementation progress. A more detailed report will be provided annually for each calendar year, following submission of local progress reports by each participating implementation jurisdiction.*

## REGIONAL PRODUCTION PROGRESS

As of the end of December 2021, the Affordable Housing Bond program has 31 projects representing 3,013 new affordable homes in the pipeline, including sixteen projects (2,032 units) that have received a Metro concept endorsement and are in pre-construction, twelve projects (801 units) that are under construction, and four projects (180 units) that have begun accepting residents. Collectively, the 31 projects in the pipeline represent 3,013 new affordable homes, or 83.6% of the total production target for the Housing Bond, while utilizing approximately 53.3% of allocated project funding. Of these homes, 1,507 will have two or more bedrooms, representing 77.2% of the program’s production goal for family-sized homes; and 1,147 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 71.6% of the program’s production goal for deeply affordable homes.

### Production and funding dashboard



## Regional production progress

	Eligible units	30% AMI units	2+ BR units	PSH units
<i>Total units in pipeline</i>	3,013	1,147	1,507	555
<i>Total unit production targets</i>	3,900	1,600	1,950	N/A
<i>% of unit progress underway</i>	83.6%	71.6%	77.2%	N/A
<i>Total funding committed or underway</i>	\$330,982,063			
<i>% of funding committed</i>	53.3%			
<i>Total funding remaining</i>	\$289,177,937			

## LOCAL PRODUCTION PROGRESS

### Portland

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Anticipated Completion
Hattie Redmond/Baldwin PSH	\$4,411,737	Construction	60	60	0	60	Oct-2022
Dekum	\$22,910,240	Pre-construction	147	61	78	0	Jan-2025
Findley Commons	\$1,945,175	Complete*	35	0	0	35	Dec-2021
Waterleaf/Riverplace	\$1,739,219	Construction	176	17	48	20	Jul-2022
74th and Glisan	\$19,972,884	Pre-construction	137	56	63	41	May-2024
5020 N Interstate	\$9,363,137	Pre-construction	64	18	48	0	Jul-2023
Albina One	\$13,572,107	Pre-construction	94	32	54	0	Sep-2024
Meridian Gardens/Cedar Commons II	\$12,435,416	Pre-construction	85	70	0	65	Feb-2024
Hollywood Hub	\$29,084,328	Pre-construction	199	69	129	0	Jul-2024
PCC Killingsworth	\$2,538,237	Pre-construction	84	28	60	0	Aug-2024
Tilistial Village	\$3,511,176	Pre-construction	24	24	22	16	Dec-2023
<i>Total units in pipeline</i>			<b>1,105</b>	<b>435</b>	<b>502</b>	<b>237</b>	
<i>Total unit production targets</i>			<b>1,475</b>	<b>605</b>	<b>737</b>	<b>300</b>	
<i>% of commitment complete</i>			<b>74.9%</b>	<b>71.9%</b>	<b>68.1%</b>	<b>79%</b>	
<i>Total committed or underway</i>			<b>\$121,483,656</b>				
<i>Total LIS funding</i>			<b>\$211,056,579</b>				
<i>% of funding committed</i>			<b>57.5%</b>				
<i>Remaining LIS funding</i>			<b>\$89,572,923</b>				

**Washington County**

Name	Metro Bond Funds	Status	Eligible Units	30% AMI units	2+ BR units	PSH units	Anticipated Completion
Aloha Housing Development	\$10,230,000	Pre-construction	81	33	50	0	Apr-2023
Aloha Quality Inn	\$8,465,000	Construction	54	54	0	54	Jun-2022
Plambeck Gardens/ <i>Basalt Creek</i>	\$14,320,000	Pre-construction	116	47	60	8	Jun-2024
Goldcrest/ <i>Cooper Mountain</i>	\$8,700,000	Pre-construction	74	14	45	0	Apr-2023
Plaza Los Amigos	\$12,830,000	Pre-construction	112	26	72	16	Jun-2023
Saltzman Road	\$5,400,000	Pre-construction	53	28	9	24	Jul-2023
Terrace Glen	\$17,484,000	Construction	144	51	73	3	Jun-2023
The Valfre at Avenida 26	\$3,792,088	Construction	36	8	30	8	Sep-2022
Tigard Senior	\$6,270,000	Pre-construction	57	23	0	23	Sep-2023
Viewfinder	\$11,583,000	Complete*	81	34	56	27	Dec-2021
<b>Total units in pipeline</b>			<b>808</b>	<b>318</b>	<b>395</b>	<b>163</b>	
<b>Total unit production targets</b>			<b>814</b>	<b>334</b>	<b>407</b>	<b>100</b>	
<b>% of commitment complete</b>			<b>99.8%</b>	<b>95.8%</b>	<b>98.3%</b>	<b>N/A</b>	
<b>Total committed or underway</b>				<b>\$99,074,088</b>			
<b>Total LIS funding</b>				<b>\$116,465,532</b>			
<b>% of funding committed</b>				<b>85.1%</b>			
<b>Remaining LIS funding</b>				<b>\$17,391,444</b>			

**Clackamas County**

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Anticipated Completion
Fuller Road Station	\$8,570,000	Construction	99	25	82	25	Aug-2022
Good Shepherd Village	\$18,330,000	Pre-construction	141	58	79	35	Aug-2023
Maple Apartments	\$15,903,000	Pre-construction	171	70	129	9	Dec-2023
Tukwila Springs/ <i>Webster Road</i>	\$5,548,542	Construction	48	48	0	48	Jun-2022
<b>Total units in pipeline</b>			<b>459</b>	<b>201</b>	<b>290</b>	<b>117</b>	
<b>Total unit production targets</b>			<b>812</b>	<b>333</b>	<b>406</b>	<b>0</b>	
<b>% of commitment complete</b>			<b>56.5%</b>	<b>60.3%</b>	<b>71.4%</b>	<b>N/A</b>	
<b>Total committed or underway</b>				<b>\$48,351,542</b>			
<b>Total LIS funding</b>				<b>\$116,188,094</b>			
<b>% of funding committed</b>				<b>41.6%</b>			
<b>Remaining LIS funding</b>				<b>\$67,836,552</b>			

## Hillsboro

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Anticipated Completion
Nueva Esperanza	\$16,940,731	Pre-construction	149	60	105	8	Jun-2023
<b>Total units in pipeline</b>			<b>149</b>	<b>60</b>	<b>105</b>	<b>8</b>	
<b>Total unit production targets</b>			<b>284</b>	<b>117</b>	<b>142</b>	<b>0</b>	
<b>% of commitment complete</b>			<b>52.4%</b>	<b>51.2%</b>	<b>74%</b>	<b>N/A</b>	
<b>Total committed or underway</b>			<b>\$16,940,731</b>				
<b>Total LIS funding</b>			<b>\$40,657,081</b>				
<b>% of funding committed</b>			<b>42%</b>				
<b>Remaining LIS funding</b>			<b>\$23,716,350</b>				

## Gresham

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Anticipated Completion
Albertina Kerr	\$ 11,189,475	Construction	147	30	31	30	Mar-2022
Rockwood Village/Rockwood 10	\$5,152,030	Complete*	47	47	39	0	Mar-2022
<b>Total units in pipeline</b>			<b>194</b>	<b>77</b>	<b>70</b>	<b>30</b>	
<b>Total unit production targets</b>			<b>187</b>	<b>77</b>	<b>93</b>	<b>0</b>	
<b>% of commitment complete</b>			<b>104%</b>	<b>100%</b>	<b>75%</b>	<b>N/A</b>	
<b>Total committed or underway</b>			<b>\$16,341,505</b>				
<b>Total LIS funding</b>			<b>\$26,756,995</b>				
<b>% of funding committed</b>			<b>61%</b>				
<b>Remaining LIS funding</b>			<b>\$10,431,965</b>				

## Beaverton

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Anticipated Completion
Mary Ann	\$3,000,000	Complete*	54	11	29	0	Sep-2021
Elmonica	\$11,900,000	Pre-construction	80	33	32	0	Dec-2024
Scholls Ferry Road	\$9,000,000	Pre-construction	164	12	84	0	Oct-2022
<b>Total units in pipeline</b>			<b>298</b>	<b>56</b>	<b>145</b>	<b>0</b>	
<b>Total unit production targets</b>			<b>218</b>	<b>89</b>	<b>109</b>	<b>N/A</b>	
<b>% of commitment complete</b>			<b>136.6%</b>	<b>63%</b>	<b>133%</b>	<b>N/A</b>	
<b>Total committed or underway</b>			<b>\$23,900,000</b>				
<b>Total LIS funding</b>			<b>\$31,140,595</b>				
<b>% of funding committed</b>			<b>76.7%</b>				
<b>Remaining LIS funding</b>			<b>\$7,240,595</b>				

\*Four housing bond projects have opened their doors and are currently accepting residents: Rockwood Village in Gresham, the Mary Ann in Beaverton, the Viewfinder in Washington County and Findley Commons in Portland. While construction is still ongoing, these four projects are in the process of leasing up a total of 180 new housing units

## PROJECT ENDORSEMENTS AND FUNDING APPROVALS

*The following projects were endorsed or approved during the fourth quarter of 2021. Staff reports for these approvals are included in the Quarterly Report Project Approvals Addendum.\*\**

<b>Project</b>	<b>Endorsement/Approval</b>
Elmonica	Concept Endorsement
74 <sup>th</sup> and Glisan	Concept Endorsement
5020 N Interstate	Concept Endorsement
Albina One	Concept Endorsement
Meridian Gardens/ <i>Cedar Commons II</i>	Concept Endorsement
Hollywood Hub	Concept Endorsement
PCC Killingsworth	Concept Endorsement
Tilistial Village	Concept Endorsement
Aloha Inn	Final approval
Good Shepherd Village	Final Approval
Terrace Glen	Final Approval

\*\*Staff reports for projects approved in the fourth quarter can be found at <https://www.oregonmetro.gov/public-projects/affordable-homes-greater-portland/oversight>

# METRO AFFORDABLE HOUSING BOND

Financial Report Through December 2021

## FINANCIAL SUMMARY

<b>TOTAL REVENUE</b>	<b>\$683,399,650</b>
<b>TOTAL EXPENSES and DISBURSEMENTS</b>	<b>\$98,179,364</b>
<b>TOTAL COMMITTED</b>	<b>\$243,211,256</b>
<b>TOTAL FUNDING AVAILABLE</b>	<b>\$342,009,031</b>

## REVENUE

	<b>FY 2018 - 2021</b>	<b>FY 2021 - 2022</b>	<b>TOTAL REVENUE</b>
Bond Proceeds	\$652,800,000		\$652,800,000
Premiums on Bonds	\$2,630,335		\$2,630,335
Interest Earnings	\$25,158,863	\$2,810,452	\$27,969,315
<b>TOTAL REVENUE:</b>	<b>\$680,589,198</b>	<b>\$2,810,452</b>	<b>\$683,399,650</b>

<--- "Premiums on Bonds" and "Interest Earnings" not included in Work Plan Funding

## EXPENSES

<b>PROJECTS</b>	<b>Prior Years Expended or Disbursed</b>	<b>FY2021-22 Expended or Disbursed</b>	<b>Committed -- Not Yet Disbursed</b>	<b>TOTAL EXPENDED, DISBURSED or COMMITTED</b>	<b>WORK PLAN FUNDING</b>	<b>% of Work Plan Funding Expended, Disbursed or Committed</b>
<b>Jurisdiction:</b>						
Beaverton	\$3,000,000	\$0	\$20,900,000	\$23,900,000	\$31,140,595	76.75%
Clackamas County	\$14,118,542	\$0	\$34,233,000	\$48,351,542	\$116,188,094	41.61%
Gresham	\$16,341,505	\$0	\$0	\$16,341,505	\$26,756,995	61.07%
Hillsboro	\$0	\$0	\$16,940,731	\$16,940,731	\$40,657,081	41.67%
Home Forward (East Multnomah Co.)*	\$0	\$0	\$0	\$0	\$15,879,123	0.00%
Portland*	\$3,684,394	\$4,411,737	\$113,387,525	\$121,483,656	\$211,056,579	57.56%
Washington County	\$17,233,000	\$24,091,088	\$57,750,000	\$99,074,088	\$116,465,532	85.07%
Metro Site Acquisition Program	\$4,801,959	\$81,448	\$0	\$4,883,407	\$62,016,000	7.87%
Other Metro Direct Project Costs	\$0	\$7,134	\$0	\$7,134	\$0	N/A
<b>TOTAL:</b>	<b>\$59,179,400</b>	<b>\$28,591,407</b>	<b>\$243,211,256</b>	<b>\$330,982,063</b>	<b>\$ 620,160,000</b>	<b>53.37%</b>

\*Home Forward's Dekum Court project is reflected under the Portland allocation and commitments, since funding for this project was part of the funding initially allocated to City of Portland.

<b>ADMINISTRATIVE</b>	<b>Prior Years Expended or Disbursed</b>	<b>FY2021-22 Expended or Disbursed</b>	<b>TOTAL EXPENDED or DISBURSED</b>	<b>WORK PLAN FUNDING</b>	<b>% of Work Plan Funding Expended or Disbursed</b>
<b>Jurisdiction:</b>					
Beaverton	\$339,016	\$115,118	\$454,134	\$655,591	69.27%
Clackamas County	\$1,467,639	\$0	\$1,467,639	\$2,446,065	60.00%
Gresham	\$140,826	\$168,991	\$309,817	\$563,305	55.00%
Hillsboro	\$342,376	\$171,188	\$513,564	\$855,939	60.00%
Home Forward (East Multnomah Co.)	\$167,148	\$167,149	\$334,297	\$334,297	100.00%
Portland**	\$0	\$0	\$0	\$4,443,296	0.00%
Washington County	\$1,068,690	\$345,450	\$1,414,140	\$2,451,906	57.68%
Metro Site Acquisition Program***	\$0	\$0	\$0	\$1,305,600	0.00%
Metro Accountability and Financial Transaction Costs	\$4,109,109	\$1,805,857	\$5,914,965	\$13,056,000	45.30%
Reserved for Future Allocations				\$6,528,000	0.00%
<b>TOTAL:</b>	<b>\$7,634,804</b>	<b>\$2,773,753</b>	<b>\$10,408,556</b>	<b>\$32,640,000</b>	<b>31.89%</b>

\*\* PHB's Project Delivery Fee is an administrative reimbursement, not paid for by Metro's Affordable Housing Bonds

\*\*\* Metro's Finance and Regulatory Services has determined that Metro Site Acquisition Program expenses are considered Project Expenses

## QUARTERLY REPORT PROJECT APPROVAL ADDENDUM

*Each quarter we include the staff reports for projects that were endorsed or approved during the quarter. This quarter the following projects were endorsed or approved.*

<b>Project</b>	<b>Endorsement/Approval</b>
Elmonica	Concept Endorsement
74 <sup>th</sup> and Glisan	Concept Endorsement
5020 N Interstate	Concept Endorsement
Albina One	Concept Endorsement
Meridian Gardens/ <i>Cedar Commons II</i>	Concept Endorsement
Hollywood Hub	Concept Endorsement
PCC Killingsworth	Concept Endorsement
Tilistial Village	Concept Endorsement
Aloha Inn	Final approval
Good Shepherd Village	Final Approval
Terrace Glen	Final Approval



## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** *ElMonica*

**Implementing Jurisdiction:** City of Beaverton

**Metro IGA Contract Number:** 936550

**Anticipated construction start:** Summer, 2022

**Anticipated construction completion:** Winter, 2023


**Action:**

Metro hereby provides *the* City of Beaverton with Concept Endorsement for \$11,900,000 Metro Affordable Housing Bond funds for the development of ElMonica, a regulated affordable housing project located at 17030 SW Baseline Road, Beaverton. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the *City of Beaverton*, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by *City of Beaverton*, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
11	Studio	30%	0
13	Studio	60%	0
24	One-bedroom	60%	0
7	Two-bedroom	30%	0
10	Two-bedroom	60%	0
15	Three-bedroom	30%	8

Changes to the information contained in the concept endorsement request provided by City of Beaverton could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before Final Approval.

  
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12/16/2021

Marissa Madrigal

Date

Chief Operating Officer

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Elmonica



Drafted by: Valeria McWilliams, Senior Housing Program Coordinator,  
Alison Wicks, Senior Housing Program Coordinator, and Jimmy Oporta,  
Housing Bond Program Analyst  
Date: December 10, 2021

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## Criteria for funding approval

Metro will issue Concept Endorsement to local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Elmonica. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the City of Beaverton.

## Contribution to unit production targets

Elmonica will utilize a total of \$11,900,000 in Metro affordable housing bond funds. This includes \$8,439,934 in Metro bond funds from Beaverton's eligible share allocation (27% of Beaverton's allocation) and \$3,460,066 from Metro's Site Acquisition Program, which is 100% of the total SAP investment in the City of Beaverton. The project will deliver 80 units that meet the following unit production outcomes:

- 37% of Beaverton's overall unit production target;  
37% of Beaverton's target of units affordable to households making 30% or less of area median income (AMI); and
- 28% of Beaverton's family sized unit target.

When combining this project with Beaverton's existing development portfolio, this puts the City on a path to have utilized 66% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 137% of Beaverton's overall unit production target;
- 63% of Beaverton's target of units affordable to households making 30% or less of area median income (AMI); and
- 133% of Beaverton's family sized unit target.

While the City is ahead on the total and family-sized units targets it is currently behind on the 30% AMI unit target. The City has provided a clear description of its plans to achieve and exceed the remaining 30% AMI goals by increasing 30% units in an existing pipeline project and providing a large share of 30% units in "Project C" as described in the City's LIS.

Project C is anticipated to have 38 units at 30% AMI (anticipated to be 58% of total units in that project), supported by at least 16 vouchers.

## Eligibility and readiness to proceed

The City of Beaverton and Site Acquisition Program have submitted and Metro staff have reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:

- A preliminary project pro forma dated 1/15/2020
- Phase 1 ESA dated 1/16/2020 and Phase II ESA dated 3/22/2018
- Development team resumes and developer schedule of real estate owned demonstrating a track record with affordable housing development in Oregon
- REACH Elmonica Station Request for Qualifications and Development Concept submission including architectural concept drawing illustrating development capacity on site dated 1/15/2021
- Site plan architectural concept drawing dated 06/01/2020 illustrating development capacity on the site

Staff have not identified any unusual risks to project feasibility and readiness and will continue to request updates from the City regarding how work is proceeding.

## Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of Beaverton's approved LIS. Key findings include:

- **Location:** The 1.07-acre Elmonica site is centrally located in a high opportunity neighborhood. There are multiple and diverse grocery stores within less than 2 miles. Public schools serving the site include: Beaver Acres Elementary School, Five Oaks Middle School, and Aloha High School. Parks within the immediate vicinity include: the Waterhouse Powerline Park, Parr Park, Tualatin Hills Park, Vendla Park, and Tualatin Hills Nature Park. Major employers in the general surrounding area include Nike, Intel, Tektronix, Cascade Microtech, Columbia Sportswear, and Providence St. Vincent Hospital.
- **Transit access:** The site is walking distance (less than 1,000 feet) to the Elmonica MAX station. Redevelopment efforts in this area are focused around the light-rail station with higher density mixed-use development. Nearby bus routes include the #67 on 158<sup>th</sup>, a frequent service route, #59 on Walker, and #52 on 185<sup>th</sup>.
- **Diversity in contracting/hiring:** Colas Construction (COLAS), a BIPOC Prime Contractor demonstrates the charge for racial equity in construction, inclusive of strong outcomes in workforce participation, to the effect of having influenced higher standards throughout the region. As the largest Black-owned construction firm in the Pacific Northwest, COLAS is an industry leader in affordable housing, M/WBE percentages and consistently delivers on-time and on-budget for large-scale projects. COLAS and REACH also partners with many of the state and region's trade organizations to ensure greater access including LatinoBuilt, National Association of Minority Contractors, Oregon Association of Minority Entrepreneurs, Oregon Tradeswomen, Portland Opportunities Industrialization Center (POIC), and many more contracting organizations. COLAS signed the pledge to be committed with Metro for the regional Construction Careers Pathways Project, to advance measureable actions that advance reliable career pathways for women and Black, Indigenous and other people of color in the construction trades.
- **Access for historically marginalized communities:** The project commits to include low barrier to entry screening and linguistically appropriate materials and translation services that reflect community demographics that are intended to be served. The team will be developing

preference policies for multi-generational housing options and for homeless youth and families to ensure greater accessibility to the targeted communities. Bienestar will support outreach, marketing, and lease-up and ensure robust visibility and outreach for the target population. Bienestar's resident services staff is 100% multi-lingual, multicultural, and brings knowledge from lived experience from communities of color. Direct marketing and outreach marketing outlets will include word-of-mouth campaign with immigrants and refugees, traditional print, radio, and online media platforms through the networks of REACH, Bienestar, the Somali Empowerment Circle and Homeplate Youth Services. The building will utilize trauma-informed and universal design standards including accessible Type A units, hearing impaired units, multi-lingual signage and maximized natural light at commons spaces.

- **Culturally appropriate services:** Bienestar will deliver programming that is reflective and responsive to the needs of the new community along with multicultural and multi-lingual opportunities for all residents, with the support of REACH resident services staff. REACH will support Bienestar through technical support, access to the Family Metrics database, and quarterly reports for measurable goals. REACH and Bienestar will determine resident needs and ensure tailored programming is meeting the individual needs of residents.

## Community engagement to inform project implementation

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements of City of Beaverton's approved Local Implementation Strategy (LIS). Key findings include:

- **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

REACH led robust community engagement process over ten weeks with countless hours of work with: community members, existing residents, civic leaders, the design and construction teams, partner representation from Bienestar, representatives from each department at REACH, and the support of a leading DEI consulting agency (Multicultural Collaborative). With the help of Anita Yap, founder of the MultiCultural Collaborative and a leader in diversity, equity, and inclusion, the development team met with numerous community stakeholder groups and individuals in Washington County and at existing REACH properties. This outreach was conducted through focus groups, one-on-one interviews, and a multi-lingual online survey that received 125 responses.

- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

Two of the key takeaways from initial community engagement were a desire to foster a sense of community, belonging, and pride from the moment residents and visitors approach the building, and the need to provide ongoing supportive services that meet the needs of youth experiencing homelessness. The conceptual design reflects this input with a site plan that weaves together indoor and outdoor amenity spaces, two outdoor plazas, covered pathways, and a woonerf or festival street. Community input is also reflected in the placement of studio units next to three-bedroom units to support convenient multi-generational living options with a family member next door. The project team also learned of the deep need to support youth experiencing homelessness with a place to participate in supportive services and programming, leading to talks with HomePlate Youth Services to be a service partner.

## EXHIBIT B: Project summary submitted by City of Beaverton | Metro bond concept endorsement for Elmonica

Submitted by: Javier Mena, Affordable Housing Manager,  
City of Beaverton, [jmena@beavertonoregon.gov](mailto:jmena@beavertonoregon.gov)  
Submitted on: July 28, 2021

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### Project Overview

On June 1, 2021 Beaverton City Council selected REACH Community Development Corporation (REACH) as the affordable housing developer for the Metro-owned site located at 17030 SW Baseline Road on the southwest corner of W Baseline Road and SW 170th Avenue. On the same day, Beaverton City Council also recommended Metro provide concept approval of the Elmonica Project as submitted by REACH, and reserve \$11.9 million of Metro Affordable Housing Bond funds for construction of the project.

The REACH and its development team are committed to diversity, equity, and inclusion in all phases of the project. The development team is diverse and with deep roots in Washington County and includes Salazar Architects, Colas Construction, and Bienestar.

The project includes an 81-unit mix of studio, one-bedroom, two-bedroom, and three-bedroom units. The design is done in a way to promote multi-generational living with the studio units next to the three-bedroom units. The table below represents the proposed unit mix for the project.

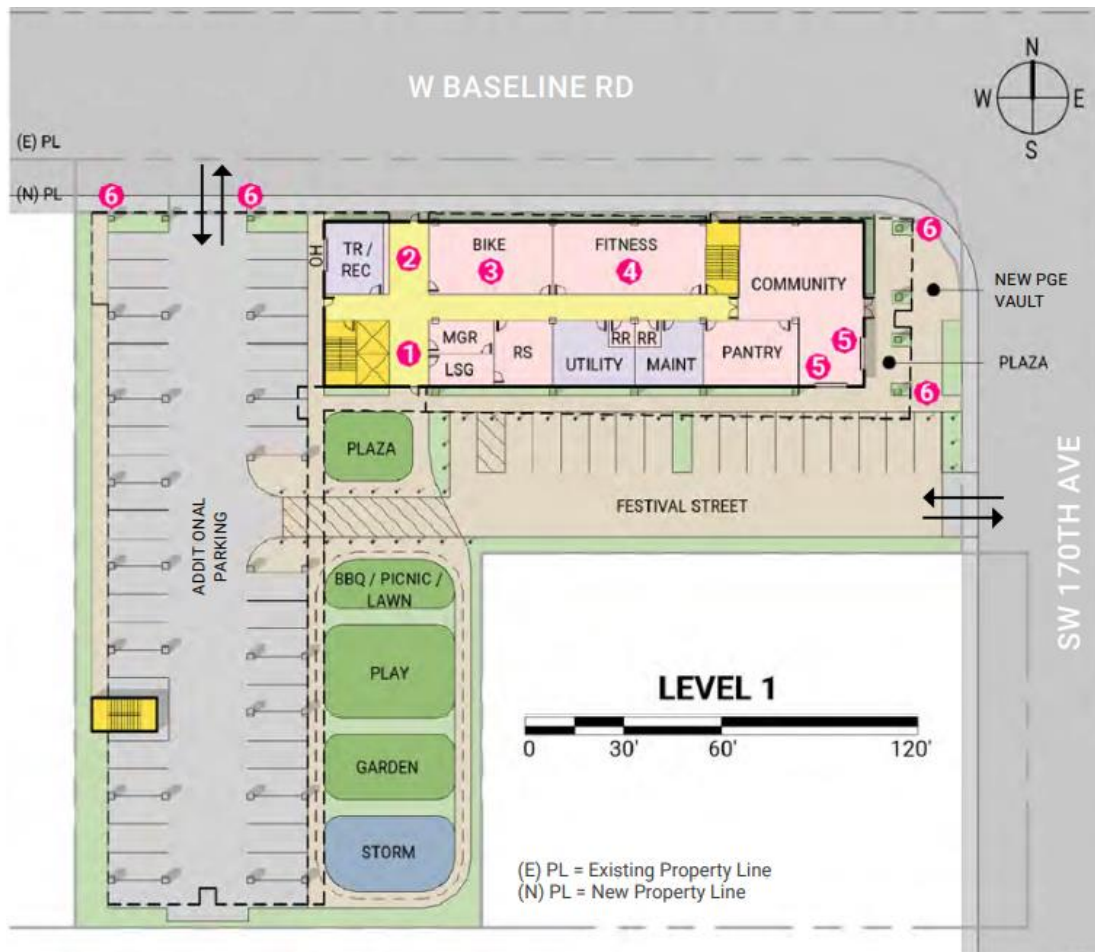
#### UNIT MIX

UNIT TYPE	AVERAGE SIZE (SQFT)	NUMBER OF UNITS	% OF UNITS
Studio	420	24	30%
One Bedroom	644	24	30%
Two Bedroom	868	18	22%
Three Bedroom	1,064	15	19%
<b>TOTAL/AVERAGE</b>	<b>705</b>	<b>81</b>	<b>100%</b>

Project financing includes Low Income Housing Tax Credits (LIHTC), private debt, Metro Affordable Housing Bond funds, among others. Metro Affordable Housing Bond resources are being leveraged 3 to 1.

## Preliminary development program

The information below is taken from REACH's proposal.



The 1.07-acre site has the unique potential to promote dynamic pedestrian connectivity and create rich social interaction for multicultural, multi-lingual, and multi-generational residents while contributing to the broader Five Oaks/Triple Creek neighborhood. The conceptual plan envisions an L-shaped, four-story (3 over 1), 81-unit apartment building. This plan makes for efficient use of the site with podium construction that allows for a significant amount of tuck-under parking on the ground floor, ample outdoor gathering, and recreational spaces. The design reflects the surrounding neighborhood's scale and character while embracing its urban form and anticipating future neighborhood growth by orienting the building along the Baseline Road lot line.

The proposed design responds to the desire of fostering a sense of community, belonging, and pride from the moment residents and visitors approach the building. This is done with several key elements.

- At the heart of the proposed site plan is the intersection of a woonerf or festival street, indoor and outdoor gathering spaces, and a central plaza. The main building entrance connects the spaces through a continuous canopy above the pedestrian paths, leading from the tuck-under parking area to the lobby entry for year-round weather protection.
- Extensive use of natural light in the design. Each floor greets residents with a glass elevator lobby that provides views to the outdoor amenities and is located next to a

comfortable seating lounge designed to foster spontaneous resident social interaction. In addition, all the residential corridors end with ample windows, providing views in every direction.

- A thoughtful mix of proposed common area programming that is driven by the community engagement process and that anticipates a diverse spectrum of resident and staff needs.

**PROGRAMMING**

**Community Spaces**

The outdoor resident amenities create flexible and inclusive outdoor recreation opportunities, including accessible community garden planters, a BBQ/Picnic/Lawn area, play structures, and decorative and educational stormwater management rain gardens. A pedestrian loop will encourage daily exercise and create a simple route for children to safely play and ride bikes. Indoor community spaces include a generously sized fitness center, a community room that includes a full-sized kitchen, secured bike parking, a community pantry operated in partnership with the Oregon Food Bank, interconnected laundry rooms with a small flexible community space on residential floors. The laundry rooms are centrally located to create a visible and convenient environment and interconnected with smaller flexible community spaces that serve as a waiting area and a children’s play or homework space.

**On-Site Staff Offices**

There are three centrally located offices for site staff on the ground floor. Two of these offices are for property management, and one is a resident service office to be used by staff from REACH, Bienestar, HomePlate Youth Services, and other organizations. The offices’ central location makes staff accessible to residents and makes them a present part of the building community.

**Unit Mix**

Unit mix responds to the enormous need for affordable family-sized apartments and to community-engagement feedback that emphasized a desire for multi-generational housing opportunities. REACH strived to include as many two- and three-bedroom apartments as feasible. Placed studio units adjacent to the family-sized units with the intention of using a preference policy to prioritize the adjacent studio for extended family members to live next to a family’s three-bedroom apartment. There is an equal number of studio and one-bedroom units that balances a strong preference for one-bedroom units that REACH received through community engagement while maximizing affordability with studio units. All the apartments are sized above the OHCS minimum requirements. The table below illustrates the affordability breakdown of the proposed units.

<b>Unit size (no. of bedrooms)</b>	<b>No. of units</b>	<b>AMI %</b>	<b>PBVs</b>	<b>Square feet/unit</b>	<b>Gross monthly rent/unit</b>
Studio	11	30%	0	420sf	\$483
Studio	13	60%	0	420sf	\$967
One Bedroom	24	60%	0	644sf	\$1,036
Two Bedroom	7	30%	0	868sf	\$621
Two Bedroom	10	60%	0	868sf	\$1,243
Three Bedroom	15	30%	8	1,064sf	\$718
Two Bedroom	1	n/a	n/a	868sf	Manager Unit
<b>Total</b>	<b>81</b>				

### **Accessibility**

The building will utilize universal design standards. Will include accessible Type A units as well as hearing impaired units. All apartments will have elevator access, and automatic door openers will be provided at entrances and in common areas. An accessibility consultant will be a critical part of the team, further advising on accessibility best practices. Trauma-informed design principles will also be incorporated, including maximized natural light at common spaces, minimized transfer of sound, and inclusive multi-lingual signage.

### **Sustainability**

The building will seek Earth Advantage certification and include numerous energy-saving features. REACH is targeting low-flow fixtures, LED lighting, energy-efficient appliances, high-efficiency heating, and durable finishes. REACH will also follow green-building best practices such as creating a continuous air barrier around the entire building envelope, limiting thermal bridging, using no -or low- volatile organic compounds products, and limiting and diverting waste. The building will be solar-ready with the intention to install a solar array with funding from PGE's Renewable Development Fund or similar.

### **Internet Access**

REACH intends to provide high-speed internet services that are highly discounted (at cost) or free to tenants via a bulk internet agreement with a service provider. In addition, REACH will provide free WIFI internet through wireless access points in the lobby and community rooms.

### **Parking**

Parking is maximized without compromising pedestrian safety and site visibility. The preferred site plan contains 59 parking spaces for a .73:1 ratio. The code site plan removes the main entrance building plaza to achieve 61 stalls and a .75:1 ratio. REACH has received agreement from TriMet in the adjacent Elmonica Station Park and Ride for an additional 2-10 spaces. The highly visible and central indoor secured bike room provides the code amount of bike parking. REACH will explore a shared car and bike program to include on-site to support resident demand.

### **Project Image**



### **Background**

The site was acquired by Metro through their Transit Oriented Development program. Since its acquisition, Metro has completed a Phase II Environmental Site Assessment ("ESA"). The ESA established the site as a former gasoline service station and automobile maintenance facility since roughly 1960. Prior to that time, the site was primarily residential and agricultural.



DEQ issued a No Further Action letter (NFA) for the Site in 2007. Metro’s March 2018 ESA analyzed eight soil samples and eight groundwater samples from the Site. Investigators encountered chemical odors and a petroleum sheen from some borings. Soil analysis encountered concentrations of gasoline and motor oil typical with former automobile service stations. The only compound detected at a concentration greater than the most stringent Risk-Based Concentration (RBC) (leaching into groundwater for residential uses) was gasoline near boring B-5, an existing above ground storage tank. The detected level of contaminants was below the RBC for vapor intrusion into residential buildings. The detected concentrations of contaminants were all below what was originally reported in the existing no further action letter, suggesting natural attenuation is occurring. Groundwater analysis detected concentrations of gasoline and oil contaminants above the most stringent RBC for ingestion of tap water, however any new construction would most likely connect to the municipal system.

An unoccupied 1,525 square foot auto repair shop building remained on the Site’s northeast corner after Metro purchased the property. After a hazardous materials survey that discovered asbestos and lead-based paint, Metro demolished the building and disposed of sensitive materials in November 2019. During the demolition process Metro discovered a previously unknown septic tank on the Site and decommissioned it. To the best of Metro’s knowledge, a concrete slab from the previous building and capped sewer lines are all that remain on the Site today.

**Elmonica selection process**

On November 2, 2020, Metro and the City of Beaverton issued a Request for Qualifications (RFQ) for the development of the Elmonica site. The RFQ was issued with the hope that the selected developer can successfully negotiate development partnerships so that the combined parcels can be developed, without a negative impact on the affordable units. Should the selected developer not be successfully in creating such partnership, the selected developer would have the experience and capacity to move forward with their proposal.

Eight proposals were received by the RFQ closing date of January 15, 2021, a summary of received proposals is below.

Elmonica Station Site - Proposal Overview Dashboard								
Developer / Sponsor	BRIDGE	Commonwealth	CPAH / DCM	Danco	NWHA	Pedcor	REACH	Related
<b>PROJECT GENERAL INFO</b>								
Units proposed	76	76	75	71	78	80	81	70
30% MFI units	38	28	28	28	32	28	33	28
Family sized units (2+ bedroom)	30*	42	38	29	44 *	39	32	29
Project-Based Section 8 requested	8	8	8	8	8	8	8	8
Amount requested	\$11.25M	\$10.64M	\$10.5M	10M	\$11.55M	\$8.8 M	\$11.9M	\$8M
<b>COBID/Partnerships</b>								
COBID Hard Cost Goal	25%-35% goal	40%	35%	20%	30%	20%	35% 50% Aspirational	30%

<b>COBID Soft Cost Goal</b>	25%-75% goal	20%	35%	20%	30%	20%	75%	30%
<b>BIPOC General Contractor</b>	O'Neil Walsh states 49% BIPOC ownership	No	No	BIPOC- GSI Builders is Latino owned	O'Neil-Walsh states 49% BIPOC ownership	No	COLAS is a Black owned company	No

\*Excludes manager unit

**Project Selection Process**

On February 9, Metro and City staff discussed proposals and consolidated feedback to be provided to the newly formed five-member Community Selection Committee (CSC). Staff providing such feedback were:

- Jon Williams – Senior Development Project Manager – Metro
- Pat McLaughlin – Senior Development Project Manager – Metro
- Cadence Petros – Development Division Manager – City of Beaverton
- Liz Jones – Development Project Manager – City of Beaverton
- Jana Fox – Current Planning Manager – City of Beaverton
- Javier Mena – Affordable Housing Manager – City of Beaverton

The consolidated feedback was forwarded to the CSC, which was diverse in experience and demographically. Members of the CSC were:

- Madeline Baron – Metro/Transit Oriented Development representative with experience in affordable housing finance/development
- John Southgate – Metro/Transit Oriented Development representative with planning/development experience
- Berenice Lopez-Dorsey – Beaverton/Housing Technical Advisory Group representative, small contractor in Beaverton
- John Trinh – Beaverton representative, New Narrative Executive Director providing housing and services for very vulnerable communities
- Toc Soneoulay-Gillespie – Beaverton representative, Community Health Director at Health Share Oregon with experience in health access for Black, Indigenous, People of Color and marginalized communities

The CSC met twice, the first meeting being on Friday February 19,2021. At this meeting the CSC discussed each proposal and finalized scoring the proposals. Based on the scores, the CSC elected to meet a second time and hear from the top four proposers. Developers selected for interviews were:

- BRIDGE Housing
- CPAH/DMC
- REACH CDC
- Related NW

Unfortunately, John Southgate was not able to continue his participation in the CSC; nonetheless, it was agreed by staff to continue with the remaining CSC members instead of starting over by looking for a replacement. This decision was made due to the strength of the committee members and Mr. Southgate’s expertise were also covered by Ms. Baron.

On March 19, 2021, the selected developers presented their proposals to the CSC. After the presentations, the SCS deliberated and ranked proposals based on the submitted proposals and additional information received during the presentation. This led to the unanimous

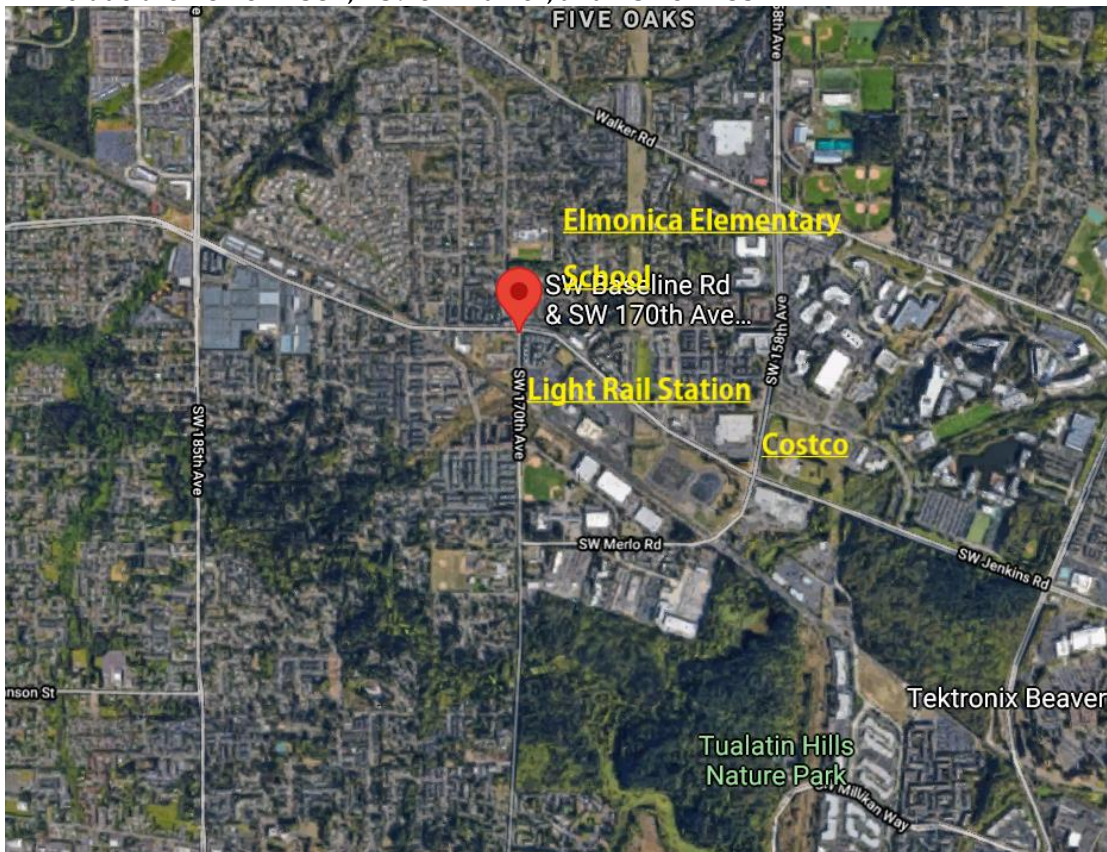
recommendation of REACH Community Development as the developer to move forward in the process.

### Location and Neighborhood

The site is walking distance to the Elmonica MAX station. Redevelopment efforts in this area are focused around the light-rail station with higher density mixed-use development.

#### Nearby Amenities

- Public schools serving the site include: Beaver Acres Elementary School, 5 Oaks Middle School, and Aloha High School.
- Parks within the immediate vicinity include: the Waterhouse Powerline Park, Parr Park, Tualatin Hills Park, Vendla Park, and Tualatin Hills Nature Park.
- The site is centrally located with multiple and diverse grocery stores within less than 2 miles.
- Major employers in the general surrounding area include Nike, Intel, Tektronix, Cascade Microtech, Columbia Sportswear, Providence St. Vincent Hospital, in addition to many high-tech companies.
- The site is located less than 1,000 from the Elmonica light rail station. Nearby bus routes include the #67 on 158<sup>th</sup>, #59 on Walker, and #52 on 185<sup>th</sup>.

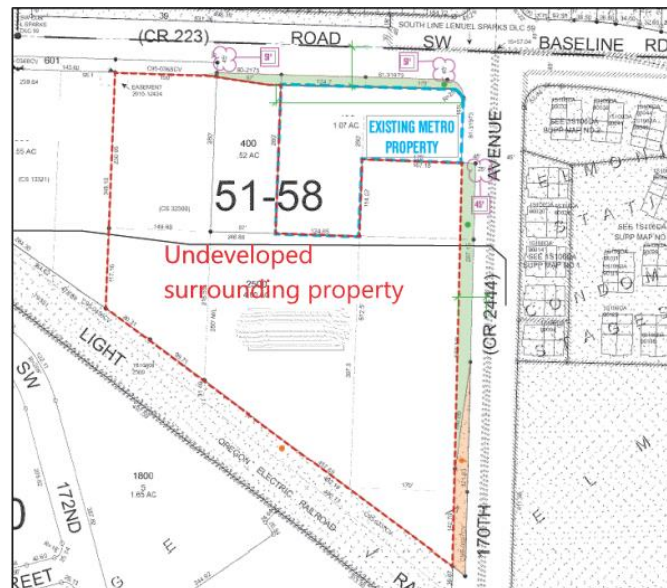


## Site

The 1.07-acre Elmonica site is located at 17030 SW Baseline Road and within a HUD-designated Qualified Census Tract (QCT). The Property is zoned Station Community Multiple Use (SC-MU). SC-MU zones are generally located within one-half mile of light rail platforms and permit office retail, service, and residential uses. A minimum density of at least 24 residential units per acre is required and there is no maximum units per acre for residential-only projects. The baseline parking requirement in the SC-MU zone is one space per unit, however reductions to the parking ratio are possible if a project can prove reduced need through an adjustment process.

Access to the site via Baseline Road and/or SW 170<sup>th</sup> is restricted to right turn only. There are currently no sidewalks on the west side of 170<sup>th</sup> Ave. leading down to the Elmonica MAX Station. Pedestrians currently need to cross to the east side of 170<sup>th</sup> Ave. at Baseline to access sidewalks to the station.

Adjacent to the site is currently under development consideration by a for-profit developer for the purpose of developing market-rate multifamily housing. It is REACH, the City and Metro's desire for the entire area be developed via a possible joint-venture opportunity.



## Project Financing

Sources include \$11,900,000 in Metro Affordable Housing Bond funds (\$146,914 per unit), \$300,000 Metro TOD funds, conventional permanent and construction debt, 4% Low-Income Housing Tax Credits (LIHTC), Oregon Multifamily Energy Program funds, City of Beaverton System Development Charge (SDC) waivers, and a deferred development fee. Not relying on competitive sources should allow for a faster timeline to completion.

REACH focused on increasing rent affordability where it is needed the most with family-sized and studio apartments. Thirty-three of the apartments are regulated at 30% AMI rents, including all 15 of the three-bedroom, 7 of the two-bedroom, and 11 studio apartments. In addition, 8 of the

three-bedroom apartments are paired with Project-Based Vouchers, making them affordable at all income levels.

While not currently part of this proposal, REACH will seek funding opportunities to make units available to youth transitioning out of homelessness in partnership with HomePlate Youth Services. Operating budget projection expects a total Per Unit Per Annum (PUPA) operating expense of \$6,189. This budget includes a \$350 Resident Services expense, and a full-time community manager and a full-time maintenance technician.

The project will not be subject to prevailing wages by either BOLI or Davis-Bacon. Because this is a conceptual budget, REACH is holding a healthy amount of contingency; this includes a 5% Estimating Contingency and 3% Escalation Contingency in the General Contractor budget, a 5% Owner’s Hard Cost Contingency, a \$600,000 Owner’s Escalation/ Off-site/Environmental Contingency, and a 4% Soft Cost Contingency. As the budget is further defined, REACH will remove or allocate the additional contingency as needed. Potential uses of contingency funds include greater affordability and additional tenant services such as free or reduced-cost high-speed internet and other in-unit/building amenities. The building will be solar-ready with the intention to install a solar array with funding from PGE’s Renewable Development Fund or similar

The table below represents the estimated funding sources for the Elmonica site

<b>Elmonica Funding Sources</b>	
4% LIHTC (Equity)	\$14,585,641
Weatherization	\$35,500
Regional Housing Bond	\$11,900,000
Beaverton and THPRD SDC Waivers	\$933,741
METRO TOD	\$300,000
Permanent Loan (write bank name)	\$5,581,833
Deferred Development Fee	\$630,000
Rate Lock Refund	\$111,637
<b>Total Sources</b>	<b>\$34,078,352</b>

The table below represents the estimated project costs per unit and per square feet

<b>Overall Costs</b>	Total Costs	Cost / Unit	Cost / Res Sq Ft	% of Total Costs
Total	\$34,078,352	\$420,720	\$365.84	-
Acquisition	\$90,501	\$1,117	\$0.97	0.3%
Construction	\$24,193,765	\$298,688	\$259.73	71.0%
Development	\$9,794,086	\$120,915	\$105.14	28.7%

## Development Team

Established in 1982 by Southeast Portland neighbors and community activists, REACH believes strongly that innovative community partnerships are essential to the accomplishment of our mission. REACH stewards over 2,400 affordable apartments across the Portland metropolitan region and Southwest Washington. REACH provides much more than a safe, affordable place to live – we help our residents grow personally and professionally while providing solutions focused

on stabilizing and enhancing the neighborhood through people-centered approaches. REACH is one of the region's largest affordable housing developers and operators and a national leader in affordable green building. The Mary Ann, REACH's affordable housing project in Beaverton is currently under construction and expected to be completed in the Fall 2021.

Salazar Architect creates public interest designs that are rich in character and affordable to build. Their mission-driven approach integrates community and sustainable design methods with a deep understanding of how materials, forms, and systems affect the wellbeing of communities. Salazar is a certified Disadvantaged Business Entity, Emerging Small Business, and a Minority Business Entity firm. The Salazar team nurtures personal and professional growth in a challenging atmosphere that encourages questioning and innovation. Their collective diversity helps them better understand and collaborate with communities who are underserved by the design professions.

Colas Construction is the largest Black-owned construction firm in the Pacific Northwest and brings sizable project experience with a proven track record of exceeding expectations in construction. As a 2nd generation, family-owned and operated BIPOC Prime Contractor, COLAS constructs value-based projects that not only create jobs but careers that reflect our community. Colas Construction centers the highest standards by providing the best in today's construction with strength from a commitment to hard work, and the inherent value of equity, inclusion for diversity in every aspect.

Bienestar develops housing and fosters community for the Latinx and immigrant populations primarily but serves all individuals and families in need. A 501(c)(3) nonprofit that owns and operates 12 affordable multifamily properties for more than 500 families and 2,000 residents. Over 95 percent of their residents are Latinx, and many are immigrants and/or farm workers. Bienestar has deep roots in Washington County, with long-standing relationships with local government, community groups, and residents. Bienestar will bring much needed cultural and linguistic focused resident services to the Mary Ann in downtown Beaverton and this project.

## **Community Engagement**

REACH's community engagement started prior to their proposal submittal. REACH led robust community engagement process over ten weeks with countless hours of work with: community members, existing residents, civic leaders, the design and construction teams, partner representation from Bienestar, representatives from each department at REACH, and the support of a leading DEI consulting agency (also a M/WBE certified business). Empathy and empowerment for the target population were key to shaping the process for all involved, which led to the proposed design. The design will be further informed and refined with continued community engagement through the development process.

REACH's outreach and marketing strategy for the building will be centered on culturally responsive and accessible information that offers low barrier tenancy. To support outreach efforts, REACH will establish a list of interested applicants 120 days before lease-up begins. Based on the interest list, we can adjust marketing efforts as needed. The lease-up will start 90 days before the anticipated temporary Certificate of Occupancy. The day the lease-up starts, applications will be available to all persons regardless of race, religion, gender, sexual orientation, or national origin. Their commitment to equity will provide the foundation for a diverse tenant population and follow all fair housing laws and regulations.

A release of information will be established with Bienestar for applicants to authorize both parties to be informed of an approval or denial status for housing. If an application is denied, REACH will provide a list of acceptable documentation that can be used to help overturn the denial. The applicant will have the right to request a review of their application and denial within 30 days of written notice of denial and may provide supplementary information and evidence to assist in reviewing their application.

Bienestar will support outreach, marketing, and lease-up and ensure robust visibility and outreach for the target population. Bienestar's resident services staff is 100% multi-lingual, multicultural, and brings knowledge from lived experience from communities of color. Direct Marketing & Outreach Marketing outlets will include traditional print, radio, and online media platforms. Local media outlets will include the Beaverton Valley Times, El Latino De Hoy, Asian Reporter, and other community outlets like the Mayor's Youth Advisory Board, the Diversity Advisory Board, and other important city committees. Marketing and leasing materials will be developed in languages identified in the City of Beaverton's Language Access Policy. They include Spanish, English, Korean, Vietnamese, Chinese, Japanese, Russian, Persian, Arabic, Tagalog, and Cambodian (Khmer). Working directly with community service agencies and other organizations, in-person and/or virtual information sessions will be held in multiple languages for the target population.

### **Advancing Racial Equity**

REACH's outreach and marketing strategy for the building will be centered on culturally responsive and accessible information that offers low barrier tenancy. REACH is unique among Oregon's affordable housing providers, as they self-manage their housing portfolio. REACH has developed highly inclusive and effective leasing plans that recognize the community's strong engagement and inherent expertise. The team will be developing preference policies for multi-generational housing options and for homeless youth and families to ensure greater accessibility to these targeted communities.

Information sessions will serve to market the property, explain the application and leasing process, identify, and prevent barriers applicants may encounter, and preemptively provide solutions and/or strategies to navigate them. The team will activate a vibrant word-of-mouth campaign with immigrants, refugees, and communities of color to share awareness for this opportunity through the networks of REACH, Bienestar, and Homeplate Youth Services, and those of its partners in the Racial Equity Collaborative of Washington County and the Somali Empowerment Circle. The team will work with neighborhood organizations to identify local businesses, congregations, culturally specific community centers, and service providers such as Community Vision, major employment and training centers, places of worship, libraries, Black, Indigenous and People of Color-owned businesses, the Andisheh Center, and the Muslim Education Trust

REACH will screen each applicant based on a low barrier screening criterion developed to meet the new FAIR Ordinance established by the City of Portland. As part of the application and screening process, applicants will be informed of additional documents that can be submitted to provide support for an applicant who has faced barriers to housing in the past. REACH is dedicated to minimizing the frequent denials based on lack of rental history, credit history, income insufficiency, criminal backgrounds for low-level offenses, and drug possession charges that are no longer illegal under State Law. REACH will also partner with local providers of essential services to unhoused individuals and families with high barriers to the housing process to assist with applications and denial appeals.

REACH's collaborative Resident Services Plan is designed to promote equitable housing stability and provide services around the social determinants of health for all households, including nutrition, housing, economic opportunity, social relationships, transportation, education, and healthcare. Given the designated apartments for formerly homeless youth and the large proportion of very-low-income units, many of the households may arrive with various barriers to achieving stable housing due to the potential trauma of homelessness, domestic violence, mental health diagnoses, and substance abuse. A full-time Resident Services Coordinator (RSC) and several Promotores will be on staff to provide services and support to residents. The RSC will work together with other service providers to provide comprehensive services focused on household stability and personal success. Key plan elements include:

- Information and Referral: Access to rent and utility assistance, needed employment resources, mental health counseling, subsidized medical and dental services, childcare, and other needed resources to maintain housing stability.
- Emergency Food Assistance: All residents have access to emergency food and supplies.
- Social Engagement: Social activities that encourage positive neighbor interactions and decrease social isolation. (potlucks, bingo, coffee hour, culturally specific events)
- Health and Wellness: Classes, service referrals, exercise, nutrition and garden plots.
- Financial Tools: Financial education classes, match savings, homeownership, small business training, etc.
- Youth Services: Enrichment programs to help youth continue their education, engage in experiential learning in nature over summer breaks, and prepare for the return to school in the fall. "Back to School" fairs to provide school supplies and books for low-income families with school-aged children and to offer fun, enriching educational activities. HomePlate Youth Services will also be engaged to support providing services to youth living at Elmonica Station.
- Housing Stability: Bienestar's resident services program centers on the Promotores model, which empowers low-income community members while also providing culturally specific outreach and information and referral services to hard-to-reach communities. Bienestar recruits residents from each property to become key liaisons to Bienestar staff for service provision. These "Promotores" or "community connectors" serve the community through home visits, assessing needs and connecting residents to crucial services, while at the same time acting as empowered advocates on critical community issues. In 2019 alone, Promotores completed 400 home visits to assess residents' needs and wellbeing and made nearly 200 referrals, connecting residents with over ten different local social service organizations. These interventions helped residents to stay financially stable, access basic support and health information, and endure the challenges of the COVID-19 pandemic

### **Culturally Specific Services**

Upon move-in, the RSC and Promotores will meet with the new household to assess and identify programs and services that meet their unique cultural needs. Specifically, Bienestar partners with organizations dedicated to racial equity and empowerment, such as the Asian Pacific American Network of Oregon, Centro Cultural, the Somali Empowerment Circle of Beaverton, and others to ensure services are culturally responsive programs. Also, empowerment and civic engagement training and opportunities will be provided to connect residents with elected officials, reduce barriers to access and participation, and build a cadre of leaders in communities of color to push the region towards greater racial equity.



Colas Construction (COLAS), a BIPOC Prime Contractor demonstrates the charge for racial equity in construction, inclusive of strong outcomes in workforce participation, to the effect of having influenced higher standards throughout the region. As the largest Black-owned construction firm in the Pacific Northwest, COLAS is an industry leader in affordable housing, M/WBE percentages and consistently delivers on-time and on-budget for large-scale projects. As a strong advocate for equity in construction, COLAS proudly signed the pledge to be committed with Metro for the regional program, Construction Careers Pathways Project. Known as C2P2, as established by the Regional Collaborative Committee where Andrew Colas is also a member, the goals include tangible support with measurable actions for contractors to lead in the effort for hiring firms owned by BIPOC, women, or disadvantaged communities to achieve a fairer share of construction opportunities with project owners who utilize public dollars. COLAS and REACH also partners with many of the state and region's trade organizations to ensure greater access including LatinoBuilt, National Association of Minority Contractors, Oregon Association of Minority Entrepreneurs, Oregon Tradeswomen, Portland Opportunities Industrialization Center (POIC), and many more contracting organizations.

Salazar Architect, an Oregon certified Disadvantaged, Minority, Emerging Small Business (D/M/ESB), brings forward support in equity, diversity, and inclusion with daily practice throughout the architectural and design fields. Comprised of talented professionals with local, national, and international experience, personal and professional growth is nurtured in a challenging atmosphere that encourages questioning and innovation.

## **Partnerships and Services**

Bienestar will deliver programming that is reflective and responsive to the needs of the new community along with multicultural and multi-lingual opportunities for all residents, with the support of REACH resident services staff.

REACH will support Bienestar through technical support, access to the Family Metrics database, and quarterly reports for measurable goals. Together they will determine resident needs and ensure tailored programming is meeting the individual needs of residents.

Bienestar will implement its proven model of resident services (Los Promotores) that is highly collaborative for racial equity and residents' empowerment. To further support Bienestar, REACH will leverage additional services and resources by addressing its five social determinants of health:

- Neighborhood & Build Environment,
- Social & Community,
- Education & Development,
- Health & Healthcare,
- Economic Stability.

To help residents build a thriving future for themselves and their families, REACH will provide asset-building services that include financial education, credit building through rent reporting, homeownership counseling, and matched savings accounts via Individual Development Accounts (IDAs).

Since 2004, HomePlate Youth Services has been servicing Washington County's homeless youth by supporting the positive development of young people experiencing homelessness or housing

instability through community building, education, access to services and resources, and youth empowerment. HomePlate is Washington County’s only nonprofit provider of drop-in centers and street outreach for young people experiencing homelessness. REACH’s partnership with HomePlate will be important to better understand and serve the housing needs of this very important population.

### **Anticipated Timeline**

Due to the dynamic situation with the adjacent property, no specific development timeline was requested through the solicitation process. Nonetheless, to minimize cost increases due to project delays, REACH, the City of Beaverton, and Metro will be striving to keep the project in line with similar development projects as outlined in the high-level timetable below,

<b>Development Phase</b>	<b>Estimated Duration</b>	<b>Estimated Completion Date</b>
Predevelopment	12 months	Summer 2022
Construction Start	18 months	Summer 2022
Lease Up	6 months	Winter 2023/24

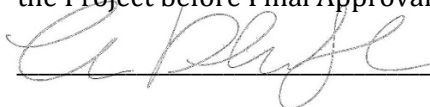
## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** NE 74<sup>th</sup> and Glisan  
**Implementing Jurisdiction:** Portland Housing Bureau  
**Metro IGA Contract Number:** 937016  
**Anticipated construction start:** December, 2022  
**Anticipated construction completion:** May, 2024

**Action:** Metro hereby provides Portland Housing Bureau with Concept Endorsement for \$19,972,884.00 Metro Affordable Housing Bond funds for the development of NE and 74th Glisan, a regulated affordable housing project located at 432 NE 74th Avenue, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau is attached as Exhibit B. This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Portland Housing Bureau, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
42	Studio	30%	41
8	Studio	60%	0
4	One-bedroom	30%	0
20	One-bedroom	60%	0
7	Two-bedroom	30%	0
38	Two-bedroom	60%	0
2	Three-bedroom	30%	0
13	Three-bedroom	60%	0
1	Four-bedroom	30%	0
2	Four-bedroom	60%	0

Changes to the information contained in the concept endorsement request provided by Portland Housing Bureau could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before Final Approval.



11/16/2021

Marissa Madrigal

Date

Chief Operating Officer

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for NE 74<sup>th</sup> & Glisan



**Drafted by:** Emily Lieb, Housing Bond Program Manager, Valeria McWilliams, Senior Program Coordinator, Alison Wicks, Senior Program Coordinator, Choya Renata, Senior Communications Specialist, Jimmy Oporta, Housing Program Analyst, Breanna Hudson, Associate Housing Analyst and Stellan Roberts, Connor Ayers, and Shay Starling, Council Office Support Interns, Metro

Date: November 9, 2021

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## Criteria for funding approval

Metro will issue Concept Endorsement to local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for NE 74<sup>th</sup> and Glisan. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau (PHB).

## Contribution to unit production targets

The selected development proposal for the NE 74<sup>th</sup> and Glisan site will utilize a total of \$19,522,500 in Metro affordable bond funds. This includes \$7,972,500 in Metro bond funds from Portland's eligible share allocation (3.8% of Portland's allocation) and \$11,550,000 from Metro's Site Acquisition Program, which has \$23,448,250 total for investment in the City of Portland.

The project will deliver 137 units that meet the following unit production outcomes:

- 9% of Portland's overall unit production target;
- 9% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 9% of Portland's family sized unit target; and
- 14% of Portland's permanent supportive housing target.

When combining this project with the other six Metro Bond Opportunity Solicitation (MBOS) selected projects in addition to Portland's existing development portfolio, this puts the City on a path to have utilized 51.3% (\$108,261,432) of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 76% of Portland's overall unit production target;
- 73% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 68% of Portland's family sized unit target; and
- 94% of Portland's supportive housing units

## Site Acquisition Program

Through the Site Acquisition Program, Metro works closely with local implementation jurisdictions (LIPs) to identify sites that align with local implementation strategies and contribute toward progress toward the unit production targets in that jurisdiction. Metro funding may be used to support the acquisition of the site or to provide additional development funding, layered with local contributions of Metro bond funds. Metro Site Acquisition Program funds may also be used to support the development of affordable housing on any sites owned by Metro, regardless of what funding was used to acquire them—as is the case with the 74<sup>th</sup> & Glisan site, which was acquired with Transit Oriented Development program funding.

All projects that receive funding through the program must align with the location/site criteria in the SAP Implementation Strategy, as well as with the racial equity goals and criteria in the local implementation strategy for the local implementation partner jurisdiction where the site is located.

The Site Acquisition Program has a total of \$62,016,000 in funding to be invested in the acquisition and development of regionally significant sites throughout the region, of which \$23,448,250 will be invested in the city of Portland. Of these funds, \$11,550,000 will be invested in the development of the NE 74<sup>th</sup>/Glisan site, \$4,500,000 was invested in the acquisition of the Value Inn site on SW Barbur Blvd., and \$7,398,250 remains for future investments, likely including funding for the development of the Barbur Blvd. site.

## Eligibility and readiness to proceed

The Portland Housing Bureau (PHB) has submitted and Metro staff have reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:

- A preliminary project pro forma dated 6/21/2021
- OHCS 4% LIHTC Pre Application draft
- Conceptual drawings dated 07/02/2021
- Development team resumes and developer schedule of real estate owned demonstrates a track record with affordable housing development in Oregon

Staff have identified a risk related to the developers' expectation of securing separate Bureau of Labor and Industries (BOLI) determinations for the two residential buildings, to reflect that one building includes commercial space and the other does not. The development team has experience with complex BOLI determination, but in a scenario where the project is not able to obtain separate BOLI determinations, the development team believe that cost difference can be covered from contingency and additional fund raising from partner organizations. Staff will continue to request updates from PHB regarding how work is proceeding.

In addition to the approval of Metro bond funds, the conveyance of the land will be approved through Metro's Transit Oriented Development program's funding approval process. A staff recommendation to begin negotiating with the selected development team is scheduled for consideration by the TOD Steering Committee on Nov. 17<sup>th</sup>, to be followed by a 7-day notice to Council. After additional project design and refinements, final approval to convey the land will be sent to Metro Council via 7-Day notice following a recommendation from the TOD Steering Committee later in 2022.

## Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of City of Portland's approved LIS and the location criteria outlined in the Site Acquisition Program's implementation plan. Key findings include:

- **Location:** The site is located in the Montavilla neighborhood of Northeast Portland, surrounded by parks and public amenities like the Rosemont Bluff Natural Area and the Montavilla Community Center. Grocery locations are within walking distance, and West Vestral School is located immediately to the south. The proposed community is also accessible via I-205 and I-84 freeways and hosts multiple high schools nearby.
- **Transit access:** The project is served by two frequent-service TriMet buses (lines 20 and 72) within 0.4 miles, as well as the NE 82nd Ave MAX station 0.6 miles away, served by the blue Blue, Red, and Green lines.
- **Diversity in contracting/hiring:** The aspirational Certification Office for Business Inclusion and Diversity (COBID) certified firm participation goal is 35% for hard costs and 30% for professional services. The project seeks to engage the minority subcontracting community through mentorship and fostering growth. The following approaches will be included to successfully achieve the project's goals: 1) allowing for on-the-job training in order to include persons with minimal previous work experience; 2) host job-specific presentations at local community groups; 3) partner with local membership groups to include their resources and networking opportunities, and more.
- **Access for historically marginalized communities:** The 74<sup>th</sup> and Glisan community combats the displacement of BIPOC and immigrant families with targeted outreach, culturally specific services, and a focus on family-sized units. The development team will employ a grassroots approach for initial lease up and re-leasing efforts that begins with partner service providers such as Catholic Charities and local relationships. Project specific screening criteria will be reviewed by Related NW, Catholic Charities, Immigrant & Refugee Community Organization (IRCO), and Quantum property management. This team will set clear and consistent policy to override the screening criteria which includes credit, rental, and criminal history reviews.
- **Culturally appropriate services:** The project will partner with organizations experienced in equity of service, providing culturally specific services, and those who have a strong presence in East Portland, with services that cater to local residents to provide access to services. Partners include: Catholic Charities, Immigrant Refugee Community Organization, Mercy Corps Northwest, Humble Pie, PDX Urban Gardens, and The Children's Book Bank.
- **Cooling plans:** Consistent with PHB's statement on Air Conditioning Requirement (August 13, 2021) and Metro's Policy Statement on Air Conditioning (September 14, 2021) the project will provide common area and in-unit air conditioning. Additional information about climate resilience and sustainability strategies will be gathered as part of the final approval.

## Community engagement to inform project implementation

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements of City of Portland's approved Local Implementation Strategy (LIS) and the engagement elements in Metro's Site Acquisition Program Implementation Strategy. Key findings include:

- **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

Culturally specific outreach by We All Rise, a BIPOC-led consulting firm, along with partnerships between Related Companies, Catholic Charities and the Immigrant Refugee Community Organization bodes well for culturally and linguistically responsive community outreach. Early community engagement by Metro's Site Acquisition and Transit Oriented Development programs, and the African Youth and Community Organization in the spring of 2021 gathered input from BIPOC community members, people affected by housing instability, and people living in low-income housing.

- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

We All Rise's stakeholder engagement plan includes stakeholder reports at each phase of the project and ensuring the public has an opportunity to co-collaborate with the project team. There will be at least 3 focus groups in each phase, supplemented by interviews that will be conducted with stakeholders unable to attend focus groups. Outreach will also include direct mailers within a ¼ mile radius, articulating timelines, meetings, surveys, and general information. The project team plans to conduct at least 10 interviews. We All Rise intends to conduct targeted outreach in the form of direct emails and social media messaging once aspects of the project are finalized. The first phase of community engagement by We All Rise will be completed before finalizing the schematic design of the project.

## EXHIBIT B: Project summary submitted by Portland Housing Bureau | Metro bond concept endorsement for NE 74<sup>th</sup> & Glisan

Submitted by: Jill Chen, Housing Investments and Portfolio Preservation Manager

Portland Housing Bureau, [jill.chen@portlandoregon.gov](mailto:jill.chen@portlandoregon.gov)

Submitted on: October 6, 2021

### Project Overview

The Portland Housing Bureau (PHB) is requesting Metro Concept Endorsement to award up to \$19,972,884 in Metro Bond Funds to Related Northwest, IRCO and Catholic Charities (collectively “the Partners”) for the NE 74<sup>th</sup> & Glisan project, a proposed new construction project consisting of 137 units that includes a 41-unit Enhanced Supportive Housing building and a 96-unit family housing building to create a tangible housing continuum whereby residents moving out of PSH units have the opportunity to access family housing and remain in the immediate community. In addition, the team is partnering with Mercy Corp NW to initiate and promote small business classes, offering two retail incubator spaces and a social impact café with a culinary and barista training program in the ground-floor commercial space planned for the project. The Supportive Housing portion of the project targets a population of BIPOC, seniors, homeless and survivors of domestic violence and/or sexual assault, while the family-focused portion will target BIPOC, immigrant and refugee and intergenerational families.

The project will serve 56 households at 30% and include 63 family-size units. The project will also include ground-floor commercial space for resident-serving small businesses and job training programs, as well as an onsite preschool. Development financing for the NE 74<sup>th</sup> & Glisan project includes 4% LIHTC equity, Metro TOD and infrastructure grants, conventional permanent debt, OMEP, and proposed Metro Bond funds. All funding sources have been committed or conditionally awarded and the project will not carry hard debt from a permanent senior loan.

### Preliminary Development Program

NE 74<sup>th</sup> & Glisan will deliver 122,527 square feet of residential space in two 4-story apartment buildings, one with a focus on family housing and the other programmed as enhanced supportive housing. The project will provide 137 affordable homes as well as approximately 3,500 square feet of neighborhood and resident-serving commercial space. Amenities include a community room and kitchen, onsite laundry room, playground, picnic area, community garden, bike parking, and onsite surface parking.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
Studio	42	30%	41	400	\$507-\$1,015*
Studio	8	60%	0	400	\$974
1 bedroom	4	30%	0	550	\$543
1 bedroom	20	60%	0	550	\$1,044
2 bedrooms	7	30%	0	800	\$652
2 bedrooms	38	60%	0	800	\$1,254
3 bedrooms	2	30%	0	1,100	\$754
3 bedrooms	13	60%	0	1,100	\$1,449
4 bedrooms	1	30%	0	1,200	\$889



4 bedrooms	2	60%	0	1,200	\$1,616
<b>Total</b>	<b>137</b>		<b>41</b>		

\*gross rent for PBS8 units

## Project Image



*Rendering of 432 NE 74<sup>th</sup> Avenue viewed from Northeast Glisan Street.*

## Background

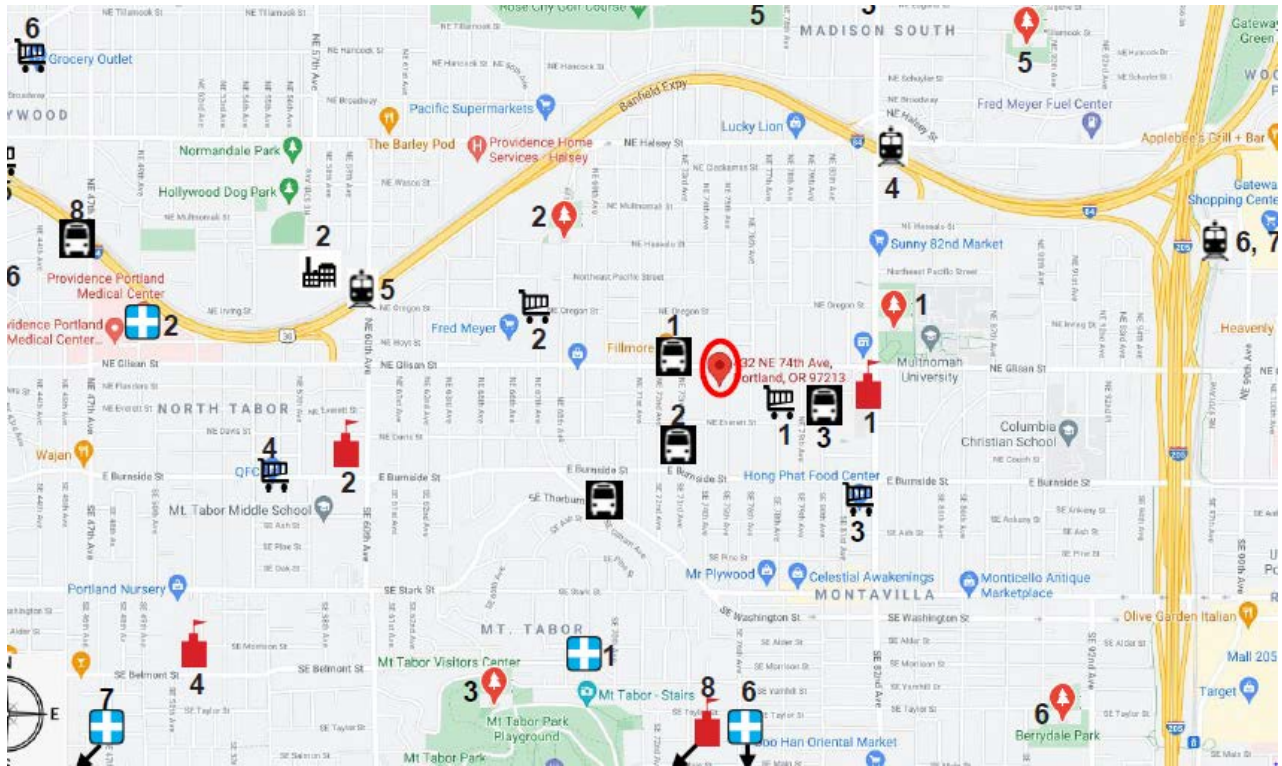
In 2019, Metro purchased the 1.65-acre site, formally occupied by the Trinity Broadcasting Network's broadcasting studios, in the Montavilla neighborhood of Northeast Portland for the purpose of developing affordable housing. The site currently contains a 19,250 square foot, single-story commercial building and Verizon holds a land lease permitting the use of a portion of the site for a cell phone tower and transmission equipment located within the existing structure.

In July 2021, the development team Partners, Related NW, IRCO and Catholic Charities, submitted a proposal for Portland's 2021 Metro Bond Opportunity Solicitation (M-BOS). PHB has recommended that the Partners are awarded \$19,972,884 in Metro bond funds to develop this site. This amount includes the project subsidy per unit award of up to \$19,522,500 and a 2.307% program delivery fee (\$450,384).

As part of the M-BOS, Metro made available several due diligence assessments completed during the acquisition of the project, including Environmental Phase I and II, ALTA Survey, and Title Policy reports.

## Location and Neighborhood

The project is located in a Level Three High Opportunity Area. The site is proximate to and well supported by parks and public amenities like Rosemont Bluff Natural Area and the Montavilla Community Center. Retail amenities, including a grocery store with fresh foods, are within walking distance. Vestal School is located immediately to the south of the project and middle and high school campuses are within 1 and 2 miles, respectively. The proposed community is also served by two frequent-service TriMet buses on NE Glisan and NE 82<sup>nd</sup> Avenue, as well as a MAX station within 1 mile.



## Site

The NE 74<sup>th</sup> & Glisan site is a 1.65-acre parcel along the south side of Northeast Glisan Street between Northeast 74<sup>th</sup> Avenue and Northeast 75<sup>th</sup> Avenue. Metro has owned the property since 2019. The site currently contains a 19,250 square foot, single-story commercial building occupied by a community-based nonprofit organization and a Verizon cell tower and transmission equipment. Zoning is split between Commercial Mixed Use 2 (CM2), a medium-scale, commercial mixed-use zone intended for sites in a variety of centers and corridors, in other mixed-use areas that are well served by frequent transit, or within larger areas zoned for multi-dwelling development, and Residential 2,500 (R2.5), a single-dwelling zone which allows 1 lot per 2,500 SF.

At completion, NE 74<sup>th</sup> & Glisan will deliver two buildings totaling 126,027 square feet. The two four-story buildings will be 45-50' tall and have a density of 1.72/1 FAR, compatible with the neighborhood feel. Cost efficient design with repeating units in a stacked configuration in a double-loaded corridor is used on both buildings. Building B, the PSH building, with its 100% project-based vouchers will house all of the commercial/retail space/cell tower. The ground floor footprint consists of approximately 7,000 SF of space of which half is dedicated to programming which includes: resident services, management, a teleconference consult room and a resident amenity space. The building is designed with two buildings to best utilize the parcel shape and size while holding an active outdoor space. This design allows for secured access to the building and provides an internal courtyard to promote social connectedness and recreation. The courtyard holds a playground, picnic and BBQ area, lush landscaping and an exercise circuit pathway that serpentine through the back of the property where a large community garden unfolds.

## Project Financing

The estimated total development cost for the residential portion of the development is \$56,515,117, equal to \$412,519/unit or \$461.25/sq. ft. The Partners anticipate submitting a request for non-competitive 4% tax credits in early 2022. Other capital sources include OHCS weatherization, Metro Bond funds, Metro grants, SDC waivers, a deferred developer fee, and a permanent loan. The project is expected to receive a partial SDC exemption for all the units affordable to individuals earning up to 30% AMI. The Partners are exempt from paying property taxes on the site.

### Sources and Uses Overview

Source	Amount	Use	Amount
4% LIHTC Equity	\$18,601,675	Land/Acquisition	\$200,000
OHCS Weatherization	\$90,000	Construction Costs	\$40,224,606
PHB Metro Bond	\$19,522,500	Soft Costs (excl. Developer Fee)	\$8,990,511
Deferred Developer Fee	\$4,663,902	Developer Fee	\$7,100,000
Permanent Loan	\$11,880,000		
Metro grants	\$750,000		
SDC Waivers	\$1,007,040		
<b>Total</b>	<b>\$56,515,117</b>	<b>Total</b>	<b>\$56,515,117</b>

## Development Team

### Developer/owner/resident service provider:

- **Related NW's** affiliate, Related, is one of the most prominent privately-owned real estate firms in the United States and is a fully integrated industry leader with experience in virtually every aspect of development, acquisitions, management, finance and marketing and sales. Related has acquired and developed affordable communities along the West Coast for more than 30 years, completing more than 14,000 units of affordable housing. As long-term property owners committed to sustainability and stewardship, Related forms strong public-private partnerships with civic leaders, nonprofit organizations, public officials and neighbors to revitalize communities.
- **Catholic Charities** is an experienced developer and owner of affordable housing, with projects ranging from four to more than 100 units. CC's current portfolio includes 20 projects providing over 800 units of affordable housing. CC has developed innovative housing solutions and integrated supportive services to assist the most vulnerable populations financed through Portland Housing Bureau TIF, Bond and HOME Funds, OHCS LIHTC program, HUD 202 and 811 funds, and USDA Rural Development resources.
- **IRCO** is a BIPOC led organization that provides deep multi-cultural services throughout Oregon. This will mark IRCO's first ownership of an affordable housing community.

Both RNW and CC have secured, and successfully closed, PHB funding on projects substantially similar to 74th and Glisan. The most recent being an award of Portland GO Bonds for Crescent Court and Cathedral Village, both projects successfully closed on-time and within budget, during the pandemic, reflecting Related's reputation for execution and delivery. Additionally, Related's Terrace Glen project was awarded Washington County's

Metro Bond allocation. IRCO has a long history of garnering funding for programs and will bring this competency to seek additional funding to further enrich the project.

**General Contractor:** LMC Construction and ALMAR Contracting. LMC will be partnering with ALMAR Contracting, a local minority-owned construction company. ALMAR's President and Owner got his start in multi-family affordable housing working at LMC Construction. This partnership will be a huge contributor towards the team meeting their goal of 50% COBID and DMWESB participation on the project.

**Architect:** Holst Architecture is a certified Women Business Enterprise and Disadvantage Business Enterprise, as well as a local, highly reputable Portland firm experienced in delivering excellent affordable housing communities locally.

**Property Management Company:** Quantum Management Services, based in Vancouver, Washington. See team resumes

**Community Outreach Consultant:** We All Rise, a BIPOC led consulting firm who will provide culturally specific community outreach and will be mentored throughout the development process to create more diversity among local affordable housing development firms.

## Community Engagement

The Partners built upon the Metro stakeholder group's Value Statement with extensive initial community engagement to garner a greater understanding of community needs and preferences. They sought participation from a diverse group of community members that reflect the project's target population: individuals and families impacted by homelessness; BIPOC individuals; members of the LGBTQ community; individuals with a disability; and immigrant and refugee community members. The development team conducted two smaller focus groups that gathered input on design layout, programming, community impact, building massing and parking. The team also collected survey data that centered on needs and preferences for unit and community amenities and met with a variety of stakeholders that included: Portland Public School Districts McKinney-Vento Coordinators, area businesses, Montavilla Neighborhood Association members and a variety of others. Engagement also built upon IRCO and CC's extensive research, which takes an in-depth look at PSH and family needs. IRCO's Community Need Assessment report delves into culturally specific immigrant and refugee community needs. The project will initiate greater outreach and engagement with the community upon award to further connections with the neighborhood and to engage culturally specific area organizations such as APANO, AYCO, Puentes, Latino Network, and NAYA.

## Advancing Racial Equity

### Project Location and Services

The 74th and Glisan community will provide housing and services targeted to those most vulnerable to displacement (or further displacement) with a focus on family-sized units and supportive housing units as well as culturally specific services and outreach targeted to the BIPOC and immigrant communities. In an effort to address the inequalities that exists in the local affordable housing needs, and to ensure equitable access to the project's new units, 74th and Glisan will serve the following priority communities: families, communities of color, immigrants and refugees, survivors of domestic violence, and households experiencing, or at risk of, homelessness. Residents at 74th and Glisan will have access to culturally specific or responsive service providers in Catholic Charities (CC) and Immigrant Refugee Community Organization (IRCO). CC and IRCO

have a strong presence in East Portland, a history of serving the community, and offer programming specific to the needs of local residents.

### **Strategies to Eliminate Housing Barriers**

To effectively reach the priority populations and, importantly, to ensure equitable access to communities of color within the priority populations, 74th and Glisan will employ a grass roots approach for initial lease up and re-leasing efforts that begins with the partner service providers and local relationships. CC has an extensive client network to whom they can appropriately market housing opportunities. This network includes several culturally responsive programs and efforts, such as their Intercultural Counseling Center, Immigration Legal Services, Refugee and Migration Services, and Housing Transitions Program. Additionally, CC maintains relationships with several local non-profit service providers that will allow for an expanded reach in communicating housing opportunities to underserved and disadvantaged communities of color. Similar to CCC, IRCO provides its clients a number of services to assist with housing and housing stability, from access and navigation services to rental and energy assistance. IRCO's client network is also a natural resource to target leasing opportunities.

To successfully serve the target populations and address racial disparities in tenant selection, key elements of the tenant selection and screening criteria at the project will be tailored to ensure equitable access among applicants. The project specific screening criteria will be reviewed by RNW, CC, IRCO, and Quantum to ensure that it meets all required fair housing laws, works to advance racial equity, and does not directly or indirectly create disadvantages to the target populations. In addition, the team will set clear and consistent policy to override the screening criteria. Criteria areas that will be assessed for the override policy include, credit, rental, and criminal history reviews.

Quantum will collect demographic data on all applicants. Each year the Partners will review the data to gauge whether the lease up through referrals from the culturally specific/culturally responsive service providers is delivering equitable access to communities of color. Demographic data specific to approved applicants, when compared against total applicants, will be used to analyze the effectiveness of the project's screening and lease up processes. This annual assessment will inform necessary adjustments to marketing and outreach as well as screening and lease up processes to best meet the needs of the residents and ensure equitable access.

### **Equity in Contracting**

The team's aspirational COBID certified firm participation goal is 35% for hard costs and 30% for professional services. LMC consistently exceeds DMWESB requirements. Of the last 5 projects, LMC achieved an average 37% COBID participation rate. Since LMC started tracking DMWESB participation on all projects (including projects with no requirement or aspirational goals), 76% have surpassed 20% participation, 46% have reached 30% or higher participation, and 12% have surpassed 40% participation. One of the general contractors' core strengths is engaging the minority subcontracting community and mentoring and fostering growth. LMC is a Registered Training Agent with the Northwest College of Construction and currently has both carpenter and laborer apprentices enrolled in their program. LMC has completed over a dozen projects with apprenticeship goals or requirements, and currently has five projects underway with Workforce Training or Apprenticeship requirements. In addition to LMC's experience with their own workforce and apprenticeship training, they also actively manage their subcontractors to ensure they are complying with the requirements.

## Partnerships and Services

Services will be coordinated by a Resident Services Manager (“RSM”) and provided in combination between IRCO and CC. The RSM may also engage third party providers for specific programs or services. Catholic Charities is providing case management and services for the PSH building. IRCO is the resident services provider for the family building. IRCO will also provide translation services as needed for both buildings. The resident services program will provide programming to facilitate economic stability, strategies for increased educational success, promote healthy lifestyles, and build strong communities. Both CC and IRCO have numerous established service programs to deliver general resident services to 74th and Glisan. Additionally, IRCO has a number of specialty programs for youth, from mentoring and academic advocacy to gang prevention and intervention for high-risk youth that will be made available to the residents.

Through CC’s programs, outside referrals, and advocacy, wraparound Supportive Housing services will be provided including food resources, education, legal needs, substance use, medical coverage and access, counseling, asset development, immigration assistance, and pregnancy support. CC leverages other funds to address landlord debt, provide Rent Well training, and offer Trauma Recovery and Empowerment Model (TREM) empowerment groups. CC will also provide Immigration Legal Services, Refugee and Migration services, the Housing Transitions Program for self-identified homeless women and strong ties with culturally specific service providers to ensure culturally responsive service delivery. CC staff provide services in ten languages and will connect with IRCO’s language bank that reaches 200 cultures and languages providing deep coverage for the residents of the PSH community.

In addition, the Partners plan to co-locate the first IRCO led multi-cultural preschool in Multnomah County at 74th and Glisan. The project also includes a multi-cultural reading room and book exchange open to residents and the greater community.

## Anticipated Timeline

Metro Concept Endorsement	10/2021
OHCS 4% LIHTC Application Submitted	06/2022
Building Permit Submitted	11/2022
Final contractor bid package	10/2022
PHB Housing Investment Committee Approval	11/2022
Metro Final Approval	11/2022
Financial Closing	12/2022
Construction Start	12/2022
Construction Completed	05/2024
Lease-Up Completed	01/2025

## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** 5020 N. Interstate  
**Implementing Jurisdiction:** Portland Housing Bureau  
**Metro IGA Contract Number:** 937016  
**Anticipated construction start:** June, 2022  
**Anticipated construction completion:** July, 2023

**Action:**

Metro hereby provides Portland Housing Bureau with Concept Endorsement for \$9,363,137.00 Metro Affordable Housing Bond funds for the development of 5020 N. Interstate, a regulated affordable housing project located at 5020 N Interstate Avenue, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Portland Housing Bureau, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
5	One-bedroom	30%	0
11	One-bedroom	60%	0
6	Two-bedroom	30%	0
17	Two-bedroom	60%	0
7	Three-bedroom	30%	0
18	Three-bedroom	60%	0

Changes to the information contained in the concept endorsement request provided by Portland Housing Bureau could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before Final Approval.



Marissa Madrigal

Chief Operating Officer

11/16/2021

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for 5020 N. Interstate



Drafted by: Emily Lieb, Housing Bond Program Manager, Valeria McWilliams, Senior Program Coordinator, Alison Wicks, Senior Program Coordinator, Choya Renata, Senior Communications Specialist, Jimmy Oporta, Housing Program Analyst, Breanna Hudson, Associate Housing Analyst and Stellan Roberts, Connor Ayers, and Shay Starling, Council Office Support Interns, Metro

Date: November 9, 2021

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## Criteria for funding approval

Metro will issue Concept Endorsement to local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for 5020 N. Interstate. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau (PHB).

## Contribution to unit production targets

5020 N. Interstate will utilize 4.3% (\$9,152,000) of Portland's total allocation of bond funds while delivering 64 units that meet the following unit production outcomes:

- 4% of Portland's overall unit production target;
- 3% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 7% of Portland's family sized unit target; and
- 0% of Portland's permanent supportive housing target.

When combining this project with the other 6 Metro Bond Opportunity Solicitation (MBOS) selected projects in addition to Portland's existing development portfolio, this puts the City on a path to have utilized 51.3% (\$108,261,432) of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 76% of Portland's overall unit production target;
- 73% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 68% of Portland's family sized unit target; and
- 94% of Portland's supportive housing units

## Eligibility and readiness to proceed

The Portland Housing Bureau (PHB) has submitted and Metro staff have reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:



- A preliminary project pro forma dated 06/30/2021
- Conformance Set Drawings dated 02/07/2020
- Development team resumes and developer schedule of real estate owned demonstrating a track record with affordable housing development in Oregon

Staff have not identified any unusual risks to project feasibility and readiness and will continue to request updates from the City regarding how work is proceeding.

## Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of City of Portland's approved local implementation strategy (LIS). Key findings include:

- **Location:** The 5020 N. Interstate site is located in Overlook, one of the North and Northeast Portland neighborhoods that comprise Albina, the center of Portland's African American community. Over the last few decades, gentrification and eminent domain have resulted in the mass displacement of Black residents from Albina. There are a range of grocery stores in proximity, including a Fred Meyer, New Seasons and independently owned Cherry Sprout. Immediately south of the project is Providence Medical Group and Kaiser Permanente's medical campus. A 4-minute walk north from the project is Patton Square City Park, and two other parks are a 15-minute walk away.
- **Transit access:** The project is equidistant (0.3 miles) from two MAX stations and from the number 72 bus route line, which terminates in Clackamas Town Center. The number 4 bus route is 0.4 to the east, terminating in Downtown Portland.
- **Diversity in contracting/hiring:** LCM Construction and ALMAR Contracting will be partners on this project. ALMAR Contracting is a local minority-owned construction company. LCM Construction and ALMAR Contracting have committed to 40% participation by COBID-certified or DMWESB certified trade and business partners and aim to achieve 50% or more. This exceeds the PHB goal of at least 30% on hard cost and 20% participation on soft costs on the development from COBID-certified DMWESB-SDVs.
- **Access for historically marginalized communities:** By targeting the units to serve Black families, Community Development Partners (CDP) and Self Enhancement, Inc. (SEI) aim to reconnect historically displaced communities to the gentrified Albina area. Projects with PHB funding in this area are subject to a preference policy for applicants with generational ties to the area. Efforts will be taken to ensure tenant screening practices are low barrier, including reducing the limit on when felonies have occurred to 3 years and lowering the income to rent ratio to 2x monthly rent.
- **Culturally appropriate services:** SEI will implement programming and services both at the property and through their curriculum of youth and family programs. An SEI Resident Services Coordinator will work part time at the property to help residents with social services and provide referrals to a number of community resources.
- **Cooling plan:** Consistent with PHB's statement on Air Conditioning Requirement (August 13, 2021) and Metro's Policy Statement on Air Conditioning (September 14, 2021), the project will provide in-unit air conditioning to every unit via mini-split HVAC units. Additional information about climate resilience and sustainability strategies will be gathered as part of the final approval.

## Community engagement to inform project implementation

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements of City of Portland's approved Local Implementation Strategy (LIS). Key findings include:

- **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

CDP's partnership with SEI will support community engagement efforts reaching Black/African American communities and other people of color. Community engagement will include a survey in early 2022 specific to this project, and other strategies will be developed in early 2022. The project is also tangentially informed by years of engagement CDP and SEI have done for the Alberta Alive development strategy.

- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

The survey results and other community engagement feedback will influence ground floor uses, interior design and art. Metro staff are awaiting more information which should come in at final approval.

## EXHIBIT B: Project summary submitted by Portland Housing Bureau | Metro bond concept endorsement for 5020 N. Interstate

Submitted by: Jill Chen Housing Investments and Portfolio Preservation Manager

Portland Housing Bureau, [jill.chen@portlandoregon.gov](mailto:jill.chen@portlandoregon.gov)

Submitted on: October 4, 2021

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### Project Overview

The Portland Housing Bureau (PHB) is requesting Metro Concept Endorsement to award up to \$9,363,137 in Metro Bond Funds to Community Development Partners (CDP) and Self Enhancement, Inc. (SEI) for the 5020 N. Interstate project, a proposed new construction project consisting of 64 units of family-focused housing at 5020 N Interstate Avenue in North Portland's Overlook neighborhood in the Interstate Corridor Urban Renewal Area. CDP and SEI have partnered as co-owners/developers and SEI will provide onsite resident services. The target population for the development will align with the N/NE Preference Policy, and target those with histories of displacement or have generational ties to being displaced from North/Northeast Portland due to harmful urban renewal practices, focusing particularly on African American families.

The project will serve 18 households at 30% and include 47 family-size units to serve the needs of large families in North and Northeast Portland. Notably, the 30% AMI units are distributed proportionately among the unit types to ensure families below 60% AMI have access to appropriately sized units. The project will also include community-serving commercial space on the ground floor. Development financing for the 5020 N. Interstate includes 4% LIHTC equity, Oregon Housing and Community Services (OHCS) weatherization funds, permanent loan, deferred developer fee, and proposed Metro Bond funds. All funding sources have been committed or conditionally awarded and the project will not carry hard debt from a permanent senior loan.

### Preliminary Development Program

5020 N. Interstate will deliver a new 68,407 square foot, 6-story mixed-income apartment building. The project will provide 64 affordable homes as well as approximately 2,491 square feet of neighborhood-serving commercial space. Amenities include a small community garden, outdoor play area and courtyard, bike storage, and onsite parking spaces.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
1 bedroom	5	30%	0	617-620	\$480
1 bedroom	11	60%	0	617-620	\$1,024
2 bedrooms	6	30%	0	805-880	\$579
2 bedrooms	17	60%	0	805-880	\$1,232
3 bedrooms	7	30%	0	1,043-1,172	\$660
3 bedrooms	18	60%	0	1,043-1,172	\$1,509
<b>Total</b>	<b>64</b>		<b>0</b>		

## Project Image



*Rendering of 5020 N. Interstate viewed from North Interstate Avenue.*

## Background

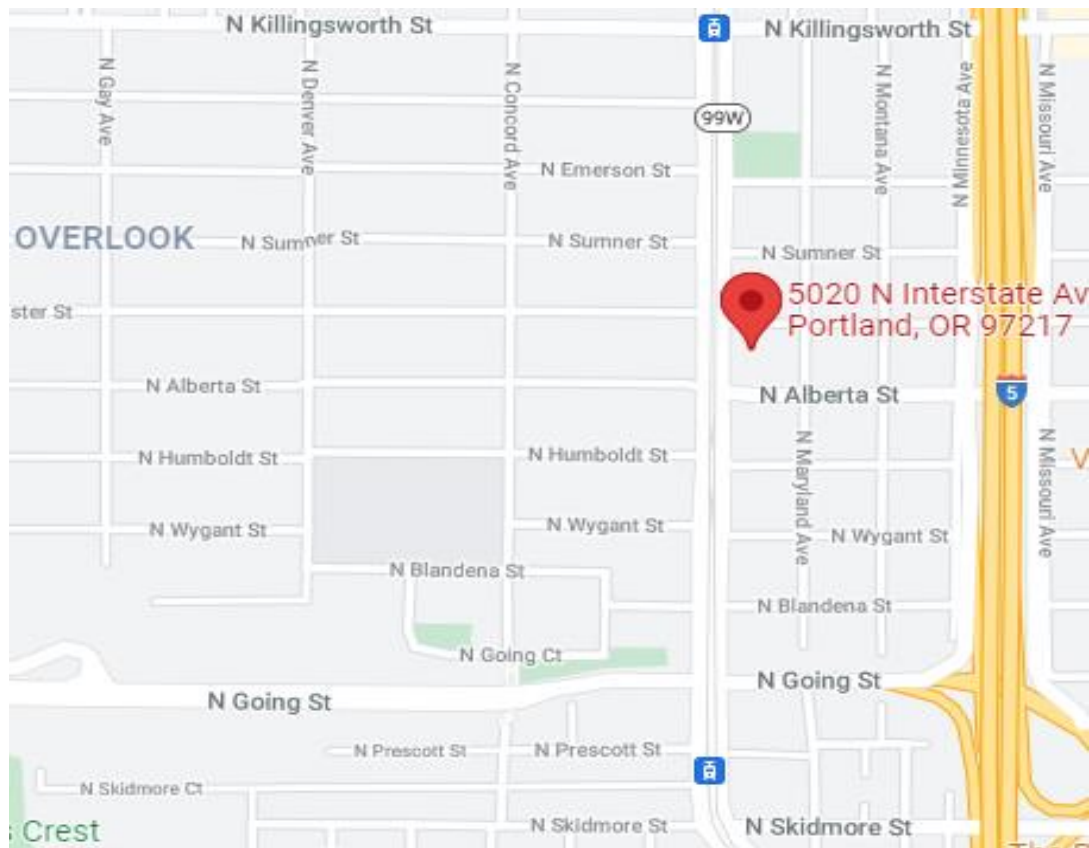
In 2016, PHB purchased the 0.46-acre, half-block site in the Overlook neighborhood of North Portland for the purpose of developing affordable housing. A previously awarded development could not successfully secure financing for a mixed-income, mixed-use, for-sale multifamily condominium project. The property is located in the Interstate Corridor Urban Renewal Area (ICURA) and is subject to PHB's N/NE Preference Policy.

In July 2021, the CDP and SEI development team submitted a proposal for Portland's 2021 Metro Bond Opportunity Solicitation (M-BOS). PHB has recommended that the CDP and SEI development team are awarded \$9,363,137 in Metro bond funds to develop this site. This amount includes the project subsidy per unit award of up to \$9,152,000 and a 2.307% program delivery fee (\$211,137).

As part of the M-BOS, PHB made available several due diligence assessments and predevelopment activities completed by the previously awarded project, including design review and permitting, Environmental Phase I and II reports, Geophysical Survey and a construction cost estimate. The development team will utilize the permit-ready designs to expedite start of construction by mid-2022.

## Location and Neighborhood

The project is equidistant (0.3 miles) between two MAX stations and is equally distant from the number 72 bus route line, which terminates in Clackamas Town Center. The number 4 bus route is 0.4 to the east, terminating in Downtown Portland. A 4-minute walk north from the project is Patton Square City Park, and two other parks are a 15-minute walk away. There are a range of grocery stores in proximity, including a Fred Meyer, New Seasons and independently owned Cherry Sprout. Immediately south of the project is Providence Medical Group and Kaiser Permanente's medical campus.



## Site

The 5020 N. Interstate site is a single 0.46-acre parcel along the east side of North Interstate Avenue between North Alberta Street and North Webster Street. PHB has owned the property since 2016. The site is currently vacant and clear of any permanent structures. The site is zoned Commercial Mixed Use 3 (CM3), a large-scale, commercial mixed-use zone intended for sites close to the Central City, in high-capacity transit station areas or town centers, and on civic corridors. At completion, 5020 N. Interstate will deliver a new 68,407 square foot, 6-story (wood framing over a concrete podium) mixed-income apartment building. The project will provide 64 affordable homes as well as ground floor commercial space. The building will be 71' 10" tall, have a density of 3.77/1 FAR, and cover 65% of the site. The ground floor of the project will include approximately 2,491 square feet of neighborhood-serving commercial space along Interstate and oriented toward the intersection with Alberta. The building massing is arranged in a C-shaped plan, simultaneously providing a street presence along all three frontages of the lot while also providing a courtyard for residents and concealing parking behind. The ground floor includes 4 apartments with a resident lobby, an entry plaza off of North Interstate Avenue, and access to the parking area and multi-purpose exterior space.

The project will also incorporate right-of-way improvements adhering to the City of Portland's streetscape design, and Portland Department of Transportation standards along North Webster, North Alberta, and North Interstate Avenue. Right-of-way dedications will provide new 12' wide sidewalks along Webster, Alberta, and Interstate.

## Project Financing

The estimated total development cost for the residential portion of the development is \$30,176,395, equal to \$471,506/unit or \$457.80/sq ft. CDP and SEI anticipate submitting a request for non-competitive 4% tax credits in late 2021. Other capital sources include OHCS weatherization, Metro Bond funds, a deferred developer fee, and a permanent loan. The project is expected to receive a partial SDC exemption for all the units affordable to individuals earning up to 30% AMI. CDP/SEI is exempt from paying property taxes on the site.

### Sources and Uses Overview

Source	Amount	Use	Amount
4% LIHTC Equity	\$13,918,732	Land/Acquisition	\$289
OHCS Weatherization	\$150,000	Construction Costs	\$22,965,677
PHB Metro Bond	\$9,152,000	Soft Costs (excl. Developer Fee)	\$3,274,415
Deferred Developer Fee	\$1,574,406	Developer Fee	\$3,936,014
Permanent Loan	\$5,381,257		
<b>Total</b>	<b>\$30,176,395</b>	<b>Total</b>	<b>\$30,176,395</b>

## Development Team

- **Developer/owner/resident service provider:** CDP and SEI have been working together since 2019 and have formed a co-developer and co-sponsor partnership for this project.

**CDP** was formed in 2011 and in the relatively short time since, has successfully built or preserved over 2,000 affordable housing units throughout Oregon, California, Nevada, and Arizona, and has done so in partnership with many Housing Authorities and non-profits such as SEI, Hacienda CDC, NAYA, NARA, and EngAge. CDP has developed 10 affordable housing projects in Oregon, 4 of which are in the City of Portland.

**SEI** is Oregon's largest African American led nonprofit multi-service organization, and second-largest minority-operated employer. In 2018-19, SEI's comprehensive services benefited over 16,300 K-12 students, youth ages 18-25, families, and individuals across the City of Portland and Multnomah County. With 150 full-time and 46 part-time staff members; 75% African American and 89% from communities of color, SEI will provide resident services programming and lead all community engagement activities and represent the development team when meeting with community stakeholders such as the N/NE Oversight Committee.

- **General contractor:** LMC Construction and ALMAR Contracting. LMC will be partnering with ALMAR Contracting, a local minority-owned construction company. ALMAR's President and Owner got his start in multi-family affordable housing working at LMC Construction. This partnership will be a huge contributor towards the team meeting their goal of 50% COBID and DMWESB participation on the project.
- **Architect:** Carleton Hart Architecture is a local firm dedicated to creating innovative solutions to community-centered design challenges. Whether for public, private, or non-profit clients, they focus on projects that are community-based and people oriented. CHA has experience working on 5 different PHB projects.

- **Property Management Company:** Guardian Management LLC has extensive experience in providing resident services and collaborating with service providers to deliver targeted services that meet the needs of the resident populations they serve. Guardian has piloted a multitude of prominent real estate projects including, mixed use and mixed income projects, historic preservation projects, affordable housing, senior housing, and conventional apartments and condominiums. Currently the company's portfolio is comprised of over 130 communities throughout 90 cities in four states.
- **Real Estate Broker:** DRCOMM is Portland's largest Black- and Woman-owned Real Estate Brokerage firm. DRCOMM will act as the project's Listing Agent and will be tasked with finding tenants for the two commercial spaces which fit PHB's requirements of providing needed goods and services to the residents and supporting neighborhood business growth in the Overlook neighborhood community.

## Community Engagement

Previous community engagement includes a meeting with the Overlook Neighborhood Association, which was conducted in late 2018, where CHA presented the project and the design for feedback from the Association. The developers aim to build on the previous sponsor's initial engagement with the N/NE Oversight committee by keeping in regular communication with the committee and providing regular updates on the project. SEI regularly contracts with government, philanthropic foundations, and various advocacy groups to carry out culturally specific/responsive community engagement activities in the city and county; e.g., related to the 2020-24 Statewide Health Improvement Plan (SHIP) and COVID-19 for the Oregon Health Authority; 2020 US Census completion in collaboration with United Way; communications and outreach addressing Oregon Student Success Plan (SSA) implementation and the Black Student Success Network convened by the Oregon Community Foundation; neighborhood safety, health, green jobs, and environmental sustainability for the City of Portland Bureau of Transportation and Parks and Recreation Department; an Oregon Health & Science University (OHSU) study of COVID-19 in selected neighborhoods; others. SEI is presently reviewing and updating its outreach and communications strategies and is establishing a new parent council that will include representatives from the key regions SEI serves and programs (e.g., CFP, SUN, school-based, child abuse and prevention, family reunification). SEI helped found the Coalition of Communities of Color, Coalition of Black Men, and the Portland African American Leadership Forum (among other groups). SEI worked with the Urban League of Portland, the Northwest Area Foundation, Prosperity Now, and other organizations to examine barriers to BIPOC home ownership and generational wealth creation, an area that continues to be a priority for SEI's work going forward.

## Advancing Racial Equity

### Project Location and Services through SEI

The 5020 N. Interstate site is located in Overlook, one of the North and Northeast Portland neighborhoods that comprise Albina, the center of Portland's African American community. Over the last few decades, gentrification and eminent domain have resulted in the mass displacement of Black residents from Albina. By targeting the units to serve Black families, CDP and SEI aim to reconnect this displaced community with greater Albina and the culturally specific services and landmarks that remain in place. The site is in Portland's Interstate Corridor Urban Renewal Corridor, where projects with PHB funding are subject to the City's N/NE Housing Strategy that includes a Preference Policy for applicants with generational ties to the area.

### **Strategies to Eliminate Housing Barriers**

SEI's Relationship Model and comprehensive service continuum are culturally specific for African Americans and culturally responsive for other populations. SEI will implement programming and services both at the property and through their well-established curriculum of youth and family programs. Existing SEI employees and contract funds from multiple sources will be leveraged to ensure the project's success.

Property rental offers are available on an equal opportunity basis, and all efforts are taken to ensure that tenant screening practices are low barrier, including, reducing the limit on when felonies have occurred to 3-years, rather than the usual 5 or 7, and lowering the income to rent ratio to 2x monthly rent, instead of 3x monthly rent.

### **Equity in Contracting**

The team has committed to 40% participation by COBID-certified or DMWESB certified trade and business partners on the project and will aim to achieve 50% or more. LMC projects typically exceed 25% participation, even in cases where there is no stated goal, and many projects exceed 40%. Three recent PHB-funded projects averaged 28.5% participation from DMWBE firms.

In addition, SEI launched an innovative new scholarship program in the trades and a partnership that will create housing for youth selected to participate in a paid, three-year professional apprenticeship program focused on the Architecture, Engineering, and Construction (AEC) industry.

### **Partnerships and Services**

A SEI Resident Services Coordinator (RSC) will work part-time at the property to help residents navigate social services, and provide referrals to community resources, including job training and asset building classes, childcare and after school programs. The RSC will also host community building events for residents at the property, as well as at The Alberta Abbey, a non-profit community arts center just blocks from the site. Project co-sponsor CDP owns "The Abbey" and spent the past several years working to activate it with non-profit tenants and free and low-cost community events. The Abbey will serve as a venue for resident events. Site-specific services include the following:

- 1.** Connect residents with SEI's Community +Family Programs through Parenting Classes; Parent-Child Development Services for families of children ages 0-6; Anti-Domestic and Sexual Violence Program; Short-Term Rental Assistance; Multnomah Stability Initiative (MSI) for families who have children under 18 living in the household and are currently underemployed or unemployed; Community Works Project, a collaborative project between SEI, IRCO, Human Solutions, NAYA, Urban League of Portland, and El Programa Hispano that is designed to empower job seekers on TANF; and In-home Safety and Reunification Services (ISRS).
- 2.** Financial education, Individual Development Accounts, jobs networking, and entrepreneurship training.
- 3.** Physical fitness and other lifestyle classes.



## Anticipated Timeline

Metro Concept Endorsement	10/2021
OHCS 4% LIHTC Application Submitted	12/2021
Updated Building Permit Submitted	02/2022
Final contractor bid package	05/2022
PHB Housing Investment Committee Approval	05/2022
Metro Final Approval	05/2022
Financial Closing	06/2022
Construction Start	06/2022
Construction Completed	07/2023
Lease-Up Completed	10/2023

## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** Albina One

**Implementing Jurisdiction:** Portland Housing Bureau

**Metro IGA Contract Number:** 937016

**Anticipated construction start:** December, 2022

**Anticipated construction completion:** September, 2024

**Action:**

Metro hereby provides Portland Housing Bureau with Concept Endorsement for \$13,572,107.00 Metro Affordable Housing Bond funds for the development of Albina One, a regulated affordable housing project located at 265 N. Broadway, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Portland Housing Bureau, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
13	One-bedroom	30%	0
27	One-bedroom	60%	0
13	Two-bedroom	30%	10
24	Two-bedroom	60%	0
6	Three-bedroom	30%	6
11	Three-bedroom	60%	0

Changes to the information contained in the concept endorsement request provided by Portland Housing Bureau could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before Final Approval.



Marissa Madrigal

\_\_\_\_\_  
11/16/2021

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Albina One



Drafted by: Emily Lieb, Housing Bond Program Manager, Valeria McWilliams, Senior Program Coordinator, Alison Wicks, Senior Program Coordinator, Choya Renata, Senior Communications Specialist, Jimmy Oporta, Housing Program Analyst, Breanna Hudson, Associate Housing Analyst and Stellan Roberts, Connor Ayers, and Shay Starling, Council Office Support Interns, Metro

Date: November 9, 2021

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## Criteria for funding approval

Metro will issue Concept Endorsement to local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Albina One. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

## Contribution to unit production targets

Albina One will utilize 6.4% (\$13,442,000) of Portland's total allocation of bond funds while delivering 94 units that meet the following unit production outcomes:

- 6% of Portland's overall unit production target;
- 5% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 7% of Portland's family sized unit target; and
- 5% of Portland's permanent supportive housing target.

When combining this project with the other 6 Metro Bond Opportunity Solicitation (MBOS) selected projects in addition to Portland's existing development portfolio, this puts the City on a path to have utilized 51.3% (\$108,261,432) of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 76% of Portland's overall unit production target;
- 73% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 68% of Portland's family sized unit target; and
- 94% of Portland's supportive housing units

## Eligibility and readiness to proceed

The Portland Housing Bureau has submitted and Metro staff have reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:

- A preliminary project pro forma dated 7/1/2021
- OHCS 4% LIHTC Pre Application dated 07/21/2020
- Purchase and Sale Agreement dated 7/1/2021 as evidence of developer site control
- Concept drawings submitted MBOS application
- Development team resumes and developer schedule of real estate owned demonstrating a track record with housing development in Oregon

Staff have not identified any unusual risks to project feasibility and readiness and will continue to request updates from the City regarding how work is proceeding.

## Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of City of Portland's approved local implementation strategy (LIS). Key findings include:

- **Location:** Albina One is located in lower Albina, a historic Black neighborhood. It's near multimodal transit and transportation alternatives; Interstate 5; numerous bike share alternatives; and Union Station. It has remarkable access to jobs and is less than one mile from a grocery store and other commercial activities. The location is a short drive of Black and BIPOC-serving culturally specific organizations. It is within a half-mile of the Willamette River, immediately across from downtown Portland. It is also near Dawson Park, Harriet Tubman Middle School, and a number of historic churches.
- **Transit access:** The project is served by two frequent-service TriMet buses (lines 4 and 8) within 0.3 miles, as well as 5 additional bus lines within 0.2 miles. The project is also well-served by the MAX (Red, Green, Blue, and Yellow lines) at the Interstate/Rose Quarter 0.4 miles away, and the Portland Streetcar (A and B loop) 0.1 miles away.
- **Diversity in contracting/hiring:** The owner, Albina Vision Trust (AVT), is a Black-led and Black-serving organization. POIS+RAHS, the operating partner, is a Black founded and Black-led organization. The architect, Chandra Robinson from Levers Architects, is a Black/African-American woman from Oregon. The prime contractor, Colas Construction, is a multi-generational, Black-owned firm. The developer has a long record of working with non-profit organizations, including BIPOC-led and serving organizations. Goals for COBID participation include 40% of hard costs and 50% for Professional Services. AVT does not have stand-alone practices for equity and anti-racism, as its purpose is to counteract anti-Black racism in the urban form. Edlen & Co has prioritized the recruitment and hiring of women of color. The outcome is a firm that is 20% BIPOC and 60% women. The firm is in the process of becoming B Corp and JUST certified. POIC+RAHS provides cultural-specific trainings, as well as youth development, social justice, and other trainings. Colas Construction is a 100% Black-owned construction firm that centers anti-racism through sponsorship and offerings of DEI training and ongoing conversation. LEVER has taken a proactive role in increasing the diversity of consultants and staff hired, as well as offering anti-racist practice trainings. Reported workforce demographics reflect a diverse array of individuals.
- **Access for historically marginalized communities:** The project seeks to anchor and revitalize historic lower Albina, a region brimming with Black culture where residents were historically displaced through the construction of freeways, hospitals, and sports venues. Albina One will specifically target a vulnerable and under-represented population: young, Black/African/African American Portlanders, with a focus on single fathers. AVT commits to conduct low-barrier screening, which would be adjusted to be appropriate for the target population and in collaboration with their Property Manager, Quantum. They will provide

marketing materials (via direct email, internet, flyer distribution and other methods to be identified) and an open waitlist notification, as well as engaging the local school district's Family and Community Recourse Advocates.

- **Culturally appropriate services:** A partnership with resident service provider POIC-RAHS will ensure culturally-specific services, such as: youth and gang violence intervention and prevention services, trauma-informed therapy and case management for youth involved in the juvenile justice system and their families, college and career exploration, career coaching, job placement services, and more.
- **Cooling plans:** The current project proposal includes plans to provide will window ports that a mobile air-conditioning unit can be connected to. In consideration of PHB's new in-unit air conditioning requirement (effective August 13, 2021) and Metro's policy statement strongly encouraging air conditioning and offering support addressing barriers (September 14, 2021), Metro staff has requested a proposal to request additional funding needed to support in-unit air conditioning investments that consider impacts to sustainability, durability, and energy costs.

## Community engagement to inform project implementation

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements of City of Portland's approved Local Implementation Strategy (LIS). Key findings include:

- **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

Partnerships between The Albina Vision Trust (AVT), Metro and the City of Portland helped produce the vision for lower Albina's Community Investment Plan (CIP). This process began in February 2020 and unfolded concurrently with the development process for Albina One. A total of 18 community workshops engaged over 450 Portlanders and helped gather feedback on housing and desired community spaces. POIC+RAHS, a black-founded and Black-led organization, has been selected as the project's resident services provider, bolstering the project's purpose to address historical racism and lack of housing access for the Black community. The design team intends to host one more workshop, hosted by AVT and POIC+RAHS, to share development details and ensure the design is consistent with community expectations and desires.

- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

Feedback received from community members about housing and desired community spaces were incorporated into the design work for Albina One. Key community priorities, as heard through the Community Investment Process (CIP), include:

- Prioritization of housing with communal spaces, including green spaces that promote wellness and community building
- Family sized units that allow for larger families, including multi-generational households
- Connection between housing and access to living wage jobs
- Desire to see Black people and organizations reflected in the delivery of affordable housing (as developers, owners, architects, etc.)

## EXHIBIT B: Project summary submitted by Portland Housing Bureau | Metro bond concept endorsement for Albina One

Submitted by: Jill Chen Housing Investments and Portfolio Preservation Manager

Portland Housing Bureau, [jill.chen@portlandoregon.gov](mailto:jill.chen@portlandoregon.gov)

Submitted on: October 4, 2021

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### Project Overview

The Portland Housing Bureau (PHB) is requesting Metro Concept Endorsement to award up to \$13,752,107 in Metro Bond Funds to Albina Vision Trust for the Albina One project located at 253 WI/ N Broadway. As the catalyzing project of Albina Vision Trust's mission for the historic district, Albina One will be a 94-unit building of newly constructed family-focused housing units located on a 29,185 square foot parcel of land. Due to its adjacency to the Paramount Apartments, a safe hotel and apartment complex for Black people before and during segregation, it has also been referred to as the Paramount Lot project. This project leverages N/NE Neighborhood Housing Strategy goals and would operate under the N/NE Preference Policy. The project will purchase the land at closing and as part of that purchase, half of the price will be donated back to AVT for a net land price at 50% of the value. Albina One's budget includes 4% LIHTC equity, Oregon Housing and Community Services (OHCS) weatherization funds, Metro TOD, permanent loan, deferred developer fee and SDC waivers.

### Preliminary Development Program

Albina One will be a 6-story, 98,500 square foot wood-framed building. It will have a 3.08:1 floor-area-ratio and will be 75 feet tall. This project will include 40 one-bedroom, 37 two-bedroom, and 17 three-bedroom units for an average bedroom count of 1.755. Thirty-four percent of the units are at 30% Area Median Income, evenly distributed across the overall unit mix, with the balance of the units serving those at 60% Area Median Income. The project is requesting that 16 of the 30% AMI units receive Project-Based Section 8 vouchers in this application, or 17% of their overall units. Under PHB guidance, the vouchers are underwritten to provide 60% AMI rents. Its amenities include community rooms on ground and top floor, on-site property management offices, secure bike parking, and an outdoor plaza with garden and play space. There will be 16 parking spaces under a partial concrete podium at the lower N Wheeler entrance.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
1 Bed	13	30%	No	580	\$543
1 Bed	27	60%	No	580	\$1,088
2 Bed	3	30%	No	825	\$652
2 Bed	24	60%	No	825	\$1,306
2 Bed	10	30%	Yes	825	\$1,306
3 Bed	11	60%	No	1,150	\$1,509
3 Bed	6	30%	Yes	1,150	\$1,509
<b>Total</b>	<b>94</b>				

## Project Image



## Background

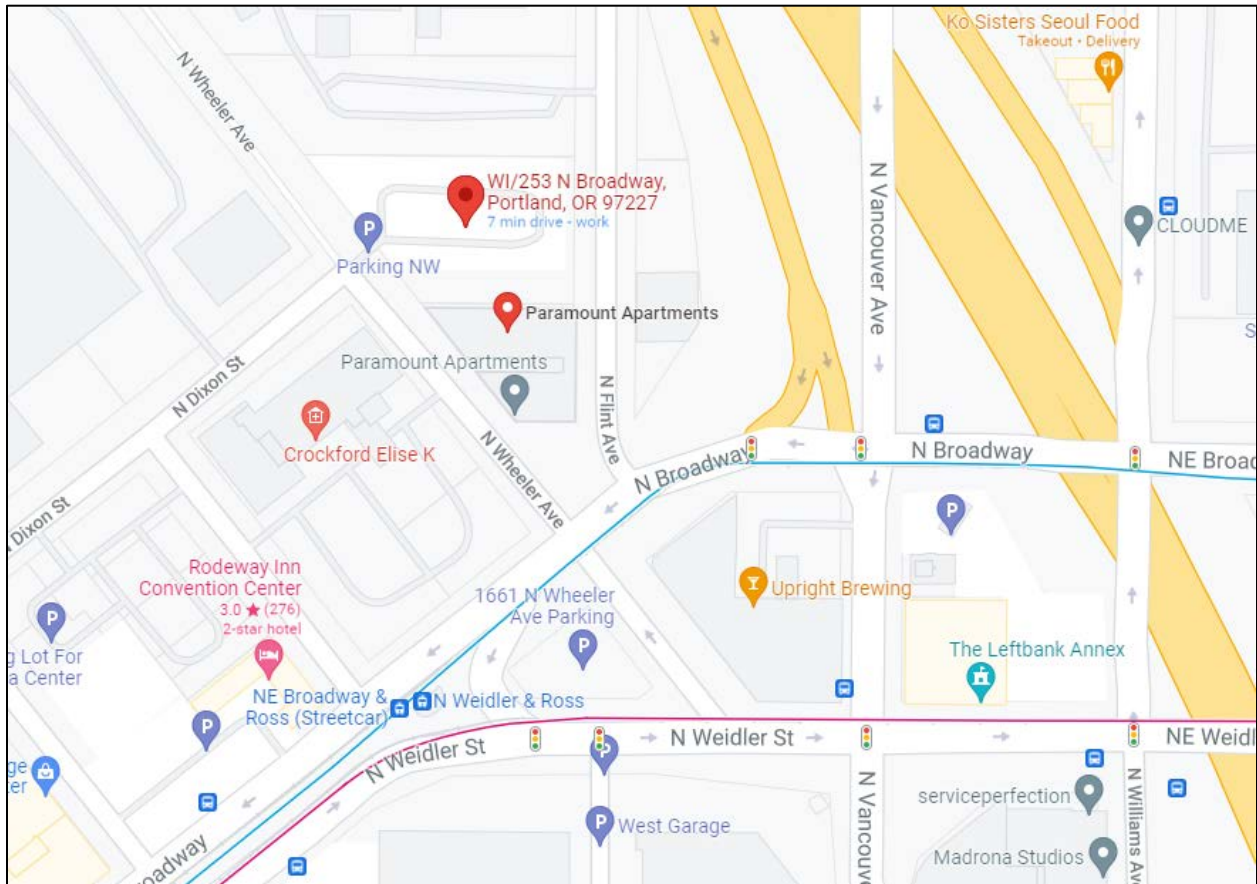
This project is part of a broader vision and critical context in this community: the mission of Albina Vision Trust (AVT) is to honor lower Albina's past by transforming 94 acres of under-utilized, central city property into a socially and economically inclusive community of residents, businesses, artists, makers, and visitors. The diverse community will be anchored by intentionally conceived parks, plazas, civic and cultural event spaces, and will be seamlessly connected to the river and surrounding neighborhoods. Lower Albina was once home to thousands of Black people and businesses. They want to restore the diversity and vitality, while at the same time improving access to the river for all of East Portland.

The location was selected for its strong ties to Black history and culture in Portland. The project is in lower Albina, the historic neighborhood for Black Portlanders that was home to the highest concentration of African American residents anywhere in the city or state of Oregon. It is adjacent to the Paramount Apartments, which was a safe hotel and apartment complex for Black people before and during segregation. The project will be in the original jazz district of Portland, wherein many Black creatives showcased their talent in what used to be a vibrant cultural center. Finally, it was the neighborhood that Portland's early Black residents lived in for an easy, short commute to work at the nearby Amtrak train station, Kaiser shipyards or the garment district (which is now the Pearl). The neighborhood is steeped in Black history and culture.

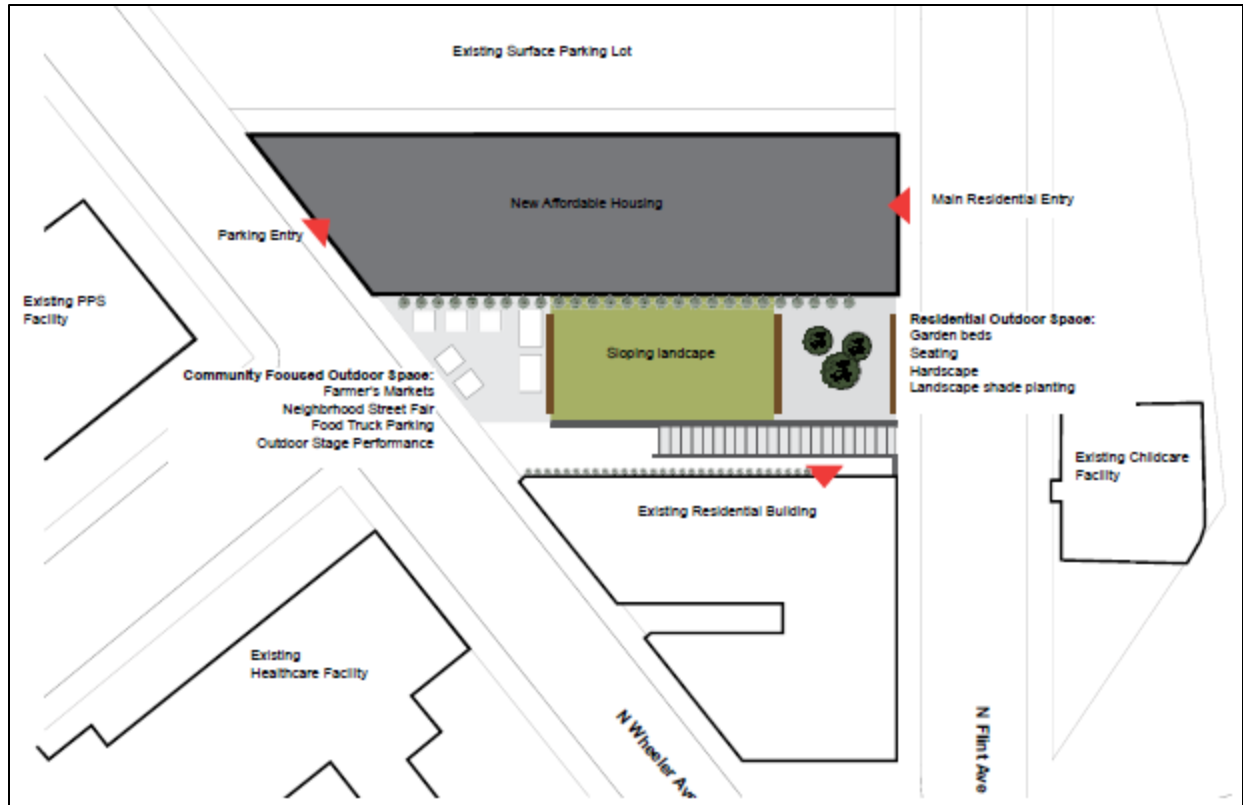
In July 2021, the Albina One development team submitted a proposal for Portland's 2021 Metro Bond Opportunity Solicitation (M-BOS). PHB has recommended that the Albina One development team are awarded \$13,572,107 in Metro bond funds to develop this site. This amount includes the project subsidy per unit award of up to \$13,442,000 and a 2.307% program delivery fee (\$310,107).

## Location and Neighborhood

The project is located in lower Albina, a historic Black neighborhood. It's near multimodal transit and transportation alternatives (TriMet Rose Quarter Transit Station, the Streetcar), Interstate 5, numerous bike share alternatives, and Union Station. It has remarkable access to jobs and is less than one mile from a grocery store and other commercial activities, and within a short drive of Black and BIPOC-serving culturally specific organizations. It is within a half mile of the Willamette River, with downtown being right on the other side. It is also near Dawson Park, Harriet Tubman Middle School, and a number of historic churches.







## Site

The Albina One site is a single 29,185 square foot parcel located on N Broadway between N Wheeler Ave and N Flint Ave. The project is located on land owned by Paramount Parking LCC. AVT will be buying the land and then will have 50% of the sale price donated back to the project by the seller. The site is currently occupied by a parking lot. The site is zoned Central Employment (EX) which allows a full range of high density commercial, light industrial, institutional, and residential uses. This zone is intended for sites in or near the Central City and in Gateway. The completed project will cover 51% of the lot.

## Project Financing

The estimated total development cost of project is \$49,116,686, equal to \$522,518 per unit or \$574.34 per square foot. AVT and Edlen anticipate submitting a request for non-competitive 4% tax credits in 2022. Other capital sources include OHCS weatherization, Metro Bond and TOD grant funds, a deferred developer fee, and a permanent loan. The project is expected to receive a partial SDC exemption for all the units affordable to individuals earning up to 30% AMI. Property taxes will be exempt on all units under the City's NPLTE program due to the eligible non-profit status of its owner AVT.

### Sources and Uses Overview

Source	Amount	Use	Amount
4% LIHTC Equity	\$18,970,662	Land/Acquisition	\$3,940,000
Weatherization	\$122,200	Construction Costs	\$31,139,589
Metro TOD	\$500,000	Development Costs	\$14,037,097
Permanent Loan	\$8,735,859		
PHB Metro Loan	\$13,442,000		
Deferred Development Fee	\$2,400,000		
Contributed Developer Fees	\$1,095,965		
SDC Waivers	\$1,880,000		
Donation of Land	\$1,970,000		
<b>Total</b>	<b>\$49,116,686</b>	<b>Total</b>	<b>\$49,116,686</b>

### Development Team

- **Owner: Albina Vision Trust, Inc**

The Albina Vision Trust (AVT) will be the Owner of the project, called Albina One. AVT is a non-profit created in 2017 to steward the vision for the future of lower Albina in Portland. The specific mission and purpose of AVT and the objectives of this project are to counter intentional displacement of Black people from the neighborhood due to urban renewal, freeway siting, and long-term gentrification. They plan to achieve this by designing and constructing this project with Black folks in mind and partnering with other organizations to attract and retain Black/African/African American tenants. Both their purpose and mission are culturally specific. They aspire to rebuild a thriving and diverse neighborhood to respond to the urgent needs in both the built environment (housing, access to transportation alternatives) and the built community (social infrastructure, generational roots). It is of the utmost importance to their mission to reflect the Black vernacular in the urban form. While this will be their first affordable housing project, in their role as owner and steward of the project's vision, they will lean on their experienced development team. This team has been carefully selected because of their relevant expertise, commitment to their vision, and in order to bring Black/African American-led organizations and staff members to the center of this project's planning and design, construction, operations and services.

- **Developer and Asset Manager: Edlen & Company**

Edlen & Company (Edlen & Co.) will be Developer and Asset Manager for the project and has a long track record of successful projects with public and nonprofit partners, including affordable housing as well as other community facilities. Edlen & Co. is one of two successor companies to Gerding Edlen. Edlen & Co.'s focus is on mission-driven real estate with an emphasis on affordable and middle-income housing development and preservation, public-private partnerships, and projects that further push the boundaries of sustainability. In addition to asset management experience on past housing and mixed-use projects and a current housing portfolio under active management, the firm extensive development experience leading diverse and collaborative teams and is dedicated to ensuring that all aspects of the design and execution are on time, on budget and consistent with the project vision.

Edlen & Co. works on projects that range in size from \$10 million to well over \$100 million. Current housing projects are located in Portland, Seattle, Spokane and Boise and include market-rate, middle income and affordable (30%-60% AMI) units.

- **Service Provider: POIC + RAHS**

POIC+RAHS will be the resident services provider for Albina One and is a minority-led nonprofit that has been a beacon for communities of color, particularly the Black and African American community, for more than 50 years. POIC+RAHS was originally founded by Rosemary Anderson, a woman of color, to provide culturally specific workforce training and career placement services to counter discriminatory practices keeping people of color unemployed, underemployed, and unable to access wealth building opportunities. Then, viewing education as a critical component of a community's success, POIC+RAHS expanded by founding Rosemary Anderson High School (RAHS), an accredited alternative high school, in 1983 and later an accredited middle school in 2018. Overall, with five school campuses now and more than 100 staff, students are supported with caring educators, culturally specific curricula, and safe spaces. In addition to providing direct services, POIC+RAHS also works to address the root cause of issues - partnering across all sectors towards policies and practices that address root causes of generations-long economic, judicial, academic, and social inequities. POIC+RAHS leadership are currently involved with the OCF Black Student Success Network, Worksystems, Inc Board, the Black Male Achievement Portland Steering Committee, Mayor Wheeler's COVID-19 Economic Recovery Task Force, Governor's Joint Task Force for Health Care Systems Response to COVID-19, ReImagine Oregon, and more. POIC+RAHS will partner with AVT by conceiving the physical design, providing referrals for targeted populations and to providing services to future residents. POIC+RAHS is committed to the success of at-risk youth and adults, providing the highest quality services in education, mentoring, family outreach, employment training, and placement. This partnership particularly seeks to help young people, particularly single fathers, and their families establish or re-establish roots in the central city.

- **Architect: Lever Architects**

LEVER will be the architect for the Albina One. The LEVER team is united by a passion for architecture and design. Their firm values are curiosity, collaboration, integrity, inclusivity, initiative, accountability, and dedication. LEVER Architecture was founded by Principal Thomas Robinson in 2009. The firm works closely with mission-driven clients and has a body of built work that includes affordable-housing, campus planning and design for creative companies, and impactful projects for cultural institutions and non-profits. LEVER is nationally recognized for material innovation and pioneering work with mass timber construction. The firm recently completed Louisa Flowers, a 240-unit residential project that is the largest affordable housing project to be built in Portland in 50 years. They work every day to engage young people of color through organizations they volunteer with to explore ideas around design and social justice. They mentor young people of color to get to know them and their goals and be part of their network with the intent of providing support throughout their high-school and college careers and into their professional lives in the design field. They strive to evolve design processes to be more inclusive of the expertise people bring through their lived experience.

- **General Contractor: COLAS Construction**

Colas Construction will be the project's general contractor and is one of the largest Black-owned construction firms in the Pacific Northwest and brings sizable project experience with a proven track record of exceeding expectations in construction. As a 2nd generation, family-owned and operated BIPOC Prime Contractor, COLAS constructs value-based projects that not only create jobs but careers that reflect their community. With over 275 completed projects, COLAS specializes in affordable housing among other community

building types, bringing critical experience and advocacy for racial equity in construction. Colas Construction centers the highest standards by providing the best in today's construction with strength from a commitment to hard work, and the inherent value of equity, inclusion for diversity in every aspect.

- **Property Manager: Quantum Residential**

Quantum Residential (Quantum) will serve as property manager, will implement the AFHMP and will coordinate with the ROSE Resident Assets Coordinator. Quantum Residential has provided the Pacific Northwest with superior property management services for 50 years. Quantum specializes in large multifamily properties and manages over 6,500 units (35%+ regulated affordable units) at 80+ properties throughout Oregon and Washington. Quantum has been an Accredited Management Organization (AMO) with the Institute of Real Estate Management (IREM) since 1984, making us one of only 554 firms in the United States with this accreditation.

## Community Engagement

From their inception, Albina Vision Trust's engagement activities have been intensive. AVT began as a community engagement project specifically looking at the redevelopment of the "Rose Quarter". Over two years of learning and research, the community-based committee, initially convened by Mayor Charlie Hales, focused on reviving the historic Black community of lower Albina. Key engagement activities to shape the greater vision for the district are:

- 2015-2016 Initial Conception: discussion and learning
- 2016 Mission Refinement: development of inaugural values and desired outcomes
- 2017 Values Refinement: 12+ Black community meetings, including elders, youth activists, artists, businesspeople, and educators at the Gordly House to discuss and refine mission, vision, and values
- 2017 AVT Formation: incorporation of AVT with Black community focus
- 2017-2020 Intensive Community Engagement: approximately 30 presentations of AVT's mission, vision, and plan to wider Portland Community
- 2020-2021 Intensive Community Investment Plan (CIP): engagement and partnerships designed to add detail to the Vision and move it towards implementation

The Community Investment Plan (CIP) is funded by Metro and the City of Portland to determine long-term capacity for the area. As the first step, AVT hired a team of multi-disciplinary experts (the Community Investment Plan Team), began in August 2020 and has engaged 450+ Portlanders to date. The CIP includes four work streams:

- (1) community connections,
- (2) urban design for the public realm,
- (3) economic analysis for wealth building, and
- (4) (re)telling history with art and storytelling.

AVT has held 18 community workshops to solicit criticism, input, and imagination; and 6 Black community spaces focused on engaging and celebrating the Black community.

## Advancing Racial Equity

Albina One will be the first affordable housing development intended to anchor the revitalization of lower Albina with the historically displaced Black population and with Black culture. It will:

- Set the stage for intentional diversity and inclusion in the central city,
- Establish the standard for excellence in contractor diversity and wealth building opportunities and

- Reconnect the urban fabric for Lloyd District, to the east, and Boise-Elliot, to the north, ensuring the safety of pedestrians and children throughout the neighborhood.

AVT's business as a culturally specific organization, since their formation, has been working with and on behalf of the Black community, one of Portland's most vulnerable populations. They have built a database of interested community members, relationships with community media to disseminate information, a cohort of community-based partners to drive positive outcomes and programming platforms to share information and joy. Albina One will specifically target a vulnerable and under-represented population: young, Black/African/African American Portlanders, with a focus on single fathers. Cultural competence and responsiveness are important and AVT will work closely with the property manager and services provider to best serve this population. AVT is committed to remaining a Black-led and Black-serving organization—that means that staff, consultants, and board must remain Black connected, informed, and interested, for the long-term. Given that the target residents for the project will be POIC+RAHS's service demographic—young Portlanders and their families, AVT and POIC+RAHS will look for programming partners and provider partners that address the needs of that population in social and workforce development and health that already have deep cultural competencies. As demonstrated by AVT's long record of soliciting input from the African/African American community and the importance of community engagement, their approach to outreach and marketing is to constantly solicit input, adapt their tone, strategy, and outcomes based on that input and share information through all channels to reach a wide array of folks from the Black community. When using this approach for outreach and marketing to future residents, focusing on POIC+RAHS's service demographic, they will use culturally specific communication platforms and partners to lease-up the project, and AVT will work closely with the Property Management team to hire on-site staff who are able to connect with the resident population and show cultural competency with the communities in the building.

To ensure better housing access to the target population, AVT commits to conduct low-barrier screening, which would be adjusted to be appropriate for the target population and in collaboration with their Property Manager. Quantum Residential brings successful experience with implementation of such low barrier screening criteria, and through the development and monitoring of the Affirmative Fair Housing Marketing Plan (AFHMP), Quantum will work with the relationships that AVT and POIC-RAHS already have as well as local agencies in the geographical area that support the target population they are trying to reach. Quantum will provide marketing materials (via direct email, internet, flyer distribution and through any other specific methods outlined in the property AFHMP) and an open waitlist notification, as well as engaging the local school district's Family and Community Recourse Advocates. Quantum partners with a sister company for third-party screening, which provides flexibility regarding property specific criteria. This allows for a tenant screening criteria process that minimizes barriers to housing to those most in need. Quantum has an appeals committee for appealed denials. Once denied the applicant has 14 days to appeal the denial in writing, the appeals packet is then sent to the appeals community. The committee determine if the decision of denial will be upheld or overturned.

## **Partnerships and Services**

In addition to providing resident referrals, POIC+RAHS will be the predominant service provider for the building. POIC+RAHS provides a continuum of education, career, and family services. From reintroducing houseless teens to the classroom, to pairing gang-affected students with meaningful career opportunities, to helping youth experiencing domestic violence find stability and hope through mentorship - POIC+RAHS helps youth and adults reimagine and rewrite their life stories. The services they will provide to residents of the project are the following:

- Best practice peer, adult, and gang-impacted youth mentoring programs

- Evidence-based young parent education and case management
- Leadership development and training opportunities
- Youth and gang violence intervention and prevention services
- On-on-one and group mental health counseling services for all POIC+RAHS clients
- College and career exploration, career coaching, internship opportunities, and job placement services, including employment and training opportunities for formerly incarcerated adults
- BOLI-certified construction pre-apprenticeship program specifically addressing needs of the youth and adults they serve
- Evidence-based, trauma-informed therapy and case management for youth involved in the juvenile justice system and their families

AVT and POIC+RAHS will also look for referral partners, programming partners and provider partners that address the needs of that population in social and workforce development and health that already have deep cultural competencies. For health services they hope to partner with organizations that have already deep connections to the Black population including NxNW Health, The OHSU Avel Gordly Center for Healing and Prism Health. Child welfare services or parent teaching programs could also be provided on site by the Black Parent Initiative. These potential partnerships will be explored as they continue with outreach and community engagement.

### Anticipated Timeline

Metro Concept Endorsement	10/2021
OHCS 4% LIHTC Application Submitted	03/2022
Building Permit Submitted	11/2022
Final contractor bid package	10/2022
PHB Housing Investment Committee Approval	11/2022
Metro Final Approval	12/2022
Financial Closing	12/2022
Construction Start	12/2022
Construction Completed	09/2024
Lease-Up Completed	05/2025

## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** Cedar Commons II  
**Implementing Jurisdiction:** Portland Housing Bureau  
**Metro IGA Contract Number:** 937016  
**Anticipated construction start:** January, 2023  
**Anticipated construction completion:** February, 2024

**Action:**

Metro hereby provides Portland Housing Bureau with Concept Endorsement for \$12,435,416.00 Metro Affordable Housing Bond funds for the development of Cedar Commons II, a regulated affordable housing project located at 11312-11320 SE Division, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Portland Housing Bureau, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
65	Studio	0-30%	65
5	Studio	30%	0
15	Studio	50%	0

Changes to the information contained in the concept endorsement request provided by Portland Housing Bureau could result in reevaluation of the Project’s need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before Final Approval.



11/16/2021

Marissa Madrigal

Date

Chief Operating Officer

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Cedar Commons II



Drafted by: Emily Lieb, Housing Bond Program Manager, Valeria McWilliams, Senior Program Coordinator, Alison Wicks, Senior Program Coordinator, Choya Renata, Senior Communications Specialist, Jimmy Oporta, Housing Program Analyst, Breanna Hudson, Associate Housing Analyst and Stellan Roberts, Connor Ayers, and Shay Starling, Council Office Support Interns, Metro

Date: November 9, 2021

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## Criteria for funding approval

Metro will issue Concept Endorsement to local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Cedar Commons II. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

## Contribution to unit production targets

Cedar Commons II will utilize 6% (\$12,155,000) of Portland's total allocation of bond funds while delivering 85 units that meet the following unit production outcomes:

- 6% of Portland's overall unit production target;
- 12% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 0% of Portland's family sized unit target; and
- 22% of Portland's permanent supportive housing target.

When combining this project with the other 6 Metro Bond Opportunity Solicitation (MBOS) selected projects in addition to Portland's existing development portfolio, this puts the City on a path to have utilized 51.3% (\$108,261,432) of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 76% of Portland's overall unit production target;
- 73% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 68% of Portland's family sized unit target; and
- 94% of Portland's supportive housing units

## Eligibility and readiness to proceed

The Portland Housing Bureau has submitted and Metro staff have reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:



- A preliminary project pro forma dated 10/02/2021
- OHCS 4% LIHTC Pre Application dated 07/21/2020
- Executed Purchase and Sale Agreement dated 07/29/2021, First Amendment to Purchase and Sale Agreement signed 09/10/2021 and Warranty Deed dated 07/30/2021 as evidence of developer site control
- Conceptual design dated 07/2021
- Development team resumes and developer schedule of real estate owned demonstrating a track record with affordable housing development in Oregon

Staff have not identified any unusual risks to project feasibility and readiness and will continue to request updates from the City regarding how work is proceeding.

## Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of City of Portland's approved LIS. Key findings include:

- **Location:** The Cedar Commons II project is located on the edge of Southeast Portland's Powellhurst-Gilbert neighborhood. A grocery store, pharmacy, and other services are located less than .5 miles west on SE 122nd. The Midland Public Library is 1 mile north. Nearby parks include Kelly Butte (.8 Miles West), Ventura Park (1 mile north), and Powell Butte (2 miles East). PCC's Southeast Campus is 1.6 miles west on SE Division.
- **Transit access:** The project is well-supported by public transit along SE Division, with three bus lines within 0.5 miles (2, 73 and 9) and with the future expansion of the Division Street Bus Rapid Transit line under construction directly in front of the site. The 122nd MAX station is 1 mile north at 122nd and Burnside.
- **Diversity in contracting/hiring:** The selected contractor, Walsh, partners with pre-apprenticeship programs to increase the number of POC and women in the construction workforce. Walsh participates directly with pre-apprenticeship programs that assist in lowering the barriers for POC and women seeking to enter the field through financial support as well as placement, hiring, and board membership. The project will be required to meet Portland's 30% COBID certified DMWESB-SDV requirements for hard costs and 20% for soft costs.
- **Access for historically marginalized communities:** Central City Concern (CCC) has engaged the Fair Housing Council of Oregon to ensure all community managers, resident services, and occupancy and compliance staff are trained in fair housing goals and obligations. CCC will continue to implement a tiered system pilot for culturally specific program referrals. Quarterly reviews of demographic data are conducted to ensure that services are reaching the target demographic, and adjustments are made to achieve these ends.
- **Culturally appropriate services:** Project location is adjacent the Cedar Commons Phase I building, a permanent supportive housing community. Cedar Commons Phase II serves to expand on existing services for homeless individuals living with disabilities and severe mental illness. Culturally-specific services are offered internally through programs such as: Imani Center, Flip the Script, and Puentes, while partnerships with external culturally-specific agencies fill any internal gaps.
- **Cooling:** Consistent with PHB's statement on Air Conditioning Requirement (August 13, 2021) and Metro's Policy Statement on Air Conditioning (September 14, 2021), the project proposal includes packaged terminal heat pumps air-conditioning units in each apartment. Additional information about climate resilience and sustainability strategies will be gathered as part of the final approval.

## Community engagement to inform project implementation

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements of City of Portland's approved Local Implementation Strategy (LIS). Key findings include:

- **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

Central City Concern (CCC) has established a robust network of referral and partner organizations to solicit feedback during the design phase of the project; this includes culturally-specific programs serving African American and Latinx people seeking treatment for substance abuse and mental health disorders. In early engagement efforts, input was requested from those currently living in CCC permanent supportive housing and clients enrolled in mental health services through CCC. Clients from Karibu-- a culturally specific program serving African Americans-- were also engaged. The project team engaged a total of 6 interviewees (2 women and 4 men), all of whom were African American.

Additional engagement for the Cedar Commons Phase II project will occur during the design phase (fall 2021 – summer 2022), and will include a multi-faceted approach to solicit feedback on service and building design by the CCC Housing and Employment Advisory Council. The Council meets monthly and is made up of one resident from each CCC housing building, as well as participants from CCC's Imani Program, Puentes Program, SUDS Program, and Flip the Script Program.

- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

Current and former clients of CCC were asked what services and building design were most important to them. Input received from early engagement efforts helped inform the following themes which will be incorporated into the Phase II design:

- importance of culturally specific services and cultural representation in the community
- large group rooms, community room, large kitchen
- client-centered, onsite access to supportive services
- culturally specific art
- a design that feels like home
- shared ownership of community space, community garden
- cooking classes, nutrition and fresh food

## EXHIBIT B: Project summary submitted by City of Portland | Metro bond concept endorsement for Cedar Commons II

Submitted by: Jill Chen, Housing Investments and Portfolio Preservation Manage, Portland Housing Bureau, [jill.chen@portlandoregon.gov](mailto:jill.chen@portlandoregon.gov)

Submitted on: October 4, 2021

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### Project Overview

The Portland Housing Bureau (PHB) is requesting Metro Concept Endorsement to award up to \$12,435,416 in Metro Bond Funds to Central City Concern (CCC) for the Cedar Commons II project, a proposed new construction project consisting of 85 units of housing at 11312-11320 SE Division Street and 11250 SE Division Street on the edge of Southeast Portland's Powellhurst-Gilbert neighborhood.

The target population for Cedar Commons II is individual and couple households experiencing or at risk of long-term, literal homelessness, and who are in treatment for or recovery from a Substance Use Disorder. Cedar Commons II will serve 70 households at 30% or less of AMI in SRO and Studio units, and 15 households in 15 studio units at 50% AMI. The supportive housing recovery services model for the project is centered around a peer-delivered approach that has been the cornerstone of CCC's programs for over 40 years.

The location is adjacent to CCC's Cedar Commons Phase I building, a Permanent Supportive Housing Community serving chronically homeless individuals living with disabilities and severe mental illness. This new building will expand upon the campus of supportive housing buildings by providing recovery-specific services. Both Cedar Commons Phase I and II are located across SE 115th from the Crescent Court development, a partnership project between CCC and Related NW, that will provide housing for families in 138 units, with Supportive Services to be provided by CCC.

Development financing for the project includes 4% LIHTC equity, Oregon Housing and Community Services (OHCS) weatherization funds, permanent loan, deferred developer fee, and proposed Metro Bond funds.

### Preliminary Development Program

Cedar Commons II will be a 38,184 square foot, 4-story apartment building. Amenities include common kitchens and community rooms, recovery group rooms for onsite tenant support, supportive services office, a resident gym, and a large, shared outdoor courtyard. A gardening area and raised beds will be shared with the Cedar Commons Phase I building.

Cedar Commons Phase II will be an 85-unit, new construction, supportive recovery building with a mix of Single Room Occupancy and Studio Units:

Unit size	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
SRO	55	0-30%	55	192	\$761
SRO	5	30%	0	192	\$507
Studio	10	0-30%	10	384	\$761
Studio	15	50%	0	384	\$846

Total	85		65		
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## Project Image



*Rendering of Cedar Commons II viewed from SE Division Street.*

## Background

Cedar Commons Phase II will be the next building in CCC's intentional expansion and network of supportive housing and clinical services in East Portland, with a strong connection to CCC's multi-service Blackburn Center, located just one mile north. This new service HUB on the East Side was motivated by factors ranging from the opioid crisis to lessening affordability and displacement that began to increase in the late 2000s. CCC saw a shift in the zip codes of those entering their services, with growing numbers of people coming from East Portland. Today the rates of gentrification and displacement for BIPOC communities continue to play out geographically in East Portland, with expanding need for affordable housing. Since 2018, CCC has opened 337 units of supportive and affordable family housing in outer East Portland.

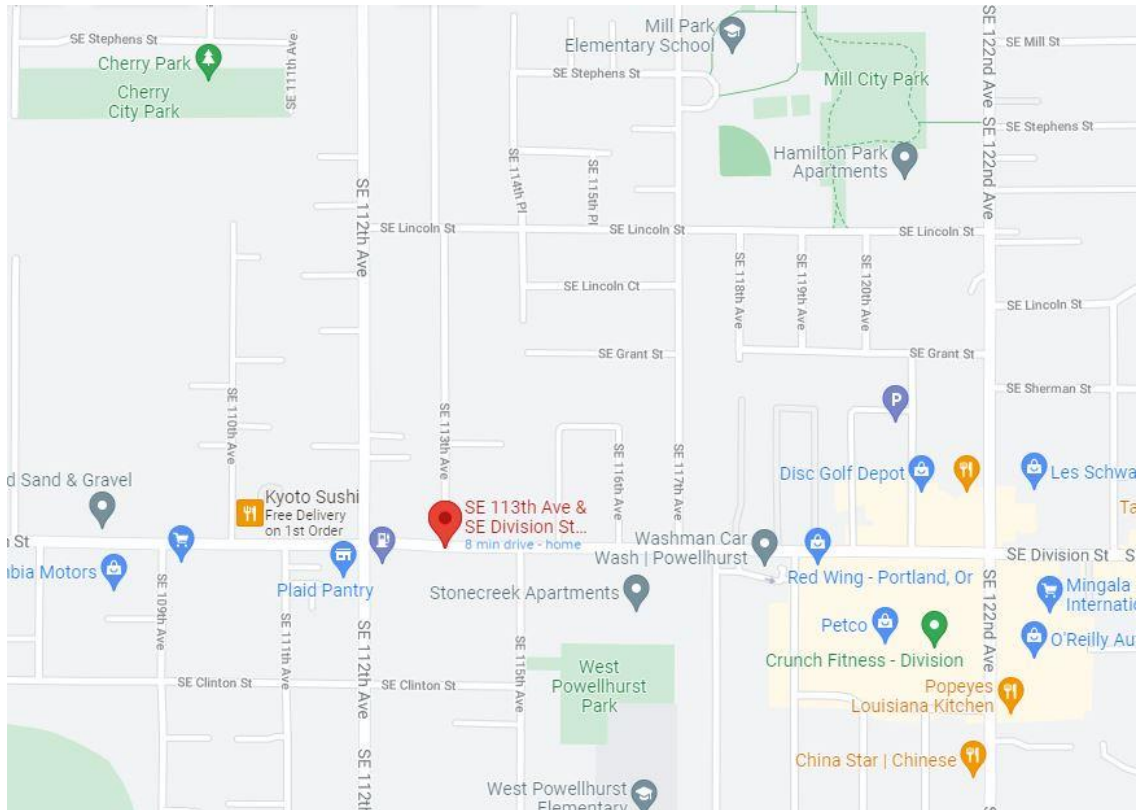
By July 2021, CCC had signed a purchase and sale agreement for 11312-11320 SE Division Street and a Letter of Intent for 11250 SE Division, the two parcels that make up the Cedar Commons II site. Site analysis and zoning approval were completed in June 2021.

In July 2021, Central City Concern (CCC) submitted a proposal for Portland's 2021 Metro Bond Opportunity Solicitation (M-BOS). PHB recommends that CCC be awarded \$12,435,416 in Metro bond funds to develop this site. This amount includes the project subsidy per unit award of up to \$12,155,000 and a 2.307% program delivery fee (\$280,416).

## Location and Neighborhood

The project is well-supported by public transit along SE Division, with the future expansion of the Division Street Bus Rapid Transit line under construction directly in front of the site. The 122nd MAX station is 1 mile north at 122nd and Burnside.

A grocery store, pharmacy, and other services are located less than .5 miles west on SE 122nd. The Midland Public Library is 1 mile north. Nearby parks include Kelly Butte (.8 Miles West), Ventura Park (1 mile north), and Powell Butte (2 miles East). PCC's Southeast Campus is 1.6 miles west on SE Division.



## Site

The project site consists of two parcels totaling 0.7215 acres and located on the south side of SE 113th and Division Street. The first parcel, located at 11312-11320 SE Division Street, is zoned Residential Multi-Dwelling 2 (RM2), a medium-scale multi-dwelling zone applied in and around centers and corridors. This parcel is occupied by a vacant duplex building to be demolished. The second parcel, at 11250 SE Division Street, is zoned Commercial Mixed Use 2 (CM2), a large-scale, commercial mixed-use zone intended for sites close to the Central City, in high-capacity transit station areas or town centers, and on civic corridors.

At completion, Cedar Commons II will be a new 38,184 square foot, 4-story wood frame, elevator-served apartment building covering 29.85% of the lot. 21,120 sf of the building will be residential area, and the remaining 17,064 sf will be open space and common area. The project will provide 38 off street parking spaces for residential use.

## Project Financing

The Cedar Commons Phase II project will have a total Development Cost of approximately 26 million dollars, equal to \$306,705/unit and \$381.10/sf. This includes \$12,155,000 in PHB/METRO Bond loan funds. On the Supportive Housing budget, the sponsor is requesting 65 Project-Based Section 8 Vouchers and an annual JOHS subsidy of \$647,658 or \$9,963.47 per unit per year.

### Sources and Uses Overview

Source	Amount	Use	Amount
4% LIHTC Equity	\$10,598,361	Land/Acquisition	\$1,260,000
OHCS Weatherization	\$75,000	Construction Costs	\$16,845,785
PHB Metro Bond	\$12,155,000	Soft Costs (excl. Developer Fee)	\$4,779,133
Deferred Developer Fee	\$2,100,000	Developer Fee	\$3,185,000
Metro TOD	\$500,000		
SDC Waiver	\$585,457		
ETO Grant	\$17,850		
Solar Equity USB Grant	\$38,250		
<b>Total</b>	<b>\$26,069,918</b>	<b>Total</b>	<b>\$26,069,918</b>

## Development Team

The Cedar Commons Phase II team is comprised of Central City Concern (CCC) in the lead as project sponsor, developer, owner, property manager, and services provider. Walsh Construction Co. and Ankrom Moisan Architects will serve as the partner General Contractor and Architectural teams, providing a continuation of project familiarity after the successful design and build of the first Cedar Commons Building, adjacent to the project site on 115th & Division.

- **CCC** is an experienced developer and operator of affordable housing, with projects ranging from 6 to more than 190 units. CCC has also developed several medical facilities totaling more than 130,000 SF. CCC's current portfolio includes 32 buildings providing over 2,300 units of affordable housing, medical, and social services programming. Since 2018, CCC has opened 337 units of supportive and affordable family housing in outer East Portland.
- **Ankrom Moisan Architects** is a leader in the development and design of affordable housing, having designed more than 3,000 affordable homes. They are actively engaged in finding new and innovative solutions to the problems facing affordable housing providers. Their approach has led them to develop creative, innovative strategies that can significantly drive down the cost of building affordable housing. Their goal is to be responsible stewards of the available resources, such as the Metro Housing Bond dollars, to create as many high-quality, safe and comfortable homes for individuals and families as possible. They have extensive experience, a deep bench of expert professionals, and all the current technology needed to deliver projects on time and on budget.

- **Walsh Construction** has extensive affordable housing contracting experience and will utilize a lean construction approach to realize the greatest cost and time efficiencies to the project. They will deploy lean construction methods such as integrated teamwork, target value design (TVD), early trade partner involvement, and pull planning. The goal with all lean construction methods is to reduce or eliminate waste in the project flow, which serves to reduce project cost at all levels, including soft costs. In addition, the design and construction approach to Cedar Commons Phase II is to replicate the efficiencies and collective team experience of the first Cedar Commons building by using the same design typology and construction approach. In this regard, the project is a campus expansion that relies on the success of the first building and draws on the expertise of the same General Contractor and Architectural teams. Materials, specifications and the construction typology will be repeated functions that will provide a cost-effective delivery for all stages of the project into long-term operations.

## Community Engagement

The vision for the Cedar Commons Phase II project draws from CCC's 40+ years of client-centered, peer-delivered approach to recovery services and housing. More recently, input gathered from CCC Clients for the Cedar Commons Phase I building, and a new, culturally specific men's recovery transitional housing program has provided a baseline for our team to draw from. In this outreach conducted by our Client Engagement team at CCC, clients were asked what services and building design elements were most important to them. The results centered around the following themes that we will incorporate into the Cedar Commons Phase II design:

- Importance of Culturally Specific Services and Cultural Representation in the Community
- Large Group Rooms, Community Room, Large Kitchen
- Client-Centered and Onsite Access to Supportive Services
- Culturally Specific Art
- Design that feels like home, not like an institution
- Shared ownership of the space in community guidelines, rules, etc.
- Community garden, cooking classes, nutrition, and fresh food

Beyond this preliminary outreach, additional engagement for the Cedar Commons Phase II project will occur during the design phase of the project and will include a multi-faceted approach to solicit feedback on service and building design by the CCC Housing and Employment Advisory Council, which meets monthly and is made up of one resident from each CCC housing building, and participants from CCC's Imani Program, Puentes Program, SUDS Program, and Flip the Script Program.

Outreach tools will include in-person and online meetings, surveys, and interviews to garner a wide range of feedback. In addition, the Powellhurst-Gilbert neighborhood association will be consulted in addition to other community stakeholders in the East Portland Community. We intend to meet the outreach and community engagement requirements as laid out for the Metro Bond, following all reporting and evaluation goals.

Cedar Commons Phase II will be the next building in CCC's intentional expansion and network of supportive housing and clinical services in East Portland, with a strong connection to CCC's multi-service Blackburn Center, located just one mile north. This new service HUB on the East Side was

motivated by factors ranging from the opioid crisis to lessening affordability and displacement that began to increase in the late 2000s.

## **Advancing Racial Equity**

### **Project Location**

Cedar Commons Phase II is located in outer East Portland at SE 113th and Division Street. The project is located in Oregon Census tract 84 which has a poverty rate of 18.9% according to the 2019 ACS 5-year Estimate. The location is adjacent to CCC's Cedar Commons Phase I building, a Permanent Supportive Housing Community serving chronically homeless individuals living with disabilities and severe mental illness. This new building will expand upon the campus of supportive housing buildings by providing recovery-specific services. Both Cedar Commons Phase I and II are located across SE 115th from the Crescent Court development, a partnership project between CCC and Related NW, that will provide housing for families in 138 units, with Supportive Services to be provided by CCC.

Cedar Commons Phase II will be the next building in CCC's intentional expansion and network of supportive housing and clinical services in East Portland, with a strong connection to CCC's multi-service Blackburn Center, located just one mile north. This new service HUB on the East Side was motivated by factors ranging from the opioid crisis to lessening affordability and displacement that began to increase in the late 2000s. CCC saw a shift in the zip codes of those entering services—with growing numbers of people coming from East Portland. Today they see the rates of gentrification and displacement for BIPOC communities continuing to play out geographically in East Portland, with the need for affordable housing expanding.

Since 2018, CCC has opened 337 units of supportive and affordable family housing in outer East Portland: Hazel Heights (2018), Blackburn Center (2019), and Cedar Commons (2021). Crescent Court, a partnership development between Related NW, CCC, and the Boys and Girls Club will open in the spring of 2022 and add another 138 units to CCC's East Portland portfolio. Data from established CCC properties: The Blackburn Center has a resident population of 20% BIPOC and Hazel Heights has 39% BIPOC resident households. Cedar Commons opened its doors to residents in June of 2021 and is in the process of leasing up and demographic data is not yet available.

### **Fair Housing Strategies**

CCC's housing team is skilled at the provision of low-barrier lease-up models that include minimal screening requirements aimed at providing housing opportunities to people with criminal or rental issues as well as a low income to rent ratio. Of the total units at Cedar Commons Phase II, 65 will be set aside as Permanent Supportive Housing units with Section 8 Project-Based Voucher Assistance. To that extent, all marketing activities will comply with Home Forward's requirements for the Project-Based Voucher program. As necessary, CCC's Housing staff will work with the applicant to complete the appeal process with Home Forward to mitigate any barriers potentially posed by criminal history records. CCC and Home Forward have an active partnership and an established process to accommodate such requests.

Marketing will begin 6-8 months before the building opens with the waitlist opening 4-6 months before building completion, and applications being taken 6-8 weeks prior to opening. Advertising will occur throughout the Portland Metropolitan area, focusing on communities with a high concentration of at-risk populations. Publicity will be directed toward agencies serving those most in need, on CCC's website, e-mail communications with local agencies, and fliers throughout



CCC housing. CCC will affirmatively market this housing through CCC's wide array of Social Service agencies and community partners to reach out to those most in need and least likely to apply to housing. CCC's Housing Department is skilled at lease-up that meets LIHTC and other funding source compliance. CCC will track demographic data beginning at move-in for this project. In collaboration with program leadership, Housing Department staff aims to improve data collection across all programs within its housing to improve data accuracy so that they can continue to evaluate outreach efforts and determine where disparities among services and housing exist.

### **Strategies to Include Economic Opportunities**

CCC's Culturally Specific programs – Imani, Puentes, and Flip the Script – will serve as the primary programming and referral partnerships for the Cedar Commons Phase II community. These programs provide culturally specific housing, health, and employment services and are operated by directors and staff who share the cultural identity of the service users.

Puentes (Spanish for Bridges) provides culturally and linguistically appropriate treatment for substance use and mental health disorders to the Latino community.

The Imani Center provides culturally specific Afrocentric approaches to mental health and addictions treatment, peer support, and case management to adults who identify as Black or African American.

Flip the Script (FTS) aims to reduce recidivism by providing culturally specific employment and housing services alongside advocacy training for African Americans (AA) in reentry housing.

In addition to CCC's culturally specific programs, they partner regularly with other Culturally Specific providers in the community, who would serve as additional referral partners into the new Cedar Commons II building.

### **Partnerships and Services**

The CCC Real Estate Development Team is integrated with CCC's Housing Department which includes Development, Supportive Housing, and Property Management. The extensive experience of this larger departmental team is drawn upon for any new development the agency takes on, including first-hand experience with property management and services delivery for individuals in recovery and living with disabilities. As Portland's largest provider of social services to homeless and at-risk populations, CCC has extensive experience and infrastructure with which to deliver Supportive Housing to diverse communities, using a housing choice framework.

Recovery Housing and SUDS (Substance Use Disorder Services) Service Design for Cedar Commons Phase II will engage with program leadership from across CCC. Directors of CCC programs will advise on best practices for the delivery of services in a trauma-informed and culturally specific way for the community.

In partnership with the JOHS, CCC will prioritize referrals from Culturally Specific community providers of recovery services for tenant placement into Cedar Commons Phase II. CCC's in-house Culturally Specific programs, Imani, Puentes, and Flip the Script, will serve as key advisors in the service delivery design and implementation at the building.

Direct services will be provided by peers who have lived experience with homelessness, mental illness, and/or SUDs. Peer Delivered Services is an evidence-based practice and have been shown to decrease hospitalizations, improve individuals' engagement in their health care, increase symptom management, and increase social skills, community building, and self-agency. CCC was one of the earliest adopters nationally of peer-delivered services throughout its programming and has since become a nationally recognized provider of integrated peer services.

External partners include local government agencies (Home Forward, Multnomah County Human Services – Mental Health and Addiction Services Division, Multnomah County Health Department, Joint Office of Homeless Services), federal agencies (U. S. Dept. of Veterans Affairs, Portland VA Medical Center – Health Care for Homeless Veterans and U.S. Department of Veterans Affairs, Vancouver, WA Substance Abuse Treatment Program) and community partners like CODA, DePaul Treatment Centers, Inc., LifeWorks, NARA of the Northwest, Inc., Northwest Pilot Project, Portland Rescue Mission, Salvation Army Adult Rehabilitation Center, Transition Projects, Inc., Glisan Center, Clark Center, and Jean's Place.

Treatment programming for individuals in its Supportive Housing programs includes: CCC Recovery Center (CCCRC), CODA, Blackburn SUDS, NARA, Cascadia, Puentes, Imani, DePaul, and OTC Medication Supported Recovery Program. Clients have a choice as to the treatment provider they use. In addition to participating in treatment, while in Recovery Housing, they attend a "home group" of their choice for 4 to 6 weeks following move-in; connect to and actively engage in employment services/job search, or pursuing benefits; address financial and criminal wreckage from addiction; enroll in RentWell; engage in Pro-Social Activities; work with other recovering addicts; maintain or regain sobriety, and attend support groups (e.g., 12 Step, SMART Recovery, or other self-help programs). They also participate in check-in groups and have supportive didactic groups they attend in addition to meeting with their Peer Case Managers on a daily to weekly basis.

## Anticipated Timeline

Metro Concept Endorsement	10/2021
Financial Commitments	01/2022
Plans Completed	10/2022
PHB Housing Investment Committee Approval	11/2022
Building Permits/Fees	12/2022
Financial Closing	01/2023
Construction Start	01/2023
Construction Completed	02/2024
Lease-Up Completed	08/2024

## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** hollywoodHUB  
**Implementing Jurisdiction:** Portland Housing Bureau  
**Metro IGA Contract Number:** 937016  
**Anticipated construction start:** September, 2022  
**Anticipated construction completion:** July, 2024

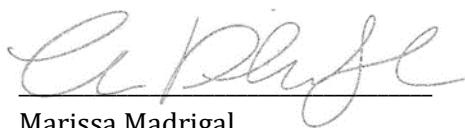
**Action:**

Metro hereby provides the Portland Housing Bureau with Concept Endorsement for \$29,084,328.00 Metro Affordable Housing Bond funds for the development of hollywoodHUB, a regulated affordable housing project located at 4110 NE Halsey Street, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by the Portland Housing Bureau, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
4	Studio	30%	0
8	Studio	60%	0
20	One-bedroom	30%	0
38	One-bedroom	60%	0
33	Two-bedroom	30%	28
61	Two-bedroom	60%	0
12	Three-bedroom	30%	8
23	Three-bedroom	60%	0

Changes to the information contained in the concept endorsement request provided by the Portland Housing Bureau could result in reevaluation of the Project’s need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before Final Approval.



Marissa Madrigal  
 Chief Operating Officer

11/16/2021  
 Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for hollywoodHub



Drafted by: Emily Lieb, Housing Bond Program Manager, Valeria McWilliams, Senior Program Coordinator, Alison Wicks, Senior Program Coordinator, Choya Renata, Senior Communications Specialist, Jimmy Oporta, Housing Program Analyst, Breanna Hudson, Associate Housing Analyst and Stellan Roberts, Connor Ayers, and Shay Starling, Council Office Support Interns, Metro

Date: November 9, 2021

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## Criteria for funding approval

Metro will issue Concept Endorsement to local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for hollywoodHub. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

## Contribution to unit production targets

hollywoodHub will utilize 14% (\$28,428,484) of Portland's total allocation of bond funds while delivering 199 units that meet the following unit production outcomes:

- 13% of Portland's overall unit production target;
- 11% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 18% of Portland's family sized unit target; and
- 12% of Portland's permanent supportive housing target.

When combining this project with the other 6 Metro Bond Opportunity Solicitation (MBOS) selected projects in addition to Portland's existing development portfolio, this puts the City on a path to have utilized 51.3% (\$108,261,432) of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 76% of Portland's overall unit production target;
- 73% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 68% of Portland's family sized unit target; and
- 94% of Portland's supportive housing units

## Eligibility and readiness to proceed

The Portland Housing Bureau (PHB) has submitted and Metro staff have reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:

- A preliminary project pro forma dated 07/01/2021
- OHCS 4% LIHTC Pre Application dated 10/20/2021
- OHCS Project Site Checklist
- Term Sheet dated 03/02/2021 evidence of developer site control
- Site Feasibility Study dated 06/29/2021
- Development team resumes and developer schedule of real estate owned demonstrating a track record with affordable housing development in Oregon

Staff have not identified any unusual risks to project feasibility and readiness and will continue to request updates from the City regarding how work is proceeding.

## Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of City of Portland's approved LIS. Key findings include:

- **Location:** The project is located in the Hollywood district. It is walkable to numerous retail stores and offices providing neighborhood jobs, a 24-Hour Fitness next door, several pharmacies, the Hollywood Senior Center, medical and dental offices and the nearby Providence Hospital, the Post Office, the Hollywood Library, Grant Park, the Northeast Community Center, Hollywood Theater, and three high-performing neighborhood schools. There are three major grocery stores within a ¼ mile of the site, including Trader Joe's, Whole Foods, and Grocery Outlet
- **Transit access:** The site is located at the Hollywood Transit Center adjacent to the MAX Blue Line, MAX Red Line and MAX Green Line and TriMet #12, #66, #75, and #77 bus lines.
- **Diversity in contracting/hiring:** 95% of Hacienda's direct services staff are bilingual and bicultural. 75% of BRIDGE's staff identify as BIPOC. BRIDGE and Hacienda will encourage BIPOC-led firms to bid for the Hollywood project and will make the opportunities known to Section 3 businesses certified by the City of Portland. O'Neil Walsh Community Builders will conduct a competitive selection process that emphasizes quality, cost, and a robust commitment to meet or exceed PHB's goal for awarding at least 30% of hard construction costs to COBID-certified Disadvantaged, Minority, Women, and Emerging Small Business or Service-Disabled Veteran-Owned Businesses (DMWESB-SDV). The project will also be required to meet PHB's goal of 20% for soft costs.
- **Access for historically marginalized communities:** BRIDGE/Hacienda will use a low-barrier screening approach to mitigate barriers to housing. The project will be affirmatively marketed to communities of color and large families that have been disproportionately priced out of the Hollywood neighborhood. When selecting tenants the team will use a "screen-in" rather than a "screen-out" approach to address barriers caused by language, immigration status, and rental history.
- **Culturally appropriate services:** There will be a services budget of \$120,000 annually for 1.5 FTE Resident Services Coordinators to provide culturally specific services related to language, legal, financial education, and basic life skills. Additionally, BRIDGE/Hacienda will partner with the Northeast Community Center, Hollywood Senior Center, Portland Opportunities Industrialization Center, Immigrant & Refugee Community Organization, and Urban Gleaners for culturally specific resident services.
- **Cooling:** Consistent with PHB's air conditioning requirement (August 13, 2021) and Metro's policy statement encouraging in-unit air conditioning (September 14, 2021), the project proposal includes mini-split HVAC for in-unit cooling. Additional information about climate resilience and sustainability strategies will be gathered as part of the final approval. In

consideration of PHB's new requirement of in-unit air condition (August 13, 2021) and Metro's statement encouraging inclusion of in-unit air conditioning (September 14, 2021), the project has incorporated mini-split HVAC systems to provide cooling for each apartment. Additional information about climate resilience and sustainability strategies will be gathered as part of the final approval.

## **Community engagement to inform project implementation**

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements of City of Portland's approved LIS. Key findings include:

- **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

BRIDGE, TriMet and Hacienda CDC sought opportunities to meet with BIPOC and culturally specific organizations through virtual town halls with APANO, Muslim Education Trust, Portland United Against Hate, Self Enhancement Inc., Portland NAACP and the Portland Community Reinvestment Initiative. The virtual meetings were held from June 2020 through September 2021 and although attendance numbers and demographic information was not collected, attendance varied from as few as two to forty community members. The project team also sent out approximately 5,000 postcards to neighbors within a ½ mile radius and created a website ([www.hollywoodHUBpdx.com](http://www.hollywoodHUBpdx.com)) for community members to send feedback directly to the development team. While feedback was obtained from BIPOC organizations, the project team believes there is more to be done to hear directly from residents of color. The project team plans to share specific elements in the design phase with BIPOC communities in the spring of 2022. The feedback will help refine the design to respond to preferences from BIPOC families with children.

- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

The project team heard there is a need for more affordable housing especially for large BIPOC families in a high opportunity area with significant amenities like Hollywood. As a result, the size of the project almost doubled from a 113-unit mid-rise to a 201-unit high-rise and increased the percentage of two- and three-bedroom homes from 50% to 65%. A strong desire for outdoor space led to the addition of a family-friendly rooftop outdoor space. Limited parking was also added as BIPOC communities indicated skepticism about the safety of biking and public transit, especially for women of color, and were concerned about access to jobs in places inaccessible by bike or transit.

# EXHIBIT B: Project summary submitted by Portland Housing Bureau | Metro bond concept endorsement for hollywoodHUB

Submitted by: Jill Chen, Housing Investments and Portfolio Preservation Manager  
Portland Housing Bureau, jill.chen@portlandoregon.gov  
Submitted on: October 4, 2021

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## Project Overview

The Portland Housing Bureau (PHB) is requesting Metro Concept Endorsement to award up to \$29,084,328 in Metro Bond Funds to BRIDGE Housing Corporation and Hacienda Community Development Corporation for the hollywoodHUB Apartments, a proposed new construction project consisting of 199 affordable housing units and 2 manager units at 4110 NE Halsey Street in Northeast Portland’s Hollywood neighborhood.

The hollywoodHUB team is led by BRIDGE Housing, a non-profit affordable housing developer and manager, Hacienda Community Development Corporation, a Latinx organization and youth and family services provider, O’Neill/Walsh Community Builders, the preconstruction advisor and MWESB partner, Try Excellence LLC, the outreach facilitator and convener, and Holst Architecture, a women-owned architecture firm. Together, they are working with TriMet to deliver a 100% affordable, transit-oriented development that embraces the Hollywood Transit Center site and the Hollywood District as a hub for transit, equity, and community. This project will be the first Federal Transit Administration (FTA) Joint Development Agreement (JDA) undertaken in the City of Portland repurposing the aging transit center.

Development financing for hollywoodHUB includes 4% LIHTC equity, OHCS MEP funds, a Metro TOD contribution, tax exempt construction and permanent loans, deferred developer fee, contributed developer fees, and proposed Metro Bond funds. All funding sources have been committed or conditionally awarded and the project will not carry hard debt from a permanent senior loan.

## Preliminary Development Program

Recognizing the deep need for affordable Family Focused Housing in High Opportunity Areas (Score: 5) like Hollywood, the project aims to exceed the M-BOS requirements for average beds and 30% AMI units. hollywoodHUB is a 201-unit new construction project with 199 affordable units and 2 manager units. 129 out of 199 affordable homes (65%) are family-sized with two and three bedrooms, equivalent to an average bedroom count of 1.80, well exceeding the M-BOS requirement of 1.75 beds and recent projects funded by the Portland Housing Bond. The project will also provide 69 homes (35%) affordable to households at or below 30% AMI, of which 36 units (18%) will be supported by Project Based Section 8 vouchers.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
Studio	4	30%	0	400	\$455
Studio	8	60%	0	400	\$963
1 Bedroom	20	30%	0	600	\$477
1 Bedroom	38	60%	0	600	\$1,021
2 Bedrooms	33	30%	28	850	\$570
2 Bedrooms	61	60%	0	850	1,223
2 Bedrooms	1	Manager	0	850	\$0

3 Bedrooms	12	30%	8	1,100	\$655
3 Bedrooms	23	60%	0	1,100	\$1,410
3 Bedrooms	1	Manager	0	1,100	\$0
<b>Total</b>	<b>201</b>		<b>36</b>		

## Project Image



*Rendering of the hollywoodHUB Apartments viewed from a pedestrian bridge near the Max Station*

## Background

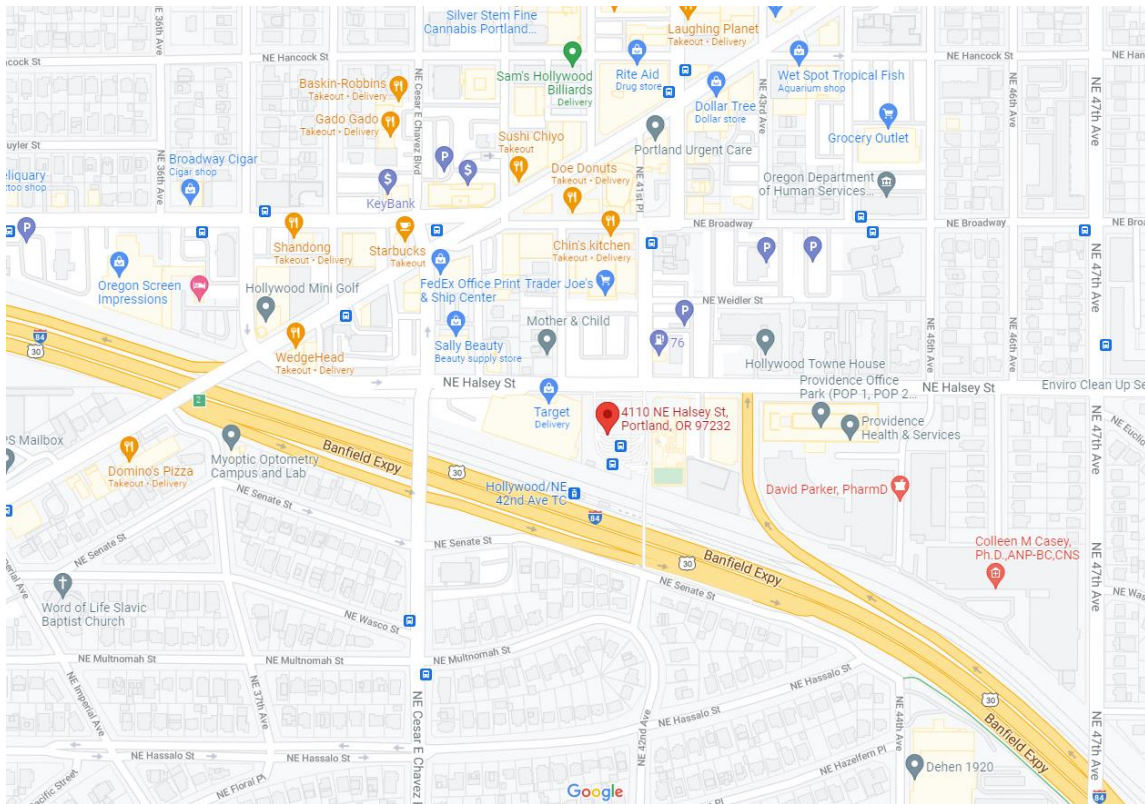
BRIDGE Housing (“BRIDGE”) and Hacienda Community Development Corporation (“Hacienda”) are proposing a reimagining of the Hollywood Transit Center into a hub for transit, equity, and community. This site offers an opportunity to set a bold vision for equitable transit-oriented development (“TOD”) in Oregon. The proposal is the first under TriMet’s TOD Guidelines which germinated from the feedback of 60+ organizations serving BIPOC communities, nonprofit developers, and public agencies. Given the high-profile nature of this site and its proximity to Trader Joe’s, Target, Providence Hospital, high-performing public schools and the rich fabric of Hollywood, the project will lead with racial equity and bring much needed affordable Family Focused Housing into a High Opportunity Area for BIPOC communities and people of lower incomes.

In July 2021, the BRIDGE/Hacienda development team submitted a proposal for Portland’s 2021 Metro Bond Opportunity Solicitation (M-BOS). PHB has recommended that the BRIDGE/Hacienda development team are awarded \$29,084,328 in Metro bond funds to develop this site. This amount includes the project subsidy per unit award of up to \$28,428,483 and a 2.307% program delivery fee (\$655,845).

## Location and Neighborhood



The project is located on the southern and western portion of the Hollywood Transit Center at 4110 NE Halsey Street. The site is walkable to numerous retail stores and offices providing neighborhood jobs, a 24-Hour Fitness next door, several pharmacies, the Hollywood Senior Center, medical and dental offices and the nearby Providence Hospital, the Post Office, the Hollywood Library, Grant Park, the Northeast Community Center, Hollywood Theater, and three high-performing neighborhood schools. There are three major grocery stores within a ¼ mile of the site, including Trader Joe's, Whole Foods, and Grocery Outlet.



## Site

hollywoodHUB will lead with racial equity and be affirmatively marketed to Communities of Color, large families, and especially Latinx, African American, Asian American and Native American families who have been disproportionately priced out of Portland and the Hollywood neighborhood. The hollywoodHUB site has a maximum allowable floor area of 316,872 square feet assuming the bonus 6:1 Floor Area Ratio available under CM3(d) zoning, of which 211,355 square feet will be utilized by our 201-unit, 13-story, 120 feet tall Type I high-rise building. Since June 2020, the BRIDGE/Hacienda team has engaged over 25 organizations including culturally representative groups such as NAACP, APANO, Self Enhancement Inc., and the Muslim Educational Trust to understand what amenities matter most to families of color. These include a rooftop terrace, community room, private meeting space, bike parking, paseo and courtyard, and parking.

Accessibility and equity issues have been central to the design of the BRIDGE/Hacienda building. The building will include two elevators to all floors. All community spaces, laundry, bike parking, and building services will be configured using universal design principals that go above and beyond code requirements for accessibility. A modest amount of parking, 40 spaces (0.20 spaces per unit),

is provided for maximum accessibility for residents with mobility challenges or jobs in transit inaccessible areas. BRIDGE/Hacienda is also supporting Forth Mobility in a grant to bring two electric vehicles for tenant use in an effort to achieve equitable access to clean transportation.

As part of TriMet’s reimagination of the transit center into a next generation transit hub, the existing bus stations will be redesigned and will continue to serve three different light-rail lines and three different bus lines providing excellent transit access across the Portland region. Now approaching forty years in age, the transit center no longer meets federal accessibility standards. By participating in the FTA Joint Development Agreement process (the first in Oregon history), TriMet can unlock the public value in the site and reinvest part of it into an exemplar for equitable housing and transit in Portland.

## Project Financing

The BRIDGE/Hacienda team is proposing a 201-unit building with 199 affordable rental homes at a Total Development Cost of \$98.8 million, equal to \$496,433/unit or \$467.41/sq ft. Project financing is provided by 4% Low Income Housing Tax Credits, tax-exempt bonds, a Metro Transit-Oriented Development contribution, a permanent mortgage, Multifamily Energy Program funds from Oregon Housing and Community Services, and the Portland Housing Bureau’s allocation of Metro Regional Affordable Housing Bonds. BRIDGE is also deferring \$1.54 million of our Developer Fee and providing a Sponsor Loan totaling \$8.02 million.

### Sources and Uses Overview

Source	Amount	Use	Amount
4% LIHTC Equity	\$44,680,544	Land/Acquisition	\$1,525,000
OHCS MEP	\$199,000	Construction Costs	\$74,943,871
Metro TOD	\$500,000	Soft Costs (excl. Developer Fees)	\$10,762,514
Permanent Loan	\$15,423,358	Developer Fee	\$11,558,729
PHB Metro Loan	\$28,428,484		
Deferred Development Fee	\$1,536,069		
Contributed Developer Fees	\$8,022,660		
<b>Total</b>	<b>\$98,790,115</b>	<b>Total</b>	<b>\$98,790,114</b>

## Development Team

### BRIDGE Housing – Owner, Developer, Asset & Property Manager

BRIDGE strengthens communities and improves the lives of its residents, beginning — but not ending — with affordable housing. The organization’s diversity reflects the communities it serves, with 75% of staff identifying as BIPOC. As the largest nonprofit developer of affordable and workforce housing on the West Coast, BRIDGE has participated in the development of 17,000 affordable homes throughout California, Oregon, and Washington since 1983. The Portland team manages 1,100+ homes in operations and construction, including the Songbird in N/NE, the Vera and RiverPlace Phase II on the South Waterfront, as well as the Sitka, Ramona, and Abigail in the Pearl District.

### Hacienda Community Development Corporation – Leasing Manager, Community Engagement, Youth and Family Services Provider

Hacienda CDC was formed in 1986 to provide necessary housing and supportive services in a low-income, and at that time, predominantly Latinx community in the Cully neighborhood. As the leasing partner and resident service provider for this project, Hacienda is well versed in the needs

of tenants as well as the requirements of the public funding. Hacienda is guided by the belief that the provision of culturally specific and culturally responsive services is an essential component to eliminating structural, cultural, and linguistic barriers, and fostering a sense of safety, understanding and belonging for residents and program participants. These practices ultimately lead to better outcomes, such as increased housing and family stability and increased social capital. 95% of Hacienda's direct services staff are bilingual and bicultural and have been trained in best practices of trauma-informed care. Programs offer a variety of important education and social support services to children from birth to 8th grade, including academic support, cultural enrichment, and health services that help them reach their full potential.

#### **O'Neill Walsh Community Builders – Preconstruction Advisor**

O'Neill/Walsh Community Builders, LLC (OWCB) is an established, highly successful partnership between O'Neill Construction Group, an MBE/DBE certified and Veteran-owned firm, and Walsh Construction Co. OWCB pursues projects with purpose to promote equity in the construction industry. Over the years, the relationships between the companies continues to deepen and grow. The partnership co-exists with its parent companies, builds on both companies' strengths, facilitates opportunities to connect more deeply with MWESB firms, and provides O'Neill more exposure to processes and procedures for success on larger projects.

#### **Try Excellence LLC – Outreach Advisor & Facilitator**

Dr. Steven Holt is the Principal of Try Excellence, LLC specializing in facilitation, training and consultation with an eye on equity, inclusion and diversity. Dr. Holt brings a keen ability to communicate effectively across racial, ethnic, and gender lines and serves as a consultant to the City of Portland, Gresham and other public and private institutions. Ericka Warren is a co-facilitator and brings vast experience as a national community leader, educator and coach and insight into the process of creating inclusive communities.

#### **Holst – Architect & Urban Designer**

Holst is an award-winning, women-owned architecture firm of forty professionals based in Portland and led by partners Kim Wilson, Kevin Valk, Dave Otte, and Renée Strand. Holst's reputation in the community is founded on its design acumen and track record of collaboration with the Design Commission. They are well-known for creating innovative buildings tailored to each client's needs while expressing the highest environmental, social, and aesthetic ideals, including the Nick Fish, Argyle Gardens, 72Foster, and Bud Clark Commons.

#### **TriMet – Public Partner, Ground Lessor**

TriMet provides bus, light rail and commuter rail service in the Portland region. TriMet's mission is to connect people with mobility options that are safe, convenient, reliable, accessible and welcoming for all. They have committed to a below-market ground lease for the project in addition to significant infrastructure investment.

### **Community Engagement**

Since summer 2020, the team has met with over 25 BIPOC communities, culturally specific organizations, neighborhood groups, public agency stakeholders, as well as the general public. Engagement will continue throughout development until lease-up is completed. While engagement will continue online via one-on-one video meetings, virtual town halls, email lists, post cards, and other methods, the team plans to start in-person events as soon as public health conditions allow, understanding that meeting BIPOC communities where they are is essential.

Once the design process begins, engagement will include walking tours, charettes and workshops with prospective residents and existing tenants of Hacienda and BRIDGE. Past engagement work during pre-development has included focus groups where community members and prospective residents can learn more about the proposed design, 1x1 interviews to collect feedback, and walking tours so folks can get familiar with the site and get a good visual on the development proposal as well as neighborhood amenities. Whenever possible, engagements will include childcare, participant compensation and interpretation as needed.

## **Advancing Racial Equity**

### **Project Location**

The project location reverses decades of gentrification and displacement by providing a new home for BIPOC families with children and other low-income households traditionally priced out of Hollywood. As a neighborhood that has historically catered to affluent residents of the Grant Park neighborhood to the north and Laurelhurst neighborhood to the south, Hollywood does not have a large presence of BIPOC families. Although the project's census tract (#41051-0027-02) has a population of 3,364 and a poverty rate of 21.5%, it is largely attributable to Home Forward's 286-unit Hollywood East public housing apartments, which is one of few affordable housing options in Hollywood and has a preference for seniors and persons with disabilities. Hollywood has seen significant community investment, including the opening of Target immediately west of the site (2021) and high-end market rate apartments such as AnnDeLee (2015), Laurel42 (2018), and the Koz on Sandy (2021). The influx of luxury apartments in Hollywood over the past decade has exacerbated the lack of housing affordable to BIPOC residents. During engagement outreach with BIPOC organizations and community groups, common feedback is that BIPOC communities have not felt welcome in Hollywood for decades. hollywoodHUB opens up possibilities and opportunity for BIPOC families to live and work in this vibrant, walkable neighborhood with high-performing public schools (Laurelhurst Elementary, Grant High School) in addition to unrivaled access to jobs throughout the metro area, even for transit-dependent families.

### **Strategies to Eliminate Housing Barriers**

The hollywoodHUB team understands that race and ethnicity play a defining role in one's life experiences and that deeply rooted inequities have negative economic, social and health outcomes for people of color, and need to be at the forefront of how to conduct outreach and marketing. Outreach will affirmatively market to *African American, Asian American, Latinx and Native American families*. Language is often a barrier for historically underserved communities. BRIDGE and Hacienda will utilize culturally specific media (e.g. El Hispanic News, El Latino de Hoy, The Skanner, The Portland Observer, Portland Chinese Times, The Asian Reporter), translated marketing materials, and a language line translation service. Building on outreach efforts since June 2020, Hacienda and BRIDGE will establish face-to-face relationships with community leaders, culturally specific organizations, service providers, schools, churches, community centers, and others serving communities of color in the Hollywood area and rest of Portland. Additional plans will focus on BIPOC organizations representing those who are least likely to apply including longtime partner IRCO and Portland Opportunities Industrialization Center, NAACP, Muslim Educational Trust, APANO, Self Enhancement Inc., Urban League, Hispanic Metropolitan Chamber, Asian Health & Service Center, NW Pilot Project, etc. Semi-annually, waitlists will be reviewed to expand efforts for demographics who are least represented. These connections will be an important conduit for publicizing opportunities when leasing information is available. Other marketing and leasing channels will include phone calls, in-person visits, and attendance at community groups' regular meetings and gatherings, and housing or resource fairs.

The team will adopt low-barrier screening to break down the most challenging barriers for housing access: language, immigration status, and rental history. Not having a social security number to work or obtain services, or the education to know what resources could be obtained, often lead to underutilization of services by our clients. Immigration status also plays a significant role, causing mistrust of systems and reservation around reaching out or connecting to services. In addition, clients often have potentially problematic histories such as homelessness, lack of rental history, or poor credit scores all of which present barriers to accessing housing. To mitigate these barriers, BRIDGE and Hacienda have adopted a process where prospective tenants feel supported throughout the application process and a “screen-in” rather than “screen-out” approach. This low entry barrier approach is especially crucial for attracting and retaining tenants with higher-than-average rent burdens and other barriers to housing.

### **Equity in Contracting**

The BRIDGE/Hacienda team selected O’Neil Walsh Community Builders (OWCB) as the preconstruction advisor for hollywoodHUB and will conduct a competitive selection process that emphasizes quality, cost, and a robust commitment to meet or exceed PHB’s goal for awarding at least 30% of hard construction costs to COBID-certified Disadvantaged, Minority, Women, and Emerging Small Business or Service-Disabled Veteran-Owned Businesses (DMWESB-SDV). OWCB has a demonstrated ability to meet PHB goals for COBID subcontractor participation, maximizing apprentice hours, and workforce training. They have consistently high participation with DMWESB-SDV firms, who on average complete 33% of their subcontracted work. In addition to OWCB, BRIDGE maintains a robust relationship with Nate McCoy III, Executive Director of the Oregon chapter of the National Association of Minority Contractors (NAMC-OR) and Colas Construction, a 100% BIPOC owned contractor that has partnered with BRIDGE on the Songbird in N/NE and was selected in 2021 to construct BRIDGE’s South Cooper Mountain Goldcrest project in Beaverton. BRIDGE and Hacienda will encourage all firms, especially BIPOC-led firms such as OWCB and Colas, to bid for the Hollywood project. BRIDGE will also make the opportunities known to Section 3 businesses certified by the City of Portland.

### **Partnerships and Services**

Hacienda’s resident services are important in maintaining tenant stability. A services budget of \$120,000 annually for 1.5 FTE Resident Services Coordinators will provide culturally specific services related to language, legal, financial education, and basic life skills. Additionally, funding is anticipated for tenants who may lack sufficient resources for basic needs such as childcare, access to rent and energy assistance, and access to domestic violence resources. Resident Services Coordinators will also work with property managers to implement a *Housing First* approach to prevent potential evictions. When tenants have a stable place to call home, they grow their social capital, better their health, and thrive. Resident Services Coordinators take the time to understand the unique, intersecting factors present in tenants that often impact stability, such as single parent households, multigenerational households, education, health, generational trauma, systemic racism, etc. To be successful, the Resident Services Coordinators must reflect the community they support. That means hiring Resident Services Coordinators who are bilingual, bicultural, patient, and understanding and invest the time to get to know the residents they serve. Building trusting relationships ensures residents are willing to open up and voice their needs and be more willing to set ambitious goals for themselves and their children.

Complementing Hacienda’s Latinx expertise, the team will also partner with the Northeast Community Center, Hollywood Senior Center, Portland Opportunities Industrialization Center,

Immigrant & Refugee Community Organization, and Urban Gleaners for culturally specific resident services.

### **Anticipated Timeline**

Metro Concept Endorsement	10/2021
Site Acquisition	12/2021
Contractor Selected	12/2021
Building Permits & Fees	07/2022
PHB Housing Investment Committee Approval	08/2022
Final Bids	08/2022
Syndication/Partnership Agreement (LIHTC)	08/2022
Metro Final Approval	08/2022
Financial Closing	09/2022
Construction Begins	09/2022
Construction Completed	07/2024
Lease Up Completed	07/2025

## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** PCC Killingsworth  
**Implementing Jurisdiction:** Portland Housing Bureau  
**Metro IGA Contract Number:** 937016  
**Anticipated construction start:** June, 2023  
**Anticipated construction completion:** August, 2024

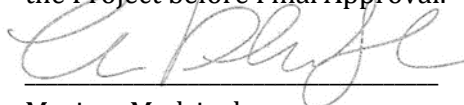
**Action:**

Metro hereby provides Portland Housing Bureau with Concept Endorsement for \$2,538,237 Metro Affordable Housing Bond funds for the development of PCC Killingsworth, a regulated affordable housing project located at 4317 NE Killingsworth Street, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Portland Housing Bureau, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by the Portland Housing Bureau, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
12	Studio	0-30%	0
6	Studio	60%	0
2	One-bedroom	30%	0
4	One-bedroom	40%	0
10	Two-bedroom	0-30%	0
35	Two-bedroom	60%	0
4	Three-bedroom	0-30%	0
4	Three-bedroom	50%	0
7	Three-bedroom	60%	0

Changes to the information contained in the concept endorsement request provided by the Portland Housing Bureau could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before Final Approval.



Marissa Madrigal  
 Chief Operating Officer

11/16/2021

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for PCC Killingsworth



Drafted by: Emily Lieb, Housing Bond Program Manager, Valeria McWilliams, Senior Program Coordinator, Alison Wicks, Senior Program Coordinator, Choya Renata, Senior Communications Specialist, Jimmy Oporta, Housing Program Analyst, Breanna Hudson, Associate Housing Analyst and Stellan Roberts, Connor Ayers, and Shay Starling, Council Office Support Interns, Metro

Date: November 9, 2021

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## Criteria for funding approval

Metro will issue Concept Endorsement to local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for PCC Killingsworth. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

## Contribution to unit production targets

PCC Killingsworth will utilize 1.2% (\$2,481,000) of Portland's total allocation of bond funds while delivering 84 units that meet the following unit production outcomes:

- 6% of Portland's overall unit production target;
- 5% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 8% of Portland's family sized unit target; and
- 0% of Portland's permanent supportive housing target.

When combining this project with the other 6 Metro Bond Opportunity Solicitation (MBOS) selected projects in addition to Portland's existing development portfolio, this puts the City on a path to have utilized 51.3% (\$108,261,432) of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 76% of Portland's overall unit production target;
- 73% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 68% of Portland's family sized unit target; and
- 94% of Portland's supportive housing units

## Eligibility and readiness to proceed

The Portland Housing Bureau has submitted and Metro staff have reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:



- A preliminary project pro forma dated 6/25/2021
- OHCS NOFA LIFT Pre Application dated 02/03/2021
- OHCS Project Site Review Checklist 02/03/2021
- Option to Lease Agreement dated 03/08/2021 as evidence of developer site control
- Certification of zoning form dated 03/10/2021
- Development team resumes and developer schedule of real estate owned demonstrating a track record with affordable housing development in Oregon

Staff have not identified any unusual risks to project feasibility and readiness and will continue to request updates from the City regarding how work is proceeding.

### Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of City of Portland's approved LIS. Key findings include:

- **Location:** The project is located in the Cully neighborhood in Northeast Portland. The site is located less than a mile from public elementary and middle schools and 2 miles from Grant High School; 2.6 miles away from urgent care and 3 miles away from a Providence Portland Medical Center; across the street from Fernhill Park; 0.7 miles from a grocery store and adjacent to PCC's new Workforce Training Center. NAYA's campus sits 1.2 miles from PCC/KW.
- **Transit access:** The site is located on two frequent service TriMet bus lines #72 and #75.
- **Diversity in contracting/hiring:** The project architect has a team with 24% participation by COBID Certified firms. The general contractor is O'Neill Walsh Community Builders who on average have 33% of subcontracted work completed by COBID-certified firms. Overall, the project's DMW/ESB goal will be 30% and will comply with the City's Workforce Program requirements.
- **Access for historically marginalized communities:** The partnership with the Native American Youth and Family Center includes a waitlist preference for up to twenty households receiving services from NAYA and priority access for nine Family Unification Program households.
- **Culturally appropriate services:** Resident services will focus on BIPOC families. PCC will operate a new Workforce Development Center co-located with the project. 4,200 square feet of commercial space will be leased to NAYA for a dollar a year to help catalyze Native-oriented services and programming.
- **Cooling:** The initial project plan included window ports where residents could connect their own mobile air conditioning unit. In consideration of PHB's new in-unit air conditioning requirement (effective August 13, 2021) and Metro's policy statement strongly encouraging air conditioning and offering support addressing barriers (September 14, 2021), Metro staff has requested a proposal to request additional funding needed to support in-unit air conditioning investments that consider impacts to sustainability, durability, and energy costs.

### Community engagement to inform project implementation

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements of City of Portland's approved Local Implementation Strategy (LIS). Key findings include:

- **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

Home Forward partnered with Portland Community College and Coloqate, and used focus groups to reach Black, Indigenous, Somali immigrant and Latinx community members, people with disabilities, service providers, youth and elders, and other community groups.

- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

Several general themes emerged from the focus groups and are being incorporated into project design:

- Accessibility – wayfinding, parking and signage.
- Welcoming lobby and staff – culturally responsible staff and clear wayfinding are the important.
- Service partners – examples include food access and educational support.
- Public art – a way to honor the history and diverse stories of the community. An art selection committee will be formed with representatives from the college and the community.
- Safety – for clients, staff, housing residents and pedestrians. Examples include clear lines of sight, lighting and wider sidewalks, and hopes for improved street crossings.
- Community use of spaces – there is high interest from community members for spaces open to the public for events free of charge. The college will look into the possibility of meeting this request.

## EXHIBIT B: Project summary submitted by City of Portland | Metro bond concept endorsement for PCC Killingsworth

Submitted by: Jill Chen, Housing Investments and Portfolio Preservation Manager, PHB,

[jill.chen@portlandoregon.gov](mailto:jill.chen@portlandoregon.gov)

Submitted on: October 4, 2021

### Project Overview

The Portland Housing Bureau (PHB) is requesting Metro Concept Endorsement to award up to \$2,538,237 in Metro Bond Funds to Home Forward for the PCC Killingsworth project located at NE 42<sup>nd</sup> Ave & NE Killingsworth. PCC Killingsworth (PCC/KW) is new construction that will lead to the co-location of 84 units of affordable housing and a brand-new Workforce Development Center operated by Portland Community College (PCC) located on 43,560 square feet of land donated by PCC. The project is a partnership between Home Forward and PCC that offers an opportunity to provide Family Unification Program (FUP)-Eligible Families and FUP-Eligible Youth with stable housing, combined with employment skills training at a single location. The site currently holds two educational structures owned by PCC which are scheduled for demolition. PCC/KW's budget includes 4% LIHTC equity, SDC waiver, CET exemption, permanent loan, deferred development fee, sponsor loan, and \$7,050,000 of 2021 LIFT funding from Oregon Housing and Community Services.

### Preliminary Development Program

PCC/KW is a 4-story, 87,775 square foot wood-framed building. Its proposed floor area ratio is 2.07:1. Its proposed height is 42 feet. 60 of PCC/KW's 84 apartments (71%) are family-sized units. Key building amenities include free Wi-Fi throughout the public spaces; a "family room" that includes lounge seating around a large flat screen TV, a community kitchen, and a large dining table; community computers; a large laundry room with healthy food vending machines; and a bicycle storage room. Key site amenities are a 6,500 square foot courtyard programmed with lounge seating, an outdoor dining area, and landscaping; and an 8,500 square foot courtyard programmed with an experiential playscape. The entire length of PCC/KW's west façade fronts a 16,000 square foot plaza that is a significant new public space and is designed to support a weekly farmers market and other community-focused activities, a casual amphitheater, and Wi-Fi service. PCC/KW contains 4,200 square feet of commercial space on the ground floor. The overall site plan includes approximately 80 parking spaces which PCC and Home Forward will share. The arrangement should accommodate PCC/KW's site staff, ensure parking for every resident in an ADA unit and facilitate the building's pick up, drop off, and loading needs.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
Studio	9	30%	0	519	\$414
Studio	3	0 - 30%	0	519	\$938
Studio	6	60%	0	519	\$596
1-Bedroom	4	40%	0	652	\$622
1-Bedroom	2	30%	0	652	\$436
2-Bedroom	35	60%	0	858	\$1,178
2-Bedroom	5	0 - 30%	0	858	\$1,178
2-Bedroom	5	30%	0	858	\$516
3-Bedroom	7	60%	0	1,130	\$1,355
3-Bedroom	4	0 - 30%	0	1,130	\$1,355

3-Bedroom	4	50%	0	1,130	\$1,098
Total	84				

## Project Image



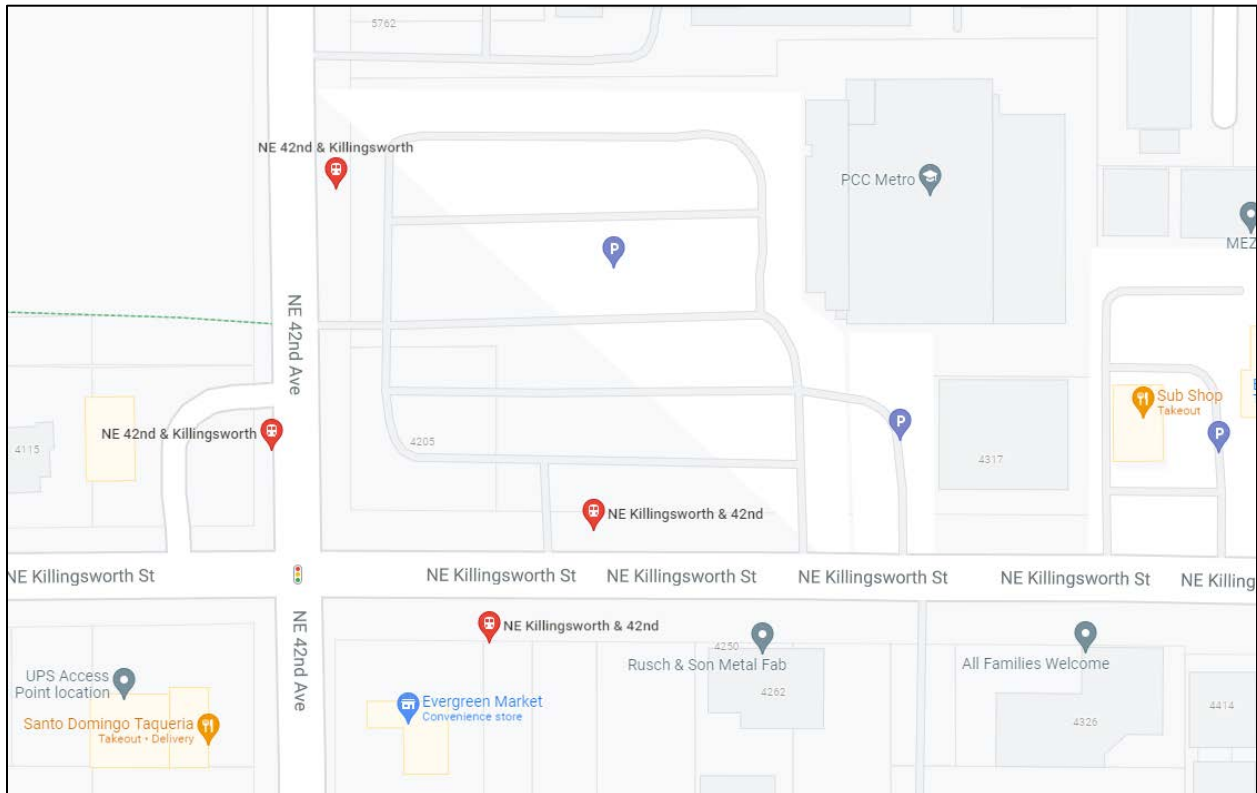
## Background

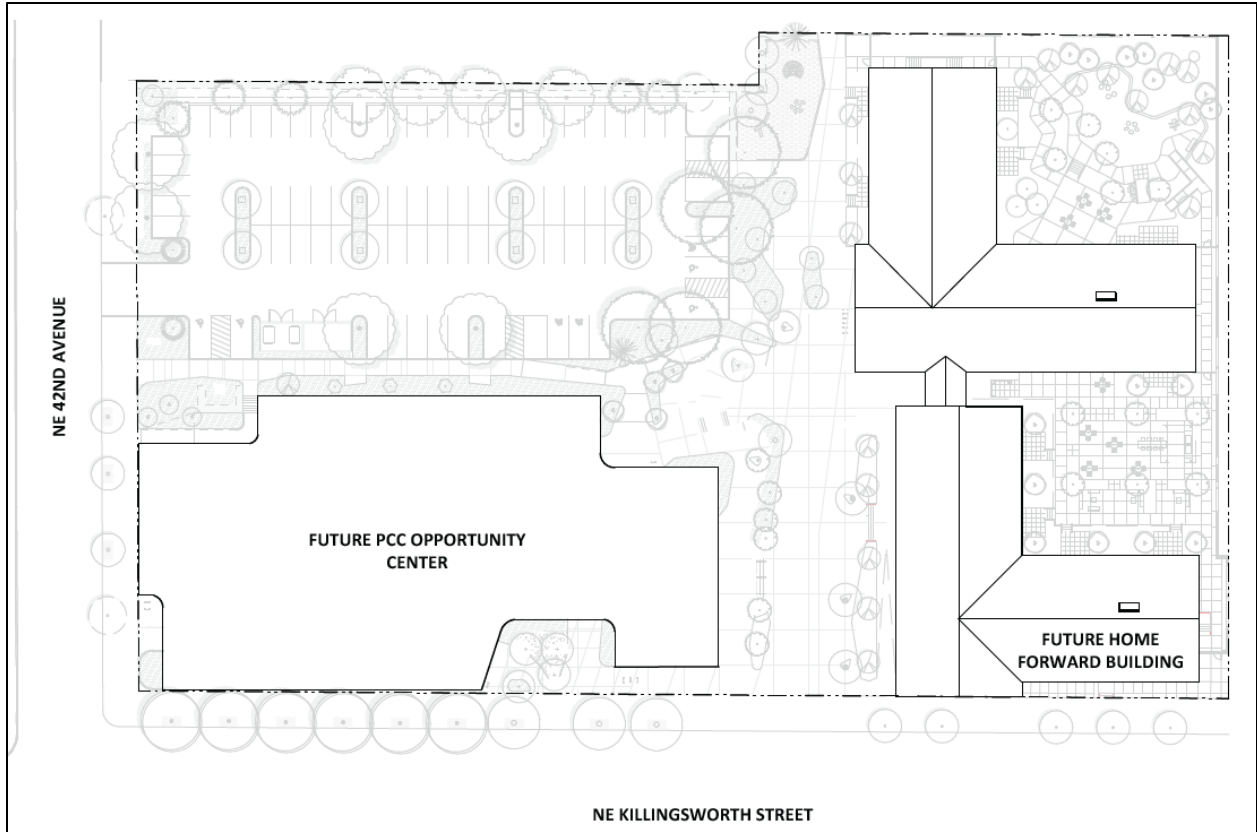
PCC-Killingsworth (PCC/KW) is a multi-agency effort to completely transform a three-acre parcel owned by Portland Community College (PCC). What is now an obsolete job training center, surrounded by a surface parking lot will become a combination of affordable housing, a public plaza, commercial space serving community-articulated needs and a state-of-the-art Workforce Development Center. From the outset, PCC and Home Forward have collaborated on community engagement and tasked our respective design teams with the goal of placemaking, ensuring that the respective buildings and the public plaza between them form a single, coherent, inviting neighborhood amenity. PCC and Home Forward’s buildings will be built sequentially, with the Workforce Development Center going first, by separate general contractors. Neither organization officially has a traditional “development team member” role in the design, financing, construction or operations of the other’s building. Nevertheless, Home Forward and PCC communicate regularly regarding overall site design, continued community engagement, PCC’s construction careers pre-apprenticeship program and resident services programming. PCC is a full partner in this effort and will be instrumental PCC/KW’s long-term success.

In July 2021, Home Forward submitted a proposal for Portland’s 2021 Metro Bond Opportunity Solicitation (M-BOS). PHB has recommended that the PCC Killingsworth development team are awarded \$2,538,237 in Metro bond funds to develop this site. This amount includes the project subsidy per unit award of up to \$2,481,000 and a 2.307% program delivery fee (\$57,237).

## Location and Neighborhood

PCC/KW will be located at NE 42nd Avenue & NE Killingsworth Street on a 43,560 square foot parcel of land. The stops for the frequent service bus lines 72 and 75 are immediately outside the property. PCC/KW is located less than a mile from public elementary and middle schools and 2 miles from Grant High School; 2.6 miles away from urgent care and 3 miles away from a Providence Portland Medical Center; across the street from Fernhill Park; 0.7 miles from a grocery store and adjacent to PCC's new Workforce Training Center. NAYA's campus sits 1.2 miles from PCC/KW.





### Site

The PCC/KW site is a single 43,560 square foot parcel located along the north side of NE Killingsworth at the intersection of NE 42<sup>nd</sup> Avenue and NE Killingsworth Street. The project is located on land that has been donated to Home Forward by Portland Community College. Two existing occupied educational structures owned by PCC are currently on the parcel. PCC is responsible for all demolition costs and logistics with demolishing these buildings so Home Forward can construct PCC/KW. There are no residential units on-site and no need for relocation. The site is zoned Commercial Mixed Use 2 (CM2), a medium-scale, commercial mixed-use zone intended for sites in a variety of centers and corridors, in other mixed-use areas that are well served by frequent transit, or within larger areas zoned for multi-dwelling development. Upon completion, PCC/KW will be a 4-story wood-framed building. Its proposed floor area ratio is 2.07:1 (the maximum allowed in the CM2 zone is 4:1). Its proposed height is 42 feet (the maximum allowed in the CM2 zone is 45 feet). The project will be an 87,775 square foot building covering 52% of the lot, providing 84 units of affordable housing and including 4,200 of commercial space on the ground floor.

### Project Financing

The estimated total construction and development cost for PCC/KW is \$38,039,466, equal to \$452,850.55/unit or \$455.15/square foot.

#### Sources and Uses Overview

Source	Amount	Use	Amount
4% LIHTC Equity	\$17,542,593	Land/Acquisition	\$0
SDC Waiver	\$1,023,700	Construction Costs	\$26,945,718

CET Exemption	\$95,437	Development Costs	\$11,093,728
PHB Metro Bond	\$2,481,000		
Deferred Developer Fee	\$800,000		
Permanent Loan	\$7,200,000		
Sponsors' Loan	\$1,846,716		
OHCS LIFT	\$7,050,000		
<b>Total</b>	<b>\$38,039,446</b>	<b>Total</b>	<b>\$38,039,446</b>

**Development Team**

- **Developer & Owner: Home Forward**

Home Forward is Oregon’s largest affordable housing provider. Their mission is to provide high-quality affordable housing for individuals and families who are challenged by income, disability, or special need.

Home Forward accomplishes their mission and honors their values through the ownership, management, and maintenance of 6,700 affordable apartments, resident services programming, and the administration of rental assistance to 15,100 households. Underlying their mission is an active pipeline of development projects that increase housing options and access to supportive services for our community’s most vulnerable members.

- **Service Provider & Commercial Space Partner: Native American Youth & Family Center (NAYA)**

NAYA has a multi-decade track record of providing services to Portland’s Native Communities. As an urban Indian agency, NAYA impacts the lives of over 10,000 individuals from over 380 tribal backgrounds annually.

Founded by parent and Elder volunteers in 1974, NAYA has sustained diverse traditions while expanding and modernizing its programs and services to meet the needs of Native people. NAYA serves self-identified Native Americans, infant to Elder, from across the Portland metropolitan area. Its mission is “to enhance the diverse strengths of our youth and families in partnership with the community through cultural identity and education.”

NAYA believes that traditional cultural values are integral to regaining sovereignty and building self-esteem. It values respect for the environment, places the larger community before the individual and involves Elders. NAYA promotes healthy living through positive alternatives to high-risk behaviors and the values of sobriety, family stability, culture, active lifestyles, and education.

- **Architect: Hacker Architects**

Home Forward selected Hacker Architects through a Request for Proposals (RFP) process for its expressive and clear architectural design work. Hacker has tackled the multitude of issues present at PCC/KW with skill and enthusiasm—e.g., close coordination with PCC’s design and construction project team; a commitment to design excellence and cost-efficient design and construction; and a diverse team with 24% participation by COBID Certified firms.

- **General Contractor: O’Neill Walsh Community Builders (OWCB)**

O’Neill/Walsh Community Builders (OWCB) is a partnership between Walsh Construction and O’Neill Construction Group. OWCB stood out among the respondents to Home Forward’s RFP for a general contractor for its extensive portfolio of successful affordable housing projects, robust pre-construction services, internal cost estimating and cost control resources, and demonstrated commitment to diversity, equity and inclusion.

- **Project Catalyst and Key Partner: Portland Community College (PCC)**  
PCC is the landowner and a key partner of the project. Although, PCC has no previous experience developing housing, they will leverage the obvious synergy between affordable housing and workforce training.

## Community Engagement

In early 2020, prior to starting any of PCC/KW's design work, Home Forward met with a representative of Living Cully (which is a coalition of four Cully-based community development organizations pursuing collaborative, long-term, community-led efforts to improve the quality of life for Cully's BIPOC residents and persons with low incomes). The purpose of this meeting was to learn what, from the perspective of Living Cully member organizations, would constitute a successful project. This discussion led immediately to follow-up discussions with NAYA and ultimately, the Home Forward- NAYA partnership central to PCC/KW.

Then during the fall of 2020, Home Forward collaborated with Portland Community College to participate in six separate focus groups of people with shared cultures and lived experiences: Black, Native, LatinX, and Somali households; persons with disabilities, and PCC Workforce Training Center participants. The design justice firm Colloqate facilitated these discussions, which focused on hearing marginalized communities state, in their own terms, their aspirations for PCC's new Workforce Center and PCC/KW. Living Cully organizations—which nurture and sustain the Cully neighborhood's social support networks for its vulnerable households—assisted in linking Colloqate, PCC and Home Forward with focus group participants.

In response to these facilitated focus groups, Home Forward made intentional design choices to honor the feedback they heard. These design decisions facilitate deeper affordability and livability, making the building an appealing home to the many communities that currently live in Cully. For example, PCC/KW includes:

- A majority of apartments with two or three bedrooms to accommodate families.
- Multi-bedroom apartments designed with comparably sized bedrooms, equitable access to bathrooms, and extra acoustic insulation in interior walls to accommodate roommates as well as families. Roommate-friendly housing is an excellent strategy for enabling individuals earning less than 60% AMI to afford apartments with 60% AMI rents without experiencing significant rent burden.
- On-site, secure play spaces for kids of all ages.
- Ten percent of apartments across the spectrum of apartment sizes are fully accessible to people who use mobility devices, are blind or deaf, or have sight or hearing loss. This percentage exceeds code and funding requirements.
- Open kitchens, minimal circulation, and door swings that do not conflict. These details ensure that every apartment is truly, fully visitable to persons with mobility impairments.

## Advancing Racial Equity

PCC/KW will anchor affordable housing opportunities exactly where they are needed: a diverse neighborhood vulnerable to gentrification. According to data at [www.statisticalatlas.com](http://www.statisticalatlas.com), a comparison of Cully and Portland's 101 other neighborhoods reveals that:

- Only five neighborhoods have higher percentages of BIPOC residents than Cully.
- Cully ranks 77th in terms of median household income.
- Only five neighborhoods have higher percentages of residents utilizing food stamps.
- Only 11 neighborhoods have higher percentages of the adult population without a high school



diploma.

Unsurprisingly, due to Cully's close-in location and excellent mass transit access, these factors lead Cully community members to stress the need for more affordable housing in their neighborhood. In a 2020 Community Vision Report, completed by the Cully-based community organizing group Living Cully and sponsored by PCC, "More affordable housing" was the top answer to a question on what the neighborhood needs. PCC/KW represents a clear step towards meeting this need. PCC/KW's location enables Cully residents vulnerable to displacement—many of whom are people of color—to remain where they have established friendships and support networks in place. Non-displacement is a key objective of the N/NE Neighborhood Housing Strategy.

Sixty of PCC/KW's 84 apartments (71%) are family-sized units. Due to this unit mix, their deliberate outreach efforts to BIPOC communities and their partnership with NAYA, they expect many BIPOC families to call PCC/KW home. Thus, the building's resident services programming will primarily focus on BIPOC households with children.

PCC/KW will pair affordable housing with a state-of-the-art Workforce Development Center on the same site to further aid the BIPOC community for the following core reasons:

- Many of the systemic disadvantages experienced by BIPOC community members stem from inequitable access to living-wage career opportunities.
- Existing workforce center participants—41% of whom are Black; 30% of whom have no diploma or GED—often struggle to find affordable housing. The resulting housing instability can affect their ability to advance through training programs as they work extra hours to afford rent or move to outlying neighborhoods far from PCC's Workforce Center in search of affordable rents.
- Convenience matters! PCC/KW residents will have a vast array of free and low-cost job training opportunities conveniently located just outside their building's front door. There will be no time or cost associated with transportation, which can be a major impediment to accessing job training.

Additionally, NAYA's campus—an educational, cultural and services hub for the region's Native community of 55,000—sits 1.2 miles from PCC/KW. It is easily accessed by a frequent service bus that stops immediately adjacent to the site. Even closer than the NAYA campus are two NAYA-sponsored affordable housing communities also on NE 42nd Avenue: Nesika Illahee a half-mile to the north and Mamook Tokatee a half-mile to south. This proximity and convenience to the NAYA campus and NAYA housing developments, along with the resident services office and community space available to NAYA within PCC/KW, will facilitate easy access to culturally specific services for PCC/KW's significant Native population.

## Partnerships and Services

PCC/KW's development team includes a partnership between Home Forward and the Native American Youth & Family Center (NAYA). The core elements of the Home Forward/NAYA partnership include:

- A waitlist preference for up to twenty households receiving services from NAYA.
- Priority access for nine Family Unification Program (FUP) households receiving case management service from NAYA. This priority access is separate from the waiting list preference in the bullet above.
- 4,200 square feet of unfinished commercial space master leased to NAYA for a dollar a year to help catalyze Native-oriented services and programming. Home Forward is offering

NAYA this space at no cost; NAYA will be responsible solely for the cost of the tenant improvements and annual upkeep.

The Home Forward – NAYA partnership stems from each organization’s desire to leverage the other’s respective expertise in affordable housing development / ownership and service to the Native community. Based on this approach:

- Home Forward is solely responsible for PCC/KW’s design, construction, financing, ownership, and housing operations.
- NAYA is responsible for the programming and build out of PCC/KW’s commercial space. Initial possibilities include Head Start classrooms and/or incubator business space for Native-owned businesses. NAYA successfully secured \$3 million of American Rescue Plan Act (ARPA) funding to cover the associated costs of the build out and operations.
- NAYA will provide case management services to FUP households it places at PCC/KW through county-funded revenue streams already under NAYA’s control.
- NAYA will provide housing stabilization and support services to all households it places at PCC/KW.

### Anticipated Timeline

Metro Concept Endorsement	10/2021
Plans Completed	12/2021
Financial Commitments	03/2023
PHB Housing Investment Committee Approval	05/2023
Building Permits/Fees	05/2023
Financial Closing	06/2023
Construction Start	06/2023
Construction Completed	08/2024
Lease-Up Completed	02/2025

## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** Tistilal Village Redevelopment

**Implementing Jurisdiction:** Portland Housing Bureau

**Metro IGA Contract Number:** 937016

**Anticipated construction start:** September, 2022

**Anticipated construction completion:** December, 2023

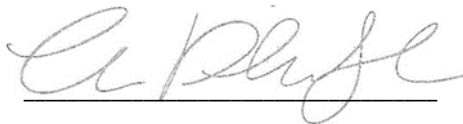
**Action:**

Metro hereby provides Portland Housing Bureau with Concept Endorsement for \$3,511,176.00 Metro Affordable Housing Bond funds for the development of Tistilal Village Redevelopment, a regulated affordable housing project located at 7602 N. Gloucester Avenue, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Portland Housing Bureau, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
2	One bedroom	30%	2
13	Two bedroom	30%	13
9	Three bedroom	30%	9

Changes to the information contained in the concept endorsement request provided by Portland Housing Bureau could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before Final Approval.



Marissa Madrigal

Chief Operating Officer

11/16/2021

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Tistilal Village Redevelopment



Drafted by: Emily Lieb, Housing Bond Program Manager, Valeria McWilliams, Senior Program Coordinator, Alison Wicks, Senior Program Coordinator, Choya Renata, Senior Communications Specialist, Jimmy Oporta, Housing Program Analyst, Breanna Hudson, Associate Housing Analyst and Stellan Roberts, Connor Ayers, and Shay Starling, Council Office Support Interns, Metro

Date: November 9, 2021

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## Criteria for funding approval

Metro will issue Concept Endorsement to local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Tistilal Village Redevelopment. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

## Contribution to unit production targets

Tistilal Village Redevelopment will utilize 1.6% (\$3,432,000) of Portland's total allocation of bond funds while delivering 24 units that meet the following unit production outcomes:

- 2% of Portland's overall unit production target;
- 4% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 3% of Portland's family sized unit target; and
- 8% of Portland's permanent supportive housing target.

When combining this project with the other 6 Metro Bond Opportunity Solicitation (MBOS) selected projects in addition to Portland's existing development portfolio, this puts the City on a path to have utilized 51.3% (\$108,261,432) of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 76% of Portland's overall unit production target;
- 73% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 68% of Portland's family sized unit target; and
- 94% of Portland's supportive housing units

## Eligibility and readiness to proceed

The Portland Housing Bureau has submitted and Metro staff have reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:

- A preliminary project pro forma dated 07/01/2020
- Warranty deed as evidence of developer site control
- Certification of Zoning Form dated 03/11/2021
- Development team resumes and developer schedule of real estate owned demonstrating a track record with affordable housing development in Oregon

Staff have not identified any unusual risks to project feasibility and readiness and will continue to request updates from the City regarding how work is proceeding.

### Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of City of Portland's approved LIS. Key findings include:

- **Location:** The project is located in the Portsmouth neighborhood of North Portland, adjacent to Lombard Street. The site is 0.2 miles from Portland Public School's Cesar Chavez K-8 School. Fred Meyer, Safeway and Grocery Outlet are within a 10-minute drive and easily accessible via the 75 bus line. Food is also available at the Hereford House Pantry, just 50 feet from Tistilal Village. Lombard Street includes a number of urgent care clinics, dental clinics and doctors' offices. The site is a short walk from multiple parks and the Charles Jordan Community Center.
- **Transit access:** The site is located on the TriMet #75 bus line.
- **Diversity in contracting/hiring:** Colas Construction is one of the largest Black-owned construction firms in the Pacific Northwest and has a commitment to racial justice and creating opportunities for BIPOC individuals. As a standard, Colas projects are predetermined to achieve 30% without including Colas, a BIPOC Prime Contractor (BPC), in the figures.
- **Access for historically marginalized communities:** This project is developed by and for the region's native community. Native American Youth and Family Center (NAYA) and Native American Rehabilitation Association of the Northwest (NARA) have successfully partnered in past projects to house and serve members of the Native American community. NAYA and NARA plan to work together to use effective low-barrier tenant screening, ensuring that culturally responsive practices are in place in efforts to provide access to housing that is often denied to BIPOC individuals.
- **Culturally appropriate services:** NAYA is partnering with NARA to offer two service programs at Tistilal Village, these are general resident services and permanent supportive housing services. Native Americans benefit most when interventions are offered by their own community. Currently, 84% of NAYA staff are people of color.
- **Cooling:** Consistent with PHB's statement on Air Conditioning Requirement (August 13, 2021) and Metro's Policy Statement on Air Conditioning (September 14, 2021) the proposal includes plans for packaged terminal heat pumps to provide in-unit air-conditioning for each apartment. Additional information about climate resilience and sustainability strategies will be gathered as part of the final approval. Additional information about climate resilience and sustainability strategies will be gathered as part of the final approval.

### Community engagement to inform project implementation

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements of City of Portland's approved LIS. Key findings include:

- **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

NAYA has reported on a lot of general community engagement they do on an ongoing basis, with Native/Indigenous people, low income people, and other marginalized groups. In addition, they have held two meetings with residents of the current Tistilal Village, and are planning an engagement approach to solicit feedback from current residents, NAYA program participants, NAYA and NARA staff, Native elders and others.

- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

NAYA is creating a plan for engaging marginalized people to inform “the creation of spaces for culturally specific supportive services, providing modern, high quality, trauma informed design, while incorporating Native American art, and thus creating a space of cultural pride and empowerment.” Metro staff will look for more information on themes and how they influenced the project, at final approval.

## EXHIBIT B: Project summary submitted by City of Portland | Metro bond concept endorsement for Tistilal Village Redevelopment

Submitted by: Jill Chen, Housing Investments and Portfolio Preservation Manager, PHB,  
jill.chen@portlandoregon.gov  
Submitted on: October 5, 2021

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### Project Overview

Tistilal Village Redevelopment will redevelop an existing NAYA Family Center property, allowing it to achieve the vision of Native housing leaders and community members that came before us. Built in the early 1970s, Tistilal Village is a 34-unit property on 0.95 acres in Portland's Portsmouth neighborhood. The current site significantly underutilizes site capacity and has substantial deferred maintenance unable to be addressed with existing and rapidly diminishing reserves. NAYA Family Center will tear down the site and construct 58 new units adding deep affordability and integrating permanent supportive housing for Native American families experiencing homelessness. The Tistilal Village Redevelopment project will transform the site into a trauma informed community with beautiful outdoor space, energy efficient units, and generous community and private spaces for culturally specific supportive services.

Tistilal Village Redevelopment is a transformative project that meets many policy objectives:

- **Provides culturally focused placemaking.** Tistilal Village Redevelopment is developed by and for Native Americans and BIPOC families. We know how to create Native spaces in design and form that welcome communities of color.
- **Serves 30% AMI households.** 24 of the 58 units, or 42%, have project-based subsidy and will serve households at 30% AMI and below.
- **Delivers family sized homes.** Over half of the units are 2+ bedrooms.
- **Integrates supportive housing.** 16 of the 58 units, or 28%, will serve chronically homeless households. NARA will provide robust supportive housing services for households exiting chronic homelessness.
- **Creates equitable contracting opportunities.** Through a competitive RFP process, NAYA selected Colas Construction as the general contractor. NAYA and Colas are passionate about creating equitable contracting outcomes for BIPOC subcontractors.
- **Reaches communities of color.** Through our affirmative outreach, screening, lease up and retention practices, we have demonstrated our ability to effectively reach and serve BIPOC households.

Tistilal Village's existing 34 units are currently rent-restricted by PHB, so they are not eligible for Metro Bond funding. We are developing additional 24 "net new" units, bringing the total number of units at Tistilal from 34 to 58. These new 24 units will be restricted to 30% AMI and will have an average size of 2.5 bedrooms. Our project will house a population deeply in need of service enriched, culturally responsive programming.

In early 2021, NAYA secured an initial contingent award of Metro Bond funding through the Supportive Housing RFQ, which provided a maximum subsidy of \$75,000 per unit. That \$1.8M award represents just over 6% of the total project cost. The project team applied through the 2021 MBOS for an additional \$1.632M, or \$68,000 per unit, to bring the per-unit subsidy up to the \$143,000 maximum. If successful, the total PHB Metro Bond award for the Tistilal Village Redevelopment project would be \$3.432M, bringing the investment from 6% to 12% of the total project cost.

In addition to Metro Bond funding, OHCS is also supporting Tistilal Village Redevelopment with an award of 9% LIHTCs, \$3M in OAHTCs, \$400,000 in GHAP and approximately \$42,000 in MEP funds.

Metro is supporting the project with an anticipated \$300,000 in TOD funds. NAYA has also secured \$800,000 in philanthropic funds.

**Preliminary Development Program**

The building is designed for formerly homeless Native American families. 55% of the units have 2 and 3 bedrooms. 42% of the units are restricted to households earning no more than 30% AMI. The property will be integrated supportive housing: 28% of the units are supportive housing units.

One new, 63,000 SF, 3-story building is proposed, fronting Hereford Avenue with “U-shaped” massing. Outdoor spaces include a play area, seating, community gardens and a plaza. Surface parking is provided at a 1:1/3 unit to parking ratio.

We are utilizing trauma informed design strategies throughout, including ample sound buffering; clear and simple circulation patterns; plenty of meeting and community spaces; focus on safety and security at entryways; soothing color palate; and direct lines of sight and connections.

NAYA has secured OHCS Permanent Supportive Housing (PSH) Rental Assistance and Services Funding to provide rental subsidies and support for the 16 households living in the permanent supportive housing units. Households living in PSH units will likely earn between 0-30% of MFI, and will pay no more than 30% of their income on rent. As a result, subsidies received will vary based on the amount of tenant-paid rent from each household, but together will total the equivalent of LIHTC 60% MFI rent.

In addition, Tistital Village has an existing Home Forward Project-Based Section 8 HAP contract for eight units that will be reassigned to Tistital Village Redevelopment. These project-based vouchers will be paired with eight units restricted at 30% MFI so that the property can serve households with lower incomes while maintaining a consistent and strong cash flow over time. The anticipated contract rent is conservatively estimated to equal no more than a LIHTC 60% MFI rent. Similar to PSH households receiving the OHCS rental assistance, households living in PBV units will likely earn between 0-30% of MFI, and will pay no more than 30% of their income on rent. As a result, subsidies received will vary based on the amount of tenant-paid rent from each household, but together will total the equivalent of LIHTC 60% MFI rent.

Tistital Village Redevelopment will be restricted to an average gross median income of 40% AMI.

<b>Unit size (no. of bedrooms)</b>	<b>No. of units</b>	<b>AMI %</b>	<b>PBVs</b>	<b>Square feet/unit</b>	<b>Gross monthly rent/unit</b>
Studio-Replacement	7	60% (45% OAHTC)		432	\$1,015 (\$761 w OAHTC)
1 BR-New*	2	30%	OHCS PSH RA	599	\$1,088**
1 BR-Replacement	17	60% (50% OAHTC)		599	\$1,088 (\$906 w OAHTC)
2 BR-New*	4	30%	Existing HF PBV	854	\$1,306**
2 BR-New*	9	30%	OHCS PSH RA	854	\$1,306**
2 BR-Replacement	7	60% (45% OAHTC)		854	\$1,306 (\$979 w OAHTC)
2 BR-MGR	1	Unrestricted		854	\$0



3 BR-Replacement	2	60% (40% OAHTC)		1,026	\$1,509 (\$1,005 w OAHTC)
3 BR-New*	4	30%	Existing HF PBV	1,026	\$1,509**
3 BR-New*	5	30%	OHCS PSH RA	1,026	\$1,509**
<b>Total</b>	<b>58</b>		<b>24</b>		

\*New units refer to the 24 “net new” units that will be added to the existing 34 units.

\*\*Units will be restricted to 30%. Project-based subsidy will bring gross rents to a 60% payment standard.

## Project Image





TISTILAL VILLAGE APARTMENTS



## Background

NAYA originally submitted a proposal to PHB in October 2020 as part of PHB's RFQ for Supportive Housing. The project was selected to receive a contingent award of Metro Bond funds at \$75,000 per unit in subsidy. The contingent award expires on December 31, 2021. In July 2021, NAYA responded to Portland's 2021 Metro Bond Opportunity Solicitation (M-BOS) requesting an additional \$68,000 per unit in subsidy for the newly affordable units of the redevelopment project. PHB has recommended that NAYA is awarded \$3,511,176 in Metro bond funds to develop this site. This amount includes the project subsidy per unit award of up to \$3,432,000 and a 2.307% program delivery fee (\$79,176).

## Location and Neighborhood

Tistilal Village is located in the Portsmouth neighborhood of North Portland, adjacent to Lombard Street. TriMet line 75 is a two-minute walk from the site. The site is 0.2 miles from PPS's Cesar Chavez K-8 School. Fred Meyer, Safeway and Grocery Outlet are within a 10-minute drive and easily accessible via the 75 bus line. Food is also available at the Hereford House Pantry, just 50 feet from Tistilal Village. Lombard Street includes a number of urgent care clinics, dental clinics and doctors' offices. The site is a short walk from multiple parks and the Charles Jordan Community Center.

See attachment "NAYA Tistilal\_Vicinity Map"

## Site

This project is new construction and will be the full redevelopment of a 0.96 acre (41,440 sf) site in North Portland's Portsmouth Neighborhood. Zoning is Residential Multi-Dwelling (RM2) with Single-dwelling residential (R5) immediately to the North and Commercial Mixed-use immediately to the South (CM2). Redevelopment will be subject to the Lombard Street Plan District requirements.

NAYA has had site control and a deed to the property since 2008. The site consists of one tax lot. The existing structures were built in 1973 and include 34 multifamily housing rental units across seven two-story buildings. On February 12, 2008, Sawash Housing LLC—in which NAYA is the only member organization—assumed full control of the Tistilal Village site in the form of a deed from an organization called Low Income Housing for Native Americans in Portland, Oregon (LIHNAPO), which dissolved as an entity.

There are so many amenities and resources close to the property. Given how quickly the Portsmouth neighborhood in North Portland is gentrifying, it is critical to add affordability through supporting this project. Tistilal Village was developed by Native housing leaders who envisioned a thriving Native community living in housing they could be proud of and that would heal their community.

## Project Financing

In late June 2021, OHCS awarded NAYA an allocation of 9% LIHTCs in an extremely competitive funding round. Tistilal Village Redevelopment was the only project funded in the Metro (Urban) region in Oregon.

NAYA has been fundraising for Tistilal Village Redevelopment for over a year. We have secured \$800,000 in philanthropic funds. Including deferred fee and the seller carryback note, NAYA is contributing over \$1.9M to the development budget.

Total development cost for Tistilal Village Redevelopment is estimated at \$28.4M; \$490k per unit; \$449 per square foot.

<b>FUNDING SOURCE</b>	<b>APPROX \$</b>	<b>USES</b>	<b>APPROX \$</b>
LIHTC 9% Equity	17,198,280	Acquisition	1,024,140
Perm. Loan with OAHTC	3,289,996	Construction	17,868,009
OHCS General Housing Account Program	400,000	Development	9,514,207
OHCS Multifamily Energy Program	42,630		
Metro TOD Funds	300,000		
PHB Metro BOS - Supportive Housing RFQ	1,800,000		
PHB Metro BOS - Spring MBOS Request	1,632,000		
City of Portland SDC Wavier	1,773,520		
NW Area Foundation	300,000		
Meyer Memorial Trust	300,000		
Marguerite Casey Foundation	200,000		
Seller Carryback Loan	364,140		
Deferred Developer Fee	805,790		
<b>Total Sources</b>	<b>28,406,356</b>	<b>Total Uses</b>	<b>28,406,356</b>

In addition to the 9% LIHTCs and OAHTCs, the project has been awarded \$2.54M in public grant or cash flow dependent loan funding. There is a pending request for an additional \$1.632M in cash flow dependent loan funding from the 2021 MBOS. The project is expected to benefit from a System Development Charge waiver, with an estimated value of \$1.77M, as well as a property tax abatement. Lastly, the project team has had initial conversations with PHB regarding the resubordination of their existing Equity Gap Agreement funding, which is currently carried as a contingent liability of approximately \$2M.

## Development Team

The Tistilal Village Redevelopment project team consists of two local Native American-led nonprofits, Native American Youth and Family Center (NAYA) and Native American Rehabilitation Association of the Northwest (NARA), who have served the Native American community for a combined total of 87 years; Colas Construction, a second-generation, family-owned contractor and the largest Black-owned construction firm in the Pacific Northwest; Carleton Hart Architecture, who has brought Native design to four other projects in partnership with NAYA; Housing Development Center, an experienced development consultant; and DDV Consulting Services, an expert relocation advisor. Tistilal Village Redevelopment is set to be a groundbreaking project with a Native-led developer and a Black-owned general contractor.

NAYA Family Center – Lead developer, project sponsor, and general resident services provider  
Native American Rehabilitation Association – Supportive services provider  
Housing Development Center – Development consultant  
Carleton Hart Architecture – Architect  
Colas Construction – General contractor  
DDV Consulting Services – Relocation advisor

**Native American Youth and Family Center:** Over the last nine years, NAYA Family Center has served in the role of co-general partner with for-profit partners for four new construction projects. Two are completed (NAYA Generations and Nesika Illahee) and two are currently under construction (Mamook Tokatee and Hayu Tilixam). Hayu Tilixam is a Portland Housing Bond-funded project and, like Tistilal Village Redevelopment, NARA also serves as the supportive services provider.

NAYA has been gradually and intentionally building its capacity to meet its housing mission. We have worked hard to get to this point and the entire organization has marshalled resources to get behind our goal of developing affordable housing. The NAYA Board has a committee dedicated to overseeing and guiding its housing activities.

**Native American Rehabilitation Association (NARA):** NARA provides education, physical and mental health services and substance abuse treatment that is culturally appropriate to American Indians, Alaska Natives and anyone in need. Founded in 1970, NARA is an Indian-owned, Indian-operated, non-profit agency. Originally an outpatient substance abuse treatment center, NARA now operates a residential family treatment center, a youth residential treatment center, an outpatient treatment center, a child and family behavioral health center, two primary health care clinics, a dental clinic, several adult mental health locations, and a variety of supportive services to assist participants on their personal journey to recovery.

**Housing Development Center (HDC):** To further boost our capacity and provide technical expertise, we have enlisted the support of Housing Development Center as our development consultant for Tistilal Village Redevelopment. NAYA has worked with HDC for over six years, first as an asset management client and now as a development client. HDC has 28 years of experience providing development capacity for non-profits and public housing authorities to build and

renovate affordable housing and community facilities. Since 1993, HDC has worked with 60+ nonprofits and housing authorities to develop and preserve more than 7,000 new and rehabbed affordable housing units and 350,000 square feet of commercial and service-facility space in communities across Oregon and Southwest Washington.

**Carleton Hart Architecture (CHA)**: Founded in 1994, CHA is a collaborative design practice dedicated to creating innovative solutions to community-centered design challenges. As a full-service architectural firm, they are a dynamic team of problem solvers, creatives, and visionaries who share a passion for developing projects that seamlessly integrate the program with the natural and social environments. Whether for public, private, or non-profit clients, they focus on projects that are community-based and people-oriented.

**Colas Construction**: The Tistilal Village Redevelopment project is the first NAYA and Colas Construction collaboration. NAYA ran an RFP process and selected Colas as the general contractor because their firm's journey, experience, values, and commitment to racial justice and creating economic opportunities for Black, Indigenous, and people of color (BIPOC) directly aligns with our own housing vision, goals, and principles.

Colas Construction is one of the largest Black-owned construction firms in the Pacific Northwest and brings sizable project experience with a proven track record of exceeding expectations in construction. As a second generation, family-owned and operated BIPOC Prime Contractor, Colas constructs value-based projects that not only create jobs but careers that reflect our community. Annually, Colas conducts a volume of approximately \$85M and consistently has held a capacity of \$80M per project and \$150M in aggregate bonding.

**DDV Consulting Services (DDV)**: DDV has been providing relocation services to developers of affordable housing since 2010. In the past ten years, DDV has have relocated more than 4,500 people in 52 communities in Oregon and Washington. DDV has 25+ years of property and asset management experience. The DDV team is thorough in adherence to URA requirements and compassionate in dealing with resident stress and anxiety during relocation.

## **Community Engagement**

NAYA is a graduate of OHCS' 2019-20 PSH technical assistance institute. NAYA's team was primarily BIPOC and women with decades of combined and direct experience serving BIPOC community members and providing low-income housing support services. NAYA's team included: Amy Thompson, NARA's Director of Housing Services; Oscar Arana, NAYA's Community Development Director; Delores Burgos, NAYA Housing Services Manager; Darla Hilmoie, NAYA's Operations Manager; Anita Punja, HDC's Finance Project Manager and Development Consultant; and Maira Navarrete, Sawash's Property Manager and Tistilal Village resident for more than a decade. NAYA's team project was focused on Sawash's Tistilal Village site. Our team engaged in a five-month institute where we received technical assistance focused on redeveloping Tistilal Village. Through the first half of the institute the team struggled with the decision to partially rehabilitate the property or fully redevelop the site. Having a long-term Tistilal Village resident involved in this process and decision was extremely valuable for our process. Ultimately the team decided on a full redevelopment because it will allow us to create a community where we can intentionally design and create spaces for culturally specific resident/community services, provide modern, high quality, and affordable housing to the Native community, integrate PSH and trauma informed design, incorporate Native American art, and thus create cultural pride and empowerment into the site. All of these are important priorities identified by the community we serve.

While assembling our project sources, we developed a resident engagement plan for the current residents of Tistilal Village. We have planned regular engagement every 4-6 weeks to discuss the

project's timeline and residents' relocation options, to receive final input on building design and amenities, and to discuss when and how they can move back to Tistilal Village. As of September 2021, we have held two outdoor, in-person meetings with residents, which were both very well attended. During the meetings, we reassured residents that NAYA will support them through the project and will offer lots of options, including homeownership counseling and financial assistance. Colas Construction staff explained the resources they will make available to residents interested in working in the construction trades. We also notified people about upcoming design feedback sessions for residents to provide input on what they would like to see in the new development.

NAYA and NARA have been regularly and consistently engaging low-income, homeless Native Americans about housing services for many years. NAYA and NARA have been conducting focus groups with low income and homeless clients seeking affordable housing. For our Cully developments, we held three focus groups for Nesika Illahee, Mamook Tokatee, and Hayu Tilixam to inform building design and resident amenities. Nesika Illahee has a resident council led and facilitated by its residents. Mamook Tokatee has a Community Circle tasked with identifying the building's art themes, and we plan to create a similar process for Hayu Tilixam later this calendar year.

In addition to these intentional groups and spaces where we directly hear and document feedback from our community, we also have other less formal channels of communication in which we directly hear from our community regarding housing priorities and barriers. Our team of housing advocates work one-on-one with low-income clients and families and directly hear about their housing goals and barriers. NAYA has a robust community engagement and advocacy team and program, in which our community provides input about housing priorities and barriers that help shape our organization's advocacy and policy agenda. NAYA also has a housing committee composed of NAYA board members who help guide the vision of our housing goals and projects.

Throughout all our engagement with the above stakeholders, the common recurring themes that continue to show up include, but are not limited to:

- Uplifting the importance of Native culture and pride. Ensuring our projects will enhance NAYA's ability to preserve, protect, and promote pride and dignity in the Native community.
- Ensuring our projects provide culturally specific, wraparound supportive services for all its residents.
- The importance of community and resident safety. Integrating safety features, like cameras and plenty of staff supports, into the building.
- Creating housing that allows residents to be both self-determined and community driven.

Our most successful targeted outreach method is the important relationship between our staff and their clients. Our staff support our clients and interested residents throughout the entire process from notifying them and describing the opportunity, helping them complete any necessary paperwork, writing letters of support, helping them access additional resources like rental support, appealing a denial if necessary, all the way to helping them move into the building. Other targeted outreach methods include our strong partnerships with other Native organizations and the Tribes, as well as our established communications tools like our website and social media, word of mouth and the long-term history both NAYA and NARA have providing services to the Native community.

## **Advancing Racial Equity**

The Native American Youth and Family Center's (NAYA) mission is to enhance the diverse strengths of our youth and families in partnership with the community through cultural identity and education. Throughout our organization's 46-year history, we have sustained our diverse traditions while expanding and modernizing our programs and services to meet the needs of our people.

NAYA is a gathering space for Multnomah County's Native American community to practice tradition and teach culture in a safe and welcoming space. Our organizational philosophy and service delivery model is rooted in Indigenous teachings and values.

The Native American Rehabilitation Association of the Northwest's (NARA) mission is to provide education, physical and mental health services and substance abuse treatment that is culturally appropriate to American Indians, Alaska Natives and anyone in need. Founded in 1970, NARA is an Indian-owned, Indian-operated, non-profit agency. Originally an outpatient substance abuse treatment center, NARA now operates a residential family treatment center, a youth residential treatment center, an outpatient treatment center, a child and family behavioral health center, two primary health care clinics, a dental clinic, several adult mental health locations, and a variety of supportive services to assist participants on their personal journey to recovery.

NARA and NAYA have 85+ years of combined experience dedicated to serving the Native community in the Portland-metro area. NAYA is the lead developer/owner of Tistilal Village Redevelopment and NARA is the lead service provider. Both NAYA and NARA were founded on a vision of equity and prosperity for our people. We are grounded in Native American values and are dedicated to healing and empowering our Native American community. NAYA and NARA services are responsive to the needs of our community, and welcome anyone who seeks our services. Our clients are predominantly low-income Native Americans, Black, Indigenous, Tribal citizens, and People of Color.

### **Project Location**

There are so many amenities and resources close to the property. Given how quickly the Portsmouth neighborhood in North Portland is gentrifying, it is critical to add affordability through supporting this project. This neighborhood is also subject to the Right to Return policy, enabling us to offer equitable access to this desirable location.

Tistilal Village was developed by Native housing leaders working for the Low Income Housing for Native Americans in Portland Oregon (LIHNAHPO) in the 1970s. The organization, no longer in existence, envisioned a thriving Native community living in housing they could be proud of and that would heal their community.

### **Housing Access**

NAYA's housing is developed by and for the region's Native community. We know we can successfully reach this population, as our recent lease-ups have shown. Nesika Illahee opened in January 2020 in partnership with NARA, the Confederated Tribes of Siletz Indians, and Community Development Partners. At Nesika Illahee, our goal was to lease 20 of the units to tribal members. The lease-up team overcame challenging regulatory hurdles to achieve this exceptional outcome. Nesika Illahee's 86% tribal lease up outcome speaks to our team's ability to exceed our targeted goals. NAYA, NARA, and the Siletz Tribe used intentional outreach methods such as communicating with our housing staff, utilizing targeted email distribution lists/channels, calling clients/potential residents, reaching out to tribal partners and other BIPOC-led organizations. We organized informational events targeting our clients where we supported interested tenants with the application and leasing process. We also worked very closely with our property management company being very clear about our project goals and how we approach reaching and supporting clients.

Our results at Nesika Illahee are remarkable and unprecedented. We are housing and serving some of our most vulnerable community members. Fifty-nine percent of heads of household are female; 16% of heads of household are female, disabled, Native, with no other adult in household, and with

kids; lastly, the average household income is 27% AMI, with one-third of households at or below 10% AMI.

NARA's permanent supportive housing programs have also achieved success in serving primarily Native American and BIPOC households; 90% of households served identify as BIPOC and 80% identify as Native American. 100% identify as living with a disabling condition.

In partnership with NARA, NAYA knows how to outreach to and successfully house deeply vulnerable populations. We are determined to replicate this successful lease-up at Tistilal Village Redevelopment.

NAYA and NARA will work together to develop, evaluate and modify low-barrier tenant screening to ensure culturally responsive practices are in place. Working toward equitable housing access will be an ongoing process in which staff regularly review outreach and referral paths, as well as the outcomes of those referrals, to ensure the intended population is able to access housing without being screened-out. We will use minimum screening criteria to create low-barrier housing opportunities. Please see attached MOU for confirmation of our plan.

NAYA Housing Advocates will be engaged with clients throughout the application process. Housing Advocates coordinate with property management to follow up, support, guide and, if necessary, advocate for clients through the appeals process.

Our intent in using low-barrier screening at Tistilal Village Redevelopment is about providing access to housing that is often denied to BIPOC community members. Relying on background like credit scores, criminal records and income requirements leads to discrimination and disparate outcomes. We know that reliance on credit scores perpetuates racial discrimination in the housing market. NAYA and NARA are committed to lifting discriminatory barriers present in screening criteria.

The most important strategy in successfully creating housing opportunities for the Native and BIPOC communities is that the staff and housing opportunity reflects the community's values and priorities it is meant to serve. Residents need to identify and see themselves represented by those providing housing services. As long as NAYA and NARA continue to hire and engage staff who come from the community and are here to serve the community we will be successful with our outreach strategies.

### **Equitable Contracting**

**COBID-certified Disadvantaged, MWESB or Service-Disabled Veteran-Owned Businesses:** NAYA selected Colas Construction as the general contractor on this project because their firm's journey, experience, values, and commitment to racial justice and creating economic opportunities for BIPOC directly aligns with our own housing vision, goals, and principles. Colas responded to NAYA's request for proposals, which was explicit about our commitment to equitable contracting practices, providing training/workforce opportunities for BIPOC Subcontractors (BSC), and promoting new subcontractors' success through training and apprenticeship. Colas is the largest Black-owned construction company in the West coast. Because Colas has consistently held a capacity of \$20M annually it can no longer be certified MWESB, one of the many challenges with this designation. We are excited about the historic nature of a Native-led housing development constructed by a Black contractor.

As a standard, Colas projects are predetermined to achieve 30% without including Colas, a BIPOC Prime Contractor (BPC), in the figures. Based on trusted relationships with BSCs over the course of nearly three decades, Colas maintains a steadfast reputation to award work to subcontractors who provide high quality workmanship, are committed to racial equity, and identify as people of color.



As a BPC, Colas ensures that their MWESB partners and BSC are successful beyond the specific project they are hired to complete. Colas' approach to MWESB participation is more than just meeting a number or a percentage, it is about growing the BSC construction ecosystem and developing permanent BIPOC-owned firms. Construction is an industry based on relationships. It is challenging, competitive, and financially risky industry, especially for BSC who have been excluded from contract opportunities and don't have the financial depth or capacity to make a mistake. It is more important for NAYA and Colas to focus on long-term quality outcomes for our BSC versus the quantity, or meeting a specific percentage, of MWESBs. We both value taking the necessary time to thoughtfully commit to cultivating, guiding, and supporting BSC to create a stronger construction community that will generate long term community wealth for BIPOC contractors.

Colas project teams understand how to successfully interact with contractors from historically excluded communities who have not been afforded the same opportunities as the dominant majority-owned construction firms. Colas recognizes it requires more than kindness to be effective against racist ideologies. They are diligent and committed to directing resources of time, labor, and dollars to achieve their values and center long-term goals for tangible change.

## **Partnerships and Services**

Tistilal Village will offer integrated permanent supportive housing (PSH), with a mix of permanent supportive housing units and general affordable units. To support this mix, project sponsor NAYA and service partner NARA will offer two service programs at Tistilal: general resident services available to all residents provided by NAYA, and permanent supportive housing services to the 16 PSH households as well as to others who are experiencing behavioral health needs and have an income below 30% AMI provided by NARA.

NAYA and NARA have a track record of working together to deliver supportive housing. In addition to their collaboration on Tistilal Village Redevelopment, NAYA and NARA are partnered on two other supportive housing projects: Nesika Illahee and Hayu Tilixam. Together, NAYA and NARA have developed an effective model of delivering culturally specific supportive housing to our Native communities and are eager to bring this model to Tistilal Village Redevelopment.

NAYA and NARA are culturally specific organizations, and are the lead developer and service provider, respectively. Both NAYA and NARA were founded on a vision of equity for our people. We are grounded in Native American values and are dedicated to healing and empowering our Native American community.

Our team deeply understands that health and wellness are only a part of the service spectrum. For nearly 50 years, NAYA has led efforts to overcome the disproportionate rate of poverty, domestic violence, homelessness, and oppression experienced by Native Americans in Multnomah County.

As culturally specific mission-based organizations, NAYA and NARA provide services that respond to the needs of our diverse and dynamic Native American community. Our organizations were created by the community and for the community to respond to unmet needs. Both NAYA and NARA are by nature intrinsically closely connected to community priorities. Community members have long held NAYA and NARA accountable for their responsiveness.

Native Americans benefit most when interventions are offered by our own community. Therefore, NAYA has always ensured its board and staff represent the community we serve. Currently, 84% percent of NAYA staff (more than 100 people) are people of color, and 80% (16 out of 20) of its leadership roles are held by people of color, most of whom identify as Native American. Half of the NAYA directors identify as either Two Spirit and/or LGBTQ+. The NAYA board of directors has 12 community volunteers. Seven of them (58%) are women, and 9 (75%) identify as Native American.

NAYA and NARA worked together on Nesika Illahee, a project that completed lease up in 2020 during the pandemic. NAYA and NARA successfully complete a very complex lease up process, including several set asides for tribal members and clients with substance use disorders. This direct experience was supported with training and workshops that NAYA and NARA went through together as part of the PSH Institute sponsored by OHCS and the Corporation for Supportive Housing (CSH). NAYA and NARA received a remarkable 94% on our CSH Endorsement documentation.

Leadership from both NAYA and NARA will be making final decisions on the services program at Tistilal Village Redevelopment. We continue to center staff's, leadership's, and our communities' lived experiences in order to enhance programming and shift systems for more impactful and sustained outcomes.

### Anticipated Timeline

Our current project schedule has us closing the construction loan in September 2022 and completing construction in December 2023, with the project fully leased by June 2024. We are in the middle of assessing critical path to determine a reasonable financial close date, given current permitting timelines in the City of Portland. Until we feel more definitive about this date, we will continue to reference back to the schedule as originally presented in the MBOS application.

Activity	Proposed Date (month/year)*	Completed Date (month/year)*
<b><u>Site</u></b>		
Site Acquisition	Feb-08	Feb-08
Zoning Approval	Apr-21	Apr-21
Site Analysis	Oct-21	
Building Permits & Fees	Apr-22	
Off-Site Improvements	Dec-23	
<b><u>Pre-Development</u></b>		
Plans Completed	Apr-22	
Final Bids	Jul-22	
Contractor Selected	Jan-21	Jan-21
<b><u>Financing</u></b>		
<b>Construction Loan:</b>		
Proposal	Jun-21	
Firm Commitment	Apr-22	
Closing/Funding of Loan	Sep-22	
<b>Permanent Loan:</b>		
Proposal	Jun-21	
Firm Commitment	Apr-22	
Closing/Funding of Loan	Sep-24	
<b><u>Development</u></b>		

Syndication/Partnership Agreement (LIHTC)	Sep-22	
Construction Begins	Sep-22	
Construction Completed	Dec-23	
Certificate of Occupancy	Dec-23	
<b><u>Marketing</u></b>		
Lease Up Begins	Jan-24	
Lease Up Completed	Jun-24	
Absorption (units per month)	10	

**Metro Affordable Housing Bond Program**  
**Final Approval**

**Project Name:** Aloha Inn  
**Implementing Jurisdiction:** Washington County  
**Metro IGA Contract Number:** 936591  
**Date of Concept Endorsement:** January 4, 2021  
**Anticipated construction start:** December, 2021  
**Anticipated construction completion:** June, 2022

**Action:**

Metro hereby provides Washington County with Final Approval of \$8,465,000.00 in Metro Affordable Housing Bond funds, \$5,650,000.00 for acquisition costs and \$2,815,000.00 for the rehabilitation of Aloha Inn, a regulated affordable housing project located at 3333 SW 198<sup>th</sup> Avenue, Aloha. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B.

This Final Approval is based upon the information contained in the final approval request provided to Metro by Washington County including the following Project unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
54	Studio	30%	54

Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and Beaverton, and will occur within 10 days of Metro's receipt of the following items: a draft regulatory agreement meeting IGA terms, a final sources and uses budget, a construction contract schedule of values, and an invoice from the City of Beaverton including wiring or other instructions related to transfer of funds.



11/29/2021

Marissa Madrigal

Date

Chief Operating Officer

# Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Aloha Inn



Drafted by: Emily Lieb, Housing Bond Program Manager; Alison Wicks, Senior Project Coordinator, and Jimmy Oporta, Housing Bond Program Analyst

Date: November 16, 2021

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## Criteria for funding approval

Metro will issue Final Approval to the local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Final Approval of funding for Aloha Inn. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Washington County (HAWC).

## Changes since concept approval

The project has undergone some changes since concept endorsement. The total project cost increased slightly and the proposed unit mix remained the same. Changes or updates to information previously provided during the concept endorsement phase include:

- \$5,650,000.00 for acquisition costs was disbursed on 01/27/2021 for HAWC to purchase the acquisition/rehabilitation property.
- Project costs increased by \$300,000, or 3.3%, since Concept Endorsement due to increases in construction costs and soft costs. Project sources have correspondingly increased with HAWC providing a \$200,000 grant, as well as a (pending) request for \$100,000 in additional Metro bond funds to support additional investments in A/C, in response to Metro's September 2021 policy statement encouraging all projects to incorporate in-unit air conditioning.
- The request for \$100,000 in additional funding is currently under review as part of a broader recommendation to allocate up to \$10 million in Affordable Housing Bond funds, generated through interest earnings and premiums since the bond's sale, toward filling funding gaps to incorporate in-unit A/C. If Metro approves additional funding for this purpose, staff anticipated that it will be available to Aloha Inn in January 2022, following an amendment to the final approval letter and IGA.

## Contribution to unit production targets

The Aloha Inn will utilize 7.3% of HAWC's total allocation of bond funds (\$8,465,000) while delivering 54 units that meet the following unit production outcomes:

- 6.6% of HAWC's overall unit production target;
- 16.2% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 0.0% of HACC's family sized unit target.

When combining this project to HAWC's existing development portfolio, this puts the County on a path to have utilized 85.1% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 99.3% of HAWC's overall unit production target;
- 95.2.7% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 97.3% of HAWC's family sized unit target.

## Readiness to proceed

HAWC has submitted and Metro staff has reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:

- An updated project pro forma dated 10/08/2021
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Supportive Housing Services Program Request for Interest
- Housing Authority of Washington County and Oregon Housing & Community Services Multifamily Energy Program
- Permit Bid Set dated 08/09/2021
- Phase I Environmental Site Assessment (ESA) dated 02/12/2020
- Appraisal dated 09/21/2021
- As-Built Site Plan, LID Civil Set, Foundation Survey, Architectural Set
- Executed Purchase of Sale Agreement and Amendment
- Hazardous Building Materials Survey Report
- Seismic Risk Assessment
- Rehabilitation scope and contractor proposal dated 09/09/2021

Staff have not identified any major risks to project feasibility but will continue to request updates from HAWC regarding how work is proceeding.

## Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of HAWC's approved LIS. Key findings include:

- **Location:** The project is located adjacent to a Walgreens and a Safeway store is located 0.4 miles east. Other medical amenities like medical dental offices and care clinics are less than half a mile away. Employment opportunities stretch along the SW Tualatin Valley Highway. Trachsel Meadows Park is located 0.85 miles from the site and is part of a recreation trail corridor.
- **Transit access:** The project is located 210ft from a TriMet Bus Lines #57 and #88 stop. It's a 15 minute bus ride to the Willow Creek Trimet MAX station.
- **Diversity in contracting/hiring:** HAWC and GSI Construction, Inc. are committed to meeting the 20% minimum Disadvantaged, Minority-Owned, Women-Owned, Emerging Small Businesses, Service Disabled Veterans business Enterprises (DMWESB) target for total project construction costs. GSI Builders Inc. is a Latino owned company is that COBID certified as a MBW and ESB. The project architect, Ink: Built Architecture, is a certified WBE/ESB

business. Although there is no formal commitment to track MWESB participation, the project is expected to exceed 60% DMWESB participation goal on professional services.

- **Access for historically marginalized communities:** As a permanent supportive housing services (SHS) project, the project is aimed at serving individuals who have been experiencing homelessness and have a disabling condition for which ongoing supportive services are needed to maintain housing stability. Screening will be “extremely low-barrier” and will ensure that policies that historically have had a disparate impact on communities of color (e.g. criminal background policy and credit screening) are set to the lowest possible levels to eliminate these barriers. The Housing Authority will work with Cascade Management to establish a process to ensure placement will be appropriate for serving households recovering from chronic homelessness. Tenants will be placed using the existing Housing Case Managers System (HCMS).
- **Culturally appropriate services:** HAWC issued a Request for Interest (RFI) for a culturally specific provider to provide behavioral health, substance abuse and PSH services by March 1st, 2022. Contract terms will be finalized February 2022.

## Community engagement to inform project implementation

Metro staff have reviewed the updated narrative to confirm consistency with the community engagement elements of HAWC’s approved Local Implementation Strategy (LIS). Key findings include:

- **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

Community engagement for Aloha Inn was multi-faceted and led by Washington County’s Department of Housing Services, in partnership with multiple CBO’s including the Somali Empowerment Circle, City of Portland Community Engagement Liaisons, APANO and Bienestar. Between fall 2020 and spring 2021, five listening sessions were held with BIPOC members from Somali, Black, Native American, Asian American and Pacific Islander and Latinx communities. In order to increase language access, the sessions were led either fully in English, collaboratively in both English and the communities’ preferred language, or fully in the communities’ native language. In addition to the targeted listening sessions, between March and July 2021, staff held three community engagement sessions with community members to discuss the Aloha Inn project and land use process. HAWC staff also met virtually with the Aloha Business Association on June 10th to discuss Metro bond projects occurring in the Aloha community. Approximately 150 community members attended the four outreach sessions for Aloha Inn.

- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

Feedback from community members resulted in the following themes being identified: Focus on providing needed services and peer-support, providing needed community space for residents to interact with staff members and each other, establishing clear lines of communication for community members to report issues and incidents, bridge Sheltering and PSH are key solutions to addressing increasing homelessness in Washington County. Community members also relayed that current services for people experiencing homelessness in Washington County are very white-dominated and partnering with providers to serve BIPOC community members will be an important part of the RFP. Feedback also recommended creating a community space for residents and service providers to meet. From this feedback HAWC decided to enclose the breezeway that bisected the ground floor of the hotel building in order to create a centralized ground-floor

community and meeting space. As several outreach sessions were held at the height of the summer heat wave, HAWC has decided to upgrade the building's air conditioning system from a PTAC system to a higher-quality PTHP system.



## **Project summary submitted by Housing Authority of Washington County Metro bond final endorsement**

Submitted by: Andrew Crampton, Housing Development Coordinator,  
Housing Authority of Washington County, Andrew\_Crampton@co.washington.or.us  
Submitted on: October 8, 2021

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### *Aloha Inn Permanent Supportive Housing*



### **Project Overview**

The Housing Authority of Washington County (HAWC) acquired the former Aloha Inn as a flagship development for the Authority to provide permanent housing opportunities for people experiencing homelessness in Washington County in January 2021. HAWC will utilize Metro Housing Bond funds, a County grant, and its own funds to convert the building into 54 units of Permanent Supportive Housing (PSH). The site is approximately 1.1 acres and contains a parking lot, shared driveway and access easement with the adjacent Walgreens, and an approximately 35,000 three-story motel building. The hotel had been operating since 1985. Some recent renovations were completed by the previous owner in 2019, with the intent of converting the hotel to a Best Western brand.

The project is being funded with \$8,465,000 in Metro Bond funds, of which \$5,650,000 has already been disbursed to HAWC to fund property acquisition and \$2,815,000 to be disbursed to fund project construction. An additional \$100,000 is requested by HAWC from Metro to upgrade the building's HVAC systems by replacing the currently aging PTAC units with new PTHP units with a roof ventilation system. In addition, HAWC is contributing \$200,000 towards the project to address an increase in construction costs. Other sources committed include \$500,000 in Washington County Housing Production Opportunity Funds and \$35,000 in OHCS Multi-family Energy Efficiency incentives.

## Changes between Concept Endorsement and Final Approval

- In order to utilize the building while land use entitlement, design team procurement, and building permit submittal occurred, the northern wing of the Aloha Inn has been operating since July 1, 2021 as a temporary Bridge Shelter serving 22 people experiencing homelessness. A phased, occupied renovation will occur in the southern wing beginning in December 2021 while the Bridge shelter operates in the northern wing. The estimated completion date of the first phase is March 2022 and completion of the second phase is June 2022.
- Due to the complexities of an occupied rehab and Public Works procurement standards, a design-bid-build construction delivery method was utilized. In order to meet the committed project timeline, the Project Architect, Ink: Built Design, completed the Schematic Design Set in early July, and compressed the Design Development and Construction Documents into one phase, with the project going out to bid on August 9, 2021. Open construction bidding for general contractor services closed on September 9, 2021, with GSI Builders Inc. the selected lowest qualifying bidder.
- The initial anticipated construction budget was informed by best practices for PSH projects in the Pacific NW region and a detailed owner's manual with line-item cost breakdowns for each specific deliverable anticipated for the change in use. The project construction costs increased due to current escalation of construction costs being experienced in the affordable housing market. This escalation is impacting the delivery of affordable housing industry-wide, and is being driven by multiple factors, including shortages of goods due to COVID-related impacts on the global supply-chain network. Additional unanticipated costs include the need to upgrade the building's electrical system to accommodate the additional utility load, and the need to provide enhanced HVAC cooling systems with the replacement of the existing PTAC system in order to meet the policy intent of the Metro Affordable Housing Bond Program Policy statement on air conditioning, issued September 9, 2021. The lowest qualifying bid was from GSI Builders, with a lump sum base bid of \$2,819,655. This represents an approximately 12% cost escalation from Concept Endorsement, which is aligned with other affordable housing projects currently going out to bid in the market. HAWC and GSI engaged in a value engineering exercise by deferring some of the planned work including roof replacement, removal of the planned commercial kitchen, and V/E substitution on some of the cabinetry and kitchenette items. which reduced the awarded bid price by \$172,572.
- To meet the policy intent of the Metro Affordable Housing Bond Program Policy statement on air conditioning, issued September 14, 2021. HAWC is requesting an additional \$100,000 from Metro to provide enhanced air conditioning within the building. The request by HAWC is for these funds to come from a source separate from the allocated Metro Housing Bond money allocated to Washington County. This \$100,000 request is based on the estimated cost provided by the general contractor to replace the PTAC units with the upgraded units.
- Finally, to close the construction gap, HAWC will be providing \$200,000.

### Preliminary Development Program

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
<i>Studio</i>	<i>54</i>	<i>PSH</i>	<i>54</i>	<i>370</i>	<i>\$1016</i>
Total	<i>54</i>	<i>PSH</i>		<i>31,160</i>	<i>\$1016</i>

### Background

In December 2019 the Washington County Board of Commissioners (BOC) set the goal of building at least 100 units of Permanent Supportive Housing (PSH) in alignment with the Metro Affordable Housing Bond. After the implementation of the Metro Bond, the Supported Housing Services (SHS) Measure was passed by voters in May 2020. The SHS Measure brings additional resources to address the growing houseless crisis and can support achievement of the 100 PSH unit goal.

True PSH housing serves the highest acuity and chronicity individuals in a community. That translates to individuals who have been living on the streets for long periods of time, individuals with Serious and Persistent Mental Illness (SPMI) who are both houseless and or coming out of institutional settings, individuals with substance use disorder (SUD) and that often suffer from other disabling conditions. These are individuals who are unlikely to be successful in a traditional housing unit and need those supportive services to attain and maintain housing stability.

The Housing Authority of Washington County (HAWC) in partnership with Health and Human Services (HHS) began looking at the Aloha Quality Inn as a potential PSH project in 2019. Purchasing hotels for supportive housing has become a national best practice especially in light of the COVID 19 pandemic. After receiving approval from the internal real estate work group made up of staff in county finance, administration and legal, HAWC began its due diligence to determine if the property would be an asset the county should consider purchasing. HAWC entered into initial negotiations in March 2020 and again in summer 2020 and was able to execute a Purchase and Sale agreement in August 2020, and purchase the project in January 2021.

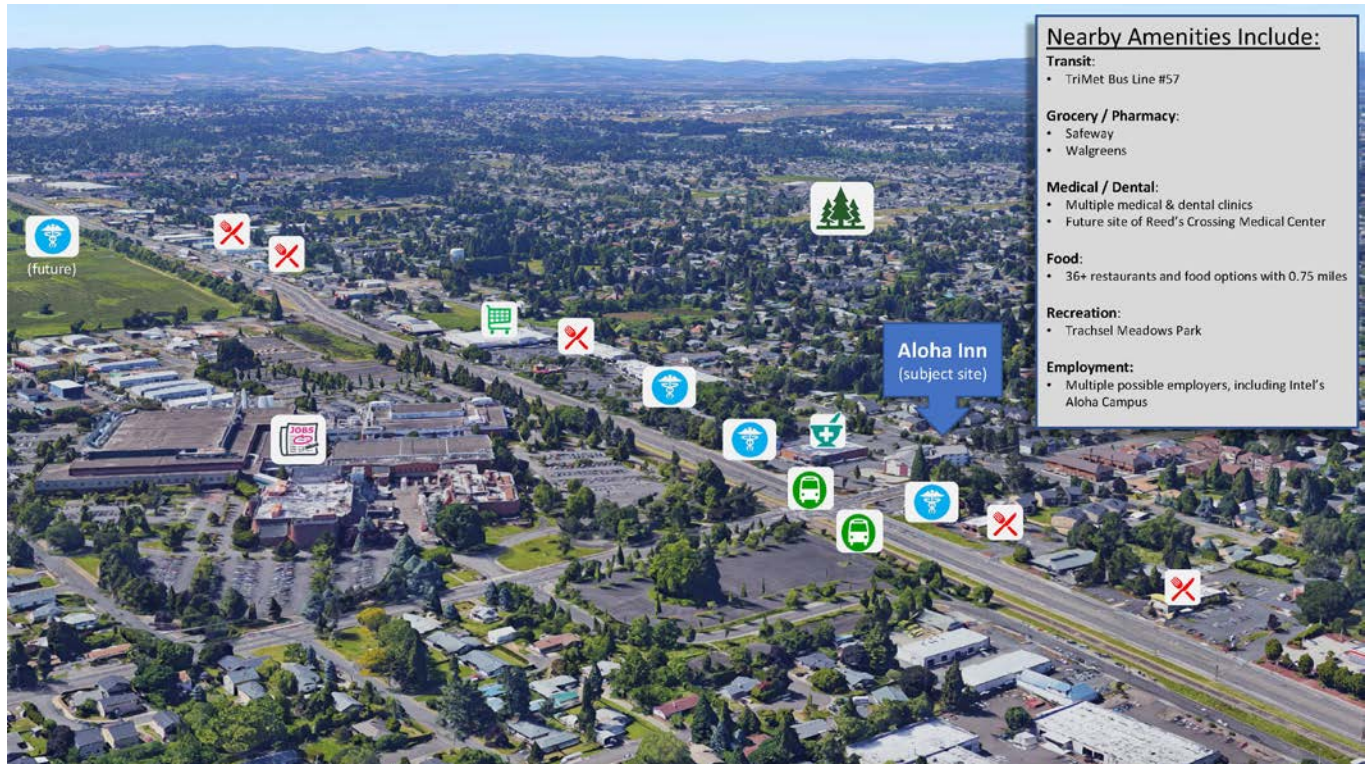
An appraisal was delivered to inform the purchase price. The appraisal valued the current property at \$5,400,000 however noted that the valuation was a low point in the hotel industry due to COVID-19 and estimated a future stabilized value of \$6,800,000 in 2023. Based on the appraised current value and expected stabilized value, HAWC and the seller agreed on a purchase price of \$5,650,000.

Due diligence includes review of a Title report, Alta Survey to determine existing property lines, an Owner's manual to determine the scope of construction and estimated cost, a Phase I ESA and hazardous materials assessment, and a Seismic Loss Risk assessment. A Service Provider Letter was issued by Clean Water Services determining environmentally sensitive areas are not located on the site or the nearby vicinity. Referenced due diligence documents are attached for Metro staff review.

HAWC coordinated with Angelo Planning, a certified ESB firm, to submit a land use application. A Type I land use decision was issued September 8, 2021 and building permits are currently under review by the Washington County Land Use and Transportation Department.

## Location and Neighborhood

The site has a TriMet bus stop that provides access to the frequent service bus line #57. The adjacent Walgreens provides convince food and a pharmacy. A Safeway store is located 0.4 miles east. Medical dental offices are a half-block away, the Tuality Care clinic is a half-mile west, and the future Reed's Crossing medical center in South Hillsboro. Employment opportunities include the Intel Jones Aloha campus is located within 500 feet, across Tualatin Valley Highway. Trachel Meadows Park is located 0.85 miles for the site which is the key spine along a recreation trail corridor serving multiple park amenities.



## Site

The building and parking lot is located on one tax lot consisting of 1.15 acres and has an easement over the adjacent tax lot for the shared driveway and parking used by both the Aloha Inn and Walgreens. The 31,196 square foot building was constructed in 1985 as a motel and recently completed a Property Improvement Plan to align the hotel under the Best Western brand.

The building will be converted to an R-2 residential occupancy for the Permanent Supportive Housing with primary improvements consisting of adding kitchenettes, fire suppression measures, and renovation of the existing office space to meet the needs of support services and property management staff. A land use decision approving the conversion to PSH has been issued for this project.

A Phase I Environmental Assessment was conducted December 2020 and submitted with the Metro Concept Endorsement Package. The report determined de minimis environmental concern with respect to the subject property and is attached for reference.

The owner’s manual and associated 15-year reserve estimate is included as an attachment with a line-item breakdown of associated costs for the renovation project. This work was completed by development consultant, Brawner & Company. Most of the costs are associated with the conversion of the hotel rooms to studio units containing kitchenettes. Additional costs include adding fire sprinklers and other fire suppression methods as an anticipated Building Code requirement triggered by the change in occupancy. Other capital improvements include upgrading the building’s existing electrical system to accommodate the anticipated increased electrical load, adding additional office and lobby space to accommodate on-site behavioral services and property management staff, and converting the third-floor conference room into two additional studio units.

A seismic risk assessment was prepared by MHP, Inc Structural Engineers on December 21, 2020 and included with the Metro Concept Endorsement package. The report determined the building is expected to maintain structural stability during a code-level earthquake. Seismic strengthening is not required by current building provision or Agency ordinance.

### Project Financing

As conveyed below, total project cost is anticipated to be \$9,300,000 of which \$3,356,465 will be construction costs. The total cost per unit is \$172,222. The Washington Housing Production Opportunity Fund is aimed to support the creation and preservation of affordable housing. The OHCS MEP program provides grants to support energy efficiency measures, and a preliminary program award letter is included in the application packet. HAWC has committed to a grant of \$200,000 to fill the final project gap.

Sources		Uses	
Metro Affordable Housing Bond	\$8,465,000	Construction Costs	\$3,356,465
Housing Production Opportunity Fund	\$500,000	Acquisition	\$5,670,762
OHCS Multifamily Energy Program	\$35,000	Due Diligence and Development Costs	\$272,773
HAWC Funds	\$200,000		
Additional Metro A/C Funds	\$100,000		
<b>Total Sources</b>	<b>\$9,300,000</b>	<b>Total Costs</b>	<b>\$9,300,000</b>

### Development Team

#### *Project Developer*

The project development team will be led by HAWC with 50 years of providing, developing and managing affordable housing in Washington County. HAWC currently has 2,771 Housing Choice Vouchers, 163 of which are project-based, and 244 Public Housing units. The housing authority also operates around 600 units of nonfederal bond funded affordable housing units.

HAWC has extensive experience leveraging partnerships and creative funding to provide supportive services linked with affordable housing. The housing authority partnered with Meyer Memorial Trust on an innovative program to increase capacity of three behavioral health providers to deliver supportive housing services and better leverage the Medicaid system. For this, Meyer Memorial provided the housing authority with \$250,000 in grant dollars to fund the

partnership. Additionally, Metro 300 Program is a partnership between the housing authority and Kaiser Permanente to house 80 houseless, senior/disabled individuals. Kaiser funded the housing authority with \$1.3 million dollars for local funded rent assistance, housing navigation capacity building and the building up of capacity for culturally specific providers to deliver housing navigation services to communities of color. As an organization, Washington County operates all the homeless Continuum of Care (CoC) programs within its Department of Housing Services. The CoC is managed within the County and the name of the organization is the Housing and Supportive Services Network (HSSN). Washington County's Department of Health and Human Services & Department of Housing Services operates a COVID 19 Respite Shelter for houseless individuals, migrant farmworkers and those coming out of institutional settings (prisons/jails) without a safe place to quarantine. In addition to institutional experience, the HAWC development team brings extensive experience developing affordable housing, in particular Permanent Supportive Housing.

### *Architect of Record*

Ink: Built Architecture is a women-owned architecture firm with experience in affordable housing as the architect of record. They have extensive affordable housing experience, including receiving the AIA Bend gold award for their design of Timber Ridge, which was a turnkey affordable housing development by Community Development Partners for the Eastern Oregon Housing Authority. Ink: Built also provides development, owner's rep and project management experience on a variety of design and development projects.

Ink: Built is a growing Oregon Certified WBE/ESB firm founded in 2017 with a mission to deliver responsive architecture, planning, and development to respond to our triple crises of increasing economic & social inequity, climate change, and housing affordability. They centered the firm on the belief that access to safe housing is a human right and that all people should have access to great design.

Ink: Built believes the renovation of the Aloha Inn represents a fantastic opportunity to adapt an existing building resource to provide much needed permanent supportive housing, requiring us to adapt our own approach to the very quick timeline and evolving demands that emerged almost daily throughout the design process. They devised an inclusive design process that evaluated and solidified priority goals first, presenting concept options in just a few weeks. From there, they onboarded and coordinated consultant scopes virtually and on-site in real time using a variety of tools, producing bid/permit documents that are clear and concise despite the extremely short duration. The resulting documents allowed for a straightforward competitive bidding process that moved smoothly through County procurement to selection of a qualified contractor.

Their adaptable, dedicated, hands-on, and collaborative approach is unique and essential to reach successful outcomes on small yet complex projects such as this.

### *General Contractor*

GSI Builders Inc. is a Latino Owned Company that is COBID certified by the State of Oregon as a Minority Business Enterprise (MBE) and Emerging Small Business (ESB) (#12728). GSI Builders embodies the goals of Diversity, Inclusion and Equity with a primary company focus on affordable housing, but also has experience in a variety of construction types including successful completion of completion of affordable housing, market rate multifamily housing, senior housing including independent, assisted and memory care living, commercial, industrial, retail, public works, and tenant improvements. GSI Builders, Inc. is a family-owned business with an extensive history in Washington County as the hometown community of several project principles.

### *Development Consultant*

Brawner & Company (Brawner) is the project's development consultant. Brawner is a national real estate consulting firm specializing in the acquisition, rehabilitation, re-positioning, and new construction of affordable multifamily housing. They have planned, structured, and closed affordable housing transactions in excess of \$2.5 billion dollars. Brawner's primary role in its affordable housing endeavors is to compliment HAWC's existing capacity and experience.

### *Owner's Representative*

A subsidiary of Brawner, McCullough Allen serves as the project's owner's representative. They provide more than 20-years of construction experience, insight and solutions to both housing authorities and non-profits in the construction and renovation of existing multi-family housing. They provide a broad range of program and project management services used throughout the project to include project initiation, pre-design, design, construction and transition, occupancy and warranty services.

## **Community Engagement**



Please see the Community Engagement report accompanying this Final Approval narrative for additional detail. Over the past year, Washington County staff coordinated eight listening sessions with individuals from a variety of cultural groups by contracting with culturally specific organizations active in Washington County. Those listening sessions focused on receiving input on project design. Feedback from the sessions were collated and shared with each Affordable Housing Bond-funded project in Washington County.

In addition to the targeted listening sessions with community groups to discuss the Metro Bond Program broadly, staff held three specific community engagement sessions with community members to discuss the Aloha Inn specifically. These sessions were held on March 17, 2021 with neighboring community members attending to discuss the project and land use process. A

community outreach meeting with neighbors and other interested community members was held on June 23, 2021 to discuss both the Bridge Shelter and PSH conversion components of the project. Before the June meeting, County staff conducted door-to-door outreach efforts by delivering bilingual (Spanish/English) door hanger flyers and mailing community meeting information to nearby property owners and businesses. Spanish Language translation services provided for these two community meetings to increase accessibility and participation. And finally, development staff met with the Aloha Business Association in June 2021, and with applicable Community Participation Organization, CPO-6, on July 1, 2021. A project website and FAQ response page was created for community members to access information about the Bridge Shelter and PSH conversion. Another component of the community engagement efforts is to obtain input on the renaming of the property and the content for building mural art, with a focus on representation of the local community and history.

Primary input from these engagement events has been incorporated in the project design and programming for the Aloha Inn:

- Establishing clear lines of communication for community members to report issues and incidents.
- Shelter and PSH are key solutions to addressing increasing homelessness in Washington County.
- Focus on providing needed services and peer-support.
- Providing needed community space for the residents to interact with staff members and each other.

### **Advancing Racial Equity**

Washington County has a diverse BIPOC population, consisting of 21% of the general population, and nearly 22% of the at-risk and homeless population. This project will advance the County goals established in its Consolidated Plan and a Road Home Community Plan to prevent and end homelessness. The two fundamentals of A Road Home include a Housing First Strategy and wrap around client-centered services, and the Aloha Inn Permanent Supportive Housing fulfills these fundamentals as a cornerstone project towards the County's goal of ending houselessness. Admissions into the program will be extremely low-barrier and will ensure that policies that historically have had a disparate impact on communities of color (e.g. criminal background policy and credit screening) are set to the lowest possible levels to eliminate these barriers. The referral process will be determined based on the operating budget subsidy source. Federal vouchers require certain referral processes whereas SHS funding would be more flexible.

HAWC and GSI Construction, Inc. are committed to meeting the 20% minimum Disadvantaged, Minority-Owned, Women-Owned, Emerging Small Businesses, Service Disabled Veterans business Enterprises (DMWESB) target for total project construction costs, with over 45% of total construction costs provided by certified firms. GSI Builders Inc. is a Latino Owned Company that is COBID certified by the State of Oregon as a Minority Business Enterprise (MBE) and Emerging Small Business (ESB) (#12728). The project architect of record, Ink: Built Architecture, is a certified WBE/ESB business. The projected is expected to exceed 60% of DMWESB participation goal on professional services.

### **Partnerships and Services**

It is understood that residents will likely have a combination of service needs including support for behavioral health conditions and connection to other social services. Washington County would not seek to be the PSH service provider. The goal of the SHS measure and the Aloha Inn project



independent of the SHS measure is to build up service provider/culturally specific provider capacity throughout Washington County. An RFP would be issued for a collaborative to come in and provide a host of behavioral health (BH), Substance Use Disorder (SUD), PSH, and culturally specific services.

In addition, a culturally specific provider will partner with the County on this project to ensure that all program policies and outreach would be tailored to ensure BIPOC communities are aware of the potential services. This provider would ensure all policies and programs would center equity by serving diverse communities and providing culturally appropriate services for residents to assist clients from underserved populations.

In addition to targeted community outreach on the specific project, broader outreach efforts on the County's Supportive Services Implementation measures, including the SHS RFPQ for shelter operators and service providers to apply to receive funding to provide operational support of the three hotel Bridge Shelters within Washington County, including the Aloha Inn, has informed this project. County staff engaged with culturally specific services providers to participate in community feedback sessions on the SHS RFPQ. Partnership with Coalition of Communities of Color on those engagements was part of ongoing contractual work to support engagement, facilitation, and feedback gathering. The evaluation process for the Bridge Shelters included recruiting diverse reviewers to provide an equity policy lens, with Partners in Diversity participating in the panel. This process also included follow-up one-on-one interviews with community-based organizations and leaders, and this same framework will be utilized for the PSH operators and service provider RFP process for Aloha Inn.

The timing of the Aloha Inn acquisition helped facilitate a temporary Bridge Shelter at the Aloha Inn while entitlements and design was finalized on the building's conversion to PSH. This allowed for approximately 22 people experiencing homelessness to be temporarily housed in the northern wing of the Aloha Inn while case managers provided services and housing navigators worked to connect them with permanent housing. The Bridge Shelter was operated by the Good Neighbor Center, which is a local Washington County shelter provided based in Tigard.

### **Anticipated Timeline**

A work session was held before the Washington County Board of Commissioners on December 1, 2020 to authorize requesting Concept Endorsement to Metro staff to disburse Metro Bond funds for purchase of the 1.15 acre property. The Housing Authority Board of Director's approved HAWC purchase of the property on December 15, 2020, and the property was acquired on January 18, 2021.

HAWC procured a planning services firm, Angelo Planning, to prepare a land use application for the associated change of occupancy, this application was submitted March 15, 2021, with land use issuance received September 8, 2021.

HAWC procured architecture services through Ink: Built Design and began schematic design in June, 2021. A construction permit Bid Set was issued for public bidding and building permit submission on August 9, 2021. GSI Builders, Inc. provided the lowest qualifying bid, and it is anticipated the construction contract will be executed in early November.

HAWC began operating a 22-room Bridge Shelter in the northern wing of the building on July 1, 2021 and will utilize this space through the occupied rehab which will begin on the southern wing of the building in December 2021. It is anticipated that the first phase of the rehab will be completed in March, 2022 and the second phase completed June 2022.

## Metro Affordable Housing Bond Program

### Final Approval

**Project Name:** Good Shepherd Village  
**Implementing Jurisdiction:** Housing Authority of Clackamas County  
**Metro IGA Contract Number:** 936551  
**Date of Concept Endorsement:** August 6, 2020  
**Anticipated construction start:** February 2022  
**Anticipated construction completion:** July 2023

**Action:**

Metro hereby provides the Housing Authority of Clackamas County with Final Approval of \$18,330,000.00 in Metro Affordable Housing Bond funds for the development of Good Shepherd Village, a regulated affordable housing project located at 12596 SE 162<sup>nd</sup> Avenue, Happy Valley. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Housing Authority of Clackamas County, is attached as Exhibit B. This Final Approval is based upon the information contained in the final approval request provided to Metro by the Housing Authority of Clackamas County including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
8	Studio	30%	8
5	Studio	60%	0
22	One-bedroom	30%	12
28	One-bedroom	60%	0
19	Two-bedroom	30%	5
40	Two-bedroom	60%	0
9	Three-bedroom	30%	5
11	Three-bedroom	60%	0

Changes to the information contained in the final approval request provided by the Housing Authority of Clackamas County could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before funding disbursement. Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and the Housing Authority of Clackamas County, and will occur within 10 days of Metro's receipt of the following items: a draft regulatory agreement meeting IGA requirements, a final sources and uses budget, a construction contract schedule of values, and an invoice from the Housing Authority of Clackamas County including wiring or other instructions related to transfer of funds.



600 NE Grand Ave.  
Portland, OR 97232-2736  
[oregonmetro.gov](http://oregonmetro.gov)

A handwritten signature in black ink, appearing to read "M. Madrigal", written over a horizontal line.

11/15/2021

Marissa Madrigal  
Chief Operating Officer

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Good Shepherd Village



Drafted by: Alison Wicks, Senior Housing Program Coordinator and  
Jimmy Oporta, Housing Program Analyst  
Date: October 25, 2021

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## Criteria for funding approval

Metro will issue Final Approval to the local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Final Approval of funding for Good Shepherd Village. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Clackamas County (HACC).

## Changes since concept approval

The project has undergone some changes since concept endorsement. The total project cost has increased \$6.9 million (13%), but these increases are offset by an increase in anticipated 4% LIHTC equity, the successful application of to OHCS for \$3.4M of additional capital fund through the Permanent Supportive Housing offering and the proposed unit mix was adjusted to add one additional 3-bedroom unit and 1 additional studio. The Metro Bond funds requested were reduced by \$1,962. Changes or updates to information previously provided during the concept endorsement phase include:

- Net increase of funding sources (\$6.9 million) to reflect \$5.6 million increase in 4% LIHTC equity and \$3.4M increase in OHCS PHS funding, \$33,000 decrease in OHCS Multifamily Energy Program funds, and a \$2.6M decrease in the permanent loan.
- Increase of \$6.9 million in projects costs, including:
  - Construction costs increased \$3.3M due to inflation, design refinement, addition of design elements to satisfy Happy Valley Design Standards, and two additional affordable units.
  - Permits and SDCs increased by \$2.8M, an anticipated SDC waiver was not granted by the jurisdiction.
  - Increases in insurance costs, predevelopment loan fees, relocation of the current resident, and increase operating reserves.
- Trauma-informed PSH-related design elements that were added or maintained including features that add durability, privacy to community rooms, minimize acoustic transfer, materials that minimize the institutional feel
- Prioritized a fresh air Dedicated Outdoor Air System and Energy Recovery Ventilator (DOAS/ERV)+ HVAC system for all buildings and units that is responsive to hazardous air quality, air filtration related to the pandemic, and provides in-unit air conditioning.
- HACC confirmed award of 30 vouchers, including 15 VASH vouchers.
- HACC has committed to providing rent subsidy for an additional 5 units using Metro SHS funds, which increased the number of PSH units from 30 to 35.

## Contribution to unit production targets

Good Shepherd Village will utilize 15.8% of HACC's total allocation of bond funds (\$18,330,000.00) while delivering 142 units that meet the following unit production outcomes:

- 17.5% of HACC's overall unit production target;
- 17.4% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 19.6% of HACC's family sized unit target.

When combining this project with HACC's existing development portfolio, this puts the County on a path to have utilized 42% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 56.7% of HACC's overall unit production target;
- 60.4% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 72.0% of HACC's family sized unit target.

## Readiness to proceed

HACC has submitted and Metro staff has reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:

- An updated project pro forma dated 09/15/2021
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Letters of Intent by OHCS, Banner Bank, and U.S Bank Community Development Corporation,
- OHCS Permanent Supportive Housing Reservation Letter, OHCS Multifamily Energy Program Incentive Reservation, Clackamas County Health and Human Services reservation for Project Based Vouchers and Conditional Award of Project Based Regional Long Term Rent Assistance and Supportive Services Funding
- Permit set date 07/21/2021
- Phase I Environmental Site Assessment (ESA) dated 07/15/2021
- Engineering Geology and Geotechnical Engineering Report 02/09/2021
- Land appraisal dated 10/14/2021

Staff have not identified any major risks to project feasibility but will continue to request updates from HACC regarding how work is proceeding.

## Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of HACC's approved LIS. Key findings include:

- **Location:** The project is located in the Rock Creek neighborhood of Happy Valley. The surrounding area is mix of single-family and new planned single- and multi-family developments. Multiple parks and recreation areas within 0.25 miles of the site. Two grocery stores and are pharmacy are within 0.25 miles. Providence Clinic is within 0.5 miles and the Happy Valley Library is within 1 mile. Beatrice Morrow Cannady Elementary School and Oregon Trail Elementary School are both within 1 mile of the site.

- **Transit access:** TriMet bus line #155 is located within ¼ mile, and TriMet bus line #156 is located within 1 mile.
- **Diversity in contracting/hiring:** The development team has a strong commitment and track record to supporting historically marginalized communities through their projects and meeting or exceeding all workforce of MWESB/COBID goals. The project is on track to achieve 30% COBID participation.
- **Access for historically marginalized communities:** The Property Manager for Good Shepherd Village, Quantum Residential, brings over 30 years of experience managing properties, many of which focus on the priority populations for Good Shepherd Village. It is standard practice at Caritas' properties to conduct low barrier screening in order to minimize challenges to access affordable housing.
- **Culturally appropriate services:** The Resident Services Plan for Good Shepherd Village will be implemented and delivered by Catholic Charities of Oregon (CCO). A full-time on-site Resident Service Coordinator (RSC) will be the primary on-site contact, coordinating services offered on-site as well as providing information and referral services to programming and support offered off-site by Catholic Charities and other partners. Good Shepherd Village will provide housing and services for a diverse group of residents with a particular focus on reaching Communities of Color, people who have experienced or are at risk of homelessness, seniors, Veterans, and families. The services provided directly by CCO will also be leveraged alongside culturally-specific partnerships with APANO, Familias en Accion, and El Programa Hispano. At Good Shepherd Village, CCO will add a new partnership with Easter Seals and expand existing partnerships for referral and supportive services with the Clackamas Workforce Partnership, VA and the Department of Human Services (DHS) in Clackamas County.

## Community engagement to inform project implementation

Metro staff have reviewed the updated narrative to confirm consistency with the community engagement elements of HACC's approved Local Implementation Strategy (LIS). Key findings include:

### **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

Caritas Housing hosted a virtual design focus group on the Zoom platform and sent out a survey about interior and exterior color preferences via Google Forms. In the focus group, Caritas shared various unit layouts, interior communal space features, and outdoor communal space features. Caritas recruited participants through culturally-specific community partners and recruitment included emails, flyering, word-of-mouth at in-person meetings, and WhatsApp texts. The latter method came as a result of APANO realizing the best way to reach out to their network was via WhatsApp, as many of them were not responding to email invitations.

Additionally, Caritas compensated all focus group participants with a \$30 Visa gift card and made this known throughout the recruitment process to encourage participation. The virtual focus group had 10 participants. Of the attendees, 8 were recruited by APANO (all 8 spoke Chinese as their first language) and 2 were recruited by Do Good Multnomah (both were senior Veterans that had experienced homelessness). There were several Latinx recruits from Familias en Acción that did not show up to the virtual meeting. Follow-ups were made with the Latinx community via e-mail in order to collect input on the topics described earlier, however, this did not result in any responses.

**Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

Key takeaways from the focus group meeting included prioritizing covered outdoor space and gardening beds, separating out active and quiet common spaces inside the building, and learning culturally-specific preferences inside units (e.g. strong range hoods, cabinet space instead of a dishwasher). Caritas is planning on implementing the most popular interior and exterior color scheme selections: Interior color preference trended towards more neutral color schemes. Responses varied from appreciation of natural colors like green, light blue, and lighter wood tones, to concerns about keeping these light neutral tones clean over time- especially with children around. Exterior responses were more mixed. Participants seemed to moderately prefer more neutral tones for this color scheme as well. Yellow proved to be a very polarizing color, so yellow was minimized (though not excluded) in the final color decision for the building exterior.

Additionally, as requested by focus group participants, there will be a quiet space set aside from the more active, common space for children to do homework or for relaxing away from group activities, and spaces for quiet reflection are provided throughout the site. The site provides both a formal playground area and nearby, protected paths for bicycle rides, as well as less formally programmed open spaces for kids to play and for other popular activities to occur (tai chi, yoga, playing ball, etc).

The site will also provide gardening beds, an outdoor kitchen/cooking area, and a covered outdoor space for gathering-- outdoor features that were mentioned several times in the focus group. Unit layouts prioritized counter space over pantries, tried to position ranges near operable windows (based on feedback that many traditional dishes utilize high-heat and oils and thus, both a hood vent and a nearby window is strongly preferred to minimize smells and oils infiltrating into other areas of the home), and provided built-in dining space for extra counter space rather than smaller kitchens in exchange for formal dining areas.



# **EXHIBIT B: Project summary submitted by Housing Authority of Clackamas County | Metro bond concept endorsement for Good Shepherd Village**

Submitted by: Julia Metz, Community Development and Housing Manager,  
Caritas Community Housing Corporation/Catholic Charities of Oregon, jmetz@ccoregon.org  
Submitted on: September 27, 2021

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## **Project Overview**

In 2012, the Brockamp Family donated 11 acres in Happy Valley to Catholic Charities of Oregon (CCO) with the intent that the land would be developed as affordable housing. The \$18,330,000 requested from Metro provides a great opportunity to fulfill this dream. The property offers a beautiful four-acre natural area in the northeast part of the site, focusing development to approximately seven acres. As the affordable housing arm of CCO, Caritas Community Housing Corporation plans to develop 143 affordable units on the property, referred to as Good Shepherd Village (Good Shepherd Village LLC is the name of the entity created by CCO to hold this real estate asset and Good Shepherd Limited Partners has been created for the LIHTC partnership), which will be the first Affordable Housing development in the City of Happy Valley. This will include 35 Permanent Supportive Housing units supported by rental assistance for 5 units provided by the Housing Authority of Clackamas County/Metro Supportive Services Funding, 15 VASH vouchers, and 15 Project Based Vouchers.

The project meets Clackamas County's financing priorities through efficient and appropriate use of funds by leveraging Bond sources with significant 4% LIHTC equity, private financing and grants, OHCS PSH capital funds and Multifamily Energy Program grants, donated land, as well as city development bonuses. Further, while the developer fee is within OHCS and Bond guidelines to maximize eligible LIHTC basis and equity, a significant portion will be contributed back to the development sources in the form of a Sponsor Loan contribution.

## **Changes between Concept Endorsement and Final Approval**

- Total affordable units has increased from 141 to 143 (1 additional 3-bedroom and 1 additional studio, both at 60% AMI)
  - o This is related to the Brockamp Family deciding to move offsite rather than having a designated unit in the new development (3-bedroom), and a studio was able to be added into the final design once space planning was refined
- Caritas Housing was successful in an application to OHCS for \$3.5 million of additional capital funds through their Permanent Supportive Housing funding offering. This has allowed for inclusion of additional trauma-informed design elements and upgraded materials for durability and as identified through engagement activities.
- The Housing Authority of Clackamas County (HACC) confirmed award of 30 vouchers, with 15 of those being VASH Vouchers. Additionally, HACC has committed to providing rent subsidy for an additional 5 units using Metro SHS funds which has supported an increase in the number of PSH units in the development from 30 to 35.
- Finance close and start of construction has shifted to February 2022 to align with OHCS' closing date.
- Approximately \$2 million in system development charge fee waivers were not approved by the City as previously projected; however, anticipated allowances related to design elements and parking minimums were approved.

- Total Development Cost increased due to material escalation, increased costs of insurance, SDC Fees, and design/material choices to respond to needs of the PSH residents, as identified through engagement activities. However, design-related increases were accommodated with additional PSH funds noted above.

**Preliminary Development Program**

Caritas Community Housing Corporation plans to develop 143 affordable units on the property. The three-bedroom units and several of the two-bedroom units will be focused in two smaller, three-story buildings each surrounding a small courtyard and with dedicated laundry facilities. A third, four-story building will house all of the studios, one-bedrooms, and remaining two-bedrooms, as well as secure bike parking, laundry facilities, a community room, and office space for resident and supportive services. The development includes just under 108,000 SF of units and nearly 3,000 SF of common building area, with over 25,000 SF of outdoor common areas. There will be no non-residential areas within the development – all common areas and office spaces will support residents. The site will include on-site parking (both off-street and on-street) and outdoor gathering and play areas. The design incorporates trauma-informed design principles, universal design, and sustainable design elements that will meet Earth Advantage Certification goals and are responsive to feedback from engagement activities.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs/ SHS Rent Assist.	Square feet/unit	Gross monthly rent/unit
Studio	8	30%	8	400	\$ 1,289
Studio	5	60%	0	400	\$1015
1-bed	22	30%	12/ 5	550	\$1,381
1-bed	28	60%	0	550	\$1088
2-bed	19	30%	5	850	\$1.600
2-bed	40	60%	0	850	\$1306
3-bed	9	30%	5	1080	\$2,263
3-bed	11	60%	0	1080	\$1509
Staff Unit (2 BR)	1	N/A	0	1080	\$0
<b>Total</b>	<b>143</b>		<b>30 / 5</b>		

*Note: Gross monthly rent/unit does not account for reduction due to tenant paid utility allowances. Total shown for PBV units reflects Gross Contract Rent Owner will receive and is not representative of what the resident will be paying directly.*

**Background**

Catholic Charities of Oregon (CCO) received the project site, located at 12596 SE 162nd Avenue, Happy Valley, OR 97086, as a donation in 2012 from the Brockamp Family and has created Good Shepherd Village LLC as the entity to hold this real estate asset. As the housing arm of CCO, Caritas Community Housing Corporation will be the sponsor and developer of the project. The attached Bill of Sale and Bargain and Sale Deed reflect this.

Although the site required rezoning in order to develop the proposed project, the new zone is consistent with the city’s Comprehensive Plan for the property and the updated multifamily zone was approved in

January 2021. The project subsequently submitted for Design Review, which was approved in May 2021, including requested allowances related to design elements and parking, as noted in the Project Overview. Building permit applications were submitted in July 2021 and are currently under review.

Lastly, Letters of Interest have been executed or are in the process of being executed with the lender and investor and the project is on track for February 2022 closing, as scheduled with OHCS.

## Location and Neighborhood

Immediately adjacent lots are all mixed-use residential in the Rock Creek Area Comprehensive Plan designations, with a current zoning a mix low-density (R-10) up to high-density residential (MUR-A). Adjacent uses are residential (mix of single-family and several new planned developments with a mix of single- and multi-family development).

The proximity map below provides an overview of some of the nearby amenities and services, including:

- » **Public Transit:** within ¼ mile and less than 1 mile
- » **Grocery and Drug Store:** two grocery stores and a pharmacy within ¼ mile.
- » **Medical Services and Library:** Providence Clinic within ½ mile and Public Library within 1 mile.
- » **Public Schools:** two public elementary schools within 1 mile.
- » **Parks and Recreation Areas:** multiple parks and recreation areas for public access within ¼ mile of the site

*Provide an aerial map with key transit and amenity features labeled, along with the site location.*

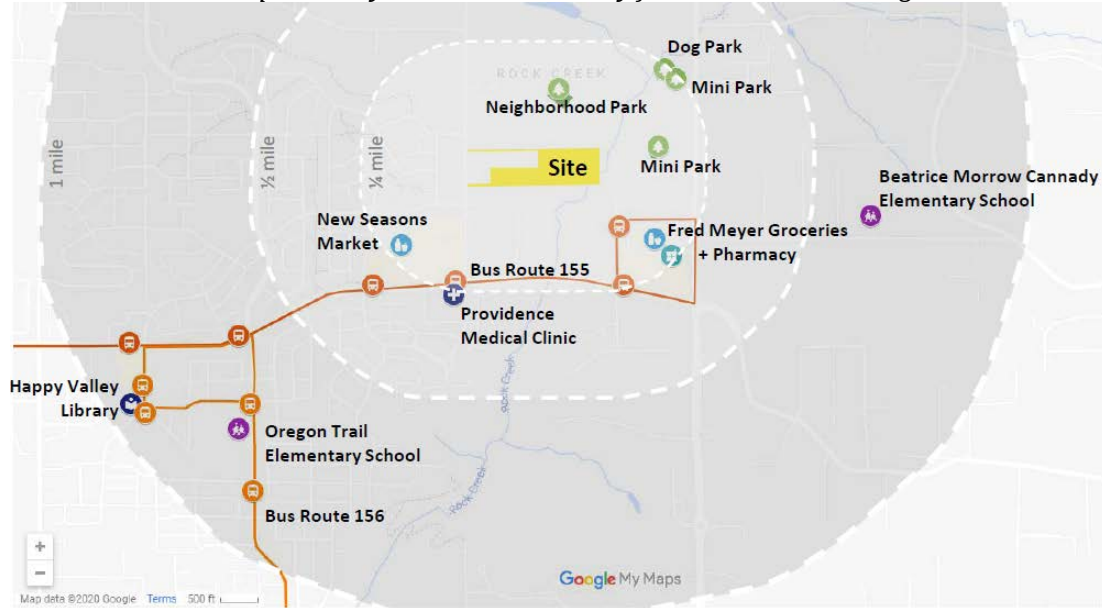


Figure 1: Site Location and Proximity Map

## Site

Catholic Charities of Oregon (CCO) received the 11-acre project site, located at 12596 SE 162nd Avenue, Happy Valley, OR 97086, (tax lot 23E06BB00300) as a donation in 2012 from the Brockamp Family. CCO created Good Shepherd Village LLC as the entity to hold this real estate asset. As the housing arm of CCO, Caritas Community Housing Corporation will be the sponsor and developer of the project. The attached Bill of Sale and Bargain and Sale Deed reflect this. Since initial concept endorsement, the site has been rezoned as appropriate for the proposed development.

The site currently holds a single-family home that will be removed ahead of construction of the proposed project. The home currently is used by the Brockamp Family, who will be permanently relocated as part of the project (this is a change from initial concept endorsement which assumed a unit in the new development for the family). Relocation funds are included in the project budget.

### Phase I ESA

A Phase I ESA was completed July 15, 2021, by Cole & Betts Environmental Consulting LLC. Although the Phase I ESA found no evidence of a Recognized Environmental Condition (REC) the report recommended preserving records of the HOT decommissioning and soil removal from 2012. The report also referenced several non-REC's in Section 2.1:

**Non-REC #1:** *A hazardous building materials survey was completed at the Property, and LBP and ACMs, including suspect ACMs, were confirmed and noted in a report (Appendix C).*

**Non-REC #2:**

*A groundwater well installed on the Property provides potable water to the Property residence and irrigation system. The well is 222 feet deep and has a 6-inch diameter. The well log is in Appendix E.*

**Non-REC #3:**

*The pump in the groundwater well was installed in 1974. Based on the pump's age it may contain polychlorinated biphenyls (PCBs) or mineral oil.*

**Non-REC #4:** *Newer equipment (tractors) and other items were stored in the field north of the barn, the canopy west of the barn, and the interior of the barn and woodshed could not be inspected.*

**Non-REC #5:** *Low level diesel-range petroleum contaminated soil associated with the former heating oil tank remains in place at 9.5 feet bgs north of the residence.*

In response to these findings, abatement of hazardous building materials will be completed prior to demolition in accordance with local, state and Federal requirements. Prior to the abatement mobilization, additional sampling and testing of materials as listed in the hazardous building materials survey will be conducted, and abatement of those materials found to contain hazardous materials will be included in the scope of the project prior to demolition. The well will be taken out of service and properly decommissioned and the well pump decommissioned and/or disposed of in accordance with appropriate authorities having jurisdiction over the work. As site clearing commences, the areas surrounding and within the barn will be inspected for stained and malodorous soils. If evidence of release is encountered, these areas will be demarcated prior to grading activities in the vicinity. Soil

removed within areas found to show evidence of release will be segregated from any graded/clean soils and tested for characterization for off-site disposal. It is not anticipated that excavation depth to 9.5 feet will be required, based on the current grading plans, therefore contaminated soils are not expected to be encountered. In the unlikely event that contaminated soils are encountered, characterization and disposal off site will be conducted.

*Geotechnical Investigation*

A geotechnical investigation was conducted by GeoPacific Engineering Inc. In the fall of 2020 which resulted in a report dated February 9, 2021. The investigation consisted of field exploration, infiltration testing and slope stability. Feasibility of proposed retaining walls was established. The findings indicate that there are primary geotechnical constraints to development which are now factored into the approach to grading, design of the building and plan for construction. These constraints include the presence of very highly expansive, fat clay soil, the presence of soft to medium stiff near surface soils, and the presence of low permeability soils. To address these constraints, the report includes specific recommendations regarding mitigation of unacceptable soils on site and design of stormwater facilities.

**Project Financing**

Total Development Cost: \$60,799,032  
 Total Development Cost Per Unit: \$425,168  
 Total Development Cost/Building SF: \$548.37  
 Hard Cost/Building SF: \$338.74

Summary Sources and Uses

<b>Sources:</b>	
Tax Credit Equity	\$19,623,281
METRO Housing Bond	\$18,328,037
Permanent Loan	\$12,622,277
OHCS PSH Grant	\$3,500,000
OHCS Weatherization	\$166,495
Permanent Loan	\$12,622,277
Seller Note	\$950,000
Contributed Cash Developer Fee	\$3,872,771
Deferred Developer Fee	<u>\$1,736,171</u>
<b>Total Permanent Sources</b>	<b>\$60,799,032</b>
<b>Uses:</b>	
Land Acquisition	\$1,000,000
Hard Costs	\$41,158,396
Soft Costs	<u>\$18,640,636</u>
<b>Total Development Cost</b>	<b><u>\$60,799,032</u></b>

The project meets Metro financing priorities through efficient and appropriate use of funds by leveraging Bond sources with significant 4% LIHTC equity, private financing and grants, OHCS PSH Capital Funds and Multifamily Energy Program grants, donated land, as well as a density bonus,

reduced parking requirement, and cost saving allowances to design guidelines from the City such as elimination of unit balconies and modest reductions in building articulation.

## Development Team

### Caritas Housing + Catholic Charities of Oregon

As the housing arm of Catholic Charities of Oregon (CCO), Caritas Housing began working in 1998 to acquire, develop, rehabilitate, and manage permanent affordable housing for those in need of a home across the state. This now includes over 800 units of affordable housing across 20 properties statewide and nearly 200 units within Clackamas County. CCO also has a great breadth of direct service experience. In addition to providing services to residents at Good Shepherd once completed, we have the benefit of having housing and homeless services staff as well as residents, clients, and program graduates available to provide input on the project throughout the design and development process in order to ensure residents needs are thoughtfully considered and integrated all along the way. Further, Catholic Charities/Caritas staff participated in OHCS' 2020 Permanent Supportive Housing Institute, lending additional skills and resources to the project and its intended residents.

Caritas' Housing Team has decades of collective affordable housing development and management experience in addition to backgrounds in construction management, design, and city planning. Caritas has successfully acquired, developed, and operated properties using a wide variety of affordable housing finance sources, including (but not limited to): LIHTC, HOME, CDBG, USDA Rural Development financing, HUD Section 811, and more. Additionally, Caritas has experience developing and operating properties utilizing referrals from Coordinated Access programs in Clackamas County and elsewhere, and with rent subsidy programs, including tenant- and project-based Section 8, VASH, and USDA Rural Development.

### Housing Development Center

Caritas has partnered with the Housing Development Center (HDC) to provide support throughout the project, starting with feasibility analysis in 2017, continuing through financing, construction, and lease up. HDC has been providing technical expertise to affordable housing developers since 1993 – helping create and preserve over 7,000 affordable homes since then, including Caritas' recent rehabilitation and expansion of the Molalla Gardens property.

### MWA Architects

MWA brings over 30 years of experience and strong expertise in multi-family affordable housing design. The project team has a strong people-first focus in their designs, with experience working on affordable housing developments in jurisdictions across the Pacific Northwest. Flexibility in design is a critical component to exploring the feasibility and programming of a project. MWA's experience navigating project variables through a variety of affordable housing projects gives them a solid base of knowledge related to design, materials, maintenance, and durability and the appropriate balance between each of these.

### WALSH Construction

Formed in Portland in 1961 and incorporated in 1974, WALSH has earned a solid reputation based on fair business practices, safety, teamwork and cooperative problem-solving. Through 58+ years of experience with wood-frame construction, WALSH has determined how systems, materials and construction practices can provide a high degree of value to building owners, specifically non-profit

organizations providing housing for low-income residents. Proper construction and diligent communication, with attention to details, are critical. Throughout their history, WALSH has partnered with local organizations to build and renovate affordable housing in the Pacific Northwest. Their affordable housing experience covers a wide range of project types and locations throughout Oregon and Washington. WALSH is passionate about affordable housing - having built over 30,000 units in partnership with over 35 different non-profit housing organizations throughout the Northwest. WALSH has experience with, and is prepared to meet, the requirements specific to LIHTC, Bond, and other types of funding, as well as prevailing wage requirements anticipated for this project. Their extensive experience working on projects through LIHTC and other State and Federal tax credit programs allows for strategic collaboration with the rest of the project team to efficiently utilize state and federal credits.

### Quantum Residential

Quantum Residential has been managing affordable communities throughout Oregon for 30 years. Quantum currently works with 6 different housing authorities (including HACC and Home Forward) and numerous non-profits which encompass a broad spectrum of affordable programs. This includes but is not limited to local funding, PBV subsidy, and LIHTC. Quantum's experience also includes over 20 years managing properties with Permanent Supportive Housing units, as well as over 30 years of experience of managing properties with multiple layers of funding and compliance requirements. Quantum also participated in OHCS' Permanent Supportive Housing Institute alongside Catholic Charities/Caritas staff.

### Community Engagement

Caritas greatly values incorporating engagement and input from the community as well as populations that reflect the intended residents of a development. As such, this will be a key step as the project progresses and as we refine the site plan and unit and building designs. Already, the unit mix, amenities, services, and target populations have been informed by feedback from residents and management of Caritas' existing properties and from our ongoing partnership with El Programa Hispano. Caritas' existing properties, including Molalla Gardens and Sandy Vista (both in Clackamas County) include populations that are similar in income, family composition, and cultural background to target populations for Good Shepherd Village. In addition, Caritas has an existing referral agreement with El Programa Hispano at Molalla Gardens and other properties, which has also helped inform project plans at Good Shepherd Village.

Additionally, we worked with Portland State University students from the Masters' of Urban and Regional Planning program on a project which includes engagement with current Caritas Housing residents, program graduates, and others that represent the populations that we plan to serve through this development. Their findings provided a strong foundation for refinements of the design.

For further outreach, we coordinated with Catholic Charities' service programs and our culturally-specific project partners such as APANO, Familias en Accion, and El Programa Hispano to conduct outreach and engagement specific to the design of this project. This included focus groups and surveys provided in English, Spanish and Chinese for the design team to collect input and feedback on the design of the project, which has subsequently been incorporated into unit layouts, community space design, overall site amenities, and interior/exterior color palettes.

We also have engaged the surrounding community and neighbors early on for this development. This included open houses, surveys, and e-mail updates for community members to learn about the

project and provide feedback that have been incorporated as the project progressed. In addition, we have had several meetings with City Planners to understand both City requirements as well as learn about feedback from the nearby community for similar projects and joined Happy Valley City Council at a work session to share information and gain councilmembers' feedback. This feedback from the community has been strongly considered in the early conceptual design presented in this application.

Please see attached engagement report for an up-to-date report of engagement activities for the project.

## **Advancing Racial Equity**

Catholic Charities of Oregon is called by a tradition of social justice to the work of equity and inclusion. CCO, inclusive of Caritas Housing, works to advance equity for immigrants, refugees, and people who are homeless and vulnerable, with a special emphasis on those who are not served by other providers. Good Shepherd Village will serve target populations with a broad range of needs based on our analysis of people living and/or working in Happy Valley. Priority populations include Communities of Color, particularly Asian and Hispanic/Latino households; Low- and extremely low-income households, including households who have experienced or are at risk of homelessness; Seniors; Veterans; and Families.

As with the region and state, Communities of Color are more likely than their white counterparts to experience poverty and homeless. While the Clackamas County Housing Needs Analysis notes, "Happy Valley... [is] more racially diverse... compared to the State and County average," including an Asian population which represents just over 18% of the overall population in Happy Valley, more than 50% of people experiencing poverty in Happy Valley are Asian. Further, nearly 6% of Happy Valley's population identifies as mixed-race (two or more races) and nearly 5% identify as Hispanic or Latino, the second largest Community of Color experiencing poverty. We have focused our partnerships to complement Caritas/Catholic Charities' areas of expertise and to align with the areas of need. This includes partnerships with Asian Pacific American Network of Oregon (APANO) and El Programa Hispano for outreach and engagement, lease-up, and services for residents. In addition to this, Good Shepherd Village will be the first Affordable Housing development within the City of Happy Valley, providing an important first step in providing affordable housing in an area that desperately needs it, while also creating an opportunity to provide stable housing in an amenity rich area for those that are most often displaced at a more rapid rate.

The Property Manager for Good Shepherd Village, Quantum Residential, brings over 30 years of experience managing properties, many of which focus on the priority populations for Good Shepherd Village. It is standard practice at Caritas' properties to conduct low-barrier screening in order to minimize challenges to access affordable housing. This baseline goal is adjusted to be appropriate for the target populations for each property. We know Communities of Color experience a vast array of barriers to accessing housing, including high and numerous rental application fees, lack of Social Security Numbers (SSN)/Cards, and/or limited rental and credit history, especially for new immigrants. While the screening criteria will not be formalized until after funding is committed, we will work closely with Quantum to be responsive to these types of barriers while acknowledging the important element of setting a clear and consistently applied policy to override the screening criteria. For example, criteria areas that will be assessed for the override policy include rental and criminal history reviews as well as income-to-rent requirements. Additionally, credit score minimums are never a factor in our lease-up processes, we are able to accept alternative forms of identification besides SSN, and as we have at other properties, we will work with partners to establish application fee assistance



for their clients and referrals. We will also invite input from our project partners on ways to make screening criteria and leasing processes more approachable and responsive to Communities of Color and the barriers they face. Quantum also values reaching communities that historically have experienced barriers to accessing housing such as Communities of Color. This expertise will be key in our marketing and lease-up plan, as well as in ongoing management of the property. Quantum is committed to attaining these goals through the following:

- Working with resident services to help facilitate a farther and broader reach.
- Working with local culturally-specific organizations, including El Programa Hispano and APANO
- Working with the local VA and DHS offices for marketing and lease-up

Caritas has a firm commitment to supporting historically marginalized communities through our projects – this includes the workforce that is a part of making a concept become reality. We encourage our entire team to take seriously the goals of supporting minority- and women-owned businesses as well as emerging small businesses, as well as supporting and promoting a diverse workforce in their own industries and teams whenever possible. This is reflected in the successful outcomes from the St. Francis Park Apartments, which had the same project team as Good Shepherd Village – MWA Architects, WALSH, and Caritas/Catholic Charities. The project met or exceeded all workforce and MWESB/COBID goals and we are excited to apply these successes and lessons to Good Shepherd Village. While we expect differences between Good Shepherd Village and St. Francis Park Apartments due to the location, project scope, and associated subcontracting details, we are confident that we will meet all of the NOFA's workforce and contracting equity goals, and we are committed to continuing to build partnerships and strategies that will allow us to exceed the targets. We already expect to surpass COBID-certified participation for professional services and are currently projecting to obtain at least a 25% participation rate. For COBID-certified subcontractor participation, WALSH anticipates several opportunities to increase participation beyond the NOFA goals, thanks to the mix in scale of buildings (with two smaller-scale 18-unit buildings and one larger 107 unit building), as well as the variety of site work that will need to occur on the large site, amongst other opportunities. Additionally, the team is committed to working with the local workforce board, Clackamas Workforce Partnership, to set local workforce goals and commitments.

## Partnerships and Services

Caritas and Catholic Charities approach resident services differently at each of our properties according to the population, geography, and other needs of each property's residents. As noted above, we plan to have a particular focus on reaching the Asian and Hispanic/Latino communities for this property as well as Seniors, Veterans, and people that have experienced homelessness. The RSC for the property will similarly focus on providing services that are reflective of these communities' needs. Caritas also works closely with property management to hire on-site staff who are representative of and/or can connect with the resident population. Although the exact services will be refined and adjusted based on actual resident needs, examples from other properties with a similar mix of priority populations include:

- **Immigrant and Refugee Communities:** English language classes have been particularly beneficial for residents of properties where English is not residents' first language -- especially for immigrant and refugee parents whose children are learning English in school, but the parents would not otherwise have access to language classes. In addition, Cultural Orientation classes, part of the CCO's Refugee Services program, will be available to residents and are designed to introduce newly arriving refugees and others to everything American - from how

to get a library card to coping with the depression related to culture shock. CCO’s Immigration Legal Services have hosted “Know Your Rights” workshops on-site for other Caritas properties, something that was particularly beneficial recently as residents feared ICE sweeps targeting communities with large Hispanic/Latino populations. These would also be hosted at Good Shepherd Village as needed. (similar Caritas properties: Sandy Vista, Kateri Park, Esperanza Court)

We have also partnered with El Programa Hispano and Asian Pacific American Network of Oregon (APANO) to be culturally responsive resources for residents, both during development and after completion.

- **Seniors/People with Disabilities and Veterans:** Resources and support for independent living, organizing trips and transportation, and assistance with planning for changes in health or living needs, healthcare access/navigation and wellness checks. Additional services for these populations are anticipated to be provided by DHS and the VA in Clackamas County. See attached Letters of Support. (similar Caritas properties: Cedar Park Gardens, Caritas Plaza, Caritas Villa, Sacred Heart Villa)
- **Previously Homeless and/or extremely low-income:** Services ensure that residents maintain stable housing, connect them employment and benefit assistance, and facilitate connections with food pantries or health care (including hosting health screenings and/or food pantries at the property) (similar Caritas properties: Kateri Park, St. Francis Park, Kenton Women’s Village)

For Permanent Supportive Housing units, we will provide services utilizing a Housing First model with assertive engagement, trauma-informed care, and a strengths-based approach to case management.

## Anticipated Timeline

Project Name: Good Shepherd Village Schedule Date: 9/20/2021

Activity	Proposed Date (month/year)*	Revised Date (month/year)*	Completed Date (month/year)*
Option/Contract executed			12/1/2012
Site Acquisition			4/5/2013
Zoning Approval			2/5/2021
Building Permits & Fees	1/2021		
Off-Site Improvements	12/2022		
Plans Completed	8/2021		
<b>Bond Sale / Construction Loan</b>			
Proposal	8/1/2021		
Firm Commitment	12/2021		
Closing/Funding of Loan	2/2022		
<b>Permanent Loan</b>			
Proposal	8/1/2021		

Firm Commitment	12/2021		
Closing/Funding of Loan	4/2024		
Development			
Syndication/Partnership Agreement	2/2022		
Construction Begins	2/2022		
Construction Completed	7/2023		
Certificate of Occupancy	7/2023		
Marketing			
Lease Up Begins	3/2023		
Lease Up Completed	3/2024		
Absorption (units per month)	20	<i>* Indicates completion by end of the month</i>	



## Metro Affordable Housing Bond Program Final Approval

**Project Name:** Terrace Glen  
**Implementing Jurisdiction:** Washington County  
**Metro IGA Contract Number:** 936591  
**Date of Concept Endorsement:** September 17, 2020  
**Anticipated construction start:** November 2021  
**Anticipated construction completion:** June 2023

**Action:**

Metro hereby provides Washington County with Final Approval of \$17,484,000.00 in Metro Affordable Housing Bond funds for the development of Terrace Glen a regulated affordable housing project located at 9640 SW Greenberg, Tigard. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Washington County, is attached as Exhibit B. This Final Approval is based upon the information contained in the final approval request provided to Metro by Washington County, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
13	Studio	30%	1
16	Studio	60%	0
14	One-bedroom	30%	2
27	One-bedroom	60%	0
12	Two-bedroom	30%	0
46	Two-bedroom	60%	0
9	Three-bedroom	30%	3
4	Three-bedroom	60%	0
3	Four-bedroom	30%	2

Changes to the information contained in the final approval request provided by Washington County could result in reevaluation of the Project’s need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before funding disbursement. Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and Beaverton, and will occur within 10 days of Metro’s receipt of the following items: a draft regulatory agreement meeting IGA requirements, a final sources and uses budget, a construction contract schedule of values, and an invoice from the Washington County including wiring or other instructions related to transfer of funds.

10/14/2021

Marissa Madrigal  
Chief Operating Officer

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Terrace Glen Apartments



Drafted by: Alison Wicks, Senior Housing Program Coordinator and  
Jimmy Oporta, Housing Program Analyst  
Date: September 27<sup>th</sup>, 2021

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## Criteria for funding approval

Metro will issue Final Approval to the local implementation partner (LIP) upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the Local Implementation Strategy (LIS), the Work Plan, and the Bond Measure.

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Final Approval of funding for Terrace Glen Apartments. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Washington County.

## Changes since concept approval

The project has undergone some changes since concept endorsement. The total project cost has increased \$5.8 million (12%), but these increases are offset by an increase in anticipated 4% LIHTC equity, and the proposed unit mix was adjusted to include seven larger units. No change in Metro Bond funds was requested. Changes or updates to information previously provided during the concept endorsement phase include:

- Net increase of funding sources (\$5.8 million) to reflect \$6.3 million increase in 4% LIHTC equity and \$150,000 decrease in OHCS Multifamily Energy Program funds that were not received and a \$445,000 decrease in the permanent loan.
- Increase of \$5.8 million in projects costs, including:
  - Increase in labor and material costs due to supply chain pressures
  - Underestimation of System Development Charges due to misunderstanding of City of Tigard's new policy
  - Addition of Packaged Terminal Heat pumps, in-unit air conditioning added in response to Metro policy guidance
  - Due diligence showed additional site work needed including shoring and earthwork, and need for easements on neighboring properties
  - Land acquisition price increase due to project delays
  - Increased operating reserves to support long-term sustainability
- Seven studio units were removed from the plans in order to add six 1-bedroom units and one 3-bedroom unit
- Five project based vouchers were added and layered on to 3-bedroom and 4-bedroom units

## Contribution to unit production targets

Terrace Glen Apartments will utilize 15.0% of Washington County's total allocation of bond funds (\$17,484,000.00) while delivering 144 units that meet the following unit production outcomes:

- 17.7% of Washington County's overall unit production target;
- 15.3% of Washington County's target of units affordable to households making 30% or less of area median income (AMI); and

- 18.2% of Washington County’s family sized unit target.

When combining this project with Washington County’s existing development portfolio, this puts the County on a path to have utilized 85% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 99.3% of Washington County’s overall unit production target;
- 95.2% of Washington County’s target of units affordable to households making 30% or less of area median income (AMI); and
- 97.3% of Washington County’s family sized unit target.

## Readiness to proceed

Washington County has submitted and Metro staff has reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:

- An updated project pro forma dated 08/16/2021
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Letters of Intent by OHCS, Citi Community Capital, U.S. Bank Community Development Corporation, Metro TOD, State of Oregon Private Activity Bond Committee.
- Permit set date 06/08/2021
- Phase I Environmental Site Assessment (ESA) dated 08/02/2021
- Land appraisal dated 08/23/2021

Staff have not identified any major risks to project feasibility but will continue to request updates from Washington County regarding how work is proceeding.

## Advancing racial equity

Metro staff have reviewed final project materials to confirm consistency with the racial equity elements of Washington County’s approved LIS. Key findings include:

- **Location:** The project is located in the Metzger neighborhood of Tigard. The surrounding area consists of a mix of low to medium residential and commercial retail buildings. The project is 0.7 miles from Metzger Park, 2.4 miles from Garden Home Community Library and park, and 2 miles from the Conestoga Recreation and Aquatic Center. Grocery stores are within walking distance, Metzger Elementary School is located 0.8 miles away, and middle and high school campuses are located within 1.7 and 2.6 miles, respectively. Washington Square Mall and a Transit Hub are adjacent to the site.
- **Transit access:** The site is located 100 ft from the frequent service #76 bus line and 0.4 miles from the Washington Square Transit Center served by multiple bus lines.
- **Diversity in contracting/hiring:** Project is committed to 20% minimum DMWESB participation, with an aspirational goal of 25%. The project is on track to achieve 20% DMWESB participation goal on professional services. Walsh’s (GC) Community Outreach Director will promote and convey the available subcontracting and workforce opportunities directly to the subcontracting community and assist DMWESB firms with all aspects of their participation.
- **Access for historically marginalized communities:** EngAGE and HomePlate are partnering with Terrace Glen to provide both a grass roots approach for initial lease up and re-leasing efforts. The team plan to work with the Immigrant Refugee Community Organization (“IRCO”) for initial outreach, consulting to ensure they we are meeting the needs of a broader range of

cultures and doing so with linguistically appropriate material. The team also plans to set clear and consistently applied policy to override the screening criteria.

- **Culturally appropriate services:** Terrace Glen will set aside three (3) units as permanent supportive housing to serve young adults experiencing, or at risk of, homelessness. These units will be supported with Project Based Section 8 Vouchers and PSH residents will receive relevant services from HomePlate, an agency with the mission of serving youth and young adults ages 12- 24 with outreach, mentorship and connection to resources. An intergenerational arts programs will be available to residents free of charge and managed by EngAGE. The operating budget also includes staffing for an on-site resident services manager who will develop a services program customized to the resident population. The resident services program will provide programming to facilitate economic stability, strategies for increased educational success, promote healthy lifestyles, and build strong communities.

## Community engagement to inform project implementation

Metro staff have reviewed the updated narrative to confirm consistency with the community engagement elements of Washington County's approved Local Implementation Strategy (LIS). Key findings include:

### **Strategies for ensuring ongoing engagement around project implementation reaches communities of color and other historically marginalized community members:**

Community engagement for Terrace Glenn was multi-faceted and led by Washington County's Department of Housing Services, in partnership with multiple community based organization's including IRCO, HomePlate, EngAGE, Somali Empowerment Circle, APANO and Bienestar. Between fall 2020 and spring 2021, eight Zoom listening sessions were held with BIPOC members from Somali, Black, Native American, Asian American and Pacific Islander and Latinx communities. Separate sessions for each BIPOC community were led in English, collaboratively in both English and the communities' preferred language or fully in the communities' native languages. Language preferences identified from the listening sessions included Arabic, Chinese, Chuukese, Filipino, Japanese, Khmer, Korean, Marshallese, Somali, Spanish, Tagalog, Tongan and Vietnamese.

In total, 75 BIPOC community members participated in the listening sessions which included: 24 Somali, 7 Black, 10 Native American, 18 AAPI and 16 Latinx community members. About half of participants completed the Metro demographic collection form: 80% live in WA County; nearly 90% qualify as very low income; a little less than 50% are immigrants/refugees; 25% are living with a disability; approximately 70% are female. In addition to the listening sessions, HomePlate conducted 20 one-on-one in-person interviews, IRCO completed 10 one-on-one phone interviews and EngAGE distributed paper surveys to residents of two properties in Multnomah County and received 25 responses. In total, 55 survey responses were received from community members.

### **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

Feedback from community members resulted in the following changes to project design: (7) studio units were removed from the plans in order to add (6) 1-BR units and (1) 3-BR unit. Community kitchen design was altered to add a staging area for cooking classes and food-oriented gatherings and a second range was added to the kitchen area. A moveable partition will be installed between community and art rooms to accommodate larger groups. The storage room was reconfigured for food storage with additional shelving and refrigerator as food box distributions are expected. A

second grill was added to the outdoor area. Outdoor benches were relocated to allow better visibility of children in play area. Similarly, first floor laundry room access was changed to allow better access and visibility to courtyard and playground area. A laundry room was added to the third floor. Washer/dryer appliances will be installed in 3-BR and 4-BR units. Fence style and height have been changed to better block sound, noise and fumes. Three parking spaces were added. The developer will work with schools to design optimal walking route and will advocate for increased sidewalks in the area.



# EXHIBIT B: Project summary submitted by Washington County | Metro bond concept endorsement for Terrace Glen Apartments

Submitted by: Shannon Wilson, Housing Development Manager,  
Housing Services Department, shannon\_wilson@co.washington.or.us  
Submitted on: August 18, 2021

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## Project Overview

Terrace Glen Apartments is a 4-story new construction building with 144-units located in Tigard on a 2.88-acre site. The unit mix consists of 29 studios, 41 one-bedrooms, 58 two-bedrooms, 13 three-bedrooms and 3 four-bedrooms. Of these, 3 units will be set aside as Permanent Supportive Housing (“PSH”), intended to serve formerly homeless youth between the ages of 18 and 24 with services provided by HomePlate. The units range in size from 404 SF to 1,341 SF. Incomes served range from 30% - 60% AMI. Related has a purchase and sale agreement that will transfer fee-simple ownership at closing. There is a vacant and abandoned single family house and vacant and abandoned church.

### Sources of funding include:

- 4% LIHTC Equity \$23,055,656
- Permanent Debt: \$10,200,000
- METRO Bond: \$ 17,484,000
- METRO TOD Grant: \$500,000
- Sponsor Contribution: \$25,000
- DDF: \$2,900,000

### Changes between Concept Endorsement and Final Approval

The unit mix was adjusted to include seven larger units, which resulted in two additional bedrooms, than originally anticipated in the Concept Endorsement. (See table below for unit mix changes.) OHCS MEP funds were originally anticipated and while relatively minimal the program has been over-subscribed. Five (5) project based vouchers were added and layered on three and four-bedroom units to deepen the affordability on hard-to-find larger family sized units.

Unit Size by Bedrooms	# Concept Approval	# Final Approval	Unit # Change
Studio	36	29	-7
1BR	35	41	+6
2BR	58	58	0
3BR	12	13	+1
4BR	3	3	0
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>

Packaged Terminal Heat Pumps (PTHPs), all-in-one heating and cooling, are now included in all 144 units. Since provision of PTHPs was not initially included in the project, this addition pushed out the contractor bid time due to updating the architectural plans. The construction start date changed to November 2021 from May 2021; the construction period increased from 15 months to 18 months; and, completion is scheduled for June 2023 instead of December 2022. Additional due-diligence on the land indicated an increased scope for site-work and further negotiation with the seller. An underground storage tank was also found that will need DEQ decommissioning; soils testing indicates the area around the tank is not contaminated. Further investigation on sewer/storm utilities led to the need of easements on neighboring properties. In order to fully

account for the expanded scope, and to ensure a successful project and timeline, the development schedule was adjusted. The new construction schedule fully accounts for the scope of the project and additional challenges with supply chain bottlenecks that include materials procurement.

**Preliminary Development Program**

Two buildings are designed to best utilize the parcel shape and size. The two buildings will total 151,000 SF. The community space consists of 6,000 SF. The site will provide 138 parking stalls and 83 bike parking spaces. This design is formed around a courtyard to create a central communal area that provides lines of sight to building entrances and the courtyard, which enhances security and customer service. The project also includes significant amenities to the serve the range of residents that will reside at the community. A multipurpose room will provide a vibrant space for the residents to informally connect with neighbors or gather for formal events and will flex as an art center. The space will be home to service partner, EngAGE’s co-generational classes for residents.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
<i>Studio</i>	13	30%	1	425	\$483
<i>Studio</i>	16	60%		425	\$948
<i>One Bedroom</i>	14	30%	2	625	\$518
<i>One Bedroom</i>	27	60%		625	\$1015
<i>Two Bedroom</i>	12	30%		775	\$621
<i>Two Bedroom</i>	46	60%		775	\$1218
<i>Three Bedroom</i>	9	30%	3	1175	\$718
<i>Three Bedroom</i>	4	60%		1175	\$1408
<i>Four Bedroom</i>	3	30%	2	1350	\$801
<b>Total</b>	<b>144</b>		<b>8</b>		

**Project Image**



## Background

In November 2018, voters authorized Metro to issue \$652.8 million in bonds to support affordable housing. Washington County received about \$116 million to construct 814 affordable housing units in the Washington County Metro Service area outside Hillsboro and Beaverton. The County developed a Local Implementation Strategy (LIS) and, in March 2020, issued a Notice of Funding Availability (NOFA) offering \$80 million of the \$116 million. To receive funding approval, projects had to be consistent with the LIS. Related NW applied to this NOFA for the Terrace Glen project. The project proceeded through the NOFA evaluation process and Concept Endorsement which included:

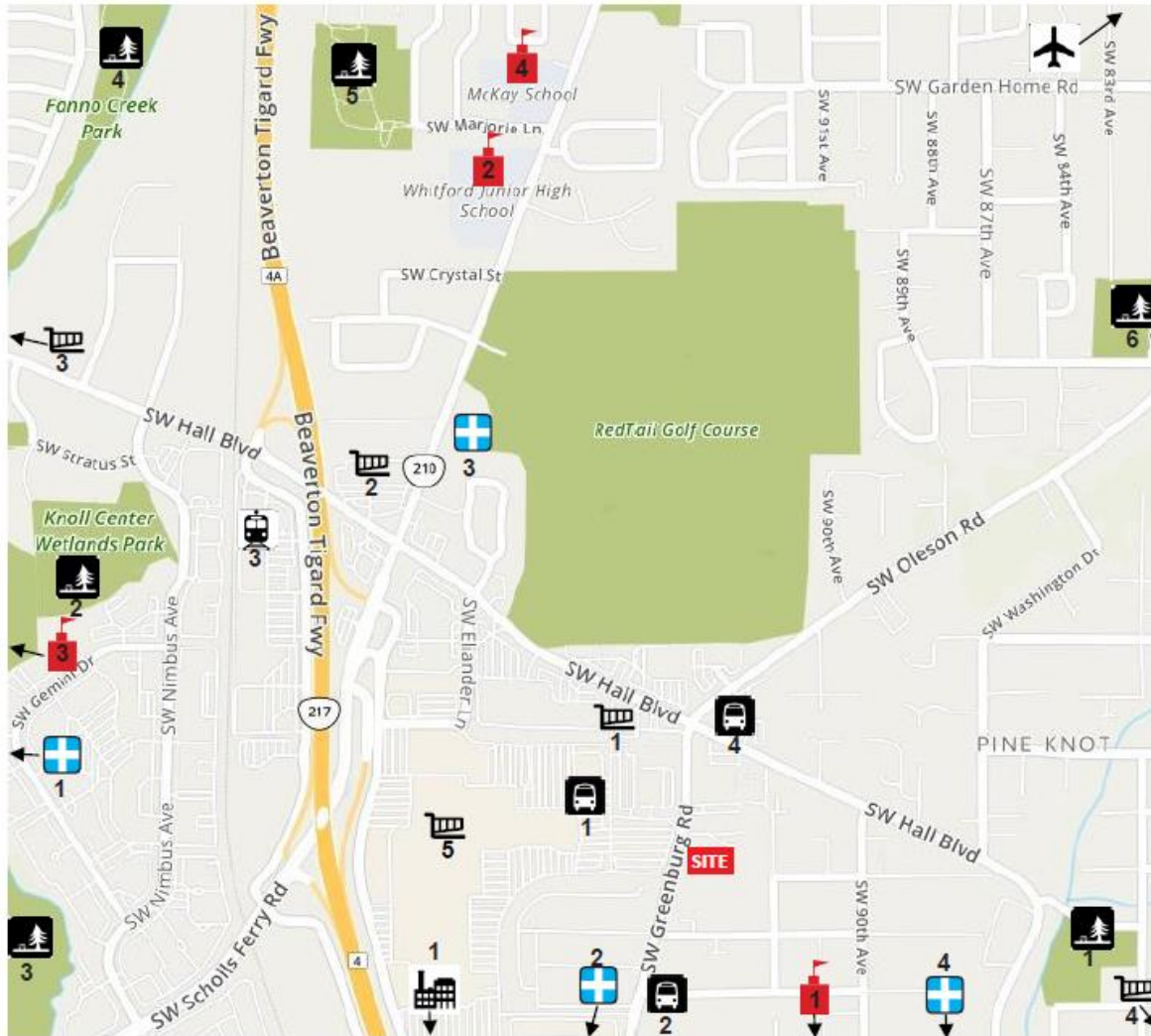
- Staff threshold review
- Third-party financial feasibility analysis
- Evaluation committee review
- Housing Advisory Committee review
- Washington County Board of Commissioners Concept Endorsement Approval (Sept. 1, 2020)
- Metro Concept Endorsement (Sept. 17, 2020)

The Site was selected based on its good proximity to a host of amenities including transit, grocery, parks, and schools. Local market studies dictated a lack of affordable housing in the area in which rents have been rapidly increasing. To date Related has fully developed the design and has applied for building permits. Land Use approval was received in April 2021. Walsh Construction along with GLI advisors have been providing building feasibility and cost estimating throughout design development. Related will go out to bid in late August and is scheduled to receive final GMP (guaranteed maximum price) numbers by late September. Other due diligence to date includes:

- Environmental Phase I and Phase II Reports
- Geotechnical Investigations
- Hazmat Surveys of the existing buildings
- ALTA Survey
- Utility Will-Serve letters
- Zoning analysis
- Tree canopy analysis and arborist report

## Location and Neighborhood

The property, located in the Metzger neighborhood and zoned MUE-1 (Mixed Use Dev. 1 & 2 zone), is near parks and public amenities including Metzger Park (.7 miles), Garden Home Community Library and Park (2.4 miles), and the Conestoga Recreation and Aquatic Center (2 miles). Washington Square Mall and a Transit Hub are across Greenburg Road. A bus stop is less than 100 ft. away providing direct access to Tigard Transit Center. Grocery stores are within walking distance, Metzger Elementary School is located .8 miles away, and middle and high school campuses are located within 1.7 and 2.6 miles, respectively.



## Site

The 2.88-acre site sits on one tax lot (1S126DC00901). Related Northwest gained site control with a Purchase and Sale Agreement in which title will transfer at the financial closing. Zoning is MUE-1. The appraisal is complete and is attached as an exhibit to this application. Two abandoned buildings remain on site and will be demolished after closing. One is a single-family residence, built in the 1950's, and an abandoned church built in the 1960's. Both buildings are vacant, and in poor condition. The demolition permit has already been approved by the City of Tigard. The Phase I report was relatively clean but did suggest a Phase II based on the possibility of an underground storage tank (UST). The only finding from the expanded Phase II was an Underground Heating Oil Storage Tank which tests showed negative for contamination. The tank will be removed and decommissioned after the financial closing while the General Contractor is mobilizing.

## Project Financing

Total development cost is estimated at \$54,164,656. Total development costs per unit is roughly \$376,143, or \$358/sf. The project will qualify for a property tax abatement through the Housing Authority of Washington County.

The City of Tigard identified a shortage of affordable housing, and according to their Affordable Housing Strategy Report approximately 33% of the City’s residents earned less than \$35,000, making them eligible for housing reserved for households at 60% AMI. In addition, 51.4% of Tigard renters pay more than 30% of gross household income on housing costs. In response to this shortage in order to encourage the development of affordable housing the City adopted in 2019 an Affordable Housing Plan which included policy goals such as the waiver of City SDCs, which is anticipated to reduce this project cost by \$1,850,000 from an original total of \$3,700,000. Additionally, Metro has provided a letter of support for the project and is funding \$500,000 given the project’s prime location in a Transit Oriented Development (TOD) corridor.

Summary of sources and uses:

<b>Sources:</b>	
Tax Credit Equity	\$23,055,656
METRO Housing Bond	\$17,484,000
METRO TOD	\$500,000
Permanent Loan	\$10,200,000
Sponsor Equity	\$25,000
Deferred Developer Fee	<u>\$2,900,000</u>
<b>Total Permanent Sources</b>	<b>\$54,164,656</b>
<b>Uses:</b>	
Land Acquisition	\$2,800,000
Hard Costs	\$37,951,297
Soft Costs	<u>\$13,413,359</u>
<b>Total Development Cost</b>	<b><u>\$54,164,656</u></b>

## Development Team

Related Northwest is one of the leading privately-owned multifamily apartment owners and developers in the country and has recently expanded into the Northwest as an affordable housing provider. Related has been acquiring and developing apartment properties for over 40 years and has over 15,000 units of affordable housing completed or in construction under its ownership and management on the west coast.

C2K – Architects C2K was formed in 2010. Their portfolio includes mid- and high-rise residential, mixed-use developments, offices and retail centers. Principal Kevin Sauser has over 24 years of experience in the architectural field, working in a variety of locations along the West Coast and across the United States. Recent work in the Portland area includes Homeroom Apartments, a 39-unit 4-story rental building at SE 14th and SE Stark St.

Walsh Construction is a long established reputable local area builder with over 59 years of contracting in the northwest. Walsh was selected by Related NW through a competitive process as their competency and reliability for quality construction will lend well to the project goals and site challenges. This will be Related NW’s third project with Walsh Construction.

GLI Advisors is the Construction Manager and brings 38 years of experience with over 70 projects totaling more than 6,000 units. They have successfully managed project budgets, critical path schedules, constructability review and issue resolution, and overall construction management to ensure contractor success and overall successful completion of the project. GLI Advisors has been a trusted partner of Related and the project team for many years.

## **Community Engagement**

Related joined an initial neighborhood meeting (via Zoom) on April 22, 2020, sharing information about the building's initial design, goals of the company, and formation of local partnerships to support the 144 units of affordable housing at Terrace Glen Apartments (TGA), set for winter 2021 groundbreaking. Since that time, Related has continued to be responsive to inquiries from neighbors (via letter and email) with some inquiries going through Washington County.

In addition, Related NW worked with its three nonprofit partners (IRCO, HomePlate and EngAGE) to query their stakeholders about TGA. The majority of the stakeholders were not computer oriented, nor did they have access to computers, so a more individualized approach was used. Related invited the partners to edit the survey content in order to best suit their clientele and in order to glean information that would position them for swifter success in the building. Questions were modeled after the Washington County online survey form and the Metro demographic form was unchanged. Questions pertained to outdoor space, transportation usages, social needs, leasing suggestions and language needs. Open ended questions at the end asked people to state what they'd most like to see in a future affordable housing development.

All survey results submitted to Related from the various Washington County Listening Sessions and its own building-specific surveys conducted with partners were reviewed by Related NW and shared with the development team. Influences and changes made to the project as a result are shared later in this report.

## **Advancing Racial Equity**

The proposal is committed to meeting the 20% minimum DMWESB target and based upon the scope of the project and prior experience, have set an aspirational goal of 25% DMWESB subcontractor utilization. Additionally, the project intends to achieve 20% DMWESB participation goal on professional services. Walsh has been the general contractor for two other Related NW projects where they reached above their 24% MWESB goals.

Terrace Glen will set aside three (3) units as permanent supportive housing to serve young adults experiencing, or at risk of, homelessness. These units are supported with Project Based Section 8 Vouchers. To address the varied needs of homeless young adults, PSH residents will receive relevant services from HomePlate, the only agency in Washington County with the mission of serving youth and young adults ages 12- 24 with drop-in centers, outreach, mentorship and connection to resources. HomePlate's Youth Employment Program (YEP), which guides homeless youth to gain meaningful employment and stability, will be a component of the services. An additional five Project Based Section 8 Vouchers will be used to provide deeper affordability for family-size units.

With deliberate implementation of strategies that promote equitable access to the target populations, the equity plan will help counter gentrification and displacement by affording new, coveted

affordable housing opportunities to those who call Tigard home and those who historically have not benefited from community development and revitalization. The contracting practices herein, specifically the Partners' eye to local contracting in Washington County, will also help counter gentrification by offering quality employment opportunities to members of the local community.

### **Accessible Housing**

At the core of all leasing activities at Terrace Glen will be a commitment to affirmatively furthering fair housing. This commitment will be evident in the screening criteria for the project. The project specific screening criteria will be reviewed by Related, service providers, and Quantum to ensure that it meets all required fair housing laws, works to advance racial equity, and does not directly or indirectly create disadvantages to the target populations. While a formal criterion will not materialize until after funding is committed, collectively, the team acknowledges the important element of setting a clear and consistently applied policy to override the screening criteria. For example, an eviction would disqualify a prospective tenant, but if that tenant was being referred to the property by HomePlate or IRCO, was actively engaged in services (including eviction prevention), that resident may receive an override. Criteria areas that will be assessed for the override policy include, credit, rental, and criminal history reviews. Consistency in the items that may receive an override and the resident services rationale for an override, will be fleshed out with the creation of the project specific screening criteria. Quantum currently manages several properties in Oregon with low-barrier to entry policies that similarly utilize policy overrides in screening.

### **Equitably Addressing Housing Needs**

Meeting the needs of the local community requires partnering with local service organizations that are trusted and respected by the community. Engage and HomePlate (collectively "Service Providers") are partnering with Terrace Glen to provide both a grass roots approach for initial lease up and re-leasing efforts as well as resident services relevant to the communities the project intends to serve. Further, we plan to work with Immigrant Refugee Community Organization ("IRCO") for initial outreach, consulting to ensure we are meeting the needs of a broader range of cultures and doing so with linguistically appropriate material. We are working with IRCO on the prospect of a satellite office as this would be a mutually beneficial relationship that could further expand our services and IRCO's reach.

### **Creating Economic Opportunity**

The creation of economic opportunities in the development of Terrace Glen begins with the partnership between RNW and HAWC. Through this public-private partnership we are providing the ability to leverage the financial wherewithal and development capacity of RNW to afford HAWC the ability to participate in this capacity more than it otherwise could on its own. This opportunity furthers HAWC's footprint and reach. Further, partnering on Terrace Glen provides diversification to HAWC's real estate holdings, and will provide economic opportunity for the Housing Authority to further all of its housing initiatives and support the County's most vulnerable community members.

### **Outreach in Contracting**

Contracting opportunities for Terrace Glen will be go out to Walsh's bidders list and advertising in local and minority newspapers. Walsh will analyze work scopes to match opportunities to DMWESB firm's expertise. Walsh's Community Outreach Director will promote and convey the available subcontracting and workforce opportunities directly to the subcontracting community and assist

DMWESB firms with all aspects of their participation. Walsh will hold pre-bid outreach meetings allowing bidders to plan for the bid period and respond in time.

## **Partnerships and Services**

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Our team has multiple years serving its mission and notably, many currently have strong presence in Washington County, programming specific to the needs of local residents, and are culturally responsive organizations that lead with equity in their service delivery.

The Service Providers overwhelmingly serve populations that mirror the project's target populations and deliver culturally responsive and/or culturally specific services. As such, utilizing the Service Providers' networks as a primary source for leasing efforts is a natural alignment to ensure housing at Terrace Glen is accessible to the target populations and equitable access for communities of color.

### **Lease Up Strategies & Assessment**

At the core of all leasing activities at Terrace Glen will be a commitment to affirmatively furthering fair housing. A number of strategies will be employed at the project to provide equitable access, including:

- Low barrier to entry screening that includes a consistently applied override policy for reviewing prospective tenant's credit, rental, and criminal histories.
- Linguistically appropriate materials that reflect community demographics to provide access to priority communities and help ensure equitable access to communities of color.
- On-site management and staff will receive diversity, equity and inclusion training and will be educated to understand the specific target population goals of the project. Importantly, management will endeavor to hire staff and vendors representative of the community.

Management will collect demographic data on all applicants. Annually, management will report to the Partners, demographic data relative to both total applicants and approved applicants. Data will be analyzed to gauge the effectiveness of both the project's marketing and outreach strategies as well as the project's screening and lease up processes. This annual assessment will inform necessary adjustments to most effectively reach the target populations and ensure equitable access.

### **Resident Services**

Resident services are a vital component of enhancing the lives of residents, particularly families. The Partners have thoughtfully sought out ways to deliver services responsive to the community's needs. The most notable being an innovative approach to deliver HomePlate programming onsite to the three units set aside for homeless youth free of charge. The proposed program, as detailed in the PSH plan, will provide culturally responsive youth programming to youth age 18-24 and will be the first of its kind for Related Northwest, a program we hope to replicate in the future with HomePlate. HomePlate's mission, programming, and the organization's commitment to equity make it a natural fit with the goals and objectives of the project.

An enriched arts program will enhance the vibrancy of the community to the residents free of charge. The proposed program will provide an intergenerational arts program to residents and will be the first of its kind in Washington County with EngAGE operating in an affordable housing community. With program delivery onsite, families will have one less logistical challenge to overcome in accessing activities and enrichment and, at no cost, one less financial obligation to



navigate.

In addition to the above, the project will provide general services to all residents, delivered through the service providers' culturally responsive and culturally specific platforms. The operating budget includes staffing for an on-site resident services manager who will develop a services program customized to the resident population. Service program development will be based on input from stakeholders, including, residents through surveys; the service providers, and the management staff. The resident services program will provide programming to facilitate economic stability, strategies for increased educational success, promote healthy lifestyles, and build strong communities. All resident services and activities will be provided at no cost to residents.

### Anticipated Timeline

Terrace Glen is fully designed and has submitted for the building permit. The lender and investor have been selected and underwriting has begun. November 18<sup>th</sup> is the targeted closing date. The timeline is:

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OHCS Pre-app Submittal	January, 2021	Completed
OHCS 4% Application	April, 2021	Completed
Select Lender/Investor	June, 2021	Completed
Building Permit Issued	November 2021	Estimated
Close Construction Loan and all Financing	November 18th, 2021	Estimated
Commence Construction	November, 2021	Estimated
Complete Construction	June, 2023	Estimated
Complete Lease-Up	February, 2024	Estimated
8609	April, 2024	Estimated

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