

METRO HOUSING BOND QUARTERLY REPORT | JANUARY - MARCH 2022

April 27, 2022

This is the first quarterly progress report for the Metro Affordable Housing Bond of 2022. 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 March 2022, the Affordable Housing Bond program has 32 projects representing 3,109 new affordable homes in the pipeline, including fourteen projects (1,837 units) that have received a Metro concept endorsement and are in pre-construction. Eighteen projects have received final approval, of which eleven (1,092 units) are under construction, and four projects (180 units) have begun accepting residents. Collectively, the 32 projects in the pipeline represent 3,109 new affordable homes, or 79.7%* of the total production target for the Housing Bond, while utilizing approximately 55.5% of allocated project funding. Of these homes, 1,555 will have two or more bedrooms, representing 79.7% of the program's production goal for family-sized homes; and 1,186 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 74.1% of the program's production goal for deeply affordable homes.

Production and funding dashboard



* The 2021 Q4 report incorrectly stated total unit progress at 83.6%. This was a calculation error. The correct total unit progress in Q4 2021 was 77.2%.

REGIONAL UPDATES

PORTLAND

- The construction start and completion dates of several projects have changed due to various reasons, including uncertainty of 4% LIHTC approvals, permitting, zoning and Environmental Review delays.
- Metro staff are currently reviewing a Concept Endorsement request of \$10.9M in Metro Bond funding for the **Alcena**, an Integrated Supportive Housing project that will create 75 units of new affordable housing. The project will include 31 units for households at or below 30% AMI and provide 19 new supportive housing units for chronically homeless individuals, couples or families.
- Portland's next competitive solicitation for Metro Housing Bond funds is anticipated for the fall of 2022. PHB anticipates concept endorsement approvals would be requested in late 2022 or early 2023.

HOME FORWARD

- **Troutdale Apartments:** Multiple meetings have been held with Multnomah County and the city of Troutdale to discuss the design team's land use application and Troutdale's desire for a pedestrian bridge which would land on the property.
- Home Forward has hired a land use consultant and engaged a land use attorney to assist in obtaining a parking variance approval. The required parking ratio is 2.3 parking spaces per unit and will likely cause a delay to the project timeline. The project anticipates presenting to the Troutdale Planning Commission in the future.

GRESHAM

- **Rockwood Village** will be reporting completion of all 47 Metro-funded units in the 2nd quarter of 2022. Lease-up activities are underway.

WASHINGTON

- **Aloha Family Housing** anticipates a project groundbreaking in the 2nd quarter of 2022.

REGIONAL PRODUCTION PROGRESS

	Eligible units	30% AMI units	2+ BR units	PSH units
Total units in pipeline	3,109	1,186	1,555	555
Total unit production targets	3,900	1,600	1,950	N/A
% of unit progress underway	79.7%	74.1%	79.7%	N/A
Total funding committed or underway	\$344,430,072			
% of funding committed	55.5%			
Total funding remaining	\$275,729,928			

LOCAL PRODUCTION PROGRESS

Portland

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Hattie Redmond/ <i>Baldwin PSH</i>	\$4,411,737	Construction	60	60	0	60	Oct-2021	Nov-2022
Dekum	\$22,910,240	Pre-construction	147	61	78	0	Apr-2022	Jan-2025
Findley Commons	\$1,945,175	Complete	35	0	0	35	Oct-2020	Dec-2021
Waterleaf/ <i>Riverplace</i>	\$1,739,219	Construction	176	17	48	20	Dec-2020	Oct-2022
74th and Glisan	\$19,972,884	Pre-construction	137	56	63	41	Dec-2022	May-2024
5020 N Interstate	\$9,363,137	Pre-construction	64	18	48	0	Jun-2022	Aug-2023
Albina One	\$13,572,107	Pre-construction	94	32	54	0	Mar-2023	Feb-2025
Meridian Gardens/ <i>Cedar Commons II</i>	\$12,435,416	Pre-construction	85	70	0	65	Jan-2023	Feb-2024
Hollywood Hub	\$29,084,328	Pre-construction	199	69	129	0	Jun-2023	May-2025
PCC Killingsworth	\$2,538,237	Pre-construction	84	28	60	0	Jun-2023	Aug-2024
Tilistial Village	\$3,511,176	Pre-construction	24	24	22	16	Jan-2023	Dec-2023
<i>Total units in pipeline</i>			<i>1,105</i>	<i>435</i>	<i>502</i>	<i>237</i>		
<i>Total unit production targets</i>			<i>1,475</i>	<i>605</i>	<i>737</i>	<i>300</i>		
<i>% of commitment complete</i>			<i>74.9%</i>	<i>71.9%</i>	<i>68.1%</i>	<i>79%</i>		
<i>Total committed or underway</i>			<i>\$121,483,656</i>					
<i>Total LIS funding</i>			<i>\$211,056,579</i>					
<i>% of funding committed</i>			<i>57.5%</i>					
<i>Remaining LIS funding</i>			<i>\$89,572,923</i>					

Washington County

Name	Metro Bond Funds	Status	Eligible Units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Aloha Family Housing	\$10,230,000	Pre-construction	81	33	50	0	Apr-2022	Apr-2023
Aloha Quality Inn	\$8,465,000	Construction	54	54	0	54	Dec-2021	Aug-2022
Plambeck Gardens/ <i>Basalt Creek</i>	\$14,320,000	Pre-construction	116	47	60	8	Mar-2023	Jun-2024
Goldcrest/ <i>Cooper Mountain</i>	\$8,700,000	Pre-construction	74	14	45	0	Feb-2022	Jun-2023
Plaza Los Amigos	\$12,830,000	Pre-construction	113	26	73	16	Jun-2022	Sep-2023
Saltzman Road	\$5,400,000	Pre-construction	53	28	9	24	Jun-2022	Aug-2023
Terrace Glen	\$17,484,000	Construction	144	51	73	3	Nov-2021	May-2023
The Valfre at Avenida 26	\$3,792,088	Construction	36	8	30	8	Jul-2021	Sep-2022
Tigard Senior	\$6,270,000	Pre-construction	57	23	0	23	Apr-2022	Sep-2023
Viewfinder	\$11,583,000	Complete	81	34	56	27	Jun-2020	Dec-2021
Total units in pipeline			809	318	395	163		
Total unit production targets			814	334	407	100		
% of commitment complete			99.8%	95.8%	98.3%	N/A		
Total committed or underway			\$99,074,088					
Total LIS funding			\$116,465,532					
% of funding committed			85.1%					
Remaining LIS funding			\$17,391,444					

Clackamas County

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Fuller Road Station	\$8,570,000	Construction	99	25	82	25	Apr-2021	Aug-2022
Good Shepherd Village	\$18,330,000	Pre-construction	142	58	79	35	Mar-2022	Aug-2023
Maple Apartments	\$15,903,000	Pre-construction	171	70	129	9	Mar-2022	Dec-2023
Tukwila Springs/ <i>Webster Road</i>	\$5,548,542	Construction	48	48	0	48	Oct-2021	Jun-2022
<i>Total units in pipeline</i>			460	201	290	117		
<i>Total unit production targets</i>			812	333	406	0		
<i>% of commitment complete</i>			56.6%	60.3%	71.4%	N/A		
<i>Total committed or underway</i>								
<i>Total LIS funding</i>								
<i>% of funding committed</i>								
<i>Remaining LIS funding</i>								

Hillsboro

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Nueva Esperanza	\$16,940,731	Pre-construction	149	60	105	8	Mar-2022	Oct-2023
Total units in pipeline			149	60	105	8		
Total unit production targets			284	117	142	0		
% of commitment complete			52.4%	51.2%	74%	N/A		
Total committed or underway			\$16,940,731					
Total LIS funding			\$40,657,081					
% of funding committed			42%					
Remaining LIS funding			\$23,716,350					

Gresham

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Albertina Kerr	\$ 11,189,475	Construction	147	30	31	30	Jan-2020	Jun-2022
Rockwood Village/Rockwood 10	\$5,152,030	Complete	47	47	39	0	Jan-2020	Apr-2022
Total units in pipeline			194	77	70	30		
Total unit production targets			187	77	93	0		
% of commitment complete			104%	100%	75%	N/A		
Total committed or underway			\$16,341,505					
Total LIS funding			\$26,756,995					
% of funding committed			61%					
Remaining LIS funding			\$10,431,965					

Beaverton

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Mary Ann	\$3,000,000	Complete	54	11	29	0	Jun-2020	Sep-2021
Elmonica	\$11,900,000	Pre-construction	80	33	32	0	Jun-2022	Dec-2024
Scholls Ferry Road	\$9,000,000	Pre-construction	164	12	84	0	Jun-2021	Oct-2022
Total units in pipeline Total unit production targets % of commitment complete			298	56	145	0		
			218	89	109	N/A		
			136.6%	63%	133%	N/A		
Total committed or underway			\$23,900,000 \$31,140,595 76.7% \$7,240,595					
Total LIS funding								
% of funding committed								
Remaining LIS funding								

Home Forward

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Troutdale Apartments	\$15,213,585	Pre-construction	94	39	47	0	Apr-2023	Oct-2024
Total units in pipeline			94	39	47	0		
Total unit production targets			111	46	55	0		
% of commitment complete			84.6%	84.7%	85.4%	N/A		
Total committed or underway			\$15,213,585					
Total LIS funding			\$15,879,123					
% of funding committed			95.8%					
Remaining LIS funding			\$665,538					

PROJECT ENDORSEMENTS AND FINAL APPROVALS

*The following projects were endorsed or approved during the first quarter of 2022. Staff reports for these approvals are included in the Quarterly Report Project Approvals Addendum.***

Project	Endorsement/Approval
Troutdale Apartments	Concept Endorsement
Aloha Family Housing	Final Approval
Dekum Court Redevelopment	Final Approval
Goldcrest	Final Approval
Maple Apartments	Final Approval
Nueva Esperanza	Final Approval

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

METRO AFFORDABLE HOUSING BOND

Financial Report Through March 2022

FINANCIAL SUMMARY

TOTAL REVENUE	\$684,505,190
TOTAL EXPENSES and DISBURSEMENTS	\$144,659,269
TOTAL COMMITTED	\$211,047,953
TOTAL FUNDING REMAINING	\$328,797,968

REVENUE

	FY 2018 - 2021	FY 2021 - 2022	TOTAL REVENUE
Bond Proceeds	\$652,800,000		\$652,800,000
Premiums on Bonds	\$2,630,335		\$2,630,335
Interest Earnings	\$25,158,863	\$3,915,992	\$29,074,855
TOTAL REVENUE:	\$680,589,198	\$3,915,992	\$684,505,190

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

EXPENSES

PROJECTS	Prior Years Expended or Disbursed	FY2021-22 Expended or Disbursed	Committed -- Not Yet Disbursed	TOTAL EXPENDED, DISBURSED or COMMITTED	WORK PLAN FUNDING	% of Work Plan Funding Expended, Disbursed or Committed
Jurisdiction:						
Beaverton	\$3,000,000	\$0	\$20,900,000	\$23,900,000	\$31,140,595	76.75%
Clackamas County	\$14,118,542	\$18,330,000	\$15,903,000	\$48,351,542	\$116,188,094	41.61%
Gresham	\$16,341,505	\$0	\$0	\$16,341,505	\$26,756,995	61.07%
Hillsboro	\$0	\$16,940,731	\$0	\$16,940,731	\$40,657,081	41.67%
Home Forward (East Multnomah Co.)*	\$0	\$0	\$15,213,585	\$15,213,585	\$15,879,123	95.81%
Portland*	\$3,684,394	\$4,411,737	\$111,511,368	\$119,607,499	\$211,056,579	56.67%
Washington County	\$17,233,000	\$34,321,088	\$47,520,000	\$99,074,088	\$116,465,532	85.07%
Metro Site Acquisition Program	\$4,801,959	\$170,868	\$0	\$4,972,827	\$62,016,000	8.02%
Other Metro Direct Project Costs	\$0	\$28,295	\$0	\$28,295	\$0	N/A
TOTAL:	\$59,179,400	\$74,202,719	\$211,047,953	\$344,430,072	\$ 620,160,000	55.54%

*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.

ADMINISTRATIVE	Prior Years Expended or Disbursed	FY2021-22 Expended or Disbursed	TOTAL EXPENDED or DISBURSED	WORK PLAN FUNDING	% of Work Plan Funding Expended or Disbursed
Jurisdiction:					
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	\$2,674,450	\$6,783,559	\$13,056,000	51.96%
Reserved for Future Allocations				\$6,528,000	0.00%
TOTAL:	\$7,634,804	\$3,642,346	\$11,277,150	\$32,640,000	34.55%

** 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

Metro Affordable Housing Bond Program Concept Endorsement

Project Name: Troutdale Apartments

Implementing Jurisdiction: Home Forward

Metro IGA Contract Number: 937300

Anticipated construction start: March 2023

Anticipated construction completion: September 2024

Action:

Metro hereby provides Home Forward with Concept Endorsement of \$15,213,585.00 in Metro Affordable Housing Bond funds for the development of Troutdale Apartments, a regulated affordable housing project located to the SE of the intersection of SW 257th Avenue and E Historic Columbia Highway, Troutdale. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Home Forward, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Home Forward, 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
7	Studio	30%	5
7	Studio	60%	0
10	One-bedroom	30%	5
23	One-bedroom	60%	0
14	Two-bedroom	30%	9
20	Two-bedroom	60%	0
8	Three-bedroom	30%	6
5	Three-bedroom	60%	0

Changes to the information contained in the concept endorsement request provided by Home Forward 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.



Metro

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Portland, OR 97232-2736
oregonmetro.gov

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

Marissa Madrigal

Chief Operating Officer

3/21/2022

Date

Exhibit A: Metro staff findings and recommendations |

Concept endorsement request for Troutdale Apartments



Drafted by: Alison Wicks, Housing Bond Program Coordinator, Jimmy Oporta, Housing Bond Program Analyst, and Emily Lieb, Housing Bond Program Manager
Date: February 1, 2022

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 Troutdale 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 Home Forward.

Contribution to unit production targets

Troutdale Apartments will utilize a total of \$15,213,585 in Metro affordable housing bond funds, which is 96% of funding allocated to Home Forward for implementation in the portion of East Multnomah County not covered by implementation agreements with the cities of Portland and Gresham. The project will deliver 94 units that meet the following unit production outcomes for Home Forward's implementation activities in East Multnomah County:

- 85% of Home Forward's overall unit production target;
- 98% of Home Forward's target of units affordable to households making 30% or less of area median income (AMI); and
- 98% of Home Forward's family sized unit target.

Home Forward's funding allocation for implementation in East Multnomah County was \$15,879,123 which included \$1,764,347 in funding initially allocated in Metro's Work Plan to the Metro Site Acquisition Program, but later transferred to Home Forward through the implementation intergovernmental agreement (IGA) out of recognition that this funding was not sufficient to acquire and develop an additional site and would be better deployed to contribute to the development of Home Forward's Troutdale project. Due to site constraints, Home Forward determined that it could not achieve the full production goal of 111 units for east Multnomah County on the Troutdale site. For this reason, Home Forward has also proportionately reduced its requested funding for the project by \$665,538 less than the Eligible Share amount in the Metro/Home Forward IGA. The unutilized funds will be available for future allocation by Metro, consistent with program goals and requirements.

Eligibility and readiness to proceed

Home Forward 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 11/4/2021
- An executed IGA between Multnomah County and Home Forward for terms of transfer of title to real property located on NE 257th, Troutdale, Oregon, demonstrating evidence of site control, dated 2/10/2021.
- Zoning verification letter from the City of Troutdale stating that dwelling units a permitted use on the site, dated 11/5/2021
- Site plan demonstrating site capacity, dated 11/2/2021
- Development team resumes and developer schedule of real estate owned, demonstrating 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.

Staff have identified the need to receive documentation related Home Forward's estimated sponsor contribution of \$2.18 million as part of the Final Approval process, to ensure a reasonable net cash developer fee. The current pro forma shows a \$1.96 million net cash developer fee (5.44% of developer fee basis), dependent on a \$2.18 million cash investment and \$1.25 million deferred developer fee.

Climate resilience and cooling

The Troutdale Apartments project is seeking Earth Advantage Gold certification. The project will provide in-unit heating and cooling via mini-split heat pumps for all units. These were incorporated into the project plans in response to Metro's cooling policy guidance in September 2021.

Advancing racial equity

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

- **Location:** The Troutdale site is a contiguous 3.58 acres parcel located near the corner of SW 257th Avenue and E Historic Columbia Highway in Troutdale. The site is located one block from the historic town center of Troutdale, including shops, jobs, and transportation. To the south the site is bounded by SW 4th Avenue which is predominately residential in nature. To the west the site is bounded by SW 257th Avenue and to the east is adjacent to office buildings including the Multnomah County Sheriff's Department. Within two blocks of the site is the 9.51 acres Helen Althaus City Park with facilities including basketball courts, hiking trails, and playground.
- **Transit access:** The #77 bus line connects Troutdale to downtown Portland, the #81 bus line connects residents to the Troutdale industrial area with major employers like FedEx and Amazon together with Mount Hood Community College. Additionally, the #80 bus line connects the site to local recreation including Glenn Otto Park.
- **Diversity in contracting/hiring:** Home Forward updated their economic equity policy to 28% participation for COBID firms, and Troutdale Apartments will be subject to this goal, which exceeds the goal stated in Home Forward's Local Implementation Strategy (LIS) of 20% MWESB participation. Home Forward's Workforce Training and Hiring Program requires state-registered apprentices to work a minimum of 20% of the labor hours

per trade on construction contracts of a certain size. In addition to apprentice hours, Home Forward aims to increase the numbers of women and communities of color in the construction trades. As a result, project workforce commitments for apprentice and journey level hours are set at 9% for women and 20% for BIPOC (Black, Indigenous and People of Color).

- **Access for historically marginalized communities:** An Affirmative Fair Housing Marketing Plan will be provided at final approval. Home Forward has a strong track record on fair housing and low-barrier screening will be used at the project and the property management company will work with culturally specific organizations to market to BIPOC communities. Home Forward's property management company and resident services staff will collaborate with culturally specific organization such as NAYA, Self Enhancement, Inc., El Programa Hispano, IRCO, Urban League and other.
- **Culturally appropriate and responsive services:** Resident services staff will conduct a comprehensive needs assessment as the property is leased up and on an annual basis. Services will target maintaining housing stability and increasing self-sufficiency. General resident services will be provided by Home Forward staff or specific service providers such as El Programa Hispano or a combination of both. Services will provide innovative, trauma informed, and flexible approaches. The project is not planning to include any permanent supportive housing (PSH) units.

Community engagement to inform project implementation

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements Home Forward's approved Local Implementation Strategy (LIS). In general, staff find a clear connection between general community input received during planning for the LIS and the plans for this project.

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

Overall, community engagement was effective at eliciting feedback from BIPOC communities. Through its partnerships with El Programa Hispano, SEI and IRCO, Home Forward engaged members from the Latinx, African American and Eastern European communities. A majority of the focus group participants were women and included participants who are low income and who primarily speak Spanish and Russian. In addition to early engagement efforts, Home Forward convened a 20-member Community Advisory Committee to gather feedback on project design and community priorities.

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

Major themes gathered from focus group meetings that will be included in the Troutdale project included:

- Larger living room and kitchen areas for families
- Green areas near doorways
- Natural landscaping
- A community room large enough for group gatherings and meals

- Secure-video bike parking
- Safety for residents on-site

Major themes from the Community Advisory Committee meetings that will be included in the Troutdale project included:

- Comfort and access to residents
- A people-centered approach to services and buildings
- Securing community resources to support all aspects of affordable housing, including electricity, medical, transit and childcare.

EXHIBIT B: Project summary submitted by Home Forward | Metro bond concept endorsement for Troutdale Apartments

Submitted by Michael Fu, Project Manager
Home Forward, michael.fu@homeforward.org
Submitted on: 11/16/2021

Project Overview

Home Forward is requesting a Metro Concept Endorsement to award up to \$13,449,238 (\$143,077/Unit) in Metro Bond Funds and \$1,764,347 in Metro Land Acquisition Funds to Home Forward for the Troutdale Apartments, a proposed new construction project consisting of 94 units of affordable housing near the corner of SW 257th Avenue and E Historic Columbia River Highway in Troutdale, Oregon. Home Forward is the project developer/owner.

Multnomah County currently owns the project site. On February 10th, 2021, Home Forward and Multnomah County executed an IGA securing the transfer of title of the project site to Home Forward for the development of the Troutdale Apartments with the deed being delivered at financial closing. The project site is approximately 3.58 acres and is currently undeveloped.

Development financing for the Troutdale Apartments includes 4% LIHTC equity, Oregon Affordable Housing Tax Credits (OAHTCs), Metro Bond Funds, Metro Land Acquisition Funds, permanent and construction loans, Home Forward funds, and deferred developer fee. Additionally, the project is anticipated to benefit from 25 project based rental assistance vouchers. As of submission, these project based vouchers are not yet committed to the project.

Preliminary Development Program

The proposed Troutdale project consists of 94 units which are a mix of studios, ones, twos, and three-bedroom apartment homes for individuals and families earning up to 30% AMI or 60% AMI. Total square footage for the Troutdale project is anticipated to be approximately 82,750 sq ft including 16,550 sq ft of residential common areas. Amenities include a community room, laundry facilities, bike storage, outdoor plaza, ample parking spaces and office space for resident services and on-site property management.

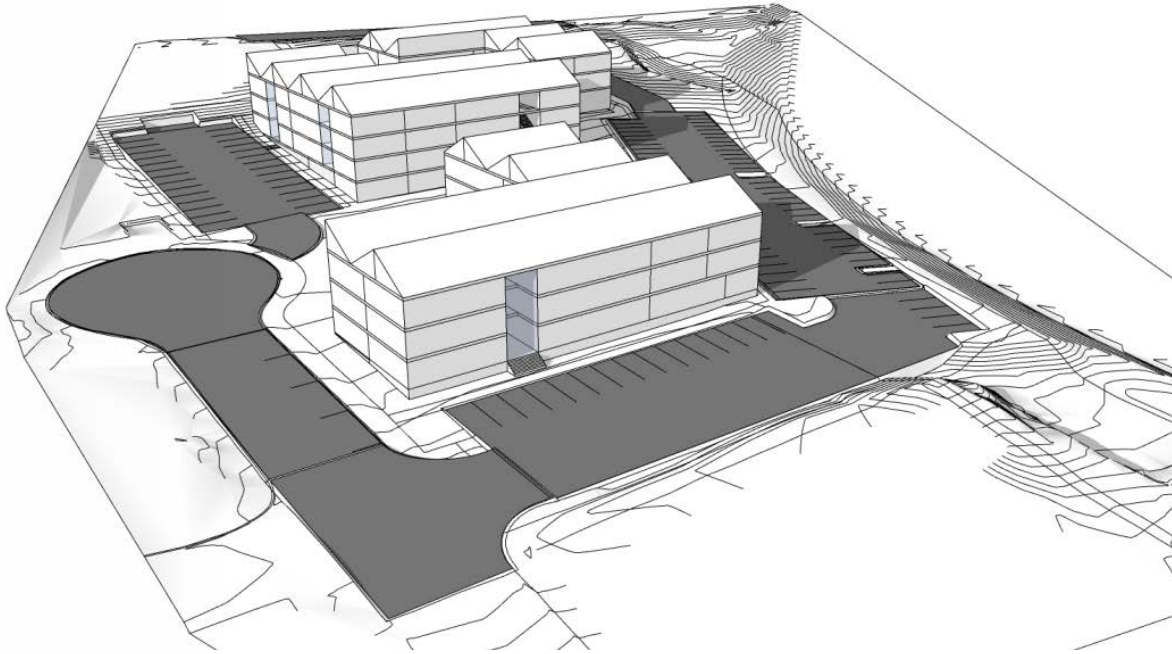
Unit size (no. of bedrooms)	No. of units***	AMI %	PBVs*	Square feet/unit	Gross monthly rent/unit**
Studios	7	0-30%	5	350	\$508
Studios	7	0-60%		350	\$1,015
Ones	10	0-30%	5	600	\$544
Ones	23	0-60%		600	\$1,087
Twos	14	0-30%	9	800	\$653
Twos	20	0-60%		800	\$1,306
Threes	8	0-30%	6	1,000	\$754
Threes	5	0-60%		1,000	\$1,508
Total	94		25		

*Rent subsidy for the 25 units is anticipated from HUD Project-Based Section 8 vouchers. The rental assistance will cover the difference between the tenant's payment (approximately 30% of income) and 60% AMI rents.

**The gross monthly rent reflects the 2021 HUD rent rate for 30% AMI or 60% AMI units.

*** 30% AMI units that do not benefit from a HUD Project-Based Section 8 voucher receive pass through AMI buy down from OAHTCs to achieve the 30% AMI restriction.

Project Image



Massing of the Troutdale Apartments viewed from the North.

Background

The Metro voters approved Ballot Measure 26-199 on November 6, 2018 authorizing Metro to issue \$652.8 million in general obligation bonds to fund affordable housing. On January 31, 2019, the Metro Council adopted Resolution 19-4956 which provides that Metro will distribute a portion of the proceeds to local governmental affordable housing implementation partners. Home Forward's local implementation strategy proposed 111 units, of which 46 would be less than 30% AMI and 55 family sized units, with a total Metro Bond Funds of \$15,900,000 (\$154,243/unit) with a focus in the jurisdictions of Fairview, Wood Village, or Troutdale. The current design of the Troutdale Apartments would satisfy 94 of these units with 39 below 30% AMI and 47 family sized units. In percentage terms, there would be 41.5% below 30% AMI units and 50% family sized units. The project's goal is to provide at least 41% of units at or below 30% AMI and over 50% of the units will be family sized.

Location and Neighborhood

The site is located one block from the historic town center of Troutdale, including shops, jobs, and transportation. The #77 bus line connects Troutdale to downtown Portland, the #81 bus line connects residents to the Troutdale industrial area with major employers like FedEx and Amazon together with Mount Hood Community College. Additionally, the #80 bus line connects the site to local recreation including Glenn Otto Park. Development to the north is primarily 1- to 2- story commercial or mixed-use buildings of Troutdale's historic town center. To the south the site is bounded by SW 4th Avenue which is predominately residential in nature. To the west the site is bounded by SW 257th Avenue and to the east is adjacent to office buildings including the

The map shows the location of the new apartment building, outlined in black, situated near the intersection of SW 257th Ave and SW 4th St. Surrounding landmarks include Helen Althaus Park to the south, Troutdale Elementary to the east, and the Troutdale Town Center to the north. Major roads like E Historic Columbia Hwy and SE Harlow Ave are also visible. Bus routes #77, #81, and #80 are marked with red dots. Other features include Depot Park, Carolyn Taylor Natural Area, Harlow House Park, and Strawberry Meadows Greenway.

The Troutdale site is a contiguous 3.58 acres parcel located near the corner of SW 257th Avenue and E Historic Columbia Highway in Troutdale. The site does not currently have an address. The site is currently undeveloped. The site's topography is sloping approximately from north to south.

Project Financing

3

Home Forward anticipates submitting its request for non-competitive 4% tax credits and non-competitive OAHTCs in June 2022. Other capital sources include Permanent Loan with OAHTCs, Metro Bond funds, Metro Land acquisition funds, Home Forward funds, and a deferred developer fee. If required by LIHTC counsel the market value of the land will be financed through Home Forward's land seller note. Troutdale is a local jurisdiction which requires SDCs for the construction of affordable housing and the project is budgeting for \$1,287,482 in SDC charges.

The Troutdale Apartments anticipates support from 25 HUD Project-Based vouchers. Home Forward is exempt from paying property taxes on the site.

Sources and Uses Overview

Source	Amount	Use	Amount
4% LIHTC Equity	\$15,207,953	Land/Acquisition	\$20,000
Metro Bond Funds	\$13,449,238	Construction Costs	\$29,243,998
Metro Land Acquisition Funds	\$1,764,347	Soft Costs (excl. Developer Fee)	\$7,393,069
Permanent Loan	\$8,200,000	Developer Fee	\$5,393,988
Home Forward Funds	\$2,059,302		
Deferred Developer Fee	\$1,370,215		
Total	\$42,051,055	Total	\$42,051,055

Development Team

- **Developer/owner:** Home Forward (HF) is owner and developer of over 6,500 units of public and affordable housing in Multnomah County. The organization's development department consists of 18 staff including registered Engineers, Architects, Finance staff, and in-house relocation staff. Home Forward has an established record of developing complex projects with multiple public and private financing sources.
- **General contractor:** Bremik Construction is an experienced contractor that has built over 1,300 housing units in the last six years, with 600 more under construction or in preconstruction. Bremik's experience with multifamily projects includes renovation and new construction; small, midsize, and large developments; affordable and market-rate properties; and successful DMWESB utilization to meet the goals of public funders.
- **Architect:** MWA Architects is a local firm with offices in Portland and San Francisco with experience in architecture, interior design, urban design, and planning services. MWA was first established in 1988 and has designed 114 of affordable housing developments containing approximately 10,300 units.
- **Property Manager:** Pinehurst Property Management currently manages approximately 2,700 units across the state of Oregon. Pinehurst Property Management's sole focus is to manage communities to keep people and families housed and help them become, and remain, stable. The ownership of Pinehurst Property Management has over 80 years of combined experience in a wide variety of projects including LIHTC, HOME, PSH, PBV, Risk Share Bond, Farm-Worker Housing, and more.

Community Engagement

When approaching the new development in Troutdale, Home Forward's engagement goal is to involve and center the voices of people who live in affordable housing or who would benefit from affordable housing. Home Forward strives to prioritize input from low-income communities of color, seniors, people living with disabilities, and people with lived experience of houselessness. The project team will clarify expectations and potential "areas of influence" during the initial meeting and the on-going design process to ensure feedback is manifested in the project.

In addition to the extensive outreach undertaken during Metro's Local Improvement Strategy process in 2019, Home Forward staff started outreach with three focus groups during summer 2021. Home Forward staff worked with culturally appropriate non-profits to gather input regarding housing and services needs and preferences (while prioritizing outreach to residents living east of SE 182nd). This information helped set the stage for the design team in planning for the first Community Advisory Committee meeting (see below).

The three focus groups included outreach by three partnering organizations: 1) El Programa Hispano – 9 participants on August 16 Zoom call; 2) Self Enhancement Inc (SEI) – one participant on August 17 Zoom call; and Eastern European immigrant communities – 11 participants on August 19 Zoom call.

Questions were focused on "areas of influence" to gauge community values and included: Outdoor spaces; Community building spaces; On-going resident services; and Priorities for on-going engagement opportunities during development.

Outreach to other key groups has included: Head Start parent council input; Group working with houseless in East County; Multnomah County Office of Aging, Disability and Veterans Services, East.

Home Forward's Troutdale Community Advisory Committee (CAC) – In addition to the overall engagement goal (to center the voices of people who live in affordable housing or who would benefit from affordable housing), the CAC model strives to create shared engagement between community stakeholders which can strengthen efforts to build community. It also seeks to increase education about affordable housing funding, requirements, and processes.

Approximately 20 members have been recruited from East Multnomah County to serve on the Troutdale development CAC. These include:

- 9 community members from initial outreach and other people who live east of Gresham; people who have lived experience of or need for affordable housing
- 4 representatives of service providers (SEI, El Programa Hispano, Elementary school principal; Multnomah County Aging, Disability and Veterans Services representative, and a former on-site property manager with after-school daycare center.
- 2 Funding Partners (Multnomah County staff person to Commissioner Stegman; Metro staff member from Transit Oriented Development program)
- 5 local community neighbors (large and small business owners; adjacent homeowners; sheriff's office representative)

The first CAC meeting was held on October 27th. Home Forward has contracted with Shauna Adams to serve as a neutral facilitator, and she started the meeting with a grounding in the difficulties of the past 18 months and a request to lean into efforts to build bridges between differing viewpoints. Home Forward staff gave a high-level overview of the development project and funding requirements, followed by a brief presentation by the design team of the early conceptual design including initial blocking for buildings on the site, parking layout and trade-offs.

The next four virtual meetings (6-7:30 pm) are anticipated on:

- December 8 – hold for possible design Q & A
- January 19 – schematic design phase (unit types and layouts)
- TBD in March – design development phase (more details)
- TBD in September – final design

Home Forward plans to continue communication with elected officials, including a presentation about our engagement process & affordable housing funding requirements.

Outreach to broader community will include a community newsletter approximately mid-January, followed by periodic updates. The newsletter will be bulk mailed within ½ mile of the site and distributed to the PTA at the nearby elementary school.

Advancing Racial Equity

Equity in Contracting/Workforce

In 2020, we updated our Agency wide Economic Equity Policy to a requirement of 28% participation for COBID firms, an increase from the previous target of 20%, originally set in 2002. This applies to all contracts, not just construction. In addition, the Equity Plan must deliver 10% of subcontracting dollars to businesses enrolled in HUD's Section 3 Program (a federal program designed to create opportunities for low- and very-low-income persons) and increase the number of hours worked in apprenticeship and journey-level jobs to 9% for women and 20% for the BIPOC (Black, Indigenous, and People of Color) communities through participation in the City of Portland's Workforce Training and Hiring program.

Home Forward emphasized the importance of DMWESB participation in its 2021 RFP process to select a General Contractor (Bremik) and Design team (MWA) for the Troutdale Apartments by allocating significant points in the selection criteria. Both Bremik and MWA have worked with other local affordable housing funders to meet participation goals in projects including Magnolia II, Vibrant, Stephens Creek Crossing, Renaissance Commons, and Cathedral Village. The project is currently on track to achieve an estimated 33% DMWESB participation for professional services, exceeding Home Forward's agency goal of 28%. Bremik has committed to meeting or exceeding Metro's 30% goal for hard construction costs.

In addition, our agency journey-level goals for women and people of color sends a strong signal to the construction industry. Opening a door to women and people of color through apprenticeship programs means little if they do not receive the mentoring and supports needed to truly build their careers and advance from apprentice to journey level work. Tracking journey-level hours helps ensure that women and people of color advance within the construction industry. This demonstrates Home Forward's intention to use our purchasing power strategically. It will ultimately catalyze new COBID businesses and increase COBID participation.

Affirmative Marketing and Application

One of the first step in affirmative marketing practices are low barrier screening criteria. Consistent with our organizational values of advancing social and racial justice, low barrier screening criteria are familiar to Home Forward. Before Portland's Fair Access in Renting (FAIR) Ordinance existed, Home Forward had established low-barrier criteria such as eliminating requirements for previous landlord references, security deposits equal to one month's rent, and allowing multiple forms of identification. A core element of FAIR's low-barrier screening criteria is a reduced focus on criminal history. On this key point, Home Forward is currently implementing updated low-barrier screening criteria that ignore 183 felonies and 241 misdemeanors that, under FAIR's low-barrier criteria, are legitimate grounds for application denials. Home Forward's criminal history policy looks beyond the misdemeanor/felony categorization and focuses instead on the actual act. We take this closer look because we believe that many felonies, and even larger numbers of misdemeanors, would have little to no impact on our communities if they reoccurred. Home Forward's screening criteria will be used independent of which property management company manages Troutdale. This will help to ensure equitable outcomes for people of color who are over-represented in our justice system.

In addition to more traditional marketing, Home Forward relies on relationships with service organizations, especially those that serve BIPOC communities, for marketing and outreach to potential residents. Our property management company and resident services staff will collaborate with culturally specific organizations such as NAYA, Self Enhancement, Inc., El Program Hispano, IRCO, Urban League and others to ensure that potential residents know about the availability of the Troutdale apartments. This ensures a steady stream of housing applications from BIPOC community members and those most at need for affordable housing because the best possible marketing is a word-of-mouth recommendation from a trusted source.

Property management, resident services staff and partner organizations will provide support to potential residents completing applications including support obtaining identification, proof of income and encouraging applicants to appeal denials. This can be a lengthy and challenging process for applicants.

Partnerships and Services

As described in the community outreach section, Home Forward has held several focus groups with BIPOC target populations and is hosting a 9-month long community engagement process. This will help to identify needs and potential partnerships that will serve future tenants.

General resident services will be provided by Home Forward staff or specific service providers such as El Programa Hispano or a combination of both. Services will provide innovative, trauma informed, and flexible approaches. Home Forward has significant experience assessing for and meeting the ongoing service needs of our residents, with multiple properties and programs designed to serve community members with similar lived experiences.

Resident services staff will conduct a comprehensive needs assessment as the property is leased up. We will conduct an intake with each household, with an optional service questionnaire, that will inform initial service offerings. Subsequently and on an annual basis, we will conduct ongoing needs analysis consisting of demographic data analysis, an updated local service scan and updated

best practice review as well as surveying residents and other stakeholders to best meet evolving needs.

Our service package will be designed and built using information we will gather through focus groups, resident input, research, and experience.

Services will target maintaining housing stability and increasing self-sufficiency. Services will likely include:

- Assistance accessing benefits
- Eviction prevention and conflict resolution
- Food security and assistance
- Criminal record expungement
- Financial capabilities and credit counseling
- Employment services through WorkSource Centers and others
- Transportation assistance
- After school support for youth
- Community activities and dinners
- Free community room internet and access to computers

Livability and Accessibility

The Troutdale development incorporates livability and accessibility as central design parameters. In particular, the building arrangements and shapes were re-designed into L-shapes to address Community Advisory Committee input regarding weather and the east winds arising from the Columbia River Gorge. Additionally, the location of parking was reorganized to minimize walking distances. The development will furnish a community room with free wi-fi access that can accommodate classes and resident meetings. The site provides for generous green spaces that includes a community garden, picnic areas, BBQ area, seating areas and a children's playground. The design includes five Type A, fully accessible units, and six Type B units. Additionally, washer and dryers are specified for all units.

Climate Resilience and Sustainability

The Troutdale development will provide cooling via mini-split heat pumps for heating and cooling in all units. Mini-split heat pumps are energy efficient way to provide both heating and cooling. In community spaces a combination of single-zone and multi-zone split system heat pumps will be used to provide heating and cooling. Additionally heat recovery ventilators will supply fresh air and continuous ventilation to all units. Home Forward has hired Imagine Energy to perform a due diligence study to ascertain the feasibility of including a photovoltaic system (solar panels) to the project. The project is targeting Earth Advantage Gold certification.

Anticipated Timeline

Building Permit Submitted	8/24/2022
Metro Concept Endorsement	11/2021
OHCS 4% LIHTC Pre-Application Submitted	6/2022
OHCS 4% LIHTC Application Submitted	9/2022
Metro Final Approval	2/2023

OHCS Housing Stability Council	3/2023
Financial Closing	3/16/2023
Construction Start	3/17/2023
Construction Completed	9/2024
Lease-Up Completed	3/2025

Metro Affordable Housing Bond Program

Final Approval

Project Name: Aloha Family Housing

Implementing Jurisdiction: Washington County

Metro IGA Contract Number: 936591

Date of Concept Endorsement: September 17, 2020

Anticipated construction start: March 2022

Anticipated construction completion: August 2023

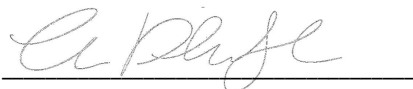
Action:

Metro hereby provides Washington County with Final Approval of \$10,230,000.00 in Metro Affordable Housing Bond funds for the development of Aloha Family Housing, a regulated affordable housing project located at 3575 SW 174th Avenue, Beaverton. 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 the following Project unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
7	Studio	30%	0
24	One-bedroom	30%	0
2	Two-bedroom	30%	0
43	Two-bedroom	60%	0
5	Three-bedroom	60%	0

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 Washington County, 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 Washington County including wiring or other instructions related to transfer of funds.



Marissa Madrigal

Chief Operating Officer

3/17/2022

Date

Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Aloha Family Housing



Drafted by: Emily Lieb, Housing Bond Program Manager, Alison Wicks,
Senior Housing Program Coordinator and Jimmy Oporta, Housing
Program Analyst
Date: March 16, 2022

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 Family Housing. 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 Washington County.

Changes since concept approval

The project has undergone some changes since concept endorsement. The total project cost has increased but these increases are offset by an increase in anticipated 4% LIHTC equity and the permanent loan, and the project is not seeking a change in the Metro bond funding amount. . Key changes include:

- Unit mix and affordability have modestly changed, shifting six 2-bedroom units to 3-bedroom units and increasing these units' affordability level from 55% to 60% of AMI.
- The project building area has decreased 13.6K sq. ft. (-18.4%), with the elimination of 15.4K sq. ft. in common area from the pro forma (the project narrative still references the inclusion of a community room). Average unit size has increased 20 sq. ft. (+2.8%).
- \$5 million increase in construction costs, including increases in hard costs and soft costs.
- \$5 million increase in funding sources, including increases in 4% LIHTC equity permanent loan, deferred developer fee and contributed cash developer fee. Some subsidy sources have decreased, including OHCS MEP grant, OHCS LIFT grant, Metro TOD grant, Washington County subordinate loan and the BRIDGE cash contribution.
- The net cash developer fee has increased from \$1.75M (7.52% of the developer fee basis at concept endorsement) to \$2.86M (10.15% of developer fee basis at final approval).
 - While our analysis did not find justification for an increase in the developer's fee, the County expressed a lack of clarity about Metro's longstanding practice of evaluating changes to project financials between concept and final approval, and expressed strong concern that requesting a change in the fee at this phase of the project could be detrimental to the project's timeline and budget. County staff agreed to meet in coming weeks to ensure clear expectations regarding Metro's final approval review process moving forward.
 - The project was submitted prior to the effective date of Metro's new developer fee guidelines, which allow for a net cash fee of between 3% and 7% for a project of this scale, with the specific fee level to be determined through considerations of project complexity, risk proportionate to organizational capacity, and consideration of

racial equity. Moving forward, the guidelines will serve as a reference in evaluating any proposed increase to the net cash developer fee.

Contribution to unit production targets

Aloha Family Housing will utilize 8.8% of Washington County's total allocation of bond funds (\$10,230,000) while delivering 81 units that meet the following unit production outcomes:

- 10% of Washington County's overall unit production target;
- 10% of Washington County's target of units affordable to households making 30% or less of area median income (AMI); and
- 12% of HACC's family sized unit target.

The project does not plan to utilize any project based vouchers or include any permanent supportive housing units.

When combining this project with Washington County's existing development portfolio, it 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% of Washington County's overall unit production target;
- 95% of Washington County's target of units affordable to households making 30% or less of area median income (AMI); and
- 97% 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:

- Updated project pro forma dated 3/3/2022
- OHCS Affirmative Fair Housing Marketing Plan
- Letters of Intent by National Affordable Housing Trust, Union Bank, Washington County Board of Commissioner, OCHS, Metro TOD Program
- Bid set dated 12/10/21
- Phase II Environmental Site Assessment (ESA) dated 1/8/2021
- Land appraisal dated 1/31/2022
- Community Engagement Outcomes Report, February 2020

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 within half a mile from a full service grocery stores, close proximity (less than 0.5) to medical services, public school (elementary, middle and high school), and parks, recreation and community centers. The site will also give residents access to a high number of jobs within a 30-minute transit commute as it is highly connected to public transportation as well as being in located in a neighborhood that is highly walkable and bikeable.

Transit access:

The project will be in proximity to public transit, specifically within 300 feet from frequent service bus stop and 1.5 miles from a MAX station stop.

Diversity in contracting/hiring:

The developer has committed to 30% COVID-certified subcontractor and 20% COVID-certified professional services participation and is setting an aspirational goal of 35% and 25%, respectively.

Access for historically marginalized communities:

The project will be one of the first regulated affordable communities in Aloha. BRIDGE has partnered with Hacienda CDC to establish face-to-face relationships with community leaders, culturally specific organizations, services providers, schools, churches, community centers, and others serving communities of color in Aloha and Washington County.

Culturally responsive and appropriate services:

BRIDGE is partnering with Hacienda CDC to provide resident and culturally responsive services that will assist with providing housing stability, bilingual and bicultural services, and trauma-informed care. Hacienda will provide services coordination, housing stabilization management, economic opportunity, and youth and family services including after-school programming and early childhood education to Aloha Family Housing residents

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 Aloha Family Housing 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. Feedback from listening sessions was reviewed by the development team to determine: which suggestion were currently included in the design, items identified as infeasible, property

management and resident services suggestion that may be feasible and design suggestions to be included in the design phase.

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

Community members expressed the need for better access to technology and Wi-Fi, better access to transportation, safe and reliable places to keep their car(s), access to childcare especially when accessing services provided by Community Based Organizations, reliable maintenance and friendly staff where they live, good relationships with their neighbors, emergency preparedness, apartments built with accessibility in mind beyond ADA requirements, apartments with storage, an easy laundry experience, and access to outdoor spaces. Participants also expressed a need to feel comfortable in homes that were spacious and had space for everyone to gather, along with privacy and a nice kitchen. Parking for the whole family and guests was also highlighted.

Based on community feedback, the following recommendations to project design were received:

- Building design will link resident services, allowing for community activities and social engagement in the buildings commons space and courtyard area.
- Playground space and family-sized units will allow for intergenerational service engagement.
- Wi-Fi will be provided free of charge to all units and common area.
- Vanity and sink areas will be separated from toilet and bathing areas in family-sized units
- Raised garden bed will be located in the courtyard
- Grills will be placed in the courtyard for residents to cook outside with outdoor picnic seating
- Sink will be installed in laundry room
- Laundry rooms will offer both card reader and coin-operated machines

Sustainability and climate resilience

The development team is anticipating the Earth Advantage Gold or higher rating for Aloha Family Housing. The project will provide each unit with Package Terminal Heat Pumps (PTHPs) cooling system, with circulating cooling fans located in each unit's bathroom. BRIDGE's original design and budget included providing PTHPs, so the project did not have to change its design in response to Metro's policy statement of air conditioning following the June 2021 heatwave.

EXHIBIT B: Project summary submitted by Housing Authority of Washington County | Metro bond Final Approval for Aloha Family Housing

Submitted by: Andrew Crampton, Housing Development Coordinator, Housing Authority of Washington County, Andrew_Crampton@co.washington.or.us

Submitted on: March 17, 2022

Project Overview

Aloha Family Housing is a new construction, 4-story 82-unit development on a 1.1 acre site located at 3575 SW 174th Avenue in the unincorporated Aloha community in Washington County, Oregon. The property contained two single family homes that have been recently demolished.

The 82 units range in size from studios to three-bedrooms. There a community room, courtyard area with community amenities, and laundry room on the first floor. The project will serve families whose incomes are between 30%-60% of Median Family Income (MFI), with 33 units serving extremely low-income households at or below 30% MFI. There will be 51 family-sized units with two- and three-bedrooms.

The team is led by BRIDGE Housing, who purchased the property and will act as the developer and owner for the project. Total project costs are \$33.6 million anticipated to be financed with \$10.23 million in Metro Bond funds; \$450,000 in Metro TOD (Transit Oriented Development) funds; \$2.89 million in OHCS LIFT (Local Innovation and Fast Track) funds; \$500,000 in Washington County Housing Production Opportunity Funds; \$630,000 in deferred developer fee; \$14.3 million in 4% LIHTC equity, and a \$3.9 million permanent loan.

Changes between Concept Endorsement and Final Approval

In order to better serve families and in response to community engagement listening sessions held by Washington County and the project sponsor, the project now includes six three-bedroom units. In addition, over half the units are family-sized units with two or three bedrooms. Other project changes include providing initial unit rents at 55% AMI instead of 60% AMI due to changes in surrounding area market rents, a completed building design that will have a Ceraclad exterior and TPO roof – features that will enhance long-term durability of the project, and refined community area and courtyard design programming.

The total project cost increased 17.3% since Concept Endorsement for a final project cost of \$32,661,515. The primary cause of this increase is a \$5 million increase in hard costs, specifically increased lumber and metal prices, supply chain delays, inflation and finally the limited availability of subcontractors. These are comparable cost increases to what other affordable housing projects in the market are experiencing, with several projects facing financial deficits as they approach project financial closing. However, despite this cost increase, the total amount of Metro Housing Bond subsidy request is not increasing with Final Approval, nor are additional public subsidies being requested. Instead, project cost increases are being offset by increased project equity, debt structuring, and structuring of developer fee percentages to increase the project eligible basis equity.

Due to project cost changes, the proposed net cash developer fee has increased from Concept Endorsement in order to create an increase in the project's eligible basis- this increased developer fee amount creates additional project equity to offset construction cost increases. The net cash developer fee is \$2,866,821, which is 10.15% of the developer fee basis.

In addition to increasing project eligible basis and therefore project equity, the developer fee is an important tool in fulfilling project budget gaps. The developer fee will offset predevelopment cost expenditures by BRIDGE, including their use of internal working capital for predevelopment in the amount of \$1.25 million expended through closing plus another \$1M million expended to acquire the site. These costs totaling approximately \$3.66MM as well as the opportunity cost of sustaining development staff are all offset by the cash developer fees. The fee was expended over the last two years as BRIDGE acquired the site, designed the project with predevelopment funding consisting of Bridge's internal working capital, and advanced the designed project through the permit process.

On March 1, 2022, Metro adopted Regional Guidelines that limited cash developer fee to 7% of eligible total developer fee costs for projects 76-100 units in size. However, the project received Concept Endorsement and submitted Final Approval materials substantially prior to the effective date of these requirements. In order to meet a planned March 24 closing date, the project has received OHCS Stability Council Approval, locked the tax credit investor and lender rate amounts and percentages, and finally the BRIDGE Board of Directors all approved the project with the proposed net cash developer fee amount. Reducing the net cash developer fee would require these approvals to be resubmitted and would be seriously injurious to the closing schedule and would cause significant delay and a currently successfully balanced project budget would be placed in jeopardy.

Washington County is formally requesting Metro adhere to the Concept Endorsement Commitment of \$10.23 million in Metro Housing Funds for the project to successfully close and begin construction. The Washington County Board of Commissioners approved submitting this project for Final Approval to Metro on January 25, 2022.

Preliminary Development Program

The project consists of 7 studios, 24 one-bedroom units, 45 two-bedroom units, and 6 three-bedroom units. The unit mix was informed both by the parameters of the Washington County Affordable Housing Bond Notice of Funding Availability (NOFA) and the need and demand for larger family units brought to light in the community listening sessions.

Site features include a centralized outdoor area that includes a play area, raised garden beds, picnic seating, and BBQs. Surface parking with 42 spaces will be provided. A community room will provide resident service activities that includes kitchen facilities. PTHPs (Packaged Terminal Air Conditioners) will be included in every unit to provide cooling. A laundry room will be provided on the first floor, and the building will contain two elevators.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
Studio	7	30%		450	\$508
One	24	30%		608	\$544
Two	2	30%		802	\$653
Two	43	60%		802	\$1,197
Three	5	60%		1072	\$1,509
Three	1	Manager		1072	N/A
Total	82				

Project Image



Background

Location and Neighborhood

Located in the unincorporated community of Aloha, the subject site has frequent transit service, which qualified the project to receive Metro Transit Oriented Development funds. The site is accessed from SW Alexander Street and is near Tualatin Valley Highway, where the TriMet 57 frequent service bus stop is located 300 feet from the site. There is access to food markets in the area, including Philippine Market, Fruteria El Campesino, Viet & Thai Market, and Safeway. It is also in direct proximity to One-Stop urgent care and Kaiser Permanente Aloha Dental Care. The site is a half-mile from the Tualatin Hills Nature Park, and approximately 1.3 miles from Kinnaman Elementary, Mountain View Middle School, and Aloha High School.



Site

Aloha Family Housing is located at 3575 SW 174th Avenue in the unincorporated community of Aloha. The property is zoned Community Business District which allows multi-family housing and provides flexible development standards for regulated affordable housing and is located on one tax lot. BRIDGE Housing purchased the site in November 2020. The 1.1-acre site contained two existing single-family residential homes that have been demolished. The site is in a Difficult Development Area (DDA) which provides a boost to the eligible basis.

A Phase II ESA was produced in response to petroleum hydrocarbons discovered during the Phase I ESA, which were caused by a decommissioned gas station located on an adjacent property southwest of the project site. The detected concentrations were all below Oregon Department of Environmental Quality (DEQ) direct contact human health risk screening levels for Urban Residential property uses, however the Phase II ESA recommends a series of mitigation measures to avoid soil disturbance in the impacted area during site construction.

Project Financing

Total Project Costs are \$33.6 million with total hard costs for construction projected at \$22.58 million. Total cost per unit is \$410,506.

Funding Source	Amount
OHCS Programs	\$17,443,580
Total OHCS Grants and Equity	\$17,443,580
Non-OHCS Grants	
Metro Housing Bond	\$10,230,000
Metro TOD	\$450,000
Washington County HPOF	\$500,000
Total Non-OHCS Grants	\$11,180,000
Loans	\$3,950,000
Deferred Developer Fee	\$630,000
Sponsor Equity	\$457,935
Total Fund Sources	\$33,661,515

Uses of Funds	Amount
Acquisition Costs	\$1,038,500
Construction Costs	\$22,583,824
Soft Costs	\$10,039,191
Total Project Cost	\$33,661,515

Development Team

The team is led by BRIDGE Housing Corporation, who will act as the Developer, Sponsor and Owner for the project. Hacienda CDC will provide resident services for the project. The project architect of record is Scott Edwards Architecture, and the project general contractor is LMC Construction.

BRIDGE strengthens communities and improves the lives of its residents, beginning — but not ending — with affordable housing. BRIDGE is the largest nonprofit developer of affordable and workforce housing on the West Coast and has participated in the development of 17,000 housing units throughout California, Oregon, and Washington. BRIDGE brings a 37-year track record of building high-quality affordable and mixed-income housing together with local partners. BRIDGE will own the Aloha project using a single purpose entity, with an affiliate of BRIDGE Northwest Development, an Oregon nonprofit public benefit corporation, as its General Partner.

Hacienda — Resident Services Provider: Hacienda CDC was formed in 1986 and as a resident services provider for its own housing portfolio and a partner for organizations like BRIDGE, Hacienda is well-versed in resident needs as well as funding requirements. 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.

Scott Edwards Architecture – Architect: S|EA is an award-winning design firm that provides full-service architecture, interior design and planning services. Licensed to practice architecture in the State of Oregon, S|EA has been doing business throughout the Northwest for two decades on a wide range of project types. S|EA has extensive experience in affordable and specialty housing for public agencies and non-profit groups throughout the Pacific Northwest including urban infill and suburban garden apartments, single and multi-family, low income and workforce housing, specialty and senior housing, as well as housing for at-risk youth and victims of substance abuse.

LMC is the General Contractor for this project, based out of Tualatin, OR, operating in Oregon and Washington with a primary focus on, and passion for, affordable housing. LMC has over 100 employees and a \$250,000,000 bonding capacity. Winner of the 2019 Multi-housing News Award of Excellence for Design + Development, LMC is a firm committed to equity. MWESB-SDV participation in most LMC projects exceed 25%, and often 40%, as was the case on their work with Bienestar to redevelop the Montebello Apartments in Hillsboro.

Community Engagement

During the fall of 2020 and winter-spring of 2021, 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.

Primary input from these engagement events has been incorporated in the project design, which included the need to provide a central kitchen facility in the community room, the importance for the project to provide family-sized units, and the need for outdoor play amenities for families.

Advancing Racial Equity

BRIDGE is committed to 30% COBID-certified subcontractor participation and 20% COBID-certified professional services and is setting an aspirational goal of 35% and 25%, respectively. These goals are based on recent experience with similar projects as well as LMC's and S|EA's overall history of meeting or exceeding DMWESB/SDVBE goals. BRIDGE has engaged NAMC-OR to provide technical assistance in achieving the project's COBID subcontractor utilization goals. NAMC-OR brings authentic engagement with the subcontracting community and experience in removing the barriers to subcontractors providing a competitive bid for the project.

In addition, BRIDGE is committed to ensuring the utilization of apprenticeship programs, workforce training, and tracking the diversity of the workforce for this project. BRIDGE plans on accomplishing this by, among other items, assigning a Project team staff to take the lead on recruitment and engagement of MWESB-DV subcontractors, apprenticeship, and workforce training, planning, and preparing for pre-bid meetings with NAMC-OR, and demonstrated internal process and specific plan to track workforce diversity, including identifying lead staff accounting.

The project's general contractor, LMC Construction, has committed to several processes to facilitate COBID firm engagement, including assigning a project team staff person as the lead on recruitment and engagement of COBID certified subcontractors, providing cash flow assistance through an expedited payment process ahead of monthly project draws, and working with programs such as Constructing Hope, Oregon Tradeswomen and other apprenticeship/pre-apprenticeship support.

BRIDGE's affirmative marketing strategies and community outreach will allow BRIDGE to identify interested prospective residents, as well as help potential residents overcome issues that might otherwise lead to denial of a rental application. BRIDGE has partnered with resident service provider Hacienda CDC to expand its network of engagement and community connection. Prior to the application period, BRIDGE and Hacienda staff will provide in-person outreach with a focus on providing information and creating a welcoming leasing opportunity. Staff 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 Aloha and Washington County. 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. BRIDGE will translate fliers into Spanish and Chinese to reach the target population. A language translation line service will be utilized in the property management office.

Partnerships and Services

BRIDGE Housing is partnering with Hacienda CDC to provide resident and culturally responsive services that will assist with providing housing stability, bilingual and bicultural services, and trauma-informed care. – Resident Services Provider. The building design will help link with resident services, allowing for community activities and social engagement in the building's common space and courtyard area. The playground space and family-sized units will allow for intergenerational service engagement. BRIDGE intends to provide Wi-Fi free of charge to all units, as well as within common areas. Hacienda will provide services coordination, housing stabilization management, economic opportunity, and youth and family services including after-school programming and early childhood education to Aloha Family Housing residents.

Livability and Accessibility

This C-shaped building features a main entry lobby that faces SW 174th Ave, and there is a clear line of sight through the building to the courtyard on the other side. There is a secondary entrance through the courtyard from the parking lot. The property management office has a strong visual connection to the front entrance, lobby/mail area, and community room.

Over 60% of the project units consist of family-sized units consisting of two-bedroom or three-bedroom units. In the three-bedroom units, one of the bathrooms will be equipped with a shower to better accommodate elders who may experience lack of mobility. All family-sized units will have a dividing wall between the sink/vanity area and bathing/toilet area to allow more than one family member to utilize the bathroom at the same time.

Property amenities feature a large community room with kitchen and laundry room on the ground floor. The community room will serve the residents with a range of uses including resident meetings, public or private resident events, and programmed events by the on-site service coordinator. An adjoining Resident Services office will facilitate the connection to residents. The community room opens onto a centrally landscaped courtyard with a children's playground, raised garden beds, BBQs, and picnic seating. Trash/recycling rooms are located on each of the four floors of the building.

Climate Resilience and Sustainability

The project will provide Packaged Terminal Heat Pumps (PTHPs) cooling systems in each unit, with circulating cooling fans located in each unit's bathroom. The common area spaces including the community

room will have centralized heating. These costs are accounted for in the project construction budget provided by the project general contractor, LMC Construction.

The building will achieve Earth Advantage Gold or a higher rating by providing a solar-ready design, LED lighting throughout the building, and installing certified energy-efficient appliances.

Anticipated Timeline

Describe the anticipated timeline and milestones for the project, including developer or contractor selection, concept endorsement, due diligence, final approval, closing, construction, and lease up – as well as any timelines related to community or elected body engagement.

The project was approved by the Washington County Board of Commissioners for Concept Endorsement on September 1, 2020 and approved by Metro for Concept Endorsement on September 17, 2020. The full application for 4% Low Income Housing Tax Credits (LIHTC) and conduit bond was submitted and accepted by Oregon Housing and Community Services (OHCS) on December 21, 2021. The Washington County Board of Commissioners provided Final Approval for the project on January 25, 2022. The project will be ready to close on construction financing March 24, 2022, with project completion anticipated in August 2023.

Metro Affordable Housing Bond Program

Final Approval

Project Name: Dekum Court Redevelopment

Implementing Jurisdiction: Home Forward

Metro IGA Contract Number: 937300

Date of Concept Endorsement: July 11, 2019

Anticipated construction start: March 2022

Anticipated construction completion: January 2025

Action:

Metro hereby provides Home Forward with Final Approval of \$21,034,083.00 in Metro Affordable Housing Bond funds for the development of Dekum Court Redevelopment, a regulated affordable housing project located at 7003 NE 27th Avenue, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Home Forward, is attached as Exhibit B.

This Final Approval is based upon the information contained in the final approval request provided to Metro by Home Forward, 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
24	Studio	30%	
32	Studio	60%	
5	One-bedroom	30%	
8	One-bedroom	60%	
18	Two-bedroom	30%	16
36	Two-bedroom	60%	
11	Three-bedroom	30%	11
7	Three-bedroom	60%	
3	Four-bedroom	30%	
3	Four-bedroom	60%	

Changes to the information contained in the final approval request provided by Home Forward 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 Home Forward, 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



600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

of values, and an invoice from the Home Forward including wiring or other instructions related to transfer of funds.

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

3/21/2022

Marissa Madrigal
Chief Operating Officer

Date

Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Dekum Court Redevelopment



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

Date: March 8, 2022

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 to Home Forward for Dekum Court 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 Home Forward.

Changes since concept approval

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

- The total units has decreased by 13 units and Metro Housing Bond eligible units have decreased by 13 units.
- Metro Housing Bond subsidy has been reduced \$1.88M, down to \$21.03M from the prior \$22.91M. This is proportionate to the reduction in Metro Housing Bond eligible units.
- Total project development costs have increased \$16.2M (+24.3%), to \$82.76M, due to increases in construction costs, soft costs, and acquisition costs. Land acquisition costs of \$2.21M have been added to the project uses. No land acquisition costs were included at concept endorsement. The new land cost is offset by Home Forward's land lease contribution of \$2.20M. Project sources have correspondingly increased. LIHTC equity increased \$8.13M. Permanent loan increased \$11.35M.
- Home Forward's cash contribution has decreased from \$11.97M at concept endorsement to \$10.58M.
- The net cash developer fee has increased by \$4.58M, to \$604K, up from the prior negative - \$3.97M. If the applicant's land lease contribution of \$2.2M is excluded from the calculation of the applicant contribution, then then net cash developer fee would be \$2.8M (4.08% of developer fee basis).
- In response to Metro's Policy Statement on Air Conditioning, Home Forward has planned to make portable air-conditioning units available to all living and sleeping spaces in all housing units. The appliance package of every unit includes one portable unit for every studio, one- and two-bedroom apartments, and two portable units for every three- and four-bedroom unit. The Community Center has central cooling and will operate as a cooling shelter during extreme heat events.

Contribution to unit production targets

The Dekum Court Redevelopment will count towards the City of Portland's unit production targets. The project will utilize 10.0% of City of Portland's total allocation of bond funds (\$21,034,083) while delivering 147 units that meet the following unit production outcomes:

- 10% of Portland's overall unit production target;
- 10% of Portland's target of units affordable to households making 30% or less of area median income (AMI); and
- 11% of Portland's family-sized unit target.

When combining this project with the City of Portland's existing Metro bond development portfolio, this puts the City on a path to have utilized 50.4% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 74.9% of Portland's overall unit production target;
- 72% of Portland's target of units affordable to households making 30% or less of area median income (AMI); and
- 68% of Portland's family-sized unit target.

Readiness to proceed

Home Forward 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 10/14/2021
- OHCS Affirmative Fair Housing Marketing Plan dated 1/31/2021
- Residents Service Plan
- Letter of Intent for Proposed Equity Investment from Wells Fargo dated 10/4/2021
- Letter of Intent for construction lending from Wells Fargo dated 9/27/2021
- Letter of Intent for permanent lending from JPMorgan Chase Bank dated 7/29/2021
- ADD – Home Forward Omnibus Financial
- Permit Bid Set dated 12/13/2021
- Phase I Environmental Site Assessment (ESA) dated 8/14/2020
- Focused soil investigation for former orchard area dated 1/25/2021
- Geotechnical Engineering Report dated 8/19/2020
- Community Engagement Outcome report date 12/15/2021
- Development Team Update dated 12/15/2021
- Appraisal Report dated 2/28/2022

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

Sustainability and climate resilience

The Dekum Court Redevelopment complies with the Portland Housing Bureau's Affordable Housing Green Building Policy and is targeting Earth Advantage Gold certification. The project is including electric vehicle charging stations, and all buildings will be solar ready. The project will provide in-unit heating and cooling via portable air conditioning units. The appliance package of every unit

includes one portable unit for every studio, one- and two-bedroom apartments and two portable units for every three- and four-bedroom unit. The Community Center has central cooling and will operate as a cooling shelter during extreme heat events. The project will utilize air conditioning funding allocated to Home Forward.

Advancing racial equity

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

- **Location:** The Dekum Court Redevelopment is located at NE 27th Avenue and NE Saratoga Street in Portland. The project is located 0.25 miles from Faubion School (Kindergarten – 8th Grade), 0.75 miles from Fernhill Park, and 1 mile from a Safeway store.
- **Transit access:** The project is location 100ft from a stop for TriMet Bus Line #75, a frequent service bus line which connects to the North Lomard Transit Center. The project is 0.2 miles from a stop for TriMet Bus Line #8, a frequent service line.
- **Diversity in contracting/hiring:** The project is committed to a minimum target of 30% COBID participation. Workforce goals include both apprentice and journey-level workforce hours. Workforce goals are set at 9% of workforce hours for women and 20% of workforce hours for people of color.
- **Access for historically marginalized communities:** In 2021, Home Forward revamped its screening policy to eliminate a key barrier to housing access for communities of color and other historically marginalized groups. Based on the systemic racism behind the over-representation of persons of color in the criminal justice system, Home Forward has begun ignoring hundreds of misdemeanor and felony convictions during applicant screening. This change lowers barriers significantly beyond the low barrier criteria instituted by Portland's recent Fair Access in Renting (FAIR) Ordinance. Home Forward now disregards 183 felonies and 241 misdemeanors that, under FAIR's low-barrier criteria, are legitimate grounds for application denials. Home Forward continually tracks housing application outcomes across our portfolio and expects this policy change to result in significantly fewer screening denials to BIPOC households.
- **Culturally appropriate services:** Home Forward is the property manager for Dekum Court, which currently houses 40 households. In preparation for the upcoming renovation, Home Forward has sent out resident surveys and interviewed resident service coordinators and community service partners at the current site. Home Forward has a robust plan to coordinate with government, public, non-profit and service provider organizations to provide a wide range of resident services, as detailed in the 'Partnership and Services' section of the Exhibit B project narrative. The coordination and delivery of services will be managed by a Resident services team led by a Director of Community Services, a Program Manager, Resident Services Supervisors and Resident Community Services Coordinators. No PSH commitments have been made for this project.

Community engagement to inform project implementation

Metro staff have reviewed the updated narrative to confirm consistency with the community engagement elements of Home Forward'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:**

To gain resident, neighborhood and other key stakeholders' perspectives, Home Forward convened a Community Advisory Committee that met virtually for 10 separate zoom meetings from April 2020 through March 2021, and one outdoor meeting in September 2021. Topics covered included design concepts, project goals, advancing equity, project financing and design updates. The 21-member committee included a wide-range of perspectives, including: Dekum Court residents, neighbors, neighborhood associations, Home Forward commissioners, employees of community based organizations, local schools and public service agencies. The committee established the following six goals:

- Expand affordable housing
 - Ensure a range of unit sizes
 - Long-lasting design that fits the neighborhood
 - Support families with educational opportunities
 - Increase economic participation
 - Increase racial equity during redevelopment planning and community building
- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**

As a result of committee feedback, the following changes were implemented into site design:

- All apartments will have washer/dryer hookups. The initial design concept provided washers and dryers solely in a common laundry room. Parents and persons with disabilities emphasized the value of in-unit laundry options.
- Drive aisles and parking areas were refined to include separate parking areas for the site's upper and lower portions. CAC members, in particular current residents, expressed safety concerns about the significant number of children who will call Dekum Court home and the number of potential blind spots in the initial design concept.
- The inclusion and location of a covered basketball court. Dekum residents expressed a need for middle and high-school aged kids to have on-site outdoor recreational opportunities. This was paired with a desire for a covered spaced centrally located within the site.
- Home Forward sought to entice potential educational partners with free land at the site. However, COVID-19 has made systems alignment difficult and the logistics of distance learning did not allow for the long-range planning necessary to bring an education-focused use to Dekum Court. However, the final site plan continues to reserve educational space for future opportunities.
- The Committee expressed significant interest in using a portion of the site for affordable homeownership. To that end, one acre of 5.5 acre site was land banked for future affordable homeownership development.

EXHIBIT B: Project summary submitted by Home Forward | Metro bond Final Approval for Dekum Court

Submitted by: Jonathan Trutt, Director, Development and Community Revitalization
Home Forward, Jonathan.trutt@homeforward.org
Submitted on: January 5, 2022

Project Overview

Provide a general overview of the proposed project, including the requested amount of bond funding from Metro, the size of the site and its ownership status, any existing buildings and their current/past use, and high level financing structure for the project.

Dekum Court will demolish and replace 40 existing affordable homes and provide 147 new affordable housing homes on a 4.6 acre site in Northeast Portland's Concordia Neighborhood. Metro Housing Bond funds will be used solely to construct Dekum Court's 147 new units; no Metro funds will pay any replacement housing costs. The project sources also include

- 4% Low Income Housing Tax Credits (\$34.3 million)
- A mortgage that utilizes Oregon Affordable Housing Tax Credits (\$16.9 million)
- Home Forward funds (\$6.1 million)

The site's shape and topography allow for a re-development that will fit well in the surrounding neighborhood fabric without creating undue burden on local streets or other public infrastructure. Walkable streets, bike paths, and nearby transportation options will connect families to employment and education centers, parks, shopping, and other necessities. As further described in the section on Community Engagement, resident input influenced site design and unit amenities.

Changes between Concept Endorsement and Final Approval

Dekum's Metro funding per unit has remained constant. Compared with its Concept Endorsement, its total number of Metro-funded units has dropped by from 160 to 147 units.

- At Concept Endorsement, Home Forward projected a 200-unit development. One hundred sixty of these units would be Metro-funded. As of that moment, Home Forward had not yet hired our design and construction team or begun our Community Advisory Committee (CAC) process.*
- Based on input from design and construction professions and the CAC, Dekum Court will be a 187-unit property. Metro will fund one hundred and forty-seven of its apartments.
- This 13 unit reduction in size enables Home Forward to best accommodate the project's needs for community and open space and reserve land for future development.
- Home Forward returned the 13 units of funding to Metro and the City of Portland per a letter to Shannon Callahan and Patricia Rojas dated July 2, 2021.

The original unit projections and final unit count are described in the table on the following page.

* The CAC process is described separately in the Community Engagement Outcomes Report.

Total Project Unit Count	Concept Endorsement	Final Approval
Studio	32	56
1 Bedroom	48	13
2 Bedroom	53	70
3 Bedroom	59	41
4 Bedroom	8	7
Total Units	200	187

Preliminary Development Program

Describe the planned development program including but not limited to number, size, and affordability of units; non-residential space, parking, and amenities; and total square footage.

Complete the below table summarizing unit breakdown. Add/delete rows as needed.

Dekum's total square footage, including the 40 affordable units receiving no Metro funding, is 170,492. The redeveloped Dekum Court will include:

- Community garden space
- A 7,104 square foot community building for resident services delivery and community events
- A covered outdoor play area with a sport court
- 76 parking spaces

The composition of Dekum Court's 147 Metro-funded units is described below.

Unit size	# of units	AMI %	PSH ¹	PBVs	Square feet/unit	Gross monthly rent/unit
Studio	24	30%			338	\$507
Studio	32	60%			338	\$1,015
1BR	5	30%			552	\$543
1BR	8	60%			552	\$1,088
2BR	18	30%		16	769	\$1,830 (contract rent)*
2BR	36	60%			769	\$1306
3BR	11	30%		11	991	\$2,250 (contract rent)*
3BR	7	60%			991	\$1508
4BR	3	30%			1,292	\$841
4BR	3	60%			1,292	\$1682
Total	147			27		

* Households pay 30% of income, not the contract rent.

¹ Permanent supportive housing is housing that includes rental assistance and wraparound services, and is designated for households experiencing chronic homelessness (e.g., referrals through coordinated access). PSH units include units with ongoing operating subsidy and services through Veterans Affairs Supportive Housing (VASH), Section 811 program for individuals with developmental disabilities, units with PSH funding from the state of Oregon, units supported through the Supportive Housing Services (SHS) program, and any other programs that provide ongoing funding to support housing stability for chronically homeless households.

This unit mix meets Metro’s deep affordability and family unit targets at the site level.

- 41% of all Metro-funded units (61 of 147) achieve 30% AMI affordability.
- 53% of all Metro-funded units (78 of 147) are family sized.

All 40 units not funded by Metro also come with rental assistance. The households who live in those 40 replacement units currently earn, on average, approximately of 24% of Area Median Income annually.

Project Image

Provide a high resolution image in jpeg format (rendering is acceptable) of the project if available. If submitting final approval, please provide an updated image.

See Exhibit B-1.

Background

Describe the process and timeline for how project was selected through a local funding process, and how the site was selected or acquired for affordable housing development. Provide an overview of due diligence and predevelopment completed to date.

Dekum is a Phase 1 Project advance by Home Forward, a Local Implementation Partner. All due diligence and design has been completed and the project expects its building permit in January 2022.

Location and Neighborhood

[word limit: 100]

Describe the project location and surrounding zoning, land uses and activities. Describe any nearby services or community amenities, including schools or employment centers, grocery stores or farmer’s markets, natural areas or parks. Describe walking distance and accessibility (e.g., sidewalks, signalized crossings) to nearby transit stations, and the existing/planned level and type of transit service (e.g., frequent service bus, MAX, etc.).

Dekum Court is located at the intersection of NE 27th Avenue and NE Saratoga Street in Northeast Portland. Walk score assigns the site a walk score of 55 (“some errands can be accomplished on foot”), a transit score of 51 (“many nearby public transportation options”), and a bike score of 77 (“very bikeable”). TriMet’s #75 frequent service bus line, located 100 feet from the site, connects directly to the North Lombard Transit Center.

Key nearby services and amenities include:

- Faubian K – 8 School: ¼ mile
- Fernhill Park: ¾ mile
- Safeway: 1 Mile

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

See Exhibit B-2.

Site

[word limit: 300]

Describe key elements of the site including size, number of tax lots, site control/ownership, appraisal, and zoning. If the site includes existing buildings, provide an overview of the year they were built, past/current use, and future plans as part of the project.

The Dekum Court site is 5.5 acres and owned by Home Forward. It currently contains 40 functionally obsolete affordable housing apartments that are approximately 50 years old.

The 5.5 acre Dekum site is comprised of seven tax lots. Per Portland's Better Housing by Design code update, Dekum Court is zoned Residential Multi-Dwelling 1 (RM1). This designation provides a level of design flexibility that allows the building massing, scale, and character of comparatively dense residential development to respond well to specific neighborhood contexts.

In conjunction with Dekum Court's redevelopment, Home Forward will:

- Demolish and rebuild the existing 40 affordable homes.
- Use 4.6 acres of the total site total for the reconstruction of its existing 40 housing homes and the construction of 147 Metro-Funded units.
- Land bank the remaining 0.9 acres for future development.
- Undertake a staged construction approach that eliminates the need to relocate any current residents due to redevelopment activities.

In conjunction with Dekum Court's March 2022 Financial Closing, Home Forward expects a bank-ordered appraisal in February 2022. That appraisal will provide a land value. It will not provide a value for the existing buildings because, per their planned demolition, they have no acquisition value.

Final approval only: Describe key findings from the Phase 1 environmental assessment and geotechnical report, and any follow up studies underway.

A Phase 1 Environmental Site Assessment (ESA) was completed by Hahn & Associates, Inc. (HAI) in August 2020. No evidence of a Recognized Environmental Concern (REC) was revealed but HAI included two recommendations:

- 1) Completion of a Clean Fill Determination (CFD) to verify if residual agricultural pesticides remain in the soil of a small portion of the sit used as an orchard in the 1920s and 1930s. The CFD was completed in January 2021 and no pesticides were identified. No further follow up is necessary.
- 2) Removal of the limited amounts of hazardous materials present in structures—asbestos and lead-based paint—by a licensed abatement contractor at the time of building demolition. Walsh Construction, the general contractor, will comply with this recommendation.

A geotechnical engineering report was completed by PBS Engineering & Environmental, Inc. in August 2020. The scope of work included subsurface exploration (borings), infiltrating testing, soil testing, and analysis. Key findings included:

- 1) Foundations: Shallow spread footings were recommended. Guidance on the design and engineering was provided.
- 2) Seismic activity: There is low liquefaction risk in this area of North Portland. Risk to the structures can be mitigated through the recommended foundation design.
- 3) Stormwater management: Soils in this area of North Portland have a low permeability rate. Risk associated with ground moisture can be mitigated through perimeter foundation drains and the application of a vapor retarder.

All recommendations have been incorporated into construction documents and PBS's contract has been extended to include construction phase site visits. No further follow up is anticipated.

Building rehabilitation only: Describe the findings from your capital needs assessment and anticipated repair needs. Describe hazardous materials assessments and planned abatement needs. Describe seismic risk assessment findings and related investment needs.

Project Financing

Describe the estimated total development cost and total public subsidy, cost and subsidy per unit, and cost and subsidy per bedroom. Provide a table summarizing planned sources and uses of funding. Summarize funding contributions and any local incentives or policies benefiting the project (e.g., SDC waiver, property tax abatement, density bonus, reduced parking requirements, etc.).

See Exhibit B-3.

The City of Portland is providing the following (estimated) SDC waivers, exemptions, and reduced fees in support of Dekum Court's 187 affordable housing units:

- Parks Bureau SDC waiver, \$1,608,532
- Bureau of Transportation SDC waiver, \$510,136
- Affordable Housing Construction Excise Tax exemption, \$168,763
- Bureau of Environmental Services SDC waiver, \$165,065
- Multimodal Incentive Fee reduction, \$148,104
- School Construction Excise Tax exemption, \$TBD

Development Team

Describe the development team including the developer, general contractor, architect, and other key partners, and their relevant experience, respectively. If some members of the team are not yet selected as of the concept endorsement, this information can be added at the final approval step.

Home Forward is Oregon's largest affordable housing provider. Our organization's mission is to provide high-quality affordable housing for individuals and families who are challenged by income, disability, or special need. Our organizational values are centered around the concepts of respect and compassion.

Home Forward accomplishes our mission and honors our 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 our mission is an

active pipeline of development projects that increase housing options and access to supportive services for our community's most vulnerable members.

At Concept Endorsement, Home Forward had not yet selected Dekum Court's architect or general contractor. Through competitive processes, Home Forward chose LEVER Architecture and Walsh Construction to serve in these key roles.

LEVER Architecture

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 nonprofits. In 2017, LEVER was named to Architectural Record's Design Vanguard and the Architectural League of New York's Emerging Voices. The firm's work has been published in the Atlantic, the New York Times, Surface, and Dwell, among others.

LEVER designed Home Forward's The Louisa Flowers, a 240-unit affordable housing property which completed construction in 2019. In 2021, the project was named an Architizer A+Awards Popular Choice Winner in the Public Housing category.

Walsh Construction

Walsh Construction has nearly 60 years of affordable housing construction experience. Walsh and Home Forward have collaborated on numerous projects and Walsh consistently delivers quality outcomes on-time and on-budget. Walsh's successful track completing projects of Dekum Court's size and complexity played a key role in its selection. Equally important in the selection process was Walsh's long-standing and deep commitment to equity outcomes, both at the COBID and workforce level.

Community Engagement

Please summarize community engagement to inform project outcomes to support the needs of future residents. This could include engagement conducted previously by the LIP or developer to shape the goals of a NOFA or vision for a project. It could also include plans for further engagement to inform the design or programming of the project to meet the needs of historically marginalized community members.

Note: Outreach strategies for affirmative marketing and COBID participation should be described in the following section under "advancing racial equity." This section is focused on engagement to inform the goals, vision, design, or programming of the project.

To gain resident, neighborhood and other key stakeholders' perspectives on Dekum Court's redevelopment, Home Forward convened a Community Advisory Committee (CAC). The group, which now meets quarterly, is co-chaired by Home Forward Commissioner Vivian Satterfield and Dekum Resident Spencer Bolivar.

To date, the CAC has met eleven times. The meetings dates and topics are described below. Discussion topics at all meetings tied back to Home Forward's goals for Dekum. To date, the CAC has focused mostly, though not exclusively, on Goal 3: Long-Lasting Design That Fits the Neighborhood. Many of the outcomes of our community engagement efforts described on the following page tie back to this goal.

Meeting Number	Date	Topics Covered
1	4/29/20	Kickoff Part 1, Project Overview, Introduction of Project Goals
2	5/6/20	Initial Design Concepts and Discussion
3	5/20/20	Discussion of Project Goals
4	6/10/20	Further Discussion of Project Goals
5	7/15/20	Design Update #1 and Further Conversation
6	8/19/20	Advancing Equity Via Dekum's Redevelopment
7	9/16/20	Design Update #2 and Discussion
8	10/21/20	Design Update #3 and Discussion
9	11/19/20	Dekum's Financing
10	3/17/21	Advancing Equity Via Construction, Final Site plan
11	9/16/21	Updated Construction Timeline, Relocation of Head Start from Dekum Court

With the exception of Meeting 11, which we held outdoors, all meetings have been virtual due to COVID-19.

Outcomes

CAC discussions have shaped Dekum Court's in the following ways:

- **All apartments will have washer/dryer hookups.**

Though Dekum Court's current apartments all have washer / dryer hookups, initial design concepts provided washers and dryers solely in a common laundry room. This initial assumption stemmed from Home Forward's experience with providing washers and dryers in apartments at other projects. They are costly to maintain and can cause water damage.

The CAC provided important insight into how, from the perspective of Dekum's current residents, the loss of an in-unit laundry option would be a significant step backwards. Home Forward staff heard directly from parents and persons with disabilities about the value of in-unit laundry options. Based on these discussions, Home Forward's Development, Property Management and Asset Management departments re-opened the question of in-unit laundry options. Though those discussions we landed on the decision to provide hookups in every apartment.

- **Refined locations for drive aisles and parking.**

CAC members, especially current residents, expressed safety concerns about the initial parking and drive aisle concept. Members noted the significant number of children who will call Dekum Court home and the number of potential blind spots in our initial concept. This feedback shaped the site layout, which now includes separate parking areas for the site's upper and lower portions and a single east - west drive aisle in the lower portion.

- **The inclusion and location of a covered sport court.**

Dekum residents on the CAC expressed a need for middle and high-school aged kids to have on-site outdoor recreational opportunities. As staff explored this idea with CAC members, we heard a desire for covered space centrally located within the site. This led to the

inclusion of the covered sport court in its current location, immediately adjacent to the community building.

- **The realization that COVID-19 has made systems alignment more difficult.**
From this redevelopment process' outset, Home Forward sought to entice potential educational partners with a promise of free land. Through CAC discussions, Home Forward learned that the sheer logistics of distance learning left no room for the kind of long-range planning necessary to bring an education-focused use to the redeveloped Dekum Court. The final site plan continues to reserve space for educational use and Home Forward plans to reinstate conversations with potential educational partners—again with the offer of free land—in the future.
- **Affordable homeownership opportunities adjacent to the affordable rental housing.**
A core principle of the Home Forward's Dekum Court redevelopment is "maximize public benefit from publicly owned land." Guided by this principle, we opted to land bank one acre of the 5.5 acre Dekum Court site for a future use. Our logic was that we could significantly increase affordable rental housing opportunities on-site without needing all 5.5 acres.

Initially, we had no specific use or timeframe associated with the land banked acre. Through the CAC process, we heard significant interest in using that acre for affordable homeownership as soon as reasonably possible. Based on this feedback, staff is actively exploring different affordable homeownership models for the landbank. Our goal is start affordable ownership development on that acre shortly after the completion of the Metro-funded affordable rental housing.

Advancing Racial Equity

Summarize how the project will address strategies and policies for advancing racial equity, as described in your local implementation plan. Be sure to include:

How the project location reflects considerations related to racial equity (e.g., geographic distribution of affordable housing, access to opportunity, strategies to address racial segregation, and strategies to prevent displacement and stabilize communities)

Census data confirms that, as more Portland neighborhoods gentrify, its BIPOC population is getting pushed out of the city. For example, comparing Gresham's 2010 and 2019 American Community Survey data, Home Forward found that:

- Between 2010 and 2019, Gresham's Black population grew from 3.1% to 4.6% of its total population. This change represents an increase of 2,671 Black residents.
- Between 2010 and 2019, Gresham's LatinX population grew from 17.8% of its population to 20.5% of its population. This change represents an increase of 6,251 LatinX residents.
- Overall, people of color accounted for 66% of Gresham's total population growth between 2010 and 2019.²

Against this backdrop of BIPOC displacement from Portland, Dekum Court will anchor affordable

² Data available at <https://data.census.gov/cedsci/>. 2020 Census race and ethnicity data is not yet available.

housing opportunities exactly where they need to be: a diverse neighborhood vulnerable to gentrification. Dekum Court is situated at the boundary of the Concordia and Woodlawn Neighborhoods. According to data at www.statisticalatlas.com, persons of color comprise 26% and 40% of Concordia and Woodlawn's population, respectively. This population is, by definition, vulnerable to displacement. According to recent data published by Multnomah County ("2019 Poverty in Multnomah County"):

- Communities of color represent 30% of the county's population and 47% of its people living in poverty.
- 31% of children of color experience poverty, compared with 11% of white children.
- Whites have the highest median income of any race or ethnicity, and the income disparity between white, Black and LatinX households is striking. Black households' median income is 45% of white households; LatinX households' median income is 67% of white households.
- 22% of Asian adults have less than a high school diploma—more than three times the rate for whites.
- The Native American unemployment rate is nearly three times the white unemployment rate.

Fair housing strategies to eliminate barriers to housing access for communities of color and other historically marginalized groups (e.g., fair housing marketing strategies, community partnerships, low barrier screening, etc.)

Screening Policy

In 2021, Home Forward revamped its screening policy to eliminate a key barrier to housing access for communities of color and other historically marginalized groups. We are currently implementing the associated changes across our 6,700 unit housing portfolio.

Based on the systemic racism behind the over-representation of persons of color in the criminal justice system, Home Forward has begun ignoring hundreds of misdemeanor and felony convictions during applicant screening. This change lowers barriers significantly beyond the low-barrier criteria instituted by Portland's recent Fair Access in Renting (FAIR) Ordinance. Home Forward now disregards 183 felonies and 241 misdemeanors that, under FAIR's low-barrier criteria, are legitimate grounds for application denials. Home Forward continually tracks housing application outcomes across our portfolio and expects this policy change to result in significantly fewer screening denials to BIPOC households.

Other Efforts to Affirmatively Further Fair Housing Outcomes

Home Forward's most recent lease-up was The Louisa Flowers--located along MAX just east of the Moda Center--which opened its doors in late 2019. Home Forward approached The Louisa Flowers' lease up determined to maximize BIPOC communities' access to the building's 240 affordable apartments. The reason is that BIPOC communities are under constant pressure of dislocation from high opportunity neighborhoods. The Louisa Flowers, due to its location and scale, presented a chance to turn that tide.

When The Louisa Flowers reached full occupancy last September, BIPOC heads of households comprised 61% of the building's total tenants. (See table below.)

Louisa Flowers Lease-Up Demographics	# of Households	% of Households
Black	106	44%
LatinX	19	8%
American Indian/Alaskan Native	11	5%
Asian	6	3%
Native Hawaiian/Other Pacific Islander	2	1%
Caucasian	71	30%
Non Disclosed	25	10%
Total	240	100%

Home Forward accomplished these outcomes in a census tract where 72% of residents are white. According to our calculations, the census tract's Black population increased by 46% as a result of the property's lease-up.

Home Forward achieved these outcomes by anticipating and mitigating the ways in which systemic racism impacts BIPOC community members' access to affordable housing. Low-barrier screening criteria help, and they work best when complemented by marketing efforts that anticipate a digital divide that disproportionately burdens BIPOC households. The Louisa Flowers' outcomes stem from two such strategies, both of which Home Forward will repeat at Dekum Court.

- 1) For initial lease-up, Home Forward will task a staff member to adopt a community organizing approach to marketing, with a focus on specifically ensuring that BIPOC communities know of Dekum Court's housing opportunities.**

Instead of relying primarily on internet-based marketing (Craigslist, Apartments.com), Home Forward will prioritize a word of mouth approach with Dekum Court. As with our Louisa Flowers lease-up, this person will make the rounds regularly at businesses, churches, and culturally specific organizations to ensure that all communities of color know of the upcoming housing opportunities at Dekum Court. Once the work of initial lease up completes, these duties will transfer to our on-site property manager.

- 2) Home Forward will establish and maintain Dekum Court's initial waitlist based on a lottery, rather than first-come-first-served, basis.**

Despite our deliberate efforts to reach BIPOC households, Home Forward cannot fully correct for the digital divide's disproportionate impact on communities of color. A lottery-based waitlist recognizes this reality and compensates for it. Under a lottery-based system, an applicant who learns of Dekum Court instantaneously through Google and applies for housing on-line will have no advantage over an applicant who learns of the building through their church and drives to the building to apply in person. This approach levels the playing field in favor of communities of color by disentangling housing access from internet access.

During stabilized operations, Home Forward will analyze data regularly to ensure Dekum Court continually provides housing access to BIPOC communities. Our evaluation methods regularly track a number performance indicators "upstream" of our communities' resident demographics. At Dekum Court, as at all of our properties, Home Forward will annually ask and answer:

- Who is applying for housing at Dekum Court?

- How does that applicant pool compare with the building's current population and the surrounding neighborhood's racial and ethnic demographics?
- What trends appear when comparing the rates of BIPOC and white application denials? Appeals? Successful appeals?
- What adjustments do we need to make based on this data?

Strategies to include economic opportunities for people of color (e.g., MWESB/COBID participation and workforce diversity)

Key Updates from Conceptual Endorsement Approval

- At Concept Endorsement, Home Forward named a minimum 20% COBID participation goal. We have since increased the minimum COBID target to 30%.
- At Concept Endorsement, Home Forward Workforce participation goals for women and people of color applied solely to apprentice hours. For **both** apprentice and journey level hours, our goals are now
 - Women perform at least 9% of the hours
 - Persons of color perform at least 20% of the hours.

Strategies to Include Economic Opportunities

Home Forward reports to our Board annually on our equity in contracting and workforce development outcomes. Highlights from recent reports include:

COBID and Workforce Outcomes on Recent Home Forward Projects	Year Completed	Total Hard Costs	COBID % of Hard Costs	Apprentice Hours as % of Total Labor Hours
St Francis Park	2017	\$16,162,367	26%	25%
Square Manor	2018	\$8,815,573	46%	28%
Louisa Flowers	2019	\$51,156,405	29%	22%
85 Stories Group 5 (Teal)	2020	\$34,598,061	31%	19%
85 Stories Group 6 (Red)	2021	\$34,548,146	29%	24%

Dekum Court's COBID Construction Opportunities and Workforce Development

Walsh Construction's thorough approach to achieving equity in contracting and workforce development played a major role in its selection as general contractor.

To achieve a 30% COBID participation goal on Dekum Court, Walsh Construction will:

- Engage its well-developed bid list and trusted community relationships with the Professional Business Development Group (PDBG), National Association of Minority Contractors (NAMC), Oregon Association of Minority Entrepreneurs (OAME), and LatinoBuilt.
- Advertise bid opportunities in culturally specific publications and bid resources.
- Analyze work scopes to match opportunities with COBID firms' expertise and capacity.
- Write bid packages that explain the scope of work and clearly explain project requirements that are adaptable to bidders' capabilities.

- Hold both group and one-on-one pre-bid outreach meetings allowing bidders to plan for the bid period and thoroughly respond in time.
- Encourage and incentivize larger firms to utilize COBID firms as second-tier subcontractors and suppliers.
- Thoroughly review bidders' proposals and capabilities so that target businesses are afforded the best possible chance for success.
- Provide feedback to all bidders; answering any post-bid questions.
- Provide technical assistance in a variety of management responsibilities including billing, cash flow and business development, both on request and as needed.
- Establish, disaggregate and track the progress of goals, and communicate progress to Home Forward.

To ensure the workforce development outcomes both Home Forward and Walsh desire, especially the apprentice and journey-level subgoals for women and people of color, Walsh Construction will:

- Continue its long-standing financial and operational support of pre-apprenticeship programs such as Constructing Hope, POIC+RAHS, Oregon Tradeswomen Inc., and Portland Youth Builders.
- Utilize its affiliations with electricians, cement masons, carpenters and laborers unions to promote apprenticeship opportunities for women and people of color.
- Require bidders to commit to apprenticeship utilization with the submission of their bid, allowing Walsh to weigh this contribution along with scope and price. The commitment of apprenticeship hours is documented and tracked following contract award to ensure follow-through.
- Establishing training procedures for new hires that focus on work readiness, trade-specific information, and mentoring / feedback from more experienced workers.

Home Forward believes that the importance of achieving apprentice and journey level subgoals for women and people of color cannot be over-emphasized. The disaggregated workforce data in our annual board report on equity outcomes reveals concerning trends:

- Projects rarely achieve both subgoals for women and people of color.
- Projects tend to meet or exceed the subgoal for people of color but fall short of subgoal for women.
- For both women and people of color, the apprentice and journey level hours worked tend to be in the lower paying, less-skilled jobs.

Opening doors to women and people of color means little if they do not receive the mentoring and supports needed to truly build their careers and advance from apprentice to journey level work. Exactly what supports best facilitate this advancement? Home Forward is exploring the answer(s) to this question right now in conjunction with Walsh Construction and the Portland region's pre-apprenticeship programs.

One reality is clear from the outset: getting to the outcomes we want will take additional funding. Thus, for all new construction projects and major rehabs commencing in 2021 and subsequent years, Home Forward is including a "Workforce Equity Initiative" line item in our budget. Equal to approximately 0.25% of construction costs and covered by our Sponsor Loan contribution to Dekum Court, this budget item will provide flexible funding to pay for key supports women and people of color need to succeed in the construction industry. These supports may run a wide gamut: e.g. emergency car repairs to ensure workers can get to jobsites on-time; a daycare stipend; additional training by existing pre-apprentice and apprentice programs.

Home Forward will decide exactly how to spend these dollars in consultation with expert community partners, and our commitment to this effort extends far beyond Dekum Court. It is a systems level effort, replicable by design, to use our significant construction pipeline to advance equity and achieve culture change in the construction industry.

Partnerships and Services

Provide information about plans and partnerships for ongoing operations, including property management partner(s) or service providers. Describe strategies for aligning culturally specific programming or services to meet the needs of future residents. If your project includes PSH units, please describe if these will use coordinated access process, or another referral process.'

The following is a partial list, based on current Resident Services efforts at Dekum, of coordinated services that will be delivered at the redeveloped property.

Service Provider	Service Provided	Location of Service
Gleaners	Food, health education	On and off site
Trash for Peace	Family and youth services	On and off site
Catholic Charities Save First	Financial capabilities and credit counseling	On and off site
Metropolitan Family Services	Transportation, financial coaching, Individual Development Accounts	On and off site
University of Portland	Health Services: Student Nursing Programs	On site
Metropolitan Public Defenders	Legal services	On and off site
WorkSource Center	Employment and job training services	On and off site
Portland Community College	Education Services	Off site
Self Enhancement Inc	Family and youth services	Off site
YWCA	Domestic Violence Advocacy Services	On and off site

Regarding culturally specific programming, Home Forward's experience housing communities of color runs deep. As Oregon's largest housing authority—serving all of its most populous county—Home Forward has been providing supportive services to marginalized populations and communities of color for over 35 years. Within our 6,700 unit affordable housing portfolio, BIPOC-headed households account for half of the apartments. We work with a notably diverse population that numbers 18,354 households and speaks 45 languages.

Through this experience, Home Forward understands that the barriers faced by communities of color do not disappear when they access our affordable homes and programs. We see firsthand the systemic disadvantage BIPOC households experience. We also know that advancing racial equity must go beyond words and intention. It must be, and has become, a core practice that centers how we deliver our resident services programming.

Home Forward's resident services programming will benefit Dekum Court's BIPOC residents through our commitment to internal cultural competency. For over 20 years, Home Forward has intentionally recruited and hired a staff that is culturally competent and frequently bi-lingual/bi-cultural, occasionally with fluency in several languages. Over sixty Home Forward staff members are bilingual (and often bicultural) in 28 languages and dialects.

This investment in cultural competency and fluency brings tangible results. For example, by engaging parents of color into program design and relying on community members for outreach and recruitment:

- All members of our year-round Youth Leadership Academy and 90% of participants in our summer youth leadership program K'CHING are BIPOC.
- An initiative focused on improving kindergarten registration rates led to a 23% increase in on-time registration for children of color living in and around Home Forward's New Columbia community.

Effective services programming for Dekum Court's BIPOC residents will require marshalling our internal strengths and leveraging them via partnerships. Notwithstanding our in-house linguistic and cultural competencies, there are situations where Home Forward does not have expertise or is not best-positioned to respond to a need articulated by a BIPOC resident. We address these circumstances through active partnerships with numerous non-profit organizations that provide cultural and/or language-specific services such as the Latino Network, Self Enhancement, Inc., Catholic Charities (El Program Hispano), IRCO, Urban League and the Black Food Sovereignty Coalition. A core job duty for all Home Forward Resident Services staff is the creation and maintenance of strong peer relationships with colleagues at culturally specific organizations. These relationships support initiatives focused on education and employment, financial literacy, domestic violence response and mental health services, youth achievement and health and wellness.

Livability and Accessibility

Please highlight design elements that enhance livability and accessibility (e.g. shared Wi-Fi, common spaces, universal design)

The new Dekum Court has been designed to enhance the livability and accessibility of the site and its buildings for all residents.

Site Design

- The site is steeply sloped. Grading and landscape plans have integrated sloped walkways (rather than stairs) into the site design in order to provide the same access to all areas of the site for all residents.
- Home Forward is collaborating with the Clinton Foundation's Too Small to Fail program and Playful Learning Landscapes to enhance early language and learning opportunities across the site for residents of all ages and abilities.
- Community garden space is located adjacent to every building.

Housing Design

- Seventeen housing units (9%) are fully accessible and fully accessible units are available at every unit size.
- Universal design and accessibility experts Allen Hines and Nico Serra have consulted on the design of the housing units. Their advice and suggestions—which range from changing door hardware to revising kitchen layouts—has been integrated into construction documents and will improve the livability of the housing units for all residents.
- All housing units include wi-fi, a dishwasher, a washer/dryer hookup, ceiling fans, and the ability to accommodate an air conditioning unit in every living room and sleeping room.
- All ground floor units have a private outdoor patio.

Community Center Design

The community center is at the literal and figurative heart of the site, surrounded on all sides by outdoor activity and visible and easily accessed from all five residential buildings.

- The building includes a community room, a community kitchen, space for a food pantry, a laundry facility for residents without a washer and dryer in their apartment, and a covered outdoor sport court.
- Adjacent outdoor spaces include a playground and grassy open areas for kids of all ages and adults.
- Wi-fi is provided throughout the building and the adjacent outdoor spaces.

Climate Resilience and Sustainability

Please describe the project's cooling plan to keep residents safe in extreme heat events, take into consideration Metro's Policy Statement of Air Conditioning (Sept. 14, 2021) for expectations related to cooling strategies.

Please highlight sustainability elements and/or green building features for this project.

Dekum Court complies with Metro's Policy Statement of Air Conditioning. All living and sleeping spaces in all housing units accommodate a portable air conditioning unit. The appliance package of every unit includes one portable unit for every studio, one- and two-bedroom apartment and two portable units for every three- and four-bedroom unit. The Community Center has central cooling and will operate as a cooling shelter during extreme heat events.

Dekum Court also complies with the Portland Housing Bureau's Affordable Housing Green Building Policy. Three notable requirements of the PHB policy are:

- 3rd Party green building certification: Dekum Court is enrolled in the Earth Advantage program and, as of December 2021, is expected to receive gold-level certification.
- Electric vehicle (EV) charging stations: Infrastructure for a minimum of six EV charging stations will be installed across the site.
- Solar-ready: All buildings will be "solar-ready". The Bonneville Environmental Foundation is evaluating the capacity of the east- and west-sloping roof planes to deliver a significant solar benefit.

Anticipated Timeline

Describe the anticipated timeline and milestones for the project, including developer or contractor selection, concept endorsement, due diligence, final approval, closing, construction, and lease up – as well as any timelines related to community or elected body engagement.

Home Forward anticipates receiving Final Approval by the end of February 2022, so we can meet our targeted financial closing / construction start of March 10, 2022. Financial closing and construction start requires no further engagement with elected officials.

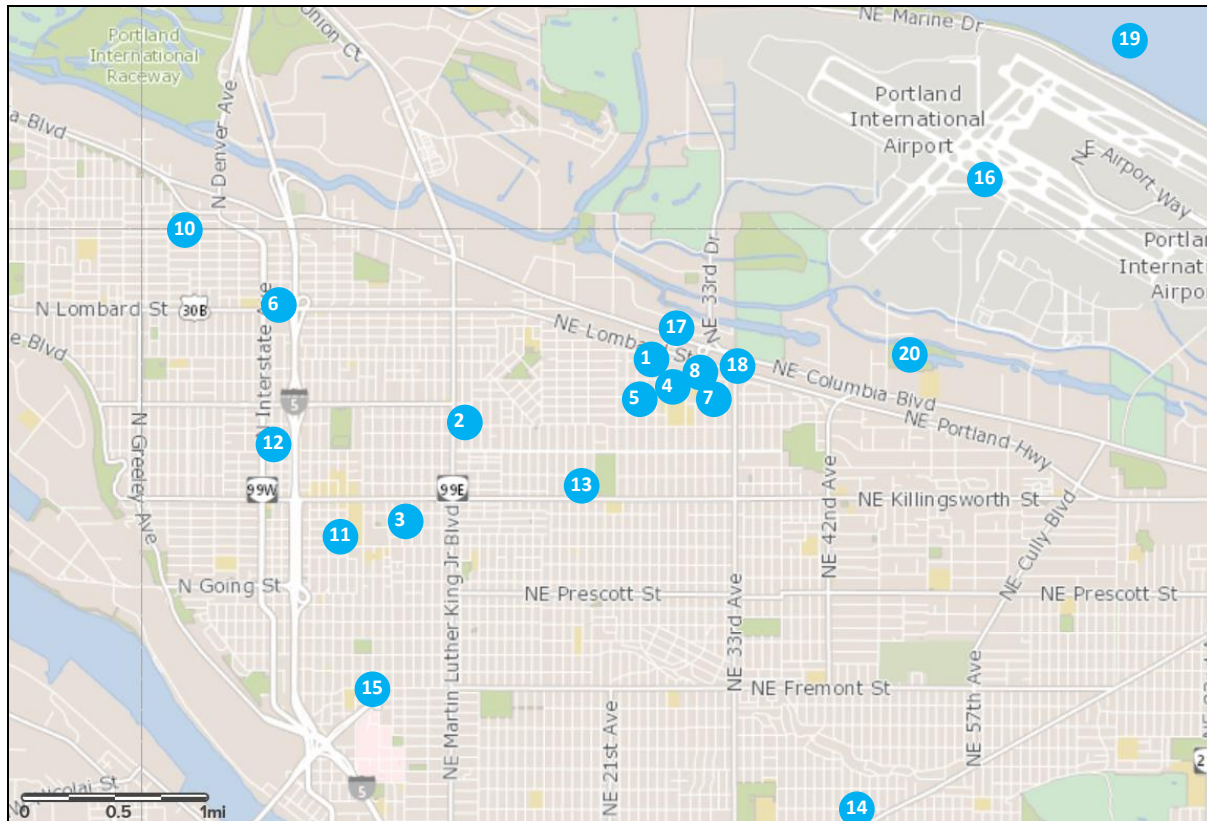
Dekum Court's construction will proceed in two stages to eliminate the need to relocate any current households. Per the project's current schedule:

- Stage 1 of construction will begin in March of 2022 and complete in April of 2023.
- All forty households currently on site will move to their new apartments within six weeks of the completion of Stage 1.
- Stage 2 of construction will begin in April of 2023 and complete in January of 2025.
- The project will be fully leased within six months of its January 2025 completion.

Exhibit B-1



Exhibit B-2



1	Dekum Court.
2	Safeway.
3	WorkSource Portland, NE
4	Bus Line 17
5	Bus Line 75
6	Transit Center N Lombard
7	Faubion Elementary School
8	Faubion Middle School
9	Alliance High School at Meek
10	Columbia Park & Annex
11	Adult and Family Services
12	Portland Police Station – North Precinct
13	Portland Fire Station – 14
14	Providence Medical Center
15	Legacy Emanuel Hospital
16	Portland International Airport
17	Railroad
18	Nearest 4 lane road US 30 Bypass
19	Columbia River
20	Wetlands

Exhibit B-3

Dekum Court: Cost and Financing Information

Total Development Cost (187 units)	\$80,564,636
Total Public Subsidy	
Metro Funds (147 units)	\$21,034,083
Home Forward Reserves (40 units)	\$6,100,768
Cost Per Unit (All 187 units)	\$430,827
Subsidy Per Unit (All 187 units)	\$145,106
Subsidy per Unit (147 Metro units)	\$143,089
Cost per Bedroom (All 187 units)	\$223,791
Subsidy Per Bedroom (All 187 units)	\$75,375

Sources

LIHTC	\$34,304,786
First Permanent Loan	\$16,850,000
Deferred Developer Fee	\$2,265,000
HF Omnibus Loan - Sec 18	\$6,100,768
Metro Proceeds, (\$143,089 /new unit)	\$21,034,083
	<hr/>
	\$80,554,636

Uses

Construction Costs	\$58,380,408
Development Costs	\$1,511,798
General Fees	\$13,742,000
Construction Loan Costs/Fees	\$858,944
Bridge Loan Costs	\$0
Permanent Loan Fees	\$214,250
Tax Credit Fees	\$476,014
Bond Issuance Fees	\$111,000
Interest	\$2,817,563
Contingency	\$535,705
Lease up Relocation	\$1,303,470
Reserves	\$603,483
	<hr/>
	\$80,554,636

Metro Affordable Housing Bond Program

Final Approval

Project Name: Goldcrest (South Cooper Mountain Development)

Implementing Jurisdiction: Washington County

Metro IGA Contract Number: 936591

Date of Concept Endorsement: September 17, 2020

Anticipated construction start: January 2022

Anticipated construction completion: June 2023

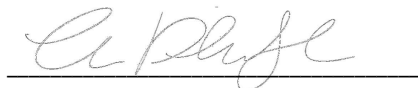
Action:

Metro hereby provides Washington County with Final Approval of \$8,700,00.00 in Metro Affordable Housing Bond funds for the development of Goldcrest (formerly known as South Cooper Mountain Development), a regulated affordable housing project located at 12945 SW 172nd Terrace, Beaverton. 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 the following Project unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
8	One-bedroom	30%	0
21	One-bedroom	60%	0
4	Two-bedroom	30%	0
35	Two-bedroom	60%	0
2	Three-bedroom	30%	0
4	Three-bedroom	60%	0

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 Washington County, 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 Washington County including wiring or other instructions related to transfer of funds.



Marissa Madrigal

Chief Operating Officer

1/25/2022

Date

Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Goldcrest



Drafted by: Alison Wicks, Senior Housing Program Coordinator and
Jimmy Oporta, Housing Program Analyst
Date: December 6, 2021

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 Goldcrest (formerly South Cooper Mountain). 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 \$5.1 million (18%), but these increases are offset by an increases in anticipated 4% LIHTC equity, the permanent loan, and applicant cash contributions. 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 (\$5.1 million) to reflect \$4.9 million increase in 4% LIHTC equity, \$1.3M in applicant contributions, \$425,000 in the permanent loan and an addition of \$500,000 from the Washington County Housing Production Opportunity Fund. Decreases in funding sources included not received anticipated resources from a City of Beaverton SDC offset of \$900,000 and a Washington County HOME fund of \$1.1M
- Increase of \$5.1 million in projects costs, including:
 - Construction costs increasing due to increase in labor and materials, higher escalations and insurance
 - Increases in loan fees and bond issuance fees.

Contribution to unit production targets

Goldcrest will utilize 7.5% of Washington County's total allocation of bond funds (\$8,700,000.00) while delivering 74 units that meet the following unit production outcomes:

- 9.1% of Washington County's overall unit production target;
- 4.2% of Washington County's target of units affordable to households making 30% or less of area median income (AMI); and
- 11.1% 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 11/9/2021
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Letters of Intent by City of Beaverton, Energy Trust of Oregon, Key Community Development Corporation, Key Bank, OHCS Multifamily Energy Program, and board approval of Washington County Housing Production Opportunity Funds
- Architectural Plans – 50% Construction Drawings 7/30/2021
- Phase I Environmental Site Assessment (ESA) dated 08/14/2021
- Land appraisal dated 08/27/2021

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 site is located on one existing tax lot in the South Cooper Mountain Community Plan Area, which is 544 acres located at the southwest edge of Beaverton. The site is vacant with adjacent infrastructure including roads and utility systems being delivered as the area is developed. The project is 0.3 miles from Amelia Park and 0.3 miles from Sabrina Park. Mountainside High School is located across from the property and Scholls Height Elementary is located 0.6 miles away. A grocery store is located 1.4 miles away.
- **Transit access:** TriMet plans to connect bus #56 to serve South Cooper Mountain and connect to the Beaverton Transit Center and the Tigard Transit Center.
- **Diversity in contracting/hiring:** BRIDGE has contracted with Salazar Architects as the project architect and COLAS construction as the General Contractor, both MBE firms. The project is committed to 25% COBID subcontractor participation with a 30% aspirational goal. In order to achieve this goal, BRIDGE developed a set of expectations for the ways in which the general contractor must track and meet equity goals, a methodology for outreach, mentoring and technical assistance to prospective MWESB subcontractors, and an outline of the ways to encourage the involvement of the community through apprenticeship programs and workforce training.
- **Access for historically marginalized communities:** This project will be one of the first regulated affordable housing projects in Southwest Beaverton. Prior to the application period, BRIDGE staff will establish relationships with community leaders, service providers, schools, churches, community centers, and others serving communities of color in Beaverton and Washington County. Hacienda will enhance these efforts utilizing their existing relationships and provide continuity of connection with formal and informal community institutions once the building is open. In order to help prospective residents overcome common barriers to accessing stable housing, BRIDGE has a three-pronged approach to low-barrier screening: starting marketing and outreach early so that prospective residents can mitigate issues that might be a

barrier to acceptance, providing alternative methods to meet screening criteria, and adopting an open appeal process.

- **Culturally appropriate services:** Culturally-specific resident services at Goldcrest will be provided by Hacienda CDC. At move-in Hacienda CDC Resident Services Coordinators will meet with and assess the needs, demographics and income profiles of the residents. Service coordinator will make introductions to appropriate community resources and refer residents to food resources (SNAP, Community Basket, pantries etc.), energy assistance, transportation, medical services and other resources as needed. In addition, 60 hours of resident programming will be reserved per year for community building events such as barbecues, movie nights, potlucks or energy assistance outreach events and financial planning seminars.

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 Goldcrest 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. Feedback from listening sessions was reviewed by the development team to determine: which suggestions were currently included in the design, items identified as infeasible, property management and resident services suggestions that may be feasible and design suggestions to be included in the design phase.

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

Some of the feedback received from listening sessions was addressed by the original design plan and included design elements such as fencing around playground areas, a centralized play area so that parents and guardian can observe children from units, two bathrooms for family sized units and reserving floor units to accommodate residents with mobility limitations. Alterations to the original design through community feedback included adding two outdoor cooking areas and grills for residents, installing sinks in laundry rooms, offering both coin and card-reader operated washing machines and the addition of a designated pet area. Community members also requested a study space for children to do homework and a moveable wall will be installed in the community room to address the need for a study space. The project will also accommodate the community's request for free/discounted internet by offering free internet in all units and Wi-Fi access in the community room.



New Construction/Conversion Narrative Template

Concept endorsement and final approval

Project summary submitted by Washington County Housing Services Department Metro bond final approval, Goldcrest

Submitted by: Andrew Crampton, Housing Development Coordinator,
Housing Authority of Washington County, Andrew_Crampton@co.washington.or.us
Submitted on: November 11, 2021

BRIDGE Housing Corporation (BRIDGE) has received [concept endorsement](#) for \$8.7 million in Metro Housing Bond funds for construction of a four-story, Type V wood-framed, 75-unit affordable housing project in South Cooper Mountain — a high opportunity area in Southwest Beaverton with no pre-existing affordable housing and excellent access to retail, groceries, parks and high-performing schools. The project is 2.15 acres and specifically located at 12945 SW 172nd Terrace, Beaverton OR 97007 in a new area to the City recently annexed after being incorporated into the Urban Growth Boundary (UGB) in 2013. BRIDGE Housing purchased the property in September 2020. The proposed project will include 39 one-bedroom units, 29 two bedroom and 7 three bedroom apartments (including a manager's unit). Fourteen of the units will be affordable to households earning 30% of the Area Median Income (AMI) and these units will be distributed evenly amongst different unit sizes.

The bulk of project financing is provided by equity from 4% Low Income Housing Tax Credits, debt from sale of tax-exempt bonds, the OHCS Multifamily Energy Program, support from the City of Beaverton, and Metro Bond funds from Washington County's allocation. BRIDGE is also contributing to or deferring approximately 54% of its developer fee.

Changes between Concept Endorsement and Final Approval (Final Approval only)

Summarize all changes to the project between concept endorsement and final approval and additional information provided in the report that was not previously included in the Concept Endorsement report.

After receiving Metro Housing Bond concept endorsement, BRIDGE Housing moved forward with finalizing project entitlements, design development, and financing commitments for the project. In order to align the project budget with the design development cost estimate, they made minor unit design changes, reduced windows, and other detailing changes to align these costs. A competitive Request For Proposal (RFP) process resulted in the selection of Key CDC as the project investor and Key Bank as the project lender with a 40-year financing term, which provides project stability.

BRIDGE selected Colas Construction as the project's General Contractor, and Salazar Architecture as the architect firm of record. They have completed the design development phase, received land use approval from the City of Beaverton, and provided multiple cost estimates based on the finalized permit set of drawings. On October 20, 2021, the project received Private Activity Bond Committee approval for \$17.1 million in bonds issued by the Housing Authority of Washington County. Other funding sources that have been

committed after concept endorsement include Housing Production Opportunity Funds committed by Washington County, and Housing Investment funding from the City of Beaverton. The project has also submitted the 4% LIHTC application to Oregon Housing and Community Services (OHCS).

Preliminary Development Program

Goldcrest has 74 affordable units and one manager's unit. Fourteen units will be offered at 30% AMI without any rent subsidies. The building is a four-story Type V wood-framed construction development totaling 78,836 square feet including 22,422 square feet of residential common areas. Exterior amenities include a sizeable play area, a courtyard with ample surface parking and proposed community gardens. Interior amenities include a community room with a warming kitchen, lounge areas, resident service room, offices, bike rooms, and laundry facilities on every floor. There are 108 parking spaces and 75 bike parking spaces. The project is installing a robust cooling system, which consist of a ductless Packaged Terminal Air Conditioner Heat Pump (PTHP) in each unit and a mini-split system for the common areas.

Common-area amenities include a robust community room that will support a range of uses including resident meeting space, public or private resident events, programmed events by the on-site service coordinator. An adjoining Resident Services office will help assist with resident needs. The community room will open onto a centrally landscaped courtyard with a children's playground. There will be laundry rooms and trash/recycling rooms on each of the building floors. BRIDGE will provide free wireless internet access in units and the common areas.

Unit size (no. of bedrooms)	No. of units	AMI %	Square feet/unit	Gross monthly rent/unit
1 Bedroom	8	30%	608	\$544
1 Bedroom	21	60%	608	\$1,088
2 Bedroom	4	30%	802	\$653
2 Bedroom	35	60%	802	\$1,306
3 Bedroom	2	30%	1072	\$754
3 Bedroom	4	60%	1071	\$1,509
3 Bedroom	1	Manager	1072	-
Total	75			

Project Image



Background

BRIDGE originally applied to the City of Beaverton in February 2020 for Metro Affordable Housing Bond funds as a part of the City's Project D Solicitation (released in late December 2019). While this project was not selected in that evaluation process, the City has committed \$400,000 of its own resources through their Housing Investment Fund to the project and asked the County to support the project with \$8.7 million in Metro Affordable Housing Bond funds from the County's Metro Bond allocation. These units will count towards the County's unit production targets; they will not count toward Beaverton's unit production targets.

Recognizing that many community partners serve the larger Washington County area, and that many community members perceive that their needs could be met without respect to jurisdictional boundaries, the three implementing jurisdictions of Washington County, the City of Beaverton and the City of Hillsboro signed an intergovernmental agreement to collaborate on community engagement efforts and on developing the partnerships that will help to ensure the success of all bond projects in Washington County.

The project received Concept Endorsement from Metro on September 17, 2020 for \$8.7 million in Metro Housing Bond funds, which is \$117,568 per unit. In addition, the project received a \$500,000 grant in Housing Production Opportunity Funds from Washington County.

Location and Neighborhood

The subject site is located in the Southwest neighborhood of the South Cooper Mountain Community Plan Area, which is 544 acres located at the southwest edge of the City of Beaverton and a key part of an overarching greenfield development urban expansion added to the Metro Urban Growth Boundary and annexed into Beaverton. Nearby amenities include the high-achieving Mountainside High School across from the property, Cooper Mountain Nature Park and Paul and Verna Winkleman Park. Although transit amenities are not readily available, TriMet plans to extend that Bus #56 to South Cooper Mountain and connecting it with the whole system.



Site

BRIDGE Housing purchased the property in September, 2020. The site is located on one existing tax lot in the South Cooper Mountain Concept Plan area and will provide an opportunity to provide housing in a high opportunity area. The site is vacant with adjacent infrastructure including roads and utility systems being delivered as the area is developed. Trimet plans to connect bus #56 to serve South Cooper Mountain and connect to the Beaverton Transit Center and the Tigard Transit Center. The South Cooper Mountain Neighborhood is an urban expansion high-opportunity area containing newly construction single-family homes and multifamily housing in addition to the new Mountainside High School located just west of the project site. There are no currently regulated affordable units in the area, however over 300 units of regulated affordable housing will be constructed using Metro Housing Bond funds.

A Phase 1 ESA was issued on August 14, 2020 and is in the process of being updated in preparation for project closing. The report found de minimis site conditions and did not identify the presence of underground storage tanks, or significant quantities of hazardous substances, petroleum products or hazardous waste. A geotechnical report was prepared by GRI and issued January 14, 2021 to evaluate subsurface conditions at the site and develop geotechnical recommendations for use in the design and construction of future development.

Project Financing

The total project development cost is \$33.283 million, which is approximately \$443,784 per unit.

Funding Source	Amount
4% LIHTC (Equity)	\$13,914,126
Metro Housing Bond	\$8,700,000

OHCS MEP and Energy Trust of Oregon	\$166,212
Local Funds	\$900,000
Permanent Loan	\$6,300,000
Cash	\$2,403,528
Deferred Developer Fee	\$900,000
Total Fund Sources	\$33,283,866
Uses of Funds	Amount
Acquisition	\$2,431,200
Construction Costs	\$20,699,955
Development Costs	\$10,155,711
Total Project Costs	\$33,283,866

The City of Beaverton's Affordable Housing Tax Exemption Program is an economic development tool that provides nonprofit developers, providing rental housing to low - income residents, a property tax exemption. The project team has received an award of exemption from the City of Beaverton in 2021.

Development Team

BRIDGE Housing Corporation - Developer, Owner

BRIDGE Housing Corporation is the largest nonprofit developer of affordable and workforce housing on the West Coast and has participated in the development of 17,000 housing units throughout California, Oregon, and Washington. BRIDGE brings a 35-year track record of building high-quality affordable and mixed-income housing together with local partners.

BRIDGE's Portland office is headed by Executive Vice President Kurt Creager, who was formerly the Director of the Portland Housing Bureau and Executive Director of the Vancouver Housing Authority, and Senior Vice President of Development Aruna Doddapaneni, who has overseen BRIDGE's work in the Portland area since 2013. BRIDGE's Portland staff is currently managing 658 units in operations including Woodland Park in Downtown Hillsboro and Cornelius Place in Cornelius, and 450 units in construction. For this project, Kurt and Aruna are joined by Project Manager Ben Sturtz, who joined BRIDGE in January 2020 and brings 16 years of experience as a Housing Development Project Manager for REACH CDC and a Housing Specialist for Washington County.

BRIDGE Property Management Company - Property Manager

In addition to developing housing, in 1987, BRIDGE launched an in-house property management company ("BPMC"), which manages or asset manages nearly 109 developments with nearly 11,895 rental and condominium homes. As a nonprofit, mission- oriented company, BPMC's management of BRIDGE properties also better serves BRIDGE residents: revenues in excess of costs generated by BPMC are reinvested to support resident and community services, and to create new affordable housing opportunities.

Hacienda CDC - Resident Services Provider

Hacienda CDC was formed in 1992 to provide necessary housing and supportive services for predominantly low-income Latinx communities. As a resident service provider for its

own portfolio of housing and a partner for organizations like BRIDGE, 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. 99% of Hacienda's direct services staff are bilingual and bicultural and have been trained in best practices of trauma-informed care. Hacienda provides multiple forms and opportunities for meaningful community engagement to build trust and demonstrates a commitment to quality program improvements.

National Association of Minority Contractors Oregon - COBID/Equity Consultant

Established in 2007, NAMC-Oregon is the local affiliate of the National Association of Minority Contractors (NAMC). The NAMC is a nonprofit trade association founded in 1969 to address the needs and concerns of minority contractors. Though membership is open to people of all races and ethnic backgrounds, the organization's mandate, "Building Bridges-Crossing Barriers," focuses on construction industry issues common to African Americans, Asian Americans, Latinx Americans, and Native Americans. Nate McCoy, Executive Director, and his staff has partnered with BRIDGE to draft and implement BRIDGE's Equity Plan, specifically outreach to COBID-certified subcontractors.

Salazar Architect Inc. - Architect

In the late 1990's, Salazar Architect started as a pro-bono urban design practice serving low-income communities of color in the San Francisco Bay Area. In 2007, Salazar Architect was founded with a focus on affordable housing and community-based advocacy work. Since moving to Portland in 2014, the firm has continued to design affordable developments while expanding into market-rate housing and other project types that bring community benefits.

Salazar Architect Inc. is a certified Oregon MBE /ESB/ DBE firm and is licensed in Oregon, California and Washington. This firm also has extensive experience with U.S Department of Housing and Urban Development (HUD) and Low-Income Housing Tax Credit-funded multi-family housing. Lastly, Salazar Architect's work integrates sustainable design principles such as LEED, Earth Advantage and Enterprise Green Communities criteria.

Otak - Civil Engineer, Landscape Architect, Planning/Entitlements

Since 1981, Otak has worked to create vibrant, inclusive neighborhoods through progressive design and responsible growth. Otak has designed and built affordable housing projects for several long-term clients, and they look forward to building on their work with BRIDGE for the South Cooper Mountain project. Otak was previously engaged by West Hills Development and A.G. Spanos to prepare the master plan and plats for their South Cooper Mountain communities. As such, Otak is well versed in the City of Beaverton's land use entitlement and design review process.

Community Engagement

See the attached Community Engagement Report for details regarding how community engagement performed by Washington County Department of Housing Services staff in

partnership with BIPOC communities informed project development. Washington County worked with the CBO partners to develop feedback overviews for each of the listening sessions. These overviews were then shared with BRIDGE, Salazar Architect, and Hacienda CDC. Salazar Architect provided a summarization of themes of the sessions and one document highlighting feedback from all five sessions. The team now intends to use this information to inform project implementation during the design development phase and subsequent design phases of the project to ensure community feedback is incorporated to the extent possible.

Some of the key design changes that resulted from the listening sessions include BRIDGE providing two bathrooms for family units, providing a communal kitchen in the building's community room, providing outdoor grilling and community garden amenities, and strategically located the family sized units to provide mobility options.

In addition, feedback from the City of Beaverton's open house, Latinx Night and Arabic community sessions were instrumental in shaping BRIDGE's proposed project. The feedback received at these community gatherings highlighted a need for two- and three-bedroom apartments and housing for working households and those on Social Security and fixed incomes. Based on this feedback, BRIDGE sought to prioritize the number of two- and three-bedroom units and distributed the 14 units serving 30% AMI households evenly amongst different unit configurations.

Advancing Racial Equity

The Local Implementation Strategy for both Washington County and the City of Beaverton prioritizes investments in high opportunity areas with limited or no affordable housing options. This project aligns well with those priorities and will be one of the first regulated affordable housing project in Southwest Beaverton. Per the City's inventory of regulated affordable housing, all of the City's existing inventory is located Downtown or in North Beaverton (near SW 170th Avenue). There is currently no regulated affordable housing in South Beaverton, Neighbors Southwest, Sexton Mountain, or the newly incorporated South Cooper Mountain area.

BRIDGE has contracted with Salazar Architects as the project architect of record, which is a certified COBID firm. The project will achieve a minimum 50% COBID professional services participation, and is committed to 25% COBID subcontractor participation with a 30% aspiration goal. They have contracted with Colas Construction, which has experience meeting COBID goals in their projects with a network of established COBID sub-contractors and a robust apprenticeship program.

Prior to the application period, BRIDGE staff will establish relationships with community leaders, service providers, schools, churches, community centers, and others serving communities of color in Beaverton and Washington County. Hacienda will enhance these efforts utilizing their existing relationships and provide continuity of connection with community formal and information institutions once the building is open. These connections will be an important conduit for publicizing opportunities when leasing information is available. In order to help prospective residents overcome common barriers to accessing stable housing, BRIDGE has a three-pronged approach to low-barrier screening: starting marketing and outreach early so that prospective residents can mitigate issues that might be a barrier to acceptance, providing alternative methods to meet screening criteria, and adopting an open appeal process.

Partnerships and Services

BRIDGE Property Management will be the property management provider and Hacienda CDC will be the resident services provider. The resident services programming will include:

- resources to connect residents to behavioral healthcare, physical healthcare, and assistance with food, clothing, and household furnishings.
- connection to resources to ensure housing stabilization and eviction prevention, such as emergency rental assistance, food pantry, utility assistance, financial fitness class, medical or behavioral healthcare referral
- youth and family services, such as afterschool programming and early childhood education
- economic opportunity, entrepreneurship, and homeownership services, such as financial coaching, pre-purchase counseling, lending circles, credit building, one-on-one long term business advising, monthly advanced business seminars

Anticipated Timeline

The project anticipates receiving building permits on January 3, 2022 and closing shortly after on January 11, 2022. Construction will commence upon closing and an estimated completion date of June 30, 2023. Project lease-up will commence ahead of construction completion.

Metro Affordable Housing Bond Program**Final Approval****Project Name:** Maple Apartments**Implementing Jurisdiction:** Housing Authority of Clackamas County**Metro IGA Contract Number:** 936551**Date of Concept Endorsement:** August 6, 2020**Anticipated construction start:** March 2022**Anticipated construction completion:** September 2022**Action:**

Metro hereby provides the Housing Authority of Clackamas County with Final Approval of \$15,903,000.00 in Metro Affordable Housing Bond funds for the development of Maple Apartments, a regulated affordable housing project located at 14338 S. Maple Lane Court, Oregon City. 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
24	One-bedroom	30%	24
18	One-bedroom	60%	0
29	Two-bedroom	30%	29
25	Two-bedroom	60%	0
17	Three-bedroom	30%	17
49	Three-bedroom	60%	0
9	Four-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.

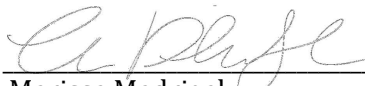

Marissa Madrigal
Chief Operating Officer2/28/2022
Date

Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Maple Apartments



Drafted by: Alison Wicks, Senior Housing Program Coordinator, Jimmy Oporta, Housing Program Analyst, and Emily Lieb, Housing Bond Manager
Date: February 4, 2022

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 Maple 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 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 \$9 million (17%), but these increases are offset by an increase in anticipated 4% LIHTC equity, the permanent loan, and developer contribution. The Metro Bond funds were reduced by a minor amount of \$9,000. Changes or updates to information previously provided during the concept endorsement phase include:

- Increase of \$9 million in construction hard costs (\$8 million) and development soft costs (\$1 million), including:
 - Construction costs increased based on the current market and additional costs associated with moving through the design process.
 - Additional unanticipated requirements from the local jurisdiction necessitated design revision and caused subsequent cost increases
 - Packaged terminal heat pumps for in-unit air conditioning added
 - Land acquisition costs increased
- Increase of \$9 million in additional funding sources, including increases in 4% LIHTC equity (\$7.7 million), permanent loan (\$700,000), and the developer contribution in the form of deferred developer fee (\$715,000).
- The total developer fee has increased \$73,000, to \$6.5 million. The developer fee is less than the OHCS maximum of 14% for projects of this size. Deferred developer fee has increased \$715,000, to \$1.95 million, up from the prior \$1.24 million, and is repaid from the cash flow over seven years. The cash developer fee has decreased \$642,000, to \$4.56 million, or 12% of the prior developer fee eligible basis, down from the prior \$5.2 million. The cash developer fee exceeds Metro's new draft developer fee guidelines, which will take effect on March 1. The proposed guidelines include a \$3 million ceiling on net cash developer fee, but allow for exceptions for development partnerships that justify a need for higher fee to support a capacity building for smaller organizations. Maple is being developed in partnership between Community Development Partner and Hacienda CDC. CDP will own .0051% and Hacienda CDC will own .0049% of the property. The developer fee is split 80% CDP and 20% Hacienda CDC. CDP is taking 100% of the development responsibility and

financial risk. Hacienda is the service provider and will receive the resident services fee from the operating budget.

Contribution to unit production targets

Maple Apartments will utilize 14% of HACC's total allocation of bond funds (\$15,903,000) while delivering 171 units that meet the following unit production outcomes:

- 21% of HACC's overall unit production target;
- 21% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 32% of HACC's family sized unit target.

Additionally, it is worth noting that out of the 70 deeply affordable (30% AMI) units, 12 units in the project will be set aside for agricultural workers and 9 will be set aside as permanent supportive housing for individuals and families transitioning out of homelessness.

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:

- 57% of HACC's overall unit production target;
- 60% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 71% 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 12/9/2021
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan date 10/8/2021
- Letters of Intent by Aegon Asset Management, US Bancorp, Citi Community Capital, US Bank, Clackamas County Health, Housing, and Human Services.
- Bid set dated 12/13/2021
- Phase I Environmental Site Assessment (ESA) dated 9/7/2021
- Land appraisal dated 9/8/2021

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:

Zoned Mixed-use Commercial 2, Maple Apartments will be tucked off Hwy. 213 and S. Beaver Creek Road, located at the nexus of the Walnut Grove residential neighborhood, an amenity rich commercial district, and Clackamas Community College. The development will include street improvements like sidewalks and streetlamps that will reinforce connection to the adjacent neighborhood and amenities. The project is also conveniently located within 3,000 feet of Albertsons and Fred Meyers, and both have pharmacies.

Transit access:

The site is within 3,500 feet of the #32 and #33 bus lines. Both busses also stop at the Clackamas Community College campus, located less than a half-mile away.

Diversity in contracting/hiring:

The developer has committed to meeting the 20% minimum COBID/DMWESB participation target established in the county's local implementation strategy. The project will not be tracking workforce participation or hours.

Access for historically marginalized communities:

Designed with agricultural worker, immigrant, and low-income Oregon City families in mind, the units include a mix of 1-, 2-, 3-, and 4-bedroom configurations, with 75% being 2-bedrooms and larger. 42% of the project's units are set aside for individuals and families making 30% or below the area median income. Additionally, 12 units are set aside for agricultural workers and their families through an award of Agriculture Workforce Housing Tax Credits. Through a partnership with Northwest Housing Alternatives (NHA), the project will also set aside nine units for individuals and families transitioning out of homelessness. These units will include support services through NHA in addition to services provided by Hacienda CDC's Youth and Family Services division.

Culturally responsive and appropriate services:

Hacienda CDC will be providing the majority of on-site resident services. Partnerships for services have also been established with Clackamas County, Clackamas Women's Services, OSU Extension, Clackamas 4-H, Northwest Family Services, Clackamas Workforce Partnership and TriMet. Services provided by Hacienda CDC will include out-of-school programming for youth in grades K through 8, which will include academic tutoring and providing access to enrichment opportunities. The Niños program will bring certified educators to the homes of families with children, ages 0-5 and will help connect parents with child development resources. Additional resident services will include entrepreneurship coaching in partnership with Portland Mercado, financial coaching and credit building, as well as wraparound support, tenancy education, rent and utility assistance and community workshops. Finally, nine units will serve as permanent supportive housing for individuals and families transitioning out of homelessness, and these units will receive wraparound services through a partnership with Northwest Housing Alternatives.

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:

Community engagement was robust and included surveys, listening sessions and community workshops, facilitated through a partnership with Portland State University's Center for Public Interest Design. Over 30 community organizations were engaged to participate in eight interview sessions from December 2020 through April 2021. Community members that answered surveys included seven English-speaking white participants. Senior listening sessions and in-person tour participants included seven women, the Oregon City School Board listening session participants included five Latina, Spanish-speaking women and the Community Design Workshop included eight Latina women, one Latino man, and one white woman.

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

Community members expressed the need for better access to technology and Wi-Fi, better access to transportation, safe and reliable places to keep their car(s), access to childcare especially when accessing services provided by Community Based Organizations, reliable maintenance and friendly staff where they live, good relationships with their neighbors, emergency preparedness, apartments built with accessibility in mind beyond ADA requirements, apartments with storage, an easy laundry experience, and access to outdoor spaces. Participants also expressed a need to feel comfortable in homes that were spacious and had space for everyone to gather, along with privacy and a nice kitchen. Parking for the whole family and guests was also highlighted.

Based on community feedback, the following recommendations to project design were received:

- Designing all first floor 1-BR units as accessible and adequate for senior or residents with disabilities
- Providing more built in storage
- Wood accents and natural finishes are preferred
- Walking paths; adequate lighting on-site
- Play areas for children, along with field sport equipment
- Play areas should be a safe distance from parking lot and roads
- Indoor play area or space for child care in the community building
- Community garden and raised planter beds in garden for accessibility
- A multi-purpose communal space with flexible spaces for meetings and activities, including library, computer lab or community kitchen activities
- Designated guest parking

Sustainability and climate resilience

The development team is anticipating the Earth Advantage Silver certification for Maple Apartments. The project will provide all units with air conditioning via a packaged terminal heat pumps, and the community building will have central heating and air conditioning. The heat pumps

were added to the budget in response to Metro's policy statement of air conditioning following the June 2021 heatwave, and the additional costs were covered by the increase in leveraged funding sources.



New Construction/Conversion Narrative Template

Concept endorsement and final approval

Project Overview

A partnership between Community Development Partners and Hacienda CDC, Maple is a new construction, multi-building complex set around a gracious central green space. Located minutes from the Clackamas Community College campus in Oregon City, the 5-acre site rests on a hillside abutting a quiet residential neighborhood to the east and overlooking retail and commercial amenities to the west.

Designed with agricultural worker, immigrant, and low-income Oregon City families in mind, all units are a mix of 1-, 2-, 3- and 4-bedrooms, with 75% being two-bedrooms and larger, in 3-story walk-up buildings of Type V construction.

The site design supports a series of amenities within a park-like setting which include community garden space, walking paths, children's play areas and outdoor picnic areas. The project also includes a community room with spaces for a movie/game room, book share library, computer stations, a demonstration kitchen area for events/classes.

The project is also intended to provide housing and wrap around services for Oregon City's homeless and at-risk residents. 42% of Maple's units are set aside for individuals and families making 30% or below the area median income. Additionally, 12 units are set aside for agricultural workers and their families through an award of Agriculture Workforce Housing Tax Credits.

Through a partnership with Northwest Housing Alternatives (NHA), Maple will also set aside 9 units for individuals and families transitioning out of homelessness. These units will include support services through NHA in addition to services provided by Hacienda's Youth and Family Services division.

The project will be managed by Guardian Real Estate Services and resident services will be led by Hacienda Youth and Family Services.

Maple has received LOIs from Citi Bank to provide permanent debt and R4 Aegon to provide tax credit equity.

Changes between Concept Endorsement and Final Approval (Final Approval only)

See bulleted items below for summary of cost/savings that changed between concept endorsement and final approval.

- 4% LIHTC credit rate lock fix
- Higher LIHTC equity pricing from the investor
- Higher AWHTC equity pricing from the investor
- Optimistic permanent mortgage rate along with longer term

- Clarification from HACC (Housing Authority of Clackamas County) regarding Fair Market Rents and Payment Standards which resulted in a reduction to income
- Property tax exemption is not available so incorporated taxes
- Clarification from local jurisdiction regarding unknown additional requirements. Thus, provided more informed design team scope of work and construction scope of work and the associated subsequent cost increases.
- Construction cost increases based on current market
- Integrating of air conditioning via PHTP into the project, the project incorporated the additional expense of \$427,000.

Preliminary Development Program

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
1	24	30%	24	549	\$544
1	18	60%		549	\$1,088
2	29	30%	29	796	\$653
2	25	60%		796	\$1,306
3	17	30%	17	1,027	\$755
3	49	60%		1,027	\$1,509
4	9	60%		1,300	\$1,683
Total	171		70		

Site amenities include community garden space, walking paths, children's play areas and outdoor picnic areas. The project includes a community building with spaces for a movie/game room, book share library, computer stations, a demonstration kitchen area for events/classes.

Project Image

High resolution jpeg format renderings provided as part of final approval.

Background

CDP has been looking to provide more affordable housing in Clackamas County, so we were ecstatic at the opportunity to compete for funding through the Housing Authority of Clackamas County's Metro Bond NOFA when it was released in January. Once the application was released, we focused on two main objectives: finding an attractive piece of land and finding an appropriate development partner.

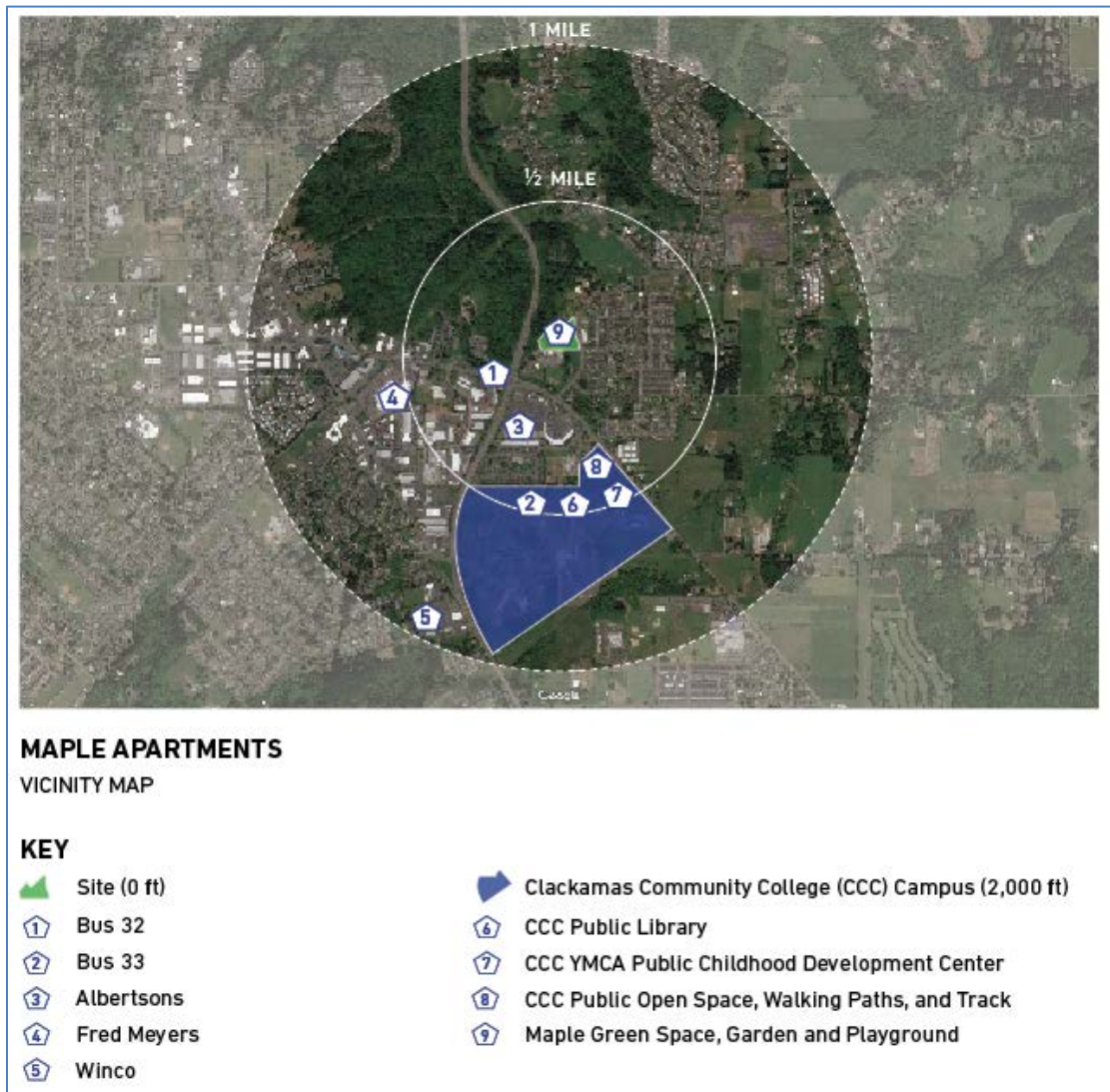
After doing a detailed analysis on ten available sites in Clackamas County for their suitability and proximity to services and amenities, we settled on the Maple property. In March of this year CDP signed a Purchase and Sale Agreement with the owner. During that time, we also began communications with Hacienda Community Development Corporation, our development partner on a project in Gresham, about being co-developers as well as service providers on the project.

To date, majority of the due diligence and predevelopment have been completed to date. We have submitted for site design package and building permits in Oregon City, the local jurisdiction. The general contractor will start the bidding process at the beginning of the new year. We anticipate we will have building permits in late February of 2022.

Location and Neighborhood

Zoned Mixed-use Commercial 2, Maple will be tucked off Hwy. 213 and S. Beaver Creek Road, located at the nexus of the Walnut Grove residential neighborhood, an amenity rich commercial district, and Clackamas Community College. The development will include street improvements like sidewalks and streetlamps that will reinforce connection to the adjacent neighborhood and amenities.

Maple is also conveniently located within 3,000 feet of Albertsons and Fred Meyers, and both have pharmacies. Maple is also within 3,500 feet of the #32 and #33 bus lines. Both busses also stop at the CCC campus, located less than a half-mile away.



Site [word limit: 300]

Maple is a five-acre site zoned MUC-2 and consisting of all or part of four existing tax lots. There are several buildings on site including two residential homes built in 1943, and a commercial building used as a warehouse and commercial space since being built in 1963. Community Development Partners currently has site control of the property. The project calls for the demolition of the existing structures to better utilize the site by providing 171 units of affordable housing.

The Phase I Environmental Assessment revealed no evidence of Recognized Environmental Conditions at the project site. There is soil with low concentrations of petroleum hydrocarbons and soil throughout the project site contains apparently naturally occurring chromium and/or barium at concentrations greater than DEQ CFSLs. This soil will be disposed of appropriately at a DEQ-approved facility. Based on the review of the project plans and results of explorations, laboratory testing and analyses, the geotechnical report indicates the project is geotechnically feasible.

Project Financing

Financial Sources

- 4% LIHTC Equity – \$20,567,572 - we received a LOI from Aegon, a national syndicator that we have worked with on other projects. Their equity pricing is \$0.92 which seems in line with the market. We are in an unstable period of time due to the COVID-19 pandemic. These funds are not competitive.
- AWHTC Equity - \$1,010,283 – we have received a funding award of Agricultural Worker Housing Tax Credits from OHCS for Maple. CDP has experience working with OHCS-issued AWHTC.
- Clackamas County Metro Bond – \$15,903,000 - we are requesting Metro Bond funding which equates to \$93,000 per unit.
- Tax Exempt Bond Permanent Loan – \$22,700,000 - we have received a LOI from Citi Bank with indicative terms and have incorporated those terms into our underwriting. This is another area of current volatility, but we feel confident in the interest rate provided. There would also be short term construction financing provided by Citi Bank, also using Tax Exempt Bonds.
- Deferred Developer Fee - \$1,941,657

Key Financial Assumptions

- Income – rents to be set at 30% AMI and 60% AMI with project based rental assistance (HAP contract) on the 30% AMI units. Income to the project is anticipated to be FMR on the HAP units based on the NOFA guidance. The additional income from the HAP units is being used to support additional permanent debt and to provide robust resident/supportive services.
- Utility Allowances – based on HACC's published Utility Allowance Schedule.
- Vacancy – 5% which is standard and is acceptable to our lenders and investors.
- Permanent Loan – 40-year amortization, 4.5% interest rate, 1.20 debt service coverage ratio

Operating Expenses

- Overall - \$6,834 per unit per year is the projected operating expense based on CDP's, Hacienda's, and our property management company's combined portfolio experience. The budget was developed based on input from our collective organizations.
- Resident Services - \$75,000 is budgeted to be able to provide comprehensive resident programming and services through full time staff provided by Hacienda. See resident services plan for more information.

Total Development Cost: \$62,122,512

Cost Per Unit: \$363,290

Cost Per GSF: \$426.89

Sources		Uses	
4% LIHTC Equity	\$20,567,572	Acquisition Costs	\$3,839,959
Agricultural Worker Housing Tax Credit Equity	\$1,010,283	Construction Costs	\$40,165,490
Clackamas Metro Bond	\$15,903,000	Development Costs	\$18,117,063
Permanent Loan	\$22,700,000		
Deferred Development Fee	\$1,950,940		
Total:	\$62,122,512	Total:	\$62,122,512

Contributions & Local Incentives:

Property tax exemption is not probable for our project. Oregon City SDC credits for infrastructure costs are required for the project.

Development Team

Development Team Experience

Community Development Partners (CDP), Hacienda CDC, and our development, design and construction team members are fully capable of developing this project and staying on schedule to meet milestones for a successful project. CDP and Hacienda are also partnering on Rockwood 10, an affordable workforce housing project located in the heart of the Rockwood neighborhood in Gresham, Oregon. With nearly 2,000 affordable housing units completed between us, CDP and Hacienda are well-versed in the development of this project type and with this finance structure. CDP's team of finance and construction management staff will lead the development team comprising of: Hacienda CDC, LMC Construction, Salazar Architect, and Portland State University-Center for Public Interest Design (CPID). This team has already established a successful relationship from previous projects.

CDP develops affordable housing with a focus on long term community engagement. Combined with Hacienda's expertise in delivering culturally specific programming for Latino, immigrant and communities of color, our team will add diverse and targeted programs unique to this project, its residents, and the surrounding community. Salazar and CPID, along with

PLACE landscape architects, will continue pushing forward the innovative asset-based community development (ABCD), site design, and building design, while LMC Construction will navigate construction costs and incorporate construction efficiencies.

CDP is currently under construction on Rockwood 10 in Gresham, OR. Though not a Metro Bond project, the two share a similar finance structure. LMC Construction is involved in these projects. Both Salazar and LMC are also the design/contractor partners in another CDP development that is complete for a 103-unit project called Cascadian Terrace in Portland. CPID also partnered on Cascadian Terrace where CPID provided community engagement and outreach to create a design in harmony with the community and its residents. LMC has built over 4,600 units of all project and construction types. Hacienda has developed and maintained over 400 units of affordable housing, where approximately 70% of their residents are Latino. With Hacienda's services and affirmative outreach, we will be able to reach out to a wider network of the Latino population.

Community Development Partners

Community Development Partners' (CDP) mission is to develop and operate sustainable, life-enhancing affordable housing with a focus on long-term community engagement. CDP's industry leading, multi-disciplinary team is comprised of real estate development experts who bring diverse backgrounds in affordable, mixed-use, and market-rate development. Collectively, the development team has over 60 years of experience working with cities and public agencies to bring new investment into existing neighborhoods. In the relatively short time since the company was formed, CDP has successfully built a portfolio of 24 unique communities comprising over 2,000 units and \$450 million in total development costs.

CDP is a mission-driven Certified B Corporation. B-Corps (or benefit corporations) are a legally recognized entity structure that balances purpose and profit to benefit society.

Areas of Expertise:

Housing – providing affordable housing that serves the whole person with exceptional design community engagement, and supportive resident services. While CDP is not organized as a 501c3 we are a mission driven organization (as opposed to profit driven) and the B-Corps certification is a reflection of that. CDP is very focused on post-development lifecycle of each of our communities, believing that the greatest opportunity to impact our resident's lives is through resident services and engagement.

Affordable Housing Finance - Since 2012, CDP has successfully built and preserved a portfolio of 24 unique projects using the Low-Income Housing Tax Credit (LIHTC) comprising over 2,000 units and \$485 million in total development costs. We were named a national Top 50 Affordable Housing Developer by Affordable Housing Finance for the third time in 2019. We strive to use affordable housing finance tools effectively to build and preserve more housing in our service areas. In 2019 CDP used new tools available including Income Averaging and Opportunity Zones for 100% affordable housing projects. CDP is also currently participating in a Metro Bond Pilot with Washington County Housing Authority.

Ecology & Arts – Our roots in ecology drive both our design decisions and our long-term programming. Through thoughtful design we are striving to integrate sustainability in meaningful ways. Hands-on education and access to fresh, local food are key ways we strive

to improve the health of our communities. Art is a critical component of well-being and CDP is a firm believer in the value it provides to our residents. We support the arts community and we partner with creators to bring public art installations, ongoing lifelong learning classes, and cultural richness to our developments.

Hacienda Community Development Corp.

From its inception in 1992, Hacienda has sought to bring economic advancement, health and wellness, and a thriving “Comunidad Viva” – living community – to its low-income residents. Through Hacienda’s supportive community building programs – including affordable housing and community benefit commercial buildings, youth and family support, homeownership support, and economic development – Hacienda has greatly improved the lives of its residents, helping children stay in school and families thrive, and continues to strategically transform the neighborhoods they serve.

Areas of Expertise:

Programs - Hacienda’s emphasis on education for our residents from birth through adulthood coupled with our asset building and entrepreneurial initiatives is a proven model for success, providing critical support to low-income children and strengthening their family units for the long-term. Hacienda’s core programs are Real Estate Development, Portland Mercado and Entrepreneurship, Youth and Family Services, Resident Services and Economic Opportunity.

Real Estate Development - Developing quality, affordable housing is at the core of Hacienda’s mission. Hacienda’s buildings are more than just housing, they are places where families can live and thrive in safe, supportive, community-centered environments. One- to four- bedroom townhomes and apartments are built around community spaces, gardens, and playgrounds. Resident youth and adults have access to on-site community building and asset building programs designed to strengthen the economic, physical, and emotional health of families.

Development Team Members:

Position	Contracted Firm	Years of Experience
Owner/Developer	Community Development Partners	9
Co-Owner	Hacienda Community Development Corp.	28
Construction Manager	Urban Resources Inc.	13
Asset Management	Community Development Partners	9
Compliance Manager	Guardian Real Estate Services	36
Architect	Salazar Architect	13
General Contractor	LMC Construction	16

Community Engagement

CDP, Hacienda CDC, Northwest Housing Alternatives, and The Center for Public Interest Design all have roots and experience working in Clackamas County. We have begun building a coalition of residents and service organizations in Clackamas County and Oregon City, and are excited to deepen our outreach and engagement.

Community outreach and engagement is incorporated in our pre-development planning. The goals of our outreach and engagement effort are to both inform the community of this new housing opportunity and encourage participation in the design and development of the project.

Hacienda has great experience in this process, most recently through their Las Adelitas development in NE Portland where they worked with partner organizations as well as the project architects to host a series of listening sessions and charrettes ensuring the community had a say in everything from paint color to space usage to amenities. These sessions were held in English, Spanish, and Somali to accurately reflect our community language needs. Dinner, childcare, and gift cards were provided to ease barriers to access.

CDP and Hacienda CDC are also working with the Center for Public Interest Design (CPID) during the early design phase of the project. The Center for Public Interest Design is a research and action center at Portland State University that aims to investigate, promote, and engage in inclusive design practices that address the growing needs of underserved communities worldwide. Through research and design, fieldwork, and public outreach, CPID promotes a mode of practice that is socially conscious, environmentally sustainable, and economically accessible to all.

CDP has engaged CPID to lead the asset-based development outreach and research. This research identifies existing resident-serving assets that are in the surrounding community, including culturally specific assets that are often overlooked in more traditional analysis, as well as identifying needs that are not being met by those existing assets. The process involves utilizing PSU Master of Architecture students and CPID staff for on the ground outreach. The PSU-OHSU School of Public Health is also often involved in creating a community health needs assessment. The entire process produces an in depth understanding of the community's assets and needs that will then be utilized to inform the concept and design of CDP's project. The result is a project that has been thoughtfully conceived and that provides the greatest benefit to the community.

The Center for Public Interest Design's dialogue and outreach with stakeholders and service-based organizations, as well as demographic data, provide baseline neighborhood and health characteristics. Spatial analyses generate land-use studies to support sustainable, pedestrian-friendly, and community-informed development. The policy and design recommendations that emerge reveal how community assets may orient a community toward a neighborhood rich in safe and meaningful opportunities for living, working, and gathering in ways that address specific community needs.

CPID will build upon existing relationships and research in Oregon City to create an inclusive process and actionable recommendations toward community impact. While the overall process stays malleable in order to respond to specific needs that emerge in research and discussions with stakeholders, the following milestones provide a road map for how this work will be pursued:

- A study of the demographic, social and economic conditions of the area around the development site, as well as Oregon City in general, to identify and frame the needs and assets assessment that will follow.

- An assessment through interviews, charrettes, and stakeholder meetings of community needs and the assets that could address those needs, with a focus on how these inform the programming and design development of the proposed housing project.
- A proposal of which needs and assets should strategically be considered that respond to the needs identified in the research and community engagement processes.
- Conduct a public meeting with service providers and stakeholders to identify and coordinate possible services and support for the projected community.
- Through conversations and research of Oregon City relevant departments, establish a deep understanding of planning and development goals and activities in the city.
- Provide comprehensive report detailing outcomes to serve this specific housing community, as well as information that can serve Oregon City in future developments.

Advancing Racial Equity

CDP works to create trust and build relationships with culturally specific organizations like Hacienda CDC, Oregon's largest Latino-led, Latino-serving housing organization, to ensure our projects strengthen households by providing housing and resident services support, economic advancement and educational opportunities. We aim to provide an element of livability, through art, dignity and cultural details that set our developments apart for the residents our communities are designed for, and we can't do that without working closely with our culturally specific partners. And these partnerships go deeper than providing services. By co-owning, we are ensuring a long-term, mutually beneficial relationship where both organizations have a vested interest in the success and happiness of our residents.

Residents come from all walks of life, and we intentionally work to support the intersectionality of low-income residents of Clackamas County, Latinos, agricultural workers, families, and the homeless. According to ACS 2018 1-Year Data, Clackamas County has a total population of 416,075 people. The County has a Latino population (Mexican, Puerto Rican, Cuban or other Hispanic/Latino) of 9%, Black of 1%, Asian of 5%, and Two or more races of 3%. Clackamas County has a median household income of approximately \$81,278; 7% of the population lives below the poverty line.

Based upon the same data source, Oregon City has a population of 36,040 and similar to Clackamas County, Oregon City has a Latino population of almost 7.1%, followed by African Americans at 1.2%, Asians at 1.2%, Indigenous peoples at 1.4% and 3.9% for two or more races/other. 5.1 % of the residents are foreign-born. 7.8% of the households in Oregon City speak a language other than English in their home. 9.9% of residents fall below federal poverty lines. ¹

Hacienda CDC is prepared to work closely with the diverse population in Clackamas County, and Oregon City, specifically, to ensure that programming and services are culturally sensitive and responsive to community needs. Hacienda has a proven track record of working closely with underserved populations and removing barriers to access to housing, asset building opportunities, and educational opportunities.

As the construction development progresses, CDP and Hacienda will develop an outreach plan targeting the variety of social services/educational/public health/recreational and other community groups to inform them about our planned housing opportunity.

Throughout the pre-development process, neighborhoods, community groups and other stakeholders will be invited to receive up to date information on the progress of the housing. CDP and Hacienda will also plan to participate in various community events to share information about Hacienda's services and our new housing opportunity. Our plan will start by inviting neighbors and the community to participate in a presentation about The Maple. This presentation will incorporate an interactive design workshop allowing neighbors and the community to share their concerns, comments, and ideas. This involvement has been effective, based on our experience, and will help our development team design a project that will holistically address community concerns, and ultimately gain their support and excitement for the housing created. Our outreach strategies will also place emphasis on connecting with local organizations such as Clackamas County, OSU Extension, Clackamas Women's Services, Love Inc., Unite Oregon, and Northwest Family Services to share information about this new housing opportunity and who to contact for more information. Further, we will connect with existing trusted organizations serving communities of color. Hacienda has an existing property in Molalla that serves farmworkers and their families. Through our years of service in Molalla we have been fortunate to build relationships with these organizations and look forward to deepening our connection in Clackamas County.

Some households applying for our affordable housing will have problems with language barriers, poor credit, or recent evictions, primarily for non-payment of rent, and low incomes. Hacienda Resident Services staff will work closely with the property management firm to provide culturally specific language services and establish low-barrier screening criteria which allows for some flexibility in the application decision. In some cases, residents with prior evictions for non-payment of rent will be offered options on how to mitigate their past rental history. Options include payment of a security deposit, agreement to participate in financial fitness training, participation in case management services or other support services, depending upon the barriers identified for the family and an evaluation of the applicant's eligibility to obtain any public assistance. Hacienda's Youth and Family Services Resident Advocate will be the primary point of contact for each resident selected for Housing at the Maple apartments.

CDP commits to advancing equity in contracting across all our projects, and we have committed to achieving at least 20% MWESB participation across all our projects. We are confident Maple can exceed this contracting goal. CDP's good faith effort will include utilizing online resources such as COBID Certification Directory, contacting previously contracted MWESB for current opportunities, networking with current and previous consultants in search of MWESB firms, and attending MWESB trade shows such as Metropolitan Contractor Improvement Partnership (MCIP) and OAME's annual lunch to stay abreast of MWESB news.

CDP has enlisted the services of Salazar Architect on Maple. Salazar is a registered MBE, DBE and ESB with the State of Oregon. CDP and Salazar have worked together previously on Cascadian Terrace, where they achieved 90.6% MWESB participation within the A/E team.

CDP recognizes that one of the greatest opportunities to engage in meaningful equity is during the economically intensive work of building our projects. The construction of Maple will be performed by LMC Construction. LMC and CDP have been working together on numerous projects over the past several years. We have been impressed by LMC's commitment to engaging the minority subcontracting community by engaging, mentoring, and fostering growth at a wide, local level.

LMC will maximum their MWESB participation target of greater than 20% by; providing pre-bid outreach to the community to prepare them for the upcoming bid opportunities, partnering with local membership groups, utilize their network of qualified DMWESB and Section 3 firms that have experience in similar work, creating opportunities for sub-tier contracts by teaming up smaller contracting firms with larger ones, provide cash flow assistance through an expedited payment process, and by partnering with community groups and participating in community events to increase awareness of this project. LMC's projects completed in 2018 show between a 29% and 48% participation rate, up from 2017 which included a range of 25% to 45%.

We have included LMC's Diversity Plan in the Appendix. The plan describes LMC Construction's strong commitment to diversity as it relates to their operations as a General Contractor. The Plan outlines specific procedures aimed at ensuring equal opportunity, as well as diversity in employment, contracting, operations and community relations. The Plan also emphasizes their commitment to diversity as it relates to their employees, vendors, business partners, and community.

Partnerships and Services

Key Service Providers	
Hacienda Youth and Family Services	Lead Service Provider
Northwest Housing Alternatives	Homeless and Recently Homeless Service Provider
Guardian Real Estate Services	Property Management

CDP and Hacienda have designed Maple to house and support several high barrier groups. More details can be found in our service MOU and AWHTC reservation letter.

Agricultural Workers Set Aside - CDP applied and received an estimated \$862,400 equity from AWHTCs to set aside 12 units for agricultural workers and their families. Maple will provide year-round, off-farm, permanent housing with programmatic elements designed with farmworkers in mind—unit sizes for large families, outdoor/garden spaces, and programming through Hacienda Youth and Family Services

Field Laborers Affirmative Marketing Strategy - Hacienda will target 31 units for field laborers and their families. Similar to agricultural workers, but not included as part of the AWHTC award, synergies include year-round, off-farm, permanent housing, outdoor/garden spaces, unit sizes for large families, and programming through Hacienda Youth and Family Services. Funding for services targeted to field laborers and their families will come out of Maple's \$165,000 annual resident services and case management operating budgets.

Families at or below 30% AMI - Our team, supported by Hacienda Youth and Family Services and Northwest Housing Alternatives, is asking HACC for 70 PBVs to house 70 of Clackamas Counties most vulnerable families at Maple.

Permanent Housing for Homeless Households - CDP and Hacienda are partnering with Northwest Housing Alternatives' (NHA) Home Base program to set aside 9 units as permanent housing for homeless households. Please refer to our Support Services Plan and our MOU with NHA for more details.

Project-based Section 8 Voucher - Maple is designed to provide a home to those who have barriers such as adverse credit, rental and legal histories, and have struggled finding housing elsewhere. To achieve this, we have set aside 70 units to serve households at 30% AMI. To ensure we can meet this goal sustainably for decades to come, we are asking HACC for 70 project-based Section 8 vouchers and a PBV HAP contract term of 20 years.

Details on the requested rent to owner are included in the Excel portion of this application. Requests are in line with the HACC Voucher Payment Standards. Maple is located in an eligible census track.

Hacienda Youth and Family Services

Hacienda CDC's Youth and Family Services department has provided community programming to residents of their housing since 1992. Hacienda is continuously developing Equity, Diversity and Inclusion best practices, and staff is trained on federal fair housing regulations to ensure all people being served in our communities are being treated in a manner consistent with our values. Hacienda prides itself on being flexible in our programming and responsive to community needs. Hacienda is in the process of building relationships with other community organizations and will be adept at navigating resources and community services available in the area to leverage the existing neighborhood assets and will strive to fill gaps where services are lacking.

Hacienda CDC has over 26 years of experience providing culturally specific services and engaging our communities in meaningful ways. We believe firmly in the value of culturally specific services which eliminate structural, cultural, and linguistic barriers and foster a sense of safety, understanding and belonging for residents and program participants. These practices ultimately lead to better outcomes for clients such as increased housing and family stability as well as increased social capital. 99% of Hacienda's direct services staff are bilingual and bicultural, with invaluable lived experience, who have been well-trained in best practices of trauma-informed care. We also believe firmly in providing multiple forms and opportunities for meaningful community engagement to build trust and demonstrate a commitment to quality program improvements.

We are committed to ongoing learning when providing services to populations outside of the Latino community. Hacienda recognizes that we cannot provide culturally specific services to every population nor should we. Because of this, we have a long history of formally partnering with organizations who match the population we're serving. For example, we look to our partners at IRCO for guidance and to provide workshops grounded in Somali and East African traditions, practices and norms at our properties in NE Portland where we have a larger Somali population. Other culturally specific organizations we partner with include Portland Community Reinvestment Initiatives and Native American Youth and Family Center.

Target Population

The target population proposed for Maple will be low income families earning an average income of 60% of Area Median Income (AMI). Forty-three units will be targeted to families earning less than 30% AMI. In addition, 12 units will be set aside for Agricultural Workers and 9 homeless households. We also anticipate a culturally diverse population will be serviced. Based on Clackamas County's 2010 census population data, the community is currently 88%

White, 8.5% Hispanic or Latino, 4.2% Asian, 0.9% Black or African American, 0.8% Indigenous peoples, 0.3% Pacific Islander, 2.0% from other races, and 3.8% from two or more races.

Given this population mix, Hacienda anticipates serving primarily low income white and Latino families as well as Asian, Black, and folks who identify as having multiple races/ethnicities in this proposal. Many of the Latino communities we anticipate serving will be immigrants challenged by language and cultural obstacles, which we are uniquely positioned to serve. Hacienda will concentrate its programmatic outreach to ensure Asian, Black/African American and our Indigenous people are welcomed.

With such a diverse tenant population there are many culturally specific needs that must be addressed including language, legal and living habits. Hacienda's Youth and Family Services are all bilingual and has diverse and highly skilled staff trained in working with diverse populations to address the culturally specific need of each household.

Marketing and Lease Up

Hacienda CDC will work side by side with CDP and the design team during the pre-development phase to understand community residents and to develop a resident services program that responds to their needs and aspirations. We will reach out to nonprofit, civic and local agencies to create an informed network and once in construction, Hacienda will assist with promoting the housing and our culturally enriched services in Clackamas County. Through this process, we anticipate forming new partnerships with organizations, such as: Clackamas County, CASA, and Hispanic Interagency Networking Team, as well as leveraging existing partnerships in the County like OSU Extension, Clackamas County 4-H, Northwest Family Services, Clackamas Workforce Partnership, Unite Oregon, and the Children's Center.

Hacienda CDC, will work closely with Guardian's property management staff as they begin to accept applications for Maple well in advance of the project's anticipated construction completion. Hacienda's Resident Advocate will be available to prepare each client for occupancy and arrange for any services the resident will need, including language translation, resolving old debts, short term rental assistance, application fees and deposits, and furnishings. Families may also need connection to behavioral healthcare, physical healthcare and assistance with food, clothing and household furnishings to help each family establish a new home. To begin to assist each household, an individualized assessment will be made in advance of their housing placement to triage their needs, identify resources, and then arrange for coordination of services by Resident Services and other Youth and Family Services staff. Assistance with school enrollment may also be coordinated by Hacienda staff, as needed by the family.

Resident Services for Children and Families

Hacienda's existing network of services and service partnerships are able to support our community building empowerment model and provide a path for their overall success and development. Hacienda firmly believes that a stable, affordable home is just the first step in creating a supportive architecture that positions families and individuals for success.

Additional Resident Services

Hacienda's Resident Services Advocates will connect with Oregon City Parks and Recreation department, North Clackamas Parks & Recreation District, Oregon City School District,

Clackamas County Public Health Centers, Clackamas Community College, Oregon City Public Libraries, Oregon City Food pantries, property management and other partners connecting residents to resources through referrals and advocacy.

Housing Stabilization through eviction prevention is a large part of this work. Our in-house programming has been very successful in demonstrating positive outcomes for youth and families participating in our programs and has received support over the years from over 30 partners, and many long-time funders.

In 2019 these Youth and Family Services outcomes included:

- 260 students under age 15, assisted with educational support and cultural enrichment services
- 95 children under age 5, received early child development support
- 35 at risk middle school children received academic support, cultural enrichment, service learning opportunities and parent involvement
- 203 residents assist with housing stabilization services, including eviction prevention
- 231 residents attended the National Night Out event

For those residents who are ready to strive for greater economic achievement and independence, Hacienda plans to also offer our Economic Opportunity and Entrepreneurship Services. These program services include:

- Economic Opportunity
- Financial coaching
- Pre-purchase counseling
- Lending circles
- Credit building
- EARN Saver Program - IDAs
- Entrepreneurship

Business coaching and small business development services to current and aspiring entrepreneurs through:

- Bilingual business boot camps.
- One-on-one long-term business advising.
- Monthly advanced business seminars

Hacienda CDC's bilingual Resident Services Advocate will be continuously engaged in educating and collaborating with property management staff about our culturally specific services and methods of implementation. The advocate consistently visits sites and provides their contact information to the tenants along with information about our various programs.

The Advocate shall be notified about any potential lease violation matter and shall receive all adverse notices/actions and reviews them with property management to ensure all actions are unbiased, appropriately documented and meet legal requirements. In addition, the Advocate will engage residents individually or together with property management staff and /or other residents, as appropriate, to ensure all actions meet procedural and legal requirements. The Advocate will also connect the household with any needed resources that will stabilize their housing. These resources may include emergency rental assistance, food pantry, utility assistance, financial fitness class, or a medical or behavioral healthcare referral.

The Director of Youth and Family services, working closely with the Advocate, continuously reviews and evaluates the effectiveness of Hacienda programs and services, along with property management services. They have also recently begun utilizing a new Hacienda database program to further enhance review and evaluation of the resident services program.

Northwest Housing Alternatives

Northwest Housing Alternatives' Annie Ross House is an emergency shelter for families experiencing homelessness in Clackamas County. Founded in 1982, Annie Ross House has been Clackamas County's only emergency shelter for whole families experiencing homelessness for over 35 years. To be eligible to stay at Annie Ross House, households must include at least one adult aged 18 or older and at least one minor aged 17 or younger. Families must be experiencing homelessness with no option for diversion to other housing resources in order to qualify to stay at Annie Ross House. Once enrolled in ARH, families experience an average length of stay of 60 days. Each family works one on one with a case manager from Northwest Housing Alternatives' HomeBase program, setting incremental goals which will lead to placement in stable, permanent, affordable housing. Because each individual family has their own barriers and capacity, goals are individualized in order to ensure effective and long-term stability.

Case management is often coupled with financial assistance, although this varies based on funding availability and the needs of the individual household. Case managers will assist the families with identification of appropriate housing options, applications, appeals of denials if necessary, reasonable accommodations, and the move-in process. In addition to this front-end work, case managers remain in contact with the families they serve for up to 12 months to assess needs on an ongoing basis, ease the transition from homelessness to housing, and orient the family to their rights and responsibilities as tenants. Case managers will work in conjunction with Hacienda CDC's Resident Advocate and Maple's Property Manager to address any issues which may threaten tenancy or housing stability for a period of up to 12 months from the time of housing placement.

NHA's services will be bolstered by Hacienda Youth and Family Services' culturally responsive and culturally specific services, supporting tenants and the larger housing community.

Service Team's Overall Capacity

Having operated Annie Ross House for over 35 years and HomeBase case management since 2009, Northwest Housing Alternatives' services team is well equipped to support the households they place at Maple. Our deep roots in Clackamas County include ongoing partnerships with Northwest Family Services, Clackamas Women's Services, Clackamas County Social Services, Oregon Food Bank, The Living Room, and many more. These partnerships with community organizations help households to stabilize by allowing them to utilize those resources and benefits available to them, leading to critical costs such as rent and utility payments being prioritized.

Types and Level of Services to be Offered

Annie Ross House is staffed 24/7 by six staff members comprising 4.6FTE. HomeBase consists of 2 case managers totaling 2.0FTE who have caseloads of approximately 25 households. Each household referred to Maple will have a designated HomeBase case manager who will be

responsible for payments, should any be made from the program, as well as responding to issues that may lead to housing instability for those households they refer.

Brief Overview of Anticipated Services Outcomes for Target Population

Over 90% of households served by Annie Ross House and HomeBase will be in stable, permanent housing 12 months after their exit from HomeBase services. This expected outcome is based on historical outcomes for the program.

Marketing and Lease-up Plan

The vast majority (more than 98%) of households that enroll in Annie Ross House and HomeBase are referred by Clackamas County's Coordinated Housing Access (CHA) system. Referrals from CHA are assessed for vulnerability and options to ensure that emergency shelter is truly needed. Because we know that communities of color are disproportionately represented in experiencing homelessness, we expect that referrals to Maple will match demographic data from the Clackamas County point-in-time (PIT) count.

Budget and Sources of Funding for Services

Annie Ross House and HomeBase and the related services provided to Maple are fully funded through NHA.

Livability and Accessibility

The site design supports a series of amenities within a park-like setting which include community garden space, walking paths with exercise equipment, children's play areas and outdoor picnic areas. There are outdoor spaces are designed for shaded and open areas, along with intimate and larger gathering spaces. The project also includes a community building with spaces for a movie/game room, book share library, computer stations, a demonstration kitchen area for events/classes and shared laundry facility.

Climate Resilience and Sustainability

The community building has central heating and air conditioning throughout, along with all units have PTHPs (package terminal heat pumps) which will provide heating and cooling.

Anticipated Timeline

Below is the anticipated timeline.

Activity	Proposed Date	Completed Date
Site		
Option/Contract Executed		3/2020
Site Acquisition		9/2021
Zoning Approval		3/2020
Site Analysis		3/2020
Building Permits & Fees		9/2021
Off-Site Improvements		9/2021
Pre-Development		

Plans Completed		9/2021
Final Bids		2/2022
Contractor Selected		3/2020
Financing		
Construction Loan Proposal		8/2021
Construction Loan Firm Commitment		8/2021
Construction Loan Closing/Funding of Loan	5/2022	
Permanent Loan Proposal		8/2021
Permanent Loan Firm Commitment	6/2021	8/2021
Permanent Loan Closing/Funding of Loan	5/2022	
Development		
Syndications/Partnership Agreement (LIHTC)	4/2022	
Construction Begins	5/2022	
Construction Completed	11/2023	
Certificate of Occupancy	2/2023*	
Marketing		
Lease Up Begins	9/2022	
Lease up Completed	1/2024	

*multiple buildings allow for the first TCO 12 months after the construction start and one additional building coming online approximately every 30 days thereafter

Metro Affordable Housing Bond Program

Final Approval

Project Name: Nueva Esperanza

Implementing Jurisdiction: City of Hillsboro

Metro IGA Contract Number: 936670

Date of Concept Endorsement: November 2020

Anticipated construction start: March 2022

Anticipated construction completion: August 2023

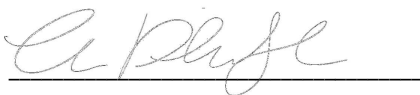
Action:

Metro hereby provides City of Hillsboro with Final Approval of \$16,940,731.00 in Metro Affordable Housing Bond funds for the development of Nueva Esperanza, a regulated affordable housing project located at the NE corner of the intersection of NE 53rd Ave and NE Hidden Creek Dr, Hillsboro. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Hillsboro, is attached as Exhibit B.

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

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
24	One-bedroom	30%	4
20	One-bedroom	60%	0
28	Two-bedroom	30%	4
27	Two-bedroom	60%	0
8	Three-bedroom	30%	0
38	Three-bedroom	60%	0
4	Four-bedroom	60%	0

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 Hillsboro, 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 Hillsboro including wiring or other instructions related to transfer of funds.



Marissa Madrigal

Chief Operating Officer

2/15/2022

Date

Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Nueva Esperanza



Drafted by: Emily Lieb, Housing Bond Program Manager, Alison Wicks,
Senior Housing Program Coordinator and Jimmy Oporta, Housing
Program Analyst
Date: February 3, 2022

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 Nueva Esperanza. 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 Hillsboro.

Changes since concept approval

The project has undergone some changes since concept endorsement. The total project cost has increased \$5.47 million (+11%), but these increases are offset by an increase LIHTC equity, grants, and the permanent loan. No change in Metro Bond funds was requested. Changes or updates to information previously provided during the concept endorsement phase include:

- The proposed unit mix has not changes, but the total development square footage has increased to provide larger unit sizes, and the number of buildings has increased from 12 to 13.
- Increase of \$5.47 million in total development costs, including:
 - Construction hard costs increased \$5.78 million including increased labor and material costs due to additional square footage and cost escalation
 - Development soft costs decreased \$300k
- Increase of funding sources \$5.4 million to reflect increased 4% LIHTC Equity (\$5.8 million), grants (\$300k), and permanent loan (\$1.1 million).
- Northwest Real Estate Capital Corporation (NWECC) selected as property management company.
- 8 Project Based Vouchers (PBVs) will be marketed to and target households making 20% or less of AMI, but will be restricted at 30% or less of AMI.
- Total developer fee has increased from \$4.68 million to \$4.75 million, which is within OHCS guidelines, and the net cash developer fee has increased to \$3.29 million, up \$1.2 million from the \$2.1 million net cash fee proposed at concept endorsement. The City of Hillsboro has approved this change in response to discussion with the development partners, Housing Development Center and Bienestar about the need for an increased fee to boost Bienestar's development capacity and ability to cover operating deficit guarantee. This proposed fee is in compliance with Metro's new draft developer fee guidelines, which will take effect on March 1. The proposed guidelines include a \$3 million ceiling on net cash developer fee, but allow for exception for development partnerships that justify a need for a higher fee to support capacity building for smaller organizations.

Contribution to unit production targets

Nueva Esperanza is the City of Hillsboro's first bond project and will utilize 41.7% of its total allocation of bond funds while delivering 149 units that meet the following unit production outcomes:

- 52% of Hillsboro's overall unit production target;
- 51% of Hillsboro's target of units affordable to households making 30% or less of area median income (AMI); and
- 74% of Hillsboro's family sized unit target.

Readiness to proceed

Hillsboro 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 12/20/2021
- OHCS Affirmative Fair Housing Marketing Plan dated 1/31/2021
- Residents Service Plan by Bienestar dated 12/17/2021
- Letters of Intent by Enterprise, JPMorgan Chase Bank, and Citi Community Capital
- OHCS Multifamily Energy Program Grant Agreement
- Meyer Memorial Trust Grant Award 6/16/2020 and 2/8/2021
- Bid Set dated 10/15/2021
- Phase I Environmental Site Assessment (ESA) dated 11/30/2021
- Land appraisal dated 11/22/2021
- Project-Based Voucher Award Letter dated 6/7/2021

The City of Hillsboro will contribute the 6-acre city-owned vacant site for the project.

Sustainability and climate resilience

Nueva Esperanza is committed to an Earth Advantage gold standard. The project will provide in-unit cooling as packaged terminal heat pumps (PTHPs) and ceiling fans in every bedroom, and A/C window ports

Advancing racial equity

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

- **Location:** The project is located within one and half miles of a full service grocery store and employment center at Orenco Station, in close proximity (less than 0.5 miles) to social services, within 4 miles of public school (elementary, middle and high school), and less than 75 feet from a community park and the Hidden Creek Community Center, which is directly adjacent to the site and will open in 2021.
- **Transit access:** The project is located 0.5 miles south of the Hawthorne Farm MAX station.
- **Diversity in contracting/hiring:** HDC and Bienestar have established a minimum 20% COBID contracting goal, along with an aspirational goal of 35% COBID participation. Although the project will not be tracking workforce diversity, the development will work with LatinoBuilt to identify subcontractors who are not currently COBID certified, but who

want to become COBID certified and will offer them the opportunity to get certified during the project.

- **Access for historically marginalized communities:** Bienestar, Housing Development Center and partners will utilize a comprehensive multi-lingual marketing and lease-up plan for the project. Bienestar and Northwest Real Estate Capital Corporation (NWRECC) have completed an Affirmative Fair Housing Marketing Plan (AFHMP) that complies with fair housing law and regulations and expands upon the expertise of Bienestar and its partnerships with Racial Equity Collaborative, the Hillsboro School District, Immigrant Solidarity Collaborative, the Somali Empowerment Circle, Adelante Mujeres and other organizations to carry out affirmative marketing. Bienestar will be targeting the area's largest and most at-risk population of color, Latinx farmworkers and working families and is currently working with local service agencies and housing providers to create an improved low-barrier and equitable screening process for applicants that will include: no rejection based on negative rental history, no rejection based on prior evictions if it was based on excessive rent burden, and accepting professional letters to assist in the review process.
- **Culturally appropriate and responsive services:** Bienestar will be recruiting resident leaders (Promotores) who act as community connectors, doing home visits and providing residents with referrals to resident services. Resident services staffing will be provided on-site through the operating budget (1.0 FTE Resident Services Coordinator, as well as a part-time Community Services Director, and three Promotores). Bienestar will leverage a wide array of services for Nueva Esperanza residents through strong partnerships with more than 10 community-based organizations, including Virginia Garcia Memorial Health Center, Community Action, Centro Cultural, Adelante Mujeres, multiple departments of the City of Hillsboro, Washington County and others. Services provided by partners will include: homeownership counseling and financial capabilities, student and homeownership matched individual development accounts (IDAs), summer enrichment programs, and monthly community-building events and presentations, along with leadership development and empowerment advocacy. No PSH units are identified for this project.

Community engagement to inform project implementation

Metro staff have reviewed the updated narrative to confirm consistency with the community engagement elements of Hillsboro'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 Nueva Esperanza is robust, intentional and well thought out. In late 2019, Bienestar formed a project advisory committee (PAC) by recruiting several well-known and respected leaders from the Latinx community in Hillsboro. Bienestar also hosted a virtual Spanish language focus group, led by Spanish-speaking architects, with nine participants currently residing in affordable housing throughout Washington County. Bienestar partnered with the Somali Empowerment Circle to help connect with the Somali community in Washington County. Cascade Management, along with the Bienestar's community services team also facilitated two community meetings in English to discuss leasing, community room and landscaping design with members of the English-speaking community. An online survey was also sent to the PAC and staff members from Adelante Mujeres to request feedback on landscape design, programming and amenities at the project. Community engagement included 31 participants in total. Sixty-one percent of

participants currently live in affordable housing and all identify as either Black or African American and Hispanic or Latino.

- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:** As a result of community feedback, two bathrooms will be incorporated into 3- and 4- bedroom units, and 2-bedroom units will include a bathroom with a lavatory separated from a toilet/bathtub to allow a family member to use the sink while another family member is bathing, kitchens will include generous pantries that enhance livability and space, moveable furniture will provided in the laundry and community rooms to create comfortable waiting areas, the dog area will be fenced and non-pet areas will have appropriate signage, ADA units will be located within various buildings across the site with ADA parking as close to the designated unit as possible community courtyards will be located within each cluster of buildings and each courtyard will provide a play area, picnic tables, walking paths, lighting and a distinct character.



Nueva Esperanza – City of Hillsboro

Final Approval Project Narrative

Project Overview

Nueva Esperanza will provide 149 new affordable homes serving households in the City of Hillsboro earning 30-60% of AMI. The project leverages \$16,940,731 Hillsboro Bond sources with non-competitive 4-percent LIHTC equity, tax exempt bonds, private bank financing, and grants from Meyer Memorial Trust and the OHCS Multifamily Energy Program. The City of Hillsboro will contribute an approximately 6-acre City-owned, vacant site in close proximity to parks, transit and neighborhood amenities to create this new neighborhood.

Changes between Concept Endorsement and Final Approval

1. **Site Design.** The original NOFA application depicted a secondary access from 53rd Avenue, entering the site mid-block. During the design phase, the development team worked with the City to locate an ‘Entrance Only’ access on the far north end of the property. The change in access created a better buffer between the housing and the industrial neighbors and consolidated the green spaces with the Community Building for enhanced community integration.
2. **Parking.** The NOFA Application depicted 170 total parking spaces for the property. As design progressed through Schematic Design and Design Development phases additional requirements including the reconfiguration of the site plan to locate the parking and drive aisle along the north and eastern property line, the requirement to incorporate a fire lane, and additional refinement of stormwater and landscaped areas reduced the total parking count to 169 parking spaces. Of the 169 parking spaces, eight are designated for ADA parking and two for loading.
3. **Change in Property Manager.** The original NOFA application included Cascade Management as the future property management company hired by Bienestar. In June 2021 Bienestar, at the direction of its board, started an RFP process for its property management portfolio contract. By August 2021 and after receiving 4 proposals, Bienestar and its selection committee moved forward with selecting Northwest Real Estate Capital Corporation (NWRECC) as its new property management company. Effective November 1st, 2021 NWRECC became the new property management company on all Bienestar properties and will be the property management company on all new future projects.
4. **Area Median Income (AMI) Levels for Project Based Voucher (PBV) units.** In the original RFP application and Concept Endorsement, there was a table of targeted household AMIs included. In the table, it was indicated that the eight PBV units would be set at 20% AMI. Those units will be *marketed to and will target* households making 20% or less of AMI, but it was not the intent of the development team to formally *restrict* the units at that level. The PBV unit restrictions will be restricted at 30% or less of AMI, as indicated on page two of this narrative.
5. **Cash Developer Fee Increase.** *The Joint Venture ownership partners, HDC and Bienestar, requested an increase to the cash developer fee compared to the Concept Endorsement pro forma.* Financing partners Enterprise Housing Community Investments, Citibank, and Chase have structured their financial projections to allow this. *The overall developer fee, as a percentage of total*

development cost, is currently less than what it was at time of Concept Endorsement. The higher cash fee presents several advantages to the sponsors and the communities they serve, most notably:

- a. It enables HDC to exit the partnership at the appropriate time, enabling it to lend its balance sheet to another developer with a small balance sheet.
- b. It boosts Bienestar's capacity as a local CDC and community based affordable housing developer, furthering its ability to serve current and future residents in need. Bienestar is currently seeking to increase its development capacity by hiring BIPOC employees and mentoring them into project manager and development roles. Bienestar wants to continue to collaborate with its residents and the community in its projects, and the best way to do this is to be actively engaged on the development side. This is an important aspect of capacity-building for smaller organizations. The cash developer fee will help Bienestar support trainings, professional development and recruiting to accomplish this and other activities that serve BIPOC communities.
- c. It better positions Bienestar to undertake important initiatives in line with the City's goals regarding affordable housing development to increase affordability and make Hillsboro a better, stronger community.
- d. It strengthens both organizations' ability to cover the operating deficit guaranty that investors require for the first 5 years of the project's operations.

As illustrated below, the gross developer fee as a percentage of the Total Development Costs has decreased since the NOFA Concept Endorsement:

	NOFA Concept Endorsement	Current Budget
Gross Fee	\$4,680,000	\$4,750,000
Gross Fee as % of TDC	11.05%	9.98%
Cash Fee	\$2,093,000	\$3,291,035
Deferred Fee	\$2,587,000	\$1,458,965

The City has carefully reviewed and vetted the deferred and cash developer fees and find them appropriate to the size, scale and associated risks of the Nueva Esperanza project, and in line with City's and Metro's racial equity and social justice policy goals associated with Metro Housing Bond Implementation.

Preliminary Development Program

Nueva Esperanza will provide 149 new affordable homes and one unrestricted manager's unit across 12 residential buildings and one central community building. It is a low-rise (three-story) development with interior stairs, wood-frame construction, and slab on grade with surface parking. Units will serve households earning 30-60% of AMI.

To foster connections within a development of this size, the design organizes the buildings into three distinct neighborhoods or colonias that have their own unique identities. By creating smaller neighborhoods within the larger project, Nueva Esperanza will foster a sense of community for residents. The project site design builds community, integrates pedestrian circulation into the existing neighborhood, promotes active pedestrian connections along NE 53rd Ave and Hidden Creek Drive, minimizes vehicular impact,

preserves mature trees, and achieves Earth Advantage Gold Certification. An *Alameda* (tree lined community pathway) will capitalize on the existing mature trees in the utility easement bisecting the site and will anchor the project to nature and create a natural backdrop for the north and south portions of the site. Buildings are organized along the vehicular streets and generously sized plazas, providing ample distance between structures and ensuring that outdoor amenities have access to sun. The project will have a total of 169 parking spaces (1:1.11 ratio), of which eight are designated for ADA parking and two for loading, and a total square footage of 140,960.

Unit size (no. of bedrooms)	No. of units	AMI %	PBV's	Square feet/unit	Gross monthly rent/unit
2 Bed	1	Unrestricted Manager		824	\$0
Studio	0				
1 Bed	4	30%	4	615	\$544
1 Bed	20	30%		615	\$544
1 Bed	20	60%		615	\$1,088
2 Bed	4	30%	4	824	\$653
2 Bed	24	30%		824	\$653
2 Bed	27	60%		824	\$1,306
3 Bed	4	30%		1,238	\$754
3 Bed	12	60%		1,238	\$1,509
3 Bed	4	30%		1,238	\$754
3 Bed	26	60%		1,238	\$1,509
4 Bed	4	60%		1,413	\$1,683
Total	150				

Background

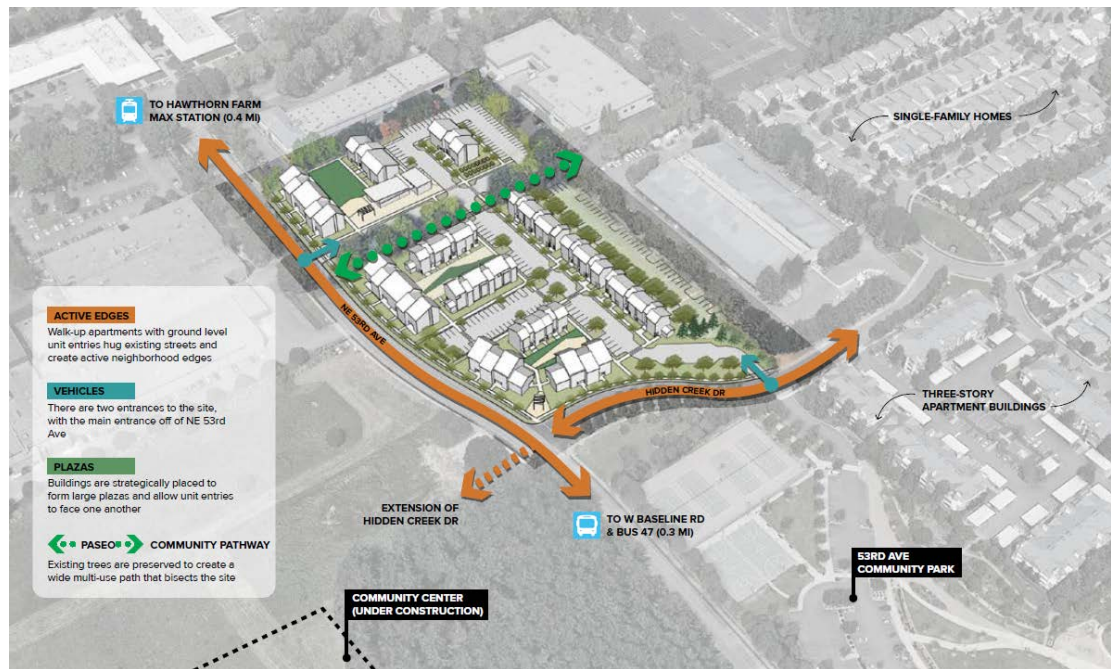
The City of Hillsboro released a Request for Proposals (RFP) to select an affordable housing developer to utilize up to \$18M of bond funds to develop the City-owned 53rd Ave. site in Spring 2020. Throughout the summer, the City affordable housing committee reviewed proposals, conducted interviews with developers, scored projects and helped inform a staff recommendation. The staff recommendation to award the site and funds to the Bienestar/HDC team was taken to a City Council work session on September 1, 2020 for discussion with Concept Endorsement formally approved at the Council meeting on November 17, 2020.

The City has completed a Phase 1 ESA, ALTA survey, geotechnical engineering report, roadway analysis and rezoning of the site. Additionally, the City completed a lot line adjustment process defining the parcel to be used for affordable housing.

Location and Neighborhood [word limit: 100]

The site is ideally located for the creation of a new, affordable neighborhood taking advantage of the City of Hillsboro's local amenities. Adjacent to the site are a brand new community center, and the existing 53rd Avenue Community Park. To the east of the site are existing multi-family neighborhood and the parks maintenance facility. Light industrial uses are to the north. High frequency light rail transit at the Hawthorne Farm station is only 1/2mile north of the site and Bus #47 on Baseline road to the south. Additional open

space and recreational areas are within walking distance east and west of the site. Neighborhood commercial district, including a pharmacy and medical office are within walking distance.



Site

The City of Hillsboro owns an approximately 6-acre site at the NE Hidden Creek and 53rd Avenue, adjacent to the City's parks maintenance facility and across the street from the regional park complex. The site is largely flat, undeveloped open grassy fields separated by a path and utility easement lined with trees. A helipad and brick courtyard and berms along NE 53rd Avenue exist on the site and will be demolished as part of redevelopment.

The City completed rezoning the site in January 2020 from SC-BP Station Community Business Park to SCR-MD Station Community Residential – Medium Density. The City has completed a lot line adjustment process defining the parcel to be used for affordable housing.

Environmental: The City contracted with GeoPacific Engineering, Inc. to conduct a Phase 1 Environmental Site Assessment completed in April 2020. The ASTM 1527-13 compliant study reviewed the site, historical imagery, interviews, uses, and available databases and maps and did not reveal the presence of any Recognized Environmental Conditions (RECs).

Geotechnical: The City contracted with GeoPacific Engineering, Inc. to conduct a Geotechnical Engineering Report completed in April 2020. Fifteen test pits were dug to evaluate site conditions. The primary geotechnical concerns associated with development are site preparation, due to the presence of fill material, and soil liquefaction. Poorly compacted fill was encountered in the berms along the edge of the site, as well as thin layers of fill underneath topsoil in several pits. In areas where driving lanes, parking areas, buildings, and/or placement of engineered fill are proposed, the poorly-compacted fill material will need to be removed and replaced as discussed. The well compacted fill material may likely be allowed to remain in place, provided that it is inspected and approved by the geotechnical engineer during construction. Typical of the region, potentially

liquefiable layers underlie the site to depths of 60 feet beneath the ground surface. The liquefiable layers start at about 10 feet below the ground surface. The site can accept townhouse structures no more than three-stories above grade with a separate means of egress. GeoPacific was consulted based on proposed construction type and determined the soil bearing capacity is suitable for the proposed structure.

Project Financing

The project leverages \$16,940,731 of Hillsboro Bond funds with non-competitive 4 percent LIHTC equity, tax exempt bonds, private bank financing, and an OHCS Multifamily Energy Program grant. Meyer Memorial Trust has also provided support for the Nueva Esperanza project and has granted \$300,000 in predevelopment funds to the project.

Through leveraging, the proposal requires less than the maximum amount of City bond funds available. The project is requesting \$113,696 in Metro bond funds per affordable unit which is \$29,304 less than, or 20.5 percent below, the City's average bond expenditure amount to reach its unit goals. Overall, per unit costs at Nueva Esperanza, across all unit sizes, are \$355,692. In 2020, OHCS decided to shift away from a cost per unit metric to assessing a project's cost per bedroom against the total applicant pool. Hard Cost per square foot is \$235.

The City of Hillsboro will contribute the land at no cost to the project.

Source	Amount
4% LIHTC Equity	\$22,310,515
OHCS MEP	\$143,625
Permanent Loan	\$12,200,000
Metro Bond Funds	\$16,940,731
Deferred Development Fee	\$1,458,965
Meyer Memorial Trust	\$300,000
Total	\$53,353,836

Use	Amount
Acquisition	\$10,000
Construction Hard Costs (incl 5% contingency)	\$38,904,208
Permits & System Development Charges	\$3,518,442
Soft Costs	\$6,781,277
Construction Financing	\$390,000
Permanent Financing Fees and Legal	\$40,000
Tax Credit Fee and Syndication	\$475,453
Bond Issuance	\$383,500
Construction and Predevelopment Interest	\$1,216,784
Soft Cost Contingency	\$640,273
Reserves	\$993,900
Total	\$53,353,836

Development Team

The *Nueva Esperanza* Development Team of Bienestar, HDC, Scott | Edwards Architecture, and LMC Construction is a capable and highly collaborative team that came together in 2018

to tackle a difficult rehab project at the Bienestar-owned Montebello Apartments in Hillsboro. Despite the many challenges, including the need to relocate residents during the onset of the COVID-19 pandemic, the rehab was completed on time and on budget and the result exceeded City standards.

S|EA, HDC, LMC Construction, and NW Real Estate Capital Corporation (NWRECC) all have a strong track record of racial equity. For this project, each of these four organizations is adopting a culturally specific lens. A few examples: NWRECC will be hiring bicultural, bilingual staff at *Nueva Esperanza*; LMC will promote the project and work closely with culturally specific sub-contractors; S|EA has designed *Nueva Esperanza* with cultural specificity and to be responsive to communities of color; HDC recognizes its role as consultant and partner and leans into listening to the community and those with lived experience during the development.

- Owner and Asset Manager Bienestar: 40 years of experience
- Co-Developers HDC and Bienestar Combined: 66 years of experience
- Architect Scott | Edwards Architecture: 22 years of experience
- General Contractor LMC Construction: 16 years of experience
- Property Management NW Real Estate Capital Corporation: 22 years of experience

Community Engagement

In late 2019, Bienestar recruited several respected community leaders who came to Hillsboro as migrants or immigrants to join a Project Advisory Committee (PAC) to guide and inform the planning, development, and implementation of *Nueva Esperanza*. In addition to choosing a name and giving in-depth guidance on project design, the PAC shared stories that revealed much of the little told Latinx and immigrant history of Hillsboro. Through the design process Bienestar, HDC and SEA consulted with Latinx and Somali organizations to provide feedback and recommend design alterations to better meet their community's living preferences. As the project is completed and begins to lease up, the PAC will be invited to come back and help the development team pick out artwork for *Nueva Esperanza*'s new Community Center.

Livability and Accessibility

In order to enhance livability and accessibility, the *Nueva Esperanza* development team has focused on elements that enhance community building and support individual needs. The design elements that have been incorporated into the project, which enhance livability and accessibility include:

- Community courtyards are located within each cluster of residential buildings. Front doors open onto courtyards with areas to sit or to gather. Each courtyard provides a play area, a barbecue and picnic tables, walking paths, lighting and a distinct character.
- The required Type A (accessible) units are located within various buildings across the site with ADA parking as close to the designated unit as possible.
- The project includes flats as well as townhouse units which allows for diversity in accessibility.
- Two bedroom units include a bathroom with a lavatory separated from a toilet/bathtub to allow a family member to use the sink while another family member is bathing.

- Three and four bedroom units include one bathroom with a bath and one bathroom with a shower.
- Blocking is provided in all bathrooms that will allow for future grab bars if the need arises.
- Kitchens include generous pantry units that enhance livability and reach space.

Climate Resilience and Sustainability

The Nueva Esperanza development team has approached the issue of sustainability as one that will keep our most vulnerable community members safe while also delivering an efficient project that can be well-maintained long into the future. To that end the project is committed to meeting an Earth Advantage, gold standard. Nueva Esperanza is in fact tracking towards a platinum standard based on the use of (among other features) durable materials; efficient lighting, heating and exhaust systems; and increased insulation values. In addition, the project will install solar panels to support the electrical needs of the house panel (which will including lighting for the site, common spaces and community building).

In order to further address the region's changing climate, the Nueva Esperanza units are equipped with options to provide cooling for the residents. After considering a number of factors including utility costs, long-term maintenance, construction cost, resident choice and comfort the development team has included the following cooling strategies for the project:

- A packaged terminal heat pump (PTHP) will be installed underneath each living room window providing air conditioning into the living/cooking spaces. Based on the energy model, this device will typically cool the main living areas and provide respite when the rest of the unit might get warm.
- Ceiling fans will be installed in every bedroom. While a ceiling fan does not contribute to cooling in the energy model, it does contribute to a feeling of comfort when someone is in the room.
- Window ports are included in the project budget as a construction add-back item. VPI Quality Windows: Endurance Windows have been specified, which includes an optional AC window port that fits within the screen frame of the casement windows. All bedroom units have the same size casement window, which should make it easy for Property Management to remove the screen and install a window port as requested by residents. If an AC window port is in place, the portable air conditioning unit will be provided by the resident. The electrical engineer has verified that the available load for the unit will support a typical portable air conditioning unit in each bedroom. It is expected that the Development Team will add-back into the project a percentage of window ports based on perceived need and project budget.

Advancing Racial Equity

Together, Bienestar and HDC adhere to a community-based equitable development model that prioritizes a DEI framework and holds both organizations accountable to the communities of color we serve. The *Nueva Esperanza* project was explicitly created within the framework of racial equity. HDC, Bienestar and our project partners will ensure a minimum of 20 percent of total project costs go to COBID-certified MWESB-SDV businesses as part of this project, with a goal of reaching 35 percent MWESB-SDV participation. Bienestar and NWRECC will implement a comprehensive, multi-lingual marketing and lease-

up plan and have developed low barrier tenant screening to ensure equitable access to the opportunities provided by *Nueva Esperanza*

Affirmative Marketing: Bienestar, HDC, and partners will create and carry out a comprehensive, multi-lingual marketing and lease-up plan that ensures racial and economic equity is achieved, that all classes of disadvantaged populations will have equal and fair access to rent units at *Nueva Esperanza*, and that the project is furthering affordable housing choice in Hillsboro. Bienestar and NWRECC will comply with fair housing law and regulations, as evidenced by the draft Affirmative Fair Housing Marketing Plan (AFHMP) included as an attachment to the proposal. The affirmative marketing plan consists of the following components:

Dissemination of Multi-lingual Marketing Materials - For almost 40 years Bienestar has internally created and disseminated English and Spanish language advertising, instruction, counseling, and general communication to lease up, educate and inform disadvantaged populations in Hillsboro. We are extremely confident in Bienestar's ability to develop marketing materials that reach lower-income predominantly monolingual and limited-English Spanish-speaking households and lower-income African and other immigrant populations in and around eastern Hillsboro to ensure that they are aware and informed of *Nueva Esperanza* leasing availability. Bienestar will work with partners in the Racial Equity Collaborative, the Hillsboro School District, the Immigrant Solidarity Collaborative, the Somali Empowerment Circle, Adelante Mujeres, Family Promise, Community Action, and others to ensure that information is distributed to other communities of color in the area and will produce leasing and other informative materials in other languages as needed, including Somali, Arabic, Slavic, Vietnamese and Tagalog.

Dissemination of Marketing Materials - Bienestar historically markets availability of units with a racial equity lens, employing the following strategies:

- Communication with or in-person visits to major employment centers
- Communication through its peer network of other community service providers that work with Latinx and other diverse populations
- Flyers and direct communication at places of worship, libraries, and stores owned by Latinx entrepreneurs or frequented by Latinx target populations
- Word of mouth via Community Connectors as part of their normal volunteer activities and in their respective places of work and direct referrals from our 2,000 tenants from among their social and professional networks.

Low-Barrier Tenant Screening: As a longtime developer, owner and operator of affordable multifamily properties in Washington County, Bienestar targets the area's largest and most at-risk population of color, Latinx farmworkers and working families (95 percent of Bienestar tenant are Latinx), to ensure even the most financially disadvantaged in our community have access to quality homes (all Bienestar units are reserved for 60% percent AMI or below). In preparation for serving Hillsboro's diverse community, Bienestar has worked with local service agencies and PSH providers to create an improved low-barrier and equitable screening process for all applicants. In speaking with these partners (Community Action, Family Promise and Somali Empowerment Circle) and supportive housing experts (Sequoia Mental Health), it is clear that traditional screening criteria fails to account for known barriers tied to socioeconomic identities. As referenced in Community Action's *2019 Issues of Poverty Report*, common screening practices that are intended to protect the property owner from negative turnover can serve as barriers to accessing housing for low income residents. Examples of these common barriers include negative credit history, past

evictions, income inefficiency, and criminal records. Bienestar has strived to address these through common sense changes. One such change is that Management will not deny an applicant for negative rental history or prior evictions if it was based on excessive rent burden (household paying more than 50 percent of its total monthly income for rent and utilities). Additionally, the criminal conviction review process has removed any crimes that are no longer illegal at the State or Federal level. Furthermore, applicants will be encouraged to provide professional letters to assist in the review process. For every aspect of the screening criteria, Bienestar and NWRECC will consider relevant individualized evidence of mitigating factors, and approach each review through the lens of equity.

Equity in Contracting and Workforce: Marginalized communities have not had the same access to wealth building opportunities. Therefore, Bienestar and HDC commit to prioritize contracts with COBID-certified MWESB-SDV businesses through equitable contracting practices. Bienestar and HDC are committed to maximizing the involvement of local, Hillsboro-based contractors, workforce and businesses. This will ensure that *Nueva Esperanza* maximizes the economic opportunities for communities of color and the local economy while ensuring the input and values of those same communities are reflected in the project. Bienestar and HDC, working with General Contractor LMC Construction, will ensure that at least 20 percent of total project costs go to COBID-certified MWESB-SDV businesses as part of this project, with a goal of reaching 35 percent MWESB-SDV participation. In addition, we will maximize local participation when possible. To achieve the project goals, we will undertake the following steps:

- Work with the Hillsboro Chamber via their Latinx Business Coach to host a forum for local MWESB-SDV companies interested in working on the project;
- Work with LatinoBuilt, a trade association for Latino Contractors in Oregon, to identify MWESB-SDV firms to bid on project components and use local workers/subcontractors. LMC has committed to presenting bid opportunities to LatinoBuilt's 70+ members and working with LatinoBuilt to give Latinx business owners, who often have experience as construction workers, the opportunity to build wealth by growing their business. LatinoBuilt's team will be sitting alongside Bienestar and HDC to review subcontractor proposals. There the team will identify subcontractors who are not currently COBID Certified, but who want to become COBID Certified and will offer them the opportunity/ support to get certified during the project. The development team is still working with the City of Hillsboro to achieve this goal.
- Ensure our architectural partner, Scott|Edwards' (SEA), assigns two Latinx architects to work on the project and prioritizes MWESB-SDV consultants for the project team.
- In addition the design effort is composed of a sub-consultant team that includes one minority-owned firm (landscape architecture), one woman-owned firm (civil engineer/land use consultant), one emerging small-business (structural engineer) and one woman/minority-owned firm (traffic engineer). This participation represents 37% of design fees committed towards COBID-certified firms.

Partnerships and Services

Stable housing and a rich sense of community while aspiring to a better future is the framework for the resident services plan at *Nueva Esperanza*. Bienestar's flagship Promotores/ Community Connectors Program is the cornerstone of Bienestar resident services model. This program recruits and empowers resident leaders (Promotores) who act as "community connectors," doing home visits and providing residents with referrals to relevant services. Resident services staffing will be provided on-site through the operating

budget (1.0 FTE Resident Services Coordinator, as well as a part-time Community Services Director, and three Promotores).

Bienestar will leverage a wide array of services for *Nueva Esperanza* residents through strong partnerships with more than 10 community-based organizations, including Virginia Garcia Memorial Health Center, Community Action, Centro Cultural, Adelante Mujeres, multiple departments of the City of Hillsboro, Washington County and others. Given the history of western Washington County and Hillsboro, many of the established CBOs have their roots in the Latinx community. However, as the demographics of our community shift, Bienestar, and these other organizations, are shifting their missions and services to be able to serve an increasingly diverse, multi-cultural population. Throughout the year, partner organizations give presentations on their services to help the Promotores/ Connectors make the best possible referrals for residents. Services provided by the partners include:

- Promotores/Connectors Information and Referral: 10+ local service organizations: Community Action, Virginia Garcia Memorial Health Center, and others.
- Homeownership Counseling and Financial Capabilities: National Association of Latino Community Asset Builders (NALCAB), Adelante Mujeres, Credit Builders Alliance, ProudGround and Portland Housing Center
- Student matched IDAs, Homeownership IDAs: CASA of Oregon,
- Summer enrichment (nature walks, Explorador camp, summer lunches, Back to School Fairs): Audubon Society of Portland; Clean Water Services; Portland Zoo; others
- Monthly Community-Building Events (i.e. family friendly games, holiday events, etc.): Various providers
- Informative Presentations: Adelante Mujeres, Virginia Garcia Memorial Health Center, Hillsboro School District, others
- Leadership, Empowerment, and Advocacy Metropolitan Alliance for the Common Good, Welcome Home Coalition, Housing Alliance, Washington County Racial Equity Collaborative

Anticipated Timeline

Task	Completion
City and Metro Concept Endorsement	November 2020
Community Engagement	Winter 2021
Planned Unit Development (Land Use) Approval	Fall 2021
City and Metro Final Approval	January 2022
Construction Closing	February 2022
Construction Completion – First Building	January 2023
Construction Completion – Final Building	August 2023
Property Fully Leased	November 2023