

# METRO HOUSING BOND QUARTERLY REPORT | APRIL - JUNE 2022

July 27, 2022

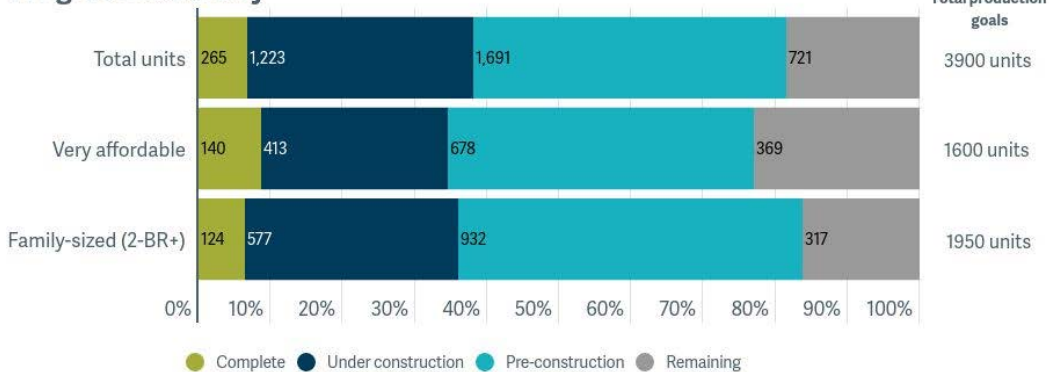
*This is the second quarterly progress report for the Metro Affordable Housing Bond of 2022. Similar reports are produced quarterly with the goal of keeping the Housing Bond Community Oversight Committee, Metro Council, and other stakeholders and partners informed about ongoing implementation progress. 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

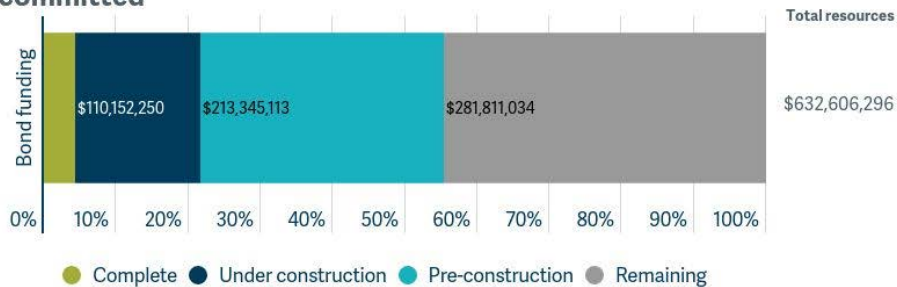
As of the end of June 2022, the Affordable Housing Bond program has 33 projects representing 3,179 new affordable homes in the pipeline, including seventeen projects (1,691 units) that are in pre-construction. Twenty-three projects have received final approval, of which eleven (1,223 units) are under construction, and five projects (265 units) have completed construction and are accepting residents. Collectively, the 33 projects in the pipeline represent 3,179 new affordable homes, or 82% of the total production target for the Housing Bond, while utilizing approximately 56% of allocated project funding. Of these homes, 1,633 will have two or more bedrooms, representing 84% of the program's production goal of 1,950 family-sized homes; and 1,231 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 77% of the program's production goal of 1,600 deeply affordable homes.

### Production and funding dashboard

#### Progress underway



#### Resources committed



## REGIONAL PRODUCTION PROGRESS

	Eligible units	30% AMI units	2+ BR units	PSH units
<i>Total units in pipeline</i>	<b>3,179</b>	<b>1,231</b>	<b>1,633</b>	<b>595</b>
<i>Total unit production targets</i>	<b>3,900</b>	<b>1,600</b>	<b>1,950</b>	<b>N/A</b>
<i>% of unit progress underway</i>	<b>81.5%</b>	<b>76.9%</b>	<b>83.7%</b>	<b>N/A</b>
<i>Total funding committed or underway</i>	<b>\$350,795,262</b>			
<i>% of funding committed</i>	<b>56%</b>			
<i>Total funding remaining</i>	<b>\$281,811,034</b>			

## 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	\$4,411,737	Construction	60	60	0	60	Oct-2021	Nov-2022
Dekum	\$21,034,083	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	\$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	63	18	48	0	Jun-2022	Aug-2023
Albina One	\$13,572,107	Pre-construction	94	32	54	0	Mar-2023	Feb-2025
Meridian Gardens	\$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
Tistilal Village	\$3,511,176	Pre-construction	24	24	22	16	Jan-2023	Dec-2023
Total units in pipeline			1,104	435	502	237		
Total unit production targets			1,475	605	737	300		
% of commitment complete			74.8%	71.9%	68.1%	79%		
Total committed or underway			\$119,461,200					
Total LIS funding			\$211,056,579					
% of funding committed			56.6%					
Remaining LIS funding			\$91,595,379					

## 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	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	\$14,320,000	Pre-construction	116	47	60	8	Mar-2023	Jun-2024
Goldcrest	\$8,700,000	Pre-construction	74	14	45	0	Sep-2022	Mar-2024
Plaza Los Amigos	\$12,830,000	Pre-construction	113	26	73	16	Jul-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	Jul-2022	Sep-2023
Viewfinder	\$11,583,000	Complete	81	34	56	27	Jun-2020	Dec-2021
Total units in pipeline			809	318	396	163		
Total unit production targets			814	334	407	100		
% of commitment complete			99.8%	95.8%	97.2%	N/A		
Total committed or underway			\$99,914,611					
Total LIS funding			\$116,465,532					
% of funding committed			85.7%					
Remaining LIS funding			\$16,550,921					

## 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	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	\$5,548,542	Complete	48	48	0	48	Oct-2021	Jun-2022
Marylhurst	\$3,000,000	Pre-construction	100	40	83	40	Aug-2022	Aug-2023
Total units in pipeline			560	241	373	157		
Total unit production targets			812	333	406	0		
% of commitment complete			68.9%	72.3%	91.8%	N/A		
Total committed or underway			\$51,351,542					
Total LIS funding								
% of funding committed								
Remaining LIS funding								

## 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	Construction	149	60	105	8	Mar-2022	Oct-2023
<b>Total units in pipeline</b>			<b>149</b>	<b>60</b>	<b>105</b>	<b>8</b>		
<b>Total unit production targets</b>			<b>284</b>	<b>117</b>	<b>142</b>	<b>0</b>		
<b>% of commitment complete</b>			<b>52.4%</b>	<b>51.2%</b>	<b>74%</b>	<b>N/A</b>		
<b>Total committed or underway</b>			<b>\$16,940,731</b>					
<b>Total LIS funding</b>			<b>\$40,657,081</b>					
<b>% of funding committed</b>			<b>42%</b>					
<b>Remaining LIS funding</b>			<b>\$23,716,350</b>					

## Gresham

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Albertina Kerr	\$ 11,189,475	Construction	147	30	31	30	Jan-2020	Jun-2022
Rockwood Village	\$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			\$10,415,490					

## 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	Construction	135	17	79	0	Jun-2022	Oct-2022
Total units in pipeline			269	61	140	0		
Total unit production targets			218	89	109	N/A		
% of commitment complete			100%	68.5%	100%	N/A		
Total committed or underway			\$23,900,000					
Total LIS funding			\$31,140,595					
% of funding committed			76.7%					
Remaining LIS funding			\$7,240,595					

## 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 second quarter of 2022. Staff reports for these approvals are included in the Quarterly Report Project Approvals Addendum.\**

Project	Endorsement/Approval
Tigard Senior Housing	Final Approval
Plaza Los Amigos	Final Approval
Marylhurst	Final Approval
Scholls Ferry Road	Final Approval
Saltzman Road	Final Approval

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

## METRO AFFORDABLE HOUSING BOND

Financial Report Through June 2022 (1st close)

### FINANCIAL SUMMARY

TOTAL REVENUE	\$685,391,135
TOTAL EXPENSES and DISBURSEMENTS	\$219,503,995
TOTAL COMMITTED	\$143,464,571
TOTAL FUNDING REMAINING	\$322,422,569

### 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	\$4,801,937	\$29,960,800
<b>TOTAL REVENUE:</b>	<b>\$680,589,198</b>	<b>\$4,801,937</b>	<b>\$685,391,135</b>

<--- \$8,003,000 of this additional revenue ("Premiums on Bonds" and "Interest Earnings") has been allocated to fund A/C cooling systems.

## EXPENSES

PROJECTS	Prior Years Expended or Disbursed	FY2021-22 Expended or Disbursed	Committed -- Not Yet Disbursed	TOTAL EXPENDED, DISBURSED or COMMITTED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended, Disbursed or Committed
<b>Jurisdiction:</b>						
Beaverton	\$3,000,000	\$9,000,000	\$11,900,000	\$23,900,000	\$31,587,595	75.66%
Clackamas County	\$14,118,542	\$34,233,000	\$3,000,000	\$51,351,542	\$117,854,094	43.57%
Gresham	\$16,341,505	\$0	\$0	\$16,341,505	\$27,140,995	60.21%
Hillsboro	\$0	\$16,940,731	\$0	\$16,940,731	\$41,240,081	41.08%
Home Forward (East Multnomah Co.)	\$0	\$21,034,083	\$15,213,585	\$36,247,668	\$37,141,206	97.59%
Portland	\$3,684,394	\$4,411,737	\$90,330,986	\$98,427,117	\$197,490,792	49.84%
Washington County	\$17,233,000	\$59,661,611	\$23,020,000	\$99,914,611	\$118,135,532	84.58%
Metro Site Acquisition Program	\$4,801,959	\$2,800,976	\$0	\$7,602,935	\$62,016,000	12.26%
Other Metro Direct Project Costs	\$0	\$69,152	\$0	\$69,152	\$0	N/A
<b>TOTAL:</b>	<b>\$59,179,400</b>	<b>\$148,151,291</b>	<b>\$143,464,571</b>	<b>\$350,795,262</b>	<b>\$ 632,606,296</b>	<b>55.45%</b>

ADMINISTRATIVE	Prior Years Expended or Disbursed	FY2021-22 Expended or Disbursed	TOTAL EXPENDED or DISBURSED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended or Disbursed
<b>Jurisdiction:</b>					
Beaverton	\$339,016	\$115,118	\$454,134	\$655,591	69.27%
Clackamas County	\$1,467,639	\$0	\$1,467,639	\$2,446,065	60.00%
Gresham	\$140,826	\$168,991	\$309,817	\$563,305	55.00%
Hillsboro	\$342,376	\$171,188	\$513,564	\$855,939	60.00%
Home Forward (East Multnomah Co.)	\$167,148	\$167,149	\$334,297	\$334,297	100.00%
Portland*	\$0	\$0	\$0	\$0	N/A
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	N/A
Metro Accountability and Financial Transaction Costs	\$4,109,109	\$3,570,605	\$7,679,713	\$13,056,000	58.82%
Reserved for Future Allocations				\$6,528,000	0.00%
<b>TOTAL:</b>	<b>\$7,634,804</b>	<b>\$4,538,501</b>	<b>\$12,173,304</b>	<b>\$28,196,704</b>	<b>43.17%</b>

\* PHB uses a Project Delivery Fee, not paid for by Metro's Affordable Housing Bond, to reimburse their administrative expenses.

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

## Metro Affordable Housing Bond Program Final Approval

**Project Name:** Tigard Senior Housing

**Implementing Jurisdiction:** Washington County

**Metro IGA Contract Number:** 936591

**Date of Concept Endorsement:** September 17, 2020

**Anticipated construction start:** April 2022

**Anticipated construction completion:** September 2023

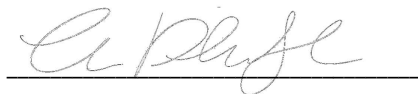
**Action:**

Metro hereby provides Washington County with Final Approval of \$6,270,000.00 in Metro Affordable Housing Bond funds for the development of Tigard Senior Housing, a regulated affordable housing project located at 8815 SE Omara St, Tigard. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B.

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

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
23	One-bedroom	30%	23
32	One-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 Beaverton, and will occur within 10 days of Metro's receipt of the following items: a draft regulatory agreement meeting IGA terms, a final sources and uses budget, a construction contract schedule of values, and an invoice from Washington County including wiring or other instructions related to transfer of funds.



Marissa Madrigal

Chief Operating Officer

4/21/2022

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Tigard Senior Housing



Drafted by: Alison Wicks, Senior Housing Program Coordinator and  
Jimmy Oporta, Housing Program Analyst  
Date: April 14, 2022

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Final Approval of funding for Tigard Senior 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. In addition Washington County was able to fill a project funding gap due to cost escalations by adding HOME and HPOF funding to the project. The project is not seeking a change in the Metro bond funding amount. Key changes include:

- The project building area has increased by 3,300 sqft (+7.5%) and the average unit size has increased by 11 sqft (1.8%)
- The permanent loan structure has changed from a \$5.61 million tax-exempt bond, with a 4.25% interest rate and 40-year amortization, to a hybrid structure that splits \$5.79 million in permanent debt into two components, each with 35-year terms.
- Total project costs increased by \$6.38 million, including increases in hard costs and soft costs. Increases were primarily due to material construction cost increases, specifically increased lumber prices, supply expectations and availability of subcontractors.
- Total project funding sources increased by \$6.38 million, including increases in 4% LIHTC equity permanent loan, sponsor cash contribution, contributed developer fee, and Metro TOD subsidy. Washington County HOME funds of \$1.2 million and Washington County HPOF funding of 500k were added to the project. The Oregon MEP grant was decreased.
- The net cash developer fee has increased \$142k (+13.6%) from \$1.04M (6.5% of the developer fee basis at concept endorsement) to \$1.18M (5.53% of developer fee basis at final approval). This amount is less than Metro's allowed range of 6%-10% for a project with 31-75 units.

## Contribution to unit production targets

Tigard Senior Housing will utilize 5.4% of Washington County's total allocation of bond funds (\$6,270,000) while delivering 57 units that meet the following unit production outcomes:

- 7.0% of Washington County's overall unit production target;

- 6.9% of Washington County's target of units affordable to households making 30% or less of area median income (AMI); and
- 0% of HACC's family sized unit target.

The project will utilize 23 project based vouchers.

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 2/2/2022
- OHCS Affirmative Fair Housing Marketing Plan
- Letters of Intent by Oregon Housing and Community Services, Enterprise, Umpqua Bank, Washington County, and Metro TOD Program
- Permit Set dated 9/13/2021
- Phase II Environmental Site Assessment (ESA) dated 2/10/2022
- Land appraisal dated 10/27/2021
- Community Engagement Outcomes Report

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

## Advancing racial equity

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

### Location:

The project is located in downtown Tigard, directly adjacent to the existing Tigard Senior Center and Fanno Creek Park, and is in close proximity to Tigard City Hall and the Tigard Public Library.

### Transit access:

The Southwest Corridor Light Rail is currently being planned to connect Downtown Tigard to Portland. The site, which is less than a quarter mile from frequent TriMet #76 bus stop, will be located 0.5 miles from the planned light rail station. Additionally, the existing Tigard Transit Center is presently served by seven TriMet bus lines, Yamhill County Transit and the WES Commuter Rail service and is located approximately 0.75 miles away from our proposed development site.

**Diversity in contracting/hiring:**

Northwest Housing Alternatives (NHA) will work with its General Contractor, Walsh Construction Co., to ensure that the Washington County goal of 20% contracting with COBID firms is exceeded. Walsh Construction has developed an outreach strategy for Tigard Senior Housing to ensure DMWESB-SDV participation in the project.

**Access for historically marginalized communities:**

The project includes 57 units designated for seniors aged 62 and older. Prioritizing housing for Veterans, seniors with disabilities, and households at risk or coming from homelessness, fully 23 (40%) of the homes are will have Project Based Rental Assistance and serve as Permanent Supportive Housing. All the apartments will be one bedroom, and all will be fully accessible. Three units at Tigard Senior with project-based subsidy will be reserved for individuals and households referred by Pathways. Pathways is a program of Northwest Housing Alternatives which provides housing case management to adults with a qualifying severe and persistent mental illness (SPMI).

**Culturally responsive and appropriate services:**

NHA's Resident Services staff will partner with local nursing programs, local public health authorities, and other community-based health care providers to facilitate on-site preventive health services for residents. The Resident Services Coordinator for Tigard Senior Housing will have set hours of availability on site. Building upon the proximity to Tigard Senior Center, residents of Tigard Senior Housing will be closely connected to Meals on Wheels and meal service at the senior center. Additional partnerships include an executed Memorandum of Understanding with the Washington County Disability, Aging, & Veteran Services (DAVS). DAVS will provide referrals to programs and services for Tigard senior residents and coordinate with other providers to ensure service plans that promote successful tenancies. Case management services for Veterans moving from homelessness will be provided by the Veterans Administration. The project does not have any units set aside for Permanent Supportive Housing (PSH).

**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 Tigard Senior was multi-faceted and led by Washington County's Department of Housing Services, in partnership with multiple CBO's including the Immigrant & Refugee Community Organization, HomePlate, EngAGE, Somali Empowerment Circle, APANO and Bienestar. Between fall 2020 and spring 2021, eight Zoom listening sessions were held with 75 BIPOC members from Somali, Black, Native American, Asian American and Pacific Islander and Latinx communities. Separate sessions for each BIPOC community were led in English, collaboratively in both English and the communities' preferred language or fully in the communities' native languages. NHA and the City of Tigard also hosted three listening sessions between June 2020 and February 2021 to discuss housing for aging residents, along with updates to project design.

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

Community feedback informed how the project could best leverage resident experience with the Tigard Senior Center located directly adjacent to the project site and enhancing pedestrian connections to the Fannon Creek Trail. Other major themes included:

- Increasing access to views
- Improving unit and common area accessibility
- Adequate parking for residents
- Improved security and lighting on site
- Specific changes to project design as a result of community feedback included: Shifting the building to accommodate the community's concern about access to views – some neighbors believed that the original building layout blocked views to Fannon Creek Park
- Designing every housing unit with Universal design principals – this way, seniors can age in place for the longest period possible

**Sustainability and climate resilience**

The development team is anticipating the Earth Advantage Gold or higher rating for Tigard Senior Housing. In response to Metro's policy statement on air conditioning following the June 2021 heatwave NHA revised project plan to provide AC ports and mobile units in each unit along with ceiling fans in each room. The cooling plan will also provide conditioned fresh air in common areas.

## EXHIBIT B: Project summary submitted by Washington County | Metro bond Final Approval for Tigard Senior Housing

Submitted by: Andrew Crampton, Housing Development Coordinator, Washington County  
Submitted on: March 11, 2022

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### Project Overview

Tigard Senior Housing will be a new construction, four story, wood-framed structure that will provide 57 affordable apartment homes to seniors, 62 and older. The project is located on a site owned by the City of Tigard, directly adjacent to the existing Tigard Senior Center. The Tigard Senior Center will temporarily close to accommodate construction and will reopen in conjunction with the opening of the new building. The 1.7 acre site is currently improved with a 10,700 square foot building that houses the Tigard Senior Center, and approximately 49,000 square feet of paved parking and circulation area.

The project was awarded to Northwest Housing Alternatives (NHA) through a competitive Request for Qualifications process by the City of Tigard in June 2019 and entered into an exclusive negotiating agreement in October 2019. The total development cost for the project is \$24.76 million, with a request of \$6.27 million from Metro funds. Additional funding sources include \$1.2 million in Washington County HOME funds, \$250,000 in Metro TOD funds, and \$8.89 million in LIHTC equity. After receiving final construction pricing, the project sponsor has submitted a request to the Washington County Board of Commissioners \$500,000 in Housing Production Opportunity Funds to close the project gap. That request will be considered on April 5, 2022.

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

Due to escalating costs, the total project cost increased from \$19.2 million since Concept Endorsement to \$25.8 million of which \$17.8 million are construction costs. Increases were primarily due to material construction cost increases, specifically increased lumber prices, supply expectations, and availability of subcontractors. These are comparable cost increases to what other projects in the market are experiencing, although due to the amount of federal project-based vouchers the project is subject to Davis-Bacon Wages, which is a key factor in the higher-than-average construction costs compared to other Metro Housing Bond projects in the region. The total Metro Housing Bond subsidy request is not increasing, with project costs being offset primarily by increased project equity. The Metro Affordable Housing Bond funds at concept endorsement are requested to stay the same at \$6.27 million due to escalating costs, demonstrated by the current project gap being filled with a Housing Production Opportunity Fund (HPOF) request.

Additional changes include the addition of A/C ports and mobile units to accommodate in-unit cooling systems, and the refinement of project design, in particular the community courtyard and meeting room space, in response to community outreach feedback. The project received Concept Endorsement approval prior to the March 1, 2022 effective date of Metro's Regional guidelines for cash developer fee, and therefore the project is not subject to the requirements, however since the project has a 6% net cash developer fee of total development basis, it still meets Metro's policy intent for projects within the range 6%-10% maximum net cash developer fee range for projects between 31-75 units in size. In addition, the City of Tigard has executed a DDA with the City of Tigard for the 99-year ground-lease to utilize the property for Senior Housing.

Finally, since Concept Endorsement, the project has selected Northwest Real Estate Capital Corp. (NWRECC) to be the property manager for the project. NWRECC is a well-known firm that currently manages 64 properties with 1,921 units in six states.

#### **Preliminary Development Program**

Tigard Senior Housing will serve high needs households through provision of 40% of the units with Project Based Vouchers. NHA anticipates award of five HUD-VASH vouchers at the property, and 18 HUD Project Based Vouchers. Residents of units with HUD-VASH subsidy at Tigard Senior Housing will receive supportive services from the Veterans Administration. The VA provides intensive case management and services, which emphasize housing stability and health and wellness. The development will consist of 57 affordable one-bedroom units and one manager's unit for a total of 58 residential units.

Site features include an indoor lounge with a fireplace and other gathering amenities, a community room with a community kitchen, private meeting spaces to facilitate onsite services. Each unit will be ADA accessible, and will have equipped kitchens, dishwashers, walk-in showers, and a/c ports and mobile units to accommodate air-conditioning. The development is proposing the use of 25 spaces on site dedicated to apartment residents, and 48 spaces for use by the Tigard Senior Center during business hours and available to the public during non-business hours.

A Parking Management Agreement is being prepared with the City of Tigard to allocate designated spaces to both the Tigard Senior Center and to the apartments and will allow the use of Senior Center spaces to residents during times when the Center is closed. In addition, a Transportation Management Plan has been developed by the project team to incentivize residential tenants to utilize alternative transportation options, which will include measures such as installing Transit Apps on residents' smart phones, weekly shared shuttle service coordination, parking enforcement, and establishing a waitlist for parking placards.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
One	23	30%	23	600	\$491
One	34	60%		600	\$1035
One	1	Manager		600	N/A
Total	58				

## Project Image



## Background

### Location and Neighborhood

The site is adjacent to the Tigard Senior Center, which will provide shared programming opportunities. The site is also near Fanno Creek Park, Tigard City Hall and Tigard Public Library and within easy walking distance of public transit. The City is currently planning the Universal Plaza project, which will be located approximately 0.5 miles from our site, with the first phase scheduled to open by the end of 2022. The Universal Plaza will host the Tigard Area Farmers Market and other cultural attractions including movies and music in the park as well as educational/artistic installations. The site is less than a quarter mile from frequent TriMet #76 bus stop and is located approximately 0.75 miles away from the existing Tigard Transit Center, which is presently served by seven TriMet bus lines, Yamhill County Transit and the WES Commuter Rail service.



## Site

The project is located on a site owned by the City of Tigard, directly adjacent to the existing Tigard Senior Center. The project was awarded to Northwest Housing Alternatives (NHA) through a competitive Request for Qualifications process by the City of Tigard, and a DDA for a 99-year ground lease for NHA to operate Senior Housing has been executed.

The city of Tigard provided rezoning to MU-CBD Mixed-Use Central Business District to facilitate additional site density, completed an ALTA survey, wetlands review and delineation; and is partnering on outreach and community education. The Tigard Senior Center is in an adjacent existing building that provides programming, events and Meals-on-Wheels food services. The Senior Center will close to accommodate construction and reopen in conjunction with the opening of Tigard Senior Housing.

A Phase I Environmental Site Assessment was performed Hahn and Associates Inc, and consisted of a Site Reconnaissance, an historical and physical features evaluation of the subject property, an examination of the surrounding land uses, and an environmental database review of the property and of the surrounding land uses. This Phase I Environmental Site Assessment did not reveal evidence of Recognized Environmental Conditions in connection with the subject property. From the data that was assembled during the investigation, it is the professional opinion of Hahn and Associates, Inc. that further investigatory work in the form of a Phase II Environmental Site Assessment does not appear to be necessary for the subject property.

## Project Financing

Total Project Costs are \$25.58 million with total hard costs for construction projected at \$16.9 million. Total cost per unit is \$441,034.

Funding Source	Amount
OHCS Programs	\$ 9,011,364
<b>Total OHCS Grants and Equity</b>	<b>\$9,011,364</b>
Non-OHCS Grants	
Metro Housing Bond	\$6,270,000
Metro TOD	\$250,000
Washington County HPOF	\$500,000
Washington County HOME	\$1,200,000
<b>Total Non-OHCS Grants</b>	<b>8,220,000</b>
Permanent Loan OAHTC	\$ 2,500,000
Permanent Loan Non-OAHTC	\$3,290,000
Deferred Developer Fee	\$ 811,815
Cash	\$100
GP Contributed Equity	\$ 1,753,034
<b>Total Fund Sources</b>	<b>\$25,586,313</b>

Uses of Funds	Amount
Acquisition Costs	\$7,501
Construction Costs	\$17,463,200
Soft Costs	\$8,115,612
<b>Total Project Cost</b>	<b>\$25,586,313</b>

## Development Team

Developer, Northwest Housing Alternatives (NHA), has successfully completed over 37 projects across 16 Oregon counties including both rural and urban projects, rehabilitation and new construction, in all jurisdictions. These projects serve a wide variety of households including working families, seniors, veterans, people living with mental illness, those in need of Permanent Supportive Housing, and extremely low-income households.

Contractor, Walsh Construction (Walsh), will be involved at all stages of the development and design process through a negotiated bid process as the general contractor for the project. Walsh has 58 years of experience in the construction industry and 479 full time employees. They have an excellent record of delivering projects on time or ahead of schedule. Notable highlights include the completion of over 160 “green” construction projects and numerous affordable housing projects in the Portland metro area.

SERA Architects (SERA) will serve as the Architect for the project. Over the last 15 years, SERA’s Urban Design + Planning Studio has worked on nine different efforts with the City of Tigard primarily focused on facilitating the revitalization of the City’s Downtown district into a vital, mixed-use, multi-modal center for the surrounding community. As a result of this experience, SERA is familiar with Tigard’s policies, building and zoning codes, which is fundamental to efficient and informed design and optimizing the design durations and milestones as well as the general flow of the project. Moreover, SERA has earned a favorable reputation and built trust with local municipalities while working on affordable and other housing projects including successful projects with the Portland Housing Bureau, METRO, City of Gresham, City of Portland and the City of Tigard.

Northwest Real Estate Capital Corp. (NWRECC) will be the property manager for the project. NWRECC is a well-known firm that currently manages 64 properties with 1,921 units in six states. Overall, NWRECC manages a diverse portfolio of properties and complies with income restrictions such as Section 8, LIHTC/Section 8, Section 236, Section 202, Section 811, HOME, Rural Development, and Supportive Housing for the Homeless.

## 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 out with each Affordable Housing Bond-funded project in Washington County.

Over the past 2.5 years, NHA has held 23 community engagement events - including Advisory Committee meetings, City Council presentations and Community Conversations. The most recent community outreach event that NHA participated in for this project was an on-site meeting in July 2021 with the City of Tigard and several neighborhood stakeholders. The purpose of this meeting was to walk the site and review the building footprint stakes. NHA also participated in a project presentation to the Metro Transit Oriented Development (Metro TOD) program’s Steering Committee on 4/28/2021, a project update to the Tigard City Council on 4/6/2021, and a project overview to the Tigard Senior Housing Advisory Committee on 3/3/2021.

In fall 2019, the project Advisory Committee was established to create guiding principles and document opportunities and challenges about the project. The committee consists of immediate neighbors, Senior Center patrons, Tigard Senior Center/Meals on Wheels staff, members of the Tigard Town Center Advisory Commission, a Tigard City Councilor and staff from the City and Northwest Housing Alternatives. This committee met for over 1.5 years during the project's early and middle stages of predevelopment when design input was prioritized and incorporated into the project.

## **Advancing Racial Equity**

NHA will work with the project General Contractor, Walsh Construction, to ensure that the Washington County Affordable Housing Bond goal of 20% contracting with COBID firms is exceeded. Walsh has developed an Outreach Strategy for Tigard Senior Housing to ensure DMWESB-SDV participation in the project. This entails actively involving DMWESB-SDV trade partners in the preconstruction process by requesting budget input throughout the process to confirm interest in the project and communicate project specifications. Scopes of work will be analyzed to match opportunities with the firms' expertise and capacity while bid packages will be developed in a manner that clearly explains project requirements and that is adaptable to bidders' capabilities.

NHA is a recognized affordable housing industry leader in equity procurements, equity-related practices, and implementation. The Oregon Opportunity Network (now named Housing Oregon) selected NHA twice as the "Strides for Equity" award winner for our innovative equity plan and implementation. This project will utilize NHA's innovative and proven marketing and outreach model designed for service to Communities of Color (COC) in the Portland Metro Area. Using an analysis of both existing resident demographics and census data, NHA will identify and market to those groups and communities that are underrepresented and least likely to apply. Using this approach at other NHA properties, NHA has achieved impressive results in diversifying NHA applicant pools to include historically disenfranchised populations.

## **Partnerships and Services**

NHA has extensive experience providing resident services for senior properties, having operated 861 units of senior affordable housing statewide. NHA conducts annual tenant census surveys to understand tenant needs in senior properties. NHA's Resident Services staff will partner with local nursing programs, local public health authorities, and other community-based health care providers to facilitate on-site preventive health services for residents. Blood pressure, blood glucose, foot care, and medication management are just some of the preventive resources that can be offered by these partners in a residential setting. The primary goal of Resident Services is to provide residents with the community links needed to remain stable in their housing, independent and self-sufficient, able to make positive life choices, and connected to their community. Northwest Housing Alternatives' Resident Services Coordinators (RSCs) have an average of three years working in the Resident Services field and are well qualified to handle the various individual and community needs that arise at affordable housing properties. The RSC for Tigard Senior Housing will have set hours of availability on site, which will be spent connecting with residents, meeting with property management, and collaborating with community service providers to coordinate property-specific events such as financial education workshops, visits from nursing students, and LIHEAP utility assistance sign-ups. In addition, Pathways is a program of Northwest Housing Alternatives which provides housing case management to adults with a qualifying severe and persistent mental illness (SPMI). Three units at Tigard Senior with project-based subsidy will be reserved for individuals and households referred by Pathways.

Building upon the proximity to Tigard Senior Center, residents of Tigard Senior Housing will be closely connected to Meals on Wheels and meal service at the senior center. This supplemental meal assistance will be coupled with delivery of food boxes to residents in need by the Resident Services Coordination. Additional partnerships include an executed Memorandum of Understanding with the Washington County Disability, Aging, & Veteran Services (DAVS). DAVS will provide referrals to programs and services for Tigard senior residents and coordinate with other providers to ensure service plans that promote successful tenancies. Case management services for Veterans moving from homelessness will be provided by the Veterans Administration..

## **Livability and Accessibility**

This project takes advantage of Universal Design principals; each unit will be ADA accessible, and will have equipped kitchens, dishwashers, and walk-in showers. Common spaces are designed to meet ADA accessibility standards, units and grounds are further designed to meet UFAS federal standards, a subset of units are designed with special Auditory and Visual accommodations, and additional units can easily be adapted. Additional site features include an indoor lounge with a fireplace, a community room with a community kitchen, and private meeting spaces to facilitate onsite services.

## **Climate Resilience and Sustainability**

In response to Metro's newly adopted Policy Statement, NHA revised project plans to provide AC Ports and mobile units in each unit along with ceiling fans in each room. The cooling plan will also provide conditioned fresh air in hallways and elevator lobbies via mini-split systems.

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. NHA will also adopt a robust transportation demand management program to encourage alternative transportation, carpooling, coordinated events and other components to reduce vehicle trips.

## **Anticipated Timeline**

Tigard Senior Housing 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. On March 1, 2022 the Washington County Board of Commissioners recommended final approval of the project to Metro. The project will be ready to close on construction financing April 28, 2022, with project completion anticipated in September 2023.

## **Metro Affordable Housing Bond Program**

### **Final Approval**

**Project Name:** Plaza Los Amigos

**Implementing Jurisdiction:** Housing Authority of Washington County

**Metro IGA Contract Number:** 936591

**Date of Concept Endorsement:** September 17, 2020

**Anticipated construction start:** June 2020

**Anticipated construction completion:** September 2023

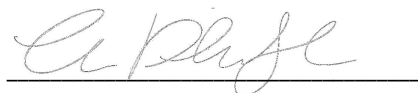
**Action:**

Metro hereby provides Washington County with Final Approval of \$13,670,523.00 in Metro Affordable Housing Bond funds for the development of Plaza Los Amigos, a regulated affordable housing project located at 2000 N Davis St. Cornelius. 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
22	One-bedroom	30%	12
18	One-bedroom	60%	0
4	Two-bedroom	30%	4
57	Two-bedroom	60%	0
12	Three-bedroom	60%	

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

5/17/2022

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Plaza Los Amigos



Drafted by: Alison Wicks, Senior Housing Program Coordinator and  
Jimmy Oporta, Housing Program Analyst  
Date: May 13, 2022

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Final Approval of funding for Plaza Los Amigos. 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 \$9.1 million (23%) since concept endorsement. These increases are partially offset by an increase in anticipated 4% LIHTC equity. However, the project faced a remaining funding gap they are seeking to fill through a combination of value engineering, a request to the Oregon Housing and Community Services (OHCS) for \$420,000 from Market Cost Offset Fund (MCOF), and a request to increase the Metro bond funding (\$840,523). Changes or updates to information previously provided during the concept endorsement phase include:

- Project costs increased \$9.1 million from \$39.2 million to \$48.3 million:
  - Land cost negotiated down from \$1.5 million to \$1.2 million
  - Construction costs increased \$6.9 million primarily due to commodities escalation and general labor shortages reflected in the General Contractor's final bid.
  - \$406,000 was Value Engineered (VE'd) from the General Contractor's final cost estimate.
  - Development costs increased \$2.4 million primarily due to additional construction interest and fees for execution associated with the Fannie Mae Tax Exempt Bond (M.TEB) construction to permanent loan structure and the addition of negative arbitrage (\$1.6M). The original estimates for financing were based on a private placement structure.
  - Architectural and special inspection fees increased by \$414,000.
  - OHCS's tax credit fee increased by \$118,740 with the additional basis from higher costs.
  - Added a futsal multipurpose court for the residents paid for with American Rescue Plan Act (ARPA) funds.
  - Additional stormwater management infrastructure required by HUD increased costs about \$350,000.
- Net increase of funding sources include \$7 million in 4% LIHTC equity, \$840,000 increase in Metro Bond funds, and \$420,000 in additional funding from OHCS Market Cost Offset Fund.
- Net cash developer fee of 4.9%, decreased from 6.2% and is within the Metro Developer Fee Guidelines of 2% - 6% for projects over 100 units.
- Construction start date changed from March 2021 to June 2022.

To evaluate the request to increase Metro Bond Funds, staff confirmed there was no increase in net cash fee from concept endorsement to final approval and reviewed the following additional strategies pursued by the developer, including demonstration of value engineering and consideration of other local funds to be leveraged. The remaining gap will be filled through a combination of additional Metro bond funds as well as additional funding from OHCS's MCOF. After the increase in Metro bond funds, the project will utilize an average of \$120,000 per unit which is still significantly lower than the average of \$143,000 per unit in Metro bond funds available to meet the county's production goals – meaning the County is still on track to exceed its unit production goals.

## Contribution to unit production targets

Plaza Los Amigos will utilize 11.7% of Washington County's total allocation of bond funds (\$13,670,523.00) while delivering 112 units that meet the following unit production outcomes:

- 13.8% of Washington County's overall unit production target;
- 7.8% of Washington County's target of units affordable to households making 30% or less of area median income (AMI); and
- 17.7% of Washington County's family sized unit target.

Additionally, it is worth noting that of the 26 deeply affordable (30% AMI) units 16 will be supported permanent supportive housing with project based vouchers intended to serve people with psychiatric, emotional and developmental impairments with services provided by Sequoia Mental Health.

When combining this project with Washington County's existing development portfolio, this puts the County on a path to have utilized 85.8% 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
- 97.1% 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 2/15/2022
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Letters of Intent by Wells Fargo, Washington County Project Based Vouchers, Bienestar, OHCS Multifamily Energy Program, Metro TOD Program, Washington County Housing Production Opportunity Fund, State of Oregon Department of Administrative Services, Energy Trust of Oregon, Portland General Electric,
- Permit Set dated 9/16/2021
- Phase I Environmental Site Assessment (ESA) dated 07/20/2020
- Land appraisal dated 10/2/2020

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 in the City of Cornelius, adjacent to Fred Meyer, a major grocer and home goods retailer, and an established single-family neighborhood. The property provides close proximity to schools, commercial districts, and parks. Located in Cornelius' business district, the site has a high walkability score of 73, which allows most errands to be accomplished on foot. Several public parks and an elementary school are also within walking distance.
- **Transit access:** A high frequency bus line provides access to downtown Hillsboro in 15 minutes and central Beaverton in 40 minutes.
- **Diversity in contracting/hiring:** REACH and project partners will ensure at least 20% of total project costs go to COBID-certified MWESB-SDV businesses as part of this project, with a stated goal of LMC Construction to reach 35% MWESB-SDV participation. LMC recently achieved over 40% MWESB-SDV contracting on the Montebello rehab project in Hillsboro.
- **Access for historically marginalized communities:** The development will provide 113 new apartments prioritizing families by developing larger 2- and 3-bedroom units. Among the units, 16 will be dedicated to Permanent Supportive Services for people with psychiatric, emotional and developmental impairments with services provided by Sequoia Mental Health.
- **Culturally responsive and appropriate services:** Resident services will be led by Bienestar's Promotores Program, which will recruit engaged residents from the project to provide home visits, information and referral services. In addition to recruiting and training Promotores, Bienestar will provide culturally specific services at the project through bilingual staff in both Spanish and English. 16 units have been set-aside for PSH – for people with psychiatric, emotional and developmental impairments; PSH services will be provided by Sequoia Mental Health.

## 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 Plaza Los Amigos was conducted by Bienestar through nine virtual community engagement sessions. The virtual meetings occurred between December 2020 and June 2021 and included six Project Advisory Committee (PAC) meetings, one meeting with Adelante Mujeres staff, one meeting with Sequoia Mental Health and one neighborhood meeting. These groups included 13 participants who provided feedback regarding bedroom unit plans, landscaping design, security, amenities, utilities, trauma-informed design, and the general interests of residents and how common spaces are used. The PAC was comprised of mainly Latinx individuals with intersecting identities and roles associated with Bienestar and Washington County. The PAC consisted of a Cascade property manager, two maintenance workers and one Promotora (Bienestar resident who is involved with the promotores leadership program). Meetings were facilitated in English and Spanish and occurred during business hours. To encourage participation and

compensate members for their time and insights, each PAC member received \$100. Adelante Mujeres is a culturally specific nonprofit organization that provides holistic education and empowerment opportunities to low-income Latinas and their families to ensure full participation and active leadership in the community. Sequoia Mental Health, the permanent supportive housing (PSH) service provider for Plaza Los Amigos, is a nonprofit dedicated to helping people with psychiatric, emotional, and developmental impairments.

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

Major themes identified through community engagement sessions included:

- Encouragement of ethnobotanical gardens on the property to showcase Oregon native plants, wildlife corridor and culture elements, like yerba Buena which is often used in cooking
- Offering a community pantry on the property
- Creating an environment that is physically and emotionally safe
- Placing PSH units together to reinforce community
- Adjusting seating arrangements to create a calming and welcoming environment
- Prioritizing natural lighting
- Bigger kitchens are more important to residents than living rooms
- The following alterations to original project design were received from community engagement sessions:
  - Inclusion of more cabinet space
  - Separating bathroom and toilet for dual use
  - Having bathrooms located closer to bedrooms is more ideal
  - Increasing in-unit storage space
  - Repositioning the futsal court and implementing a solid wall to reduce noise level for residents living to the south
  - Installing lockers for residents to pick up delivered packages
  - Separating the leasing office from the Sequoia Mental Health office – to increase privacy and security for residents
  - Relocated kids play area closer to leasing office
  - Having a window in the leasing office that faces the lobby to monitor who is entering and exiting the building
  - Adding a workshop maintenance room to design plans- big enough to fix large items
  - Including double door access to building from parking lot
  - Adding more counter space and sinks in each laundry room

## **Sustainability and climate resilience**

Plaza Los Amigos will be Earth Advantage certified and is aiming for the Gold level or better. The project will feature a rooftop solar photovoltaic system that will provide a significant portion of the building's electrical power. The project will include window ports framed with plexiglass that allow portable air conditioning units. The plexiglass inserts will be purchased by the project and stored during cooler months on site. Metro is having ongoing conversations with Washington County and REACH CDC about providing portable air conditioners for units. Ceiling fans will be in all living rooms and bedrooms. During heat events Bienestar will implement cooling protocols including access air conditioning common areas and community rooms.

## **EXHIBIT B: Project summary submitted by Washington County Housing Authority | Metro bond concept endorsement for Plaza Los Amigos**

Submitted by: Shannon Wilson, Housing Development Manager  
[Washington County Housing Services Department, shannon\_wilson@co.washington.or.us  
Submitted on: April 19, 2022 (updated)]

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### **Project Overview**

The project is a collaboration between REACH and Bienestar, two trusted affordable housing developers with experience in Washington County, to provide needed affordable housing in Cornelius. REACH leveraged its financial and development capacity to acquire the site for development of Plaza Los Amigos and is serving as guarantor along with Bienestar for financing of the project. Plaza Los Amigos will be owned and operated by Bienestar upon completion and conversion to permanent financing.

The project will utilize \$12.83 million in Metro bond funds and is requesting an additional \$840,523 of gap funding for a total of \$13,670,523 Metro bond funds (\$120,978/unit). The financing structure for the project includes 4% LIHTCs, Weatherization funds from OHCS, Energy Trust incentives, a Metro Transit Oriented Development grant, a state allocation of ARPA funds, Washington County Housing Production Opportunity Funds, OHCS MCOF gap funding, deferred developer fee and permanent debt, all leveraged by Metro Bond funds. Note the total Developer Fee of \$4,500,000, Cash Developer Fee of \$2,250,000, and Deferred Developer Fee of \$2,250,000 have stayed the same since project inception even though total costs have increased by over \$9 million. The Net Cash Developer Fee as a percent of Developer Fee Basis is 4.91%, well within Metro's new range of 2%-6% for 101 or more units.

Plaza Los Amigos Apartments is a 4-story new construction building with 113-units. The unit mix consists of 40 one-bedrooms, 61 two-bedrooms (one manager unit), and 12 three-bedrooms. Of these, 16 units will be set aside as Permanent Supportive Housing ("PSH"), intended to serve people with psychiatric, emotional and developmental impairments with services provided by Sequoia Mental Health. The units range in size from 630 SF to 1,206 SF. Incomes served range from 30% - 60% AMI. REACH executed a purchase and sale agreement in May 2020 for a 4.13-acre site; site acquisition included the creation of the new parcel out of the larger original 9-acre tax lot. The partition plat recording and acquisition was completed in April of 2021 after receiving Metro Affordable Housing Bond Concept Endorsement. The site is currently vacant and is adjacent to a Fred Meyer shopping center.

#### **Sources of funding include:**

- 4% LIHTC Equity \$16,543,161
- OHCS MCOF \$1,260,785
- OHCS Weatherization: \$118,650
- Permanent Debt: \$11,273,671
- METRO Bond: \$ 13,670,523
- METRO TOD Grant: \$500,000
- Washington County HPOF: \$500,000
- Cash Flow During Rehab: \$112,737
- Fannie Mae COI Reimbursement: \$84,553
- MTEB Reinvestment Income: \$1,314,380

- ARPA Funding: \$450,000
- ETO Incentives: \$120,000
- PGE Renewable Development Fund grant: \$81,541
- Deferred Developer Fee: \$2,250,000

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

Since Plaza Los Amigos received Concept Endorsement, the region has seen unprecedented cost escalations for construction materials and labor, as well as an increase in interest rates. Plaza Los Amigos costs increased by \$9.1 million since 2020; 76%, or \$6.9 million of those costs, are due to increased construction prices. To bridge the financing gap, almost \$7 million of which was filled by an increase in 4% LIHTC equity, the REACH/Bienestar team requests an \$840,523 increase of Metro bond funds in addition to their request to Oregon Housing and Community Services (OHCS) Market Cost Offset Fund (MCOF) of \$1,260,785.

The unit mix of the project, both number of units and incomes served, has stayed the same as concept endorsement. The building layout has changed from a 3-story double loaded corridor building to a 4-story double loaded corridor to accommodate the underground water line that runs diagonally across the site, to provide a more cost-efficient structure, and to provide additional open space for the residents. The design team also added a laundry room on the 3<sup>rd</sup> floor so that there are three large laundry rooms. Also, the parking spaces decreased from 167 to 146 via a variance with the city of Cornelius.

The construction start date changed to June 2022 from March 2021; the construction period increased from 15 months to 16 months. Additional specific changes include:

- Project costs increased \$9.1 million from \$39.2 million to \$48.3 million
  - Land cost negotiated down from \$1,465,000 to \$1,215,000
  - Construction costs increased \$6.9 million primarily due to commodities escalation and general labor shortages reflected in the General Contractor's final bid.
  - \$406,000 was Value Engineered (VE'd) from the General Contractor's final cost estimate.
  - Development costs increased \$2.4 million primarily due to additional construction interest and fees for execution associated with the Fannie Mae Tax Exempt Bond (M.TEB) construction to permanent loan structure and the addition of negative arbitrage (\$1.6M). The original estimates for financing were based on a private placement structure.
  - Architectural and special inspection fees increased by \$414,000.
  - OHCS's tax credit fee increased by \$118,740 with the additional basis from higher costs.
  - Added a futsal multipurpose court for the residents paid for with American Rescue Plan Act (ARPA) funds.
  - Additional stormwater management infrastructure required by HUD increased costs about \$350,000.
- Added ARPA funds (\$450,000), Metro TOD (\$500,000), Washington County HPOF (\$500,000), ETO Solar Incentive (\$120,000), and PGE Renewable Development Fund grant (\$81,541)

- HOME funds of \$1.2 million were not utilized due to acquiring ARPA, Metro TOD, HPOF, ETO Solar, and PGE funds, which totaled more than HOME. \*
- Increased the length of the permanent loan to a 40-year amortization period
- Paying the Deferred Developer Fee over an extended period of 16 years
- SDC Credits were incorporated into the SDC fees so the use (source) is net fee after accounting for the credits
- Acquired PGE Renewable Development Fund and ETO equitable solar initiative funding to add a large solar PV system to the building. The solar net costs will be about \$40,000.
- Added a rail crossing at the NW corner of the site per ODOT regulations.
- Operating expenses were refined and the Per Unit Per Annum (PUPA) increased from \$5,973 to \$6,736 due to:
  - Insurance rates increase
  - Garbage rates increase
  - Staff wages increase to ensure retention and competitiveness
  - Legal costs increase to match the PSH and very low-income population
  - Landscaping bids came in higher than initially budgeted so Bienestar will manage this in house to decrease costs

\* The \$1.2 million in Concept Endorsement was for Federal HOME funds; the \$500k Housing Production Opportunity Funds (HPOF) are from Washington County's general fund. HOME is granted through a competitive NOFA application process. While the applicant originally intended to apply for HOME funds, they acquired other funds that total more than \$1.2 million. Additionally, REACH did not apply for HOME funds because their purchase and sale agreement (PSA) was executed by the time the HOME application was due in Fall 2020. Signing a PSA is considered a "choice limiting action" which applies to an affordable housing development that intends to use federal funds to finance the development. HUD prohibits any activity that would have the effect of limiting the development of a site without determining the environmental impacts of the development. The purchase would not have been possible until after the HOME environmental review was finished and much closer to closing. REACH was able to purchase the land, coordinate the land donations, and complete the partition plat when the sale was completed in April 2021. For a property this complicated, not utilizing HOME funds was the better option.

### **Preliminary Development Program**

The development will provide 113 new apartments prioritizing families by developing larger 2- and 3-bedroom units. Among the units, 16 will be dedicated to Permanent Supportive Services for people with psychiatric, emotional and developmental impairments with services provided by Sequoia Mental Health. The building will be a 4-story double loaded corridor building served by elevators and trash chutes and surface parking. Among the 113 units, 86 will be reserved for tenants earning 60% AMI, 10 will be for those earning 30% AMI without project vouchers, while the remaining 16 units (12 1-bedroom/four 2-bedroom) will be set aside for Permanent Supportive Housing. Total square footage is 105,065 SF. The project proposes 146 parking spaces, with an approved variance to the code-required ratio of 1:1.44.

Additional design features include on-site laundry, property management and Sequoia Mental Health offices, 2,500 sq. ft. of community space for programming and community use, and an onsite multi use sports court. Approximately 11,657 sq. ft. of the site, per the requirement of the Gateway Master Plan, was dedicated to the City of Cornelius for the development of a park and a trailhead for a

planned regional trail system. New streetscapes and traffic control improvements will provide a safe and attractive home for the residents.

Unit size (no. of bedrooms)	No. of units	AMI %	PSH <sup>1</sup>	PBVs	Square feet/unit	Gross monthly rent/unit
<i>One-bedroom</i>	12	30%	12	12	630	\$544
<i>One-bedroom</i>	10	30%			630	\$544
<i>One-bedroom</i>	18	60%			630	\$1,088
<i>Two-bedroom</i>	4	30%	4	4	808	\$653
<i>Two-bedroom</i>	57*	60%			808	\$1,306
<i>Three-bedroom</i>	12	60%			1,206	\$1,509
<b>Total</b>	<b>113</b>	<b>---</b>	<b>16</b>	<b>16</b>	<b>---</b>	<b>---</b>

\* Includes Manager's unit

## Project Image



BIENESTAR | REACH | ANKROM MOISAN  
NEIGHBORHOOD MEETING / REUNIÓN VECINAL

FEBRUARY 23, 2021

(Intersection of 19<sup>th</sup> and Davis)

## Background

In November 2018, voters authorized Metro to issue \$652.8 million in bonds to support affordable housing. Washington County will receive about \$116 million to construct 814 affordable housing units in the Washington County Metro Service area outside Hillsboro and Beaverton. The County developed a Local Implementation Strategy (LIS) and, in March 2020, issued a Notice of Funding Availability (NOFA)

<sup>1</sup> 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.

offering \$80 million of the \$116 million. To be approved for funding, proposed projects must be consistent with the LIS. REACH/Bienestar applied to this NOFA for this Cornelius project. The project has proceeded through the NOFA evaluation process which included:

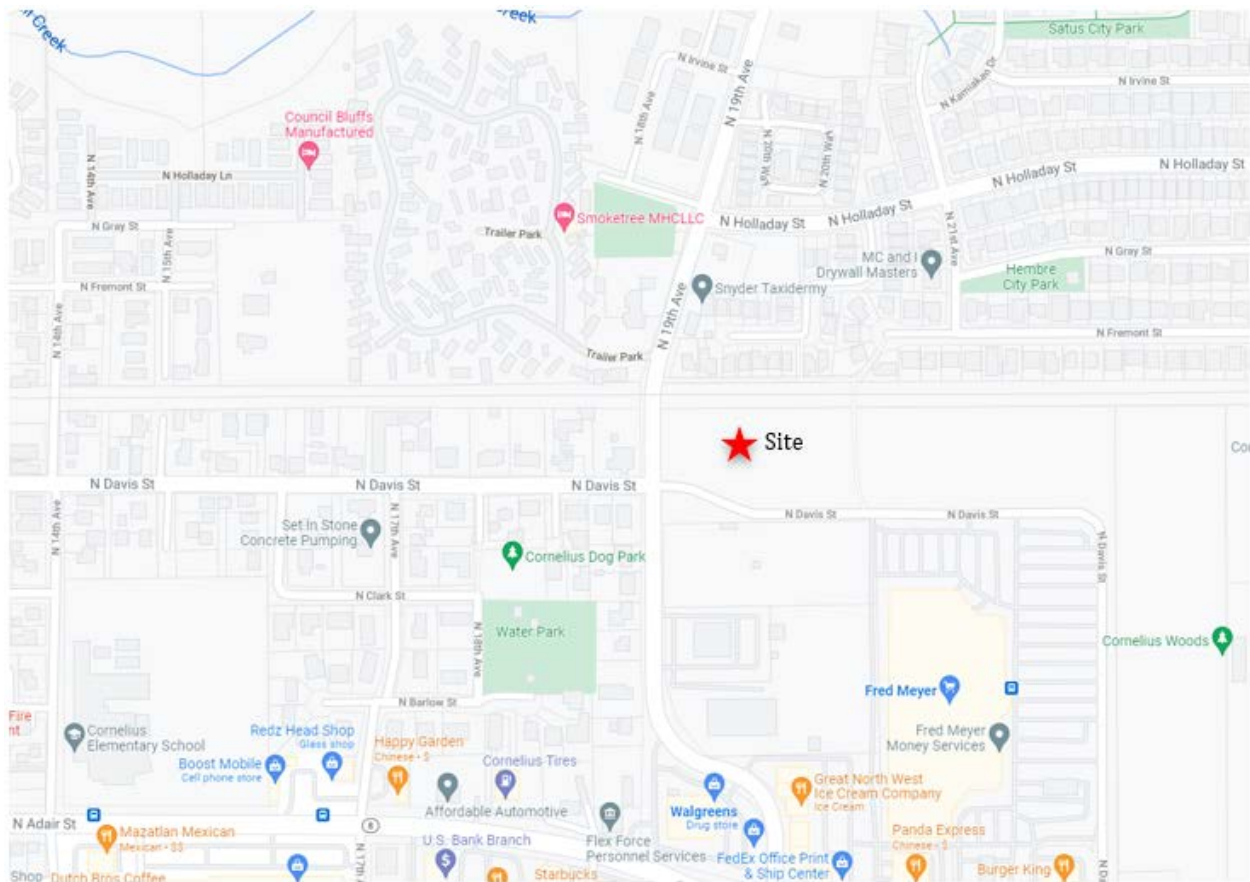
- Staff threshold review
- Third-party financial feasibility analysis
- Evaluation committee review
- Housing Advisory Committee review
- Washington County Board of Commissioners Concept Endorsement Approval (Sept. 1, 2020)
- Metro Concept Endorsement (Sept. 17, 2020)

The Site was selected based on its good proximity to a host of amenities including transit, grocery, parks, and schools. Local housing reports showed a lack of affordable housing in the area in which rents have been rapidly increasing. To date, REACH/Bienestar has fully developed the design and has applied for building permits. Land Use approval was received in May 2021; permits are anticipated to be approved early May 2022. LMC has been providing building feasibility and cost estimating throughout design development. REACH/Bienestar went out to bid in March 2022 and received final GMP (guaranteed maximum price) numbers in late March. Other due diligence to date includes:

- Environmental Phase I and Phase II Reports
- Geotechnical Investigations
- ALTA Survey
- Utility Will-Serve letters
- Zoning analysis
- Traffic Analysis

## **Location and Neighborhood**

The property is located in Cornelius' business district and has a high walkability score of 73 which allows most errands to be accomplished on foot. Located immediately adjacent to Fred Meyer (0.1 miles), the property provides close proximity to several public parks (Cornelius Dog Park 0.3 miles; Water Park 0.35 miles; Hembre City Park 0.5 miles; East Council Creek Nature Area 0.4 miles) and the future ODOT/Council Creek Regional Trail Corridor located in the existing rail line along the property's northern boundary. Nearby schools are Cornelius Elementary School (0.5 miles), Neil Armstrong Middle School (2.1 miles), and Forest Grove High School (4.7 miles). The business district provides employment opportunities; a high frequency bus line provides access to downtown Hillsboro in 15 minutes and central Beaverton in 40 minutes.



## Site

The 2.83-acre site is one tax lot (1N334CD06600) that is zoned GMU – Gateway Mixed Use and is relatively flat. The cost of acquisition was determined by negotiation with the seller to identify the current market rate price for commercial land in the area and supported by the appraisal. The seller also agreed to provide the exact amount of land required for the development's size. REACH acquired the land in April 2021. The development team worked closely with the City of Cornelius to establish the required public works and entitlement fees for the project. Due to its location in a master planned mixed-use zoning district, the site comes with special requirements for any new development. Offsite costs are high because of the requirements of the zoning district, including dedication of a portion of the property to implement a city-planned park and the undergrounding of electrical and franchise utility lines. Approximately \$613,000 of SDC credits will be granted to partially offset the dedication requirements, cost of right-of-way infrastructure, and the park build out.

The environmental reports found no areas of concern and included an investigation of ground water to ensure no chemicals had seeped in from adjacent uses. The geotechnical report permits the construction type but limits the options for stormwater management due to a relatively high water table and low infiltration rate.

## Project Financing

Total development cost is approximately \$48.3 million. Total development cost per unit is roughly \$427,257, which is \$427.69 per gross square foot. Metro bond public subsidy breaks down to

\$13,670,523 total, \$69,043/bedroom, and an average of \$120,978/unit which is below Washington County's ~\$143,000 subsidy per unit in the approved Local Implementation Strategy. To maximize the financial efficiency of Washington County's Bond allocation, the project will utilize 4% Bond financing for construction debt issued by OHCS with a draw down provision.

	Plaza Los Amigos Total Cost	Metro Bond Total Subsidy
Total	\$48,280,000	\$13,670,523
Cost per Unit (113 units)	\$427,257	\$120,978
Cost per Bedroom (198 bedrooms)	\$243,838	\$69,043
Cost per Residential Sq. Foot (112,886 sq ft)	\$427.69	\$121.10

The project site is within a master planned district that requires the dedication of land for public improvements that include a roundabout, a park and a trailhead. The additional expense associated with the purchase and dedication of land for the park, as well as construction costs associated with the park qualifies for Parks SDC credits. The cost of road improvements beyond a standard residential street qualifies for Transportation SDC credits. This land and any improvements on the land are allowed to offset the associated system development charges. For example, the initial estimate of Transportation SDC credits provided by OTAK had \$440,000 in credits and the cost of the park land is \$124,809 and estimated costs for the park buildout is \$297,000. The city of Cornelius has determined final SDC credits for the project and has received a CDBG award to pay for the roundabout construction. Additionally, the project qualifies for an annual non-profit affordable housing property tax waiver through the City of Cornelius.

#### Summary of Sources and Uses:

<b>Sources:</b>	
Tax Credit Equity	\$16,543,161
OHCS MCOF	\$1,260,785
Weatherization	\$118,650
METRO Housing Bond	13,670,523
 METRO TOD	 \$500,000
Washington County HPOF	\$500,000
ARPA	\$450,000
ETO Solar Incentive	\$120,000
PGE Renewable Development Fund	\$81,541
Permanent Loan	\$11,273,670
Cash Flow/Deposit	\$112,737
COI Reimbursement	\$84,553
MTEB Reinvestment Income	\$1,314,380
Deferred Developer Fee	<u>\$2,250,000</u>
<b>Total Permanent Sources</b>	<b>\$48,280,000</b>
 <b>Uses:</b>	
Land Acquisition	\$1,214,555

Hard Costs	\$33,406,368
Soft Costs	<u>\$13,659,077</u>
<b>Total Development Cost</b>	<b><u>\$48,280,000</u></b>

## Development Team

REACH Community Development is one of the region's largest and most successful affordable housing developers. Established in 1982 by Southeast Portland neighbors and community activists, REACH believes strongly that innovative community partnerships are essential to the accomplishment of their mission. REACH has never sold a rental property and now stewards of over 2,300 units of affordable rental housing across the Portland metropolitan region, including Southwest Washington.

Founded in 1981, Bienestar's mission is to build housing, hope, and futures for the wellbeing of Latinxs, immigrants, and all families in need. Bienestar's properties are built for families and include many three- and four-bedroom units. These properties offer areas for recreation, community meetings, and celebrations. Bienestar operates 12 affordable apartment properties (509 units) in Washington County. Among their 2,000 residents, 100% earn 60% AMI or below, 95% are Latinx and approximately 50% are youth.

Sequoia Mental Health Services, with the help of Bienestar Resident Services, will provide culturally responsive services and support to the residents. This includes Spanish language services and programming designed to address the challenges of ESL (English as a Second Language) populations, low-income families with children, the unbanked, and those who generally would fail housing application screening criteria.

LMC Construction will act as the General Contractor for this project. LMC is 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.

Ankrom Moisan Architects is providing architectural services for the project. Formed in 1983, Ankrom Moisan offers integrated architectural, interior design, and urban design services to clients. The mission of Ankrom Moisan is simple: Create Places Where People and Communities Thrive. They believe that when they achieve this, clients achieve success. Ankrom Moisan is a national firm of more than 350 staff members with offices in Portland, Seattle, and San Francisco, and a portfolio of award-winning mixed-use housing, condominiums, apartments, affordable housing, senior housing, student housing, healthcare, offices, hospitality, and retail.

## 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 community-based organizations to develop feedback overviews for each of the listening sessions. These overviews were then shared with REACH and Bienestar. The project's design team worked to maximize the response to the County listening sessions. Plaza Los

Amigos will provide high quality outdoor spaces including play spaces, community gardens and outdoor spaces for events so the resident families can connect and play close to their homes. The building will be secured with each unit receiving at least one parking space. The team pushed to maximize storage and provide large and comfortable laundry rooms. The screening criteria will address the barriers faced by these communities and Bienestar will provide programming and community space for services and events.

Bienestar conducted nine virtual community engagement sessions via Zoom that informed project implementation for Plaza Los Amigos. These meetings occurred between December 2020 and June 2021. The community engagement work conducted for Plaza Los Amigos differed from Bienestar's typical community engagement model because of the building design limitations. A waterline runs diagonally across the site, from the upper northwest corner of the property to the southeast corner, and buildings cannot be located on top of main waterlines.

Given the building design limitations, input was focused on individuals with experience working in affordable housing. Bienestar formed a Project Advisory Committee (PAC) rather than holding a variety of focus groups with different residents and utilized the PAC's knowledge in affordable housing to provide insight on sustainability, trauma informed design, resident life, and maintenance. The nine community engagement sessions included six PAC meetings, one meeting with Adelante Mujeres staff, one meeting with a Sequoia Mental Health staff member, and one neighborhood meeting. The format of the community engagement meetings was less structured and more conversational than a standard question and answer session with residents.

Since the PAC members were familiar with the building designs of Bienestar housing complexes, the group was able to use that knowledge to comment on the Plaza Los Amigos designs. Additionally, the PAC was involved in meetings with the architect Ankrom Moisan and the developer REACH CDC to share their experiences and perspectives. The PAC, Adelante Mujeres, and Sequoia Mental Health provided valuable feedback regarding bedroom unit plans, landscaping design, security, amenities, utilities, trauma-informed design, and the general interests of residents and how common spaces are used.

REACH and Bienestar will work with local community partners to ensure the community is aware of the upcoming housing opportunity and the project budget includes funding for training and paying community partner staff to provide help navigating the application process.

## **Advancing Racial Equity**

The Local Implementation Strategy for Washington County prioritizes investments in high opportunity areas with affordable housing need, near transit, jobs, commercial services, parks and open space and basic needs services. This project aligns well with those priorities and will be only the third regulated multifamily affordable housing project in Cornelius. Per Metro's affordable housing inventory for Washington County, there are 10 units of single-family public housing, 66 units of non-profit regulated affordable housing (21 units at Cornelius Park + 45 units at Cornelius Place), and 50 units of for-profit affordable housing (e.g. developmental disabilities/assisted living/senior assisted). HUD CHAS data (2011-2015) estimated a need of 325 affordable housing units for those under 50% AMI. The 113 affordable units of Plaza Los Amigos will increase the total amount of affordable housing in Cornelius to 239 units. Adding affordable units in Cornelius meets both geographic distribution goals for the Metro bond funds as well as adding affordable housing to an area in need.

REACH, Bienestar and project partners will ensure at least 20% of total project costs go to COBID-certified MWESB-SDV businesses and has kept this as a priority even in the face of unprecedented cost increases. The team is also bringing on firms that are working through the process of getting COBID-certified. LMC recently achieved over 40% MWESB-SDV contracting on Bienestar's Montebello rehab project in Hillsboro.

Further, to promote MWESB-SDV and local involvement and ensure that Plaza Los Amigos maximizes the input of local community members of color and reflects characteristics valued by those same communities, the project team is committed to work with LatinoBuilt, a trade association for Latino Contractors in Oregon, to 1) identify MWESB-SDV firms to bid on project components and use local workers/subcontractors, and 2) hold informative sessions with local MWESB-SDV contractors who are based in Washington County with specific encouragement and recruitment of firms from the Forest Grove - Cornelius area.

Specific community outreach and marketing efforts for the highest barrier populations will be provided. For 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 Washington County. Bienestar will work with partners in the Racial Equity Collaborative, the Forest Grove School District, the Immigrant Solidarity Collaborative, Somali Empowerment Circle, and other partnerships to ensure that information is distributed to other communities of color in the area, and will produce, as needed, leasing and other informative materials in languages other than Spanish and English. Partnerships with organizations such as Centro Cultural, Sequoia Mental Health, Open Door, and Family Promise will support Bienestar's outreach to the homeless population and others who may qualify for PSH units.

In addition to utilizing traditional marketing channels (e.g. social media, advertisements in local print media), Bienestar employs the following strategies to affirmatively market available units and increase access for communities of color: communication with, or in-person visits, to major employment centers (e.g. farms, nurseries); communication through its peer network of other community service providers that work with a primarily Latinx or diverse population; 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 engaged Bienestar residents 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.

## **Partnerships and Services**

Service delivery is led by Bienestar Promotores, trained resident leaders. Bienestar's Promotores Program is a long standing, successful program for providing on-site information and referral services to residents of Bienestar's affordable housing properties. The Promotores Program leverages the leadership potential of outstanding Bienestar residents (the "Promotores") by training them to act as strategic liaisons between Bienestar staff, Board, critical community services and their fellow residents living at each Bienestar property. Since Promotores are also residents of Bienestar housing, their inherent connection to the community allows them to reach residents who might otherwise face language or cultural barriers to service, while their greater understanding of the challenges residents face ensures that they are able to more precisely identify a family's needs and connect them to relevant services. In turn, this allows Bienestar staff to better understand evolving resident needs and shift efforts or catalyze change accordingly.

At Plaza Los Amigos, home visits would be provided to each household at least once a year, with follow up visits, as necessary. Two Promotores would be recruited to help provide culturally specific and linguistically appropriate services to Plaza Los Amigos' diverse households. In addition to recruiting, training, and supporting the Promotores at the Plaza Los Amigos, Bienestar will provide the following resident services. All services are culturally specific and will be provided in both Spanish and English by Bienestar's 100% bilingual, bicultural resident services staff.

Sequoia Mental Health will provide compassionate, person-centered, and individually tailored supportive services to the formerly homeless residents of Plaza Los Amigos who reside in the project's 16 PSH units. Sequoia Mental Health Services has served Washington County adults with severe and persistent mental disorders since 1981 and has decades of experience serving both individuals and families. As Plaza Los Amigos' PSH units are a mix of one- and two-bedroom sizes, this core competency is essential. A partnership with Bienestar will help Sequoia increase their cultural competency and provide capacity for translation and culturally specific service provision.

The property will be managed by Northwest Real Estate Capital (NWREC) which is a 501(c)3 organization based in Idaho and approved by OHCS. NWREC owns or manages properties in Alaska, Arizona, Idaho, Montana, Nevada, Wyoming and Oregon. They have experience with the LIHTC program, USDA Rural Development and affordable preservation. NWREC manages Bienestar's portfolio and will be leading the lease up of this property.

## **Livability and Accessibility**

The project incorporates universal design principals. Community spaces will be programmed, and outdoor spaces will provide full access to recreational and gardening opportunities. Community spaces include a large devisable event room, storage space for tables and chairs and an adjacent kitchen. The 1,200 square foot community room opens up onto the entry plaza and the futsal court. The northwest corner of the project will hold garden plots and the beginning of a walking path that extends to the new park on the east end of the project. The design team will be placing creative play structures at the northeast corner of the covered futsal court. Laundry is on three of four floors and the project is providing offices for service providers. The three-bedroom units have washer and dryer hookups. There are six (6) fully accessible units consisting of two one-bedroom units, three two-bedroom units, and one three-bedroom unit.

## **Climate Resilience and Sustainability**

### **Cooling Plan**

Plaza Los Amigos will include window ports framed with plexiglass inserts that allow portable AC units that vent through a port. The plexiglass inserts will be purchased by the project and stored during cooler months on site, and then installed during the warm summer months (and replaced by a screen that will be in place the rest of the year). The project does not intend to purchase portable AC units for residents for multiple reasons. It is generally more efficient for both property management and the residents to acquire, store and own their AC units, with installation overseen by onsite maintenance staff. There is also limited storage space onsite. Bienestar offers this portable in-unit AC option to residents of all the properties in their portfolio, and in their experience this arrangement works well.

Ceiling fans will be in all living rooms and bedrooms which, in combination with the portable AC units, will provide significant relief during high temperature days. In addition, on particularly hot days, and following protocols established by OHA or Washington County Health Department, Bienestar resident

services and property management staff implement cooling protocols that allows residents, including vulnerable residents, access to the community room and common areas that will be air conditioned and cooled during hot, daytime temperatures. Bienestar successfully implemented this protocol at its properties during the unprecedented heat wave in June 2021 without incident.

In cases where households may not be able to afford the purchase of their own portable AC unit, Bienestar will work with local agencies and organizations to offer resources for residents to purchase their own units.

### **Sustainability Elements & Green Building Features**

The project will be Earth Advantage certified with a broad focus on sustainability including energy and water use, low VOC materials and energy recovery ventilation. The project has received a grant for a rooftop solar PV system that will provide a significant portion of the house electrical power. The project will be pushing for Earth Advantage Gold certification or better.

### **Anticipated Timeline**

The full application for 4% tax credits and conduit bond was accepted by Oregon Housing and Community Services (OHCS) on January 5, 2022. The development team anticipates receiving building permits in early May 2022 and closing on June 24, 2022. The 16-month construction process will begin shortly after closing with an estimated completion date of September 2023. Project lease-up activities will commence ahead of construction completion.

Final approval by the Washington County Board of Commissioners (BOCC) occurred on January 25, 2022. An updated project summary for the approval of additional MCOF and Metro bond funds will go forward to the BOCC on May 17, 2022.

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

**Project Name:** Marylhurst Commons  
**Implementing Jurisdiction:** Housing Authority of Clackamas County  
**Metro IGA Contract Number:** 936551  
**Date of Concept Endorsement:** N/A  
**Anticipated construction start:** August 2022  
**Anticipated construction completion:** January 2024

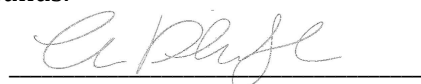
**Action:**

Metro hereby provides Housing Authority of Clackamas County with Final Approval of \$3,000,000.00 in Metro Affordable Housing Bond funds for the development of Marylhurst Commons, a regulated affordable housing project located at 17600 Pacific Highway, Lake Oswego. 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 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
7	One-bedroom	30%	7
10	One-bedroom	60%	0
24	Two-bedroom	30%	24
37	Two-bedroom	60%	0
9	Three-bedroom	30%	9
13	Three-bedroom	60%	0

Changes to the information contained in the final approval request provided by 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 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 Officer

5/17/2022

Date

# **Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Marylhurst Commons**



Drafted by: Alison Wicks, Senior Housing Program Coordinator, Jimmy Oporta, Housing Program Analyst, and Emily Lieb, Housing Bond Manager  
Date: May 13, 2022

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## **Criteria for funding approval**

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

## **Staff recommendations**

Staff recommends the Metro Chief Operating Officer (COO) provide Final Approval of funding for Marylhurst Commons. 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).

## **Context for joint Concept Endorsement/Final Approval**

Because the project previously secured other funding sources and is requesting Metro bond funding to fill a gap necessary to move forward, this project submitted for Concept Endorsement and Final Approval simultaneously. The project initially applied for OHCS LIFT and 4% LIHTC funds in 2021 and did not need Metro funding. However, rapid increases in construction costs, rising interest rates, and a competitive LIHTC market resulted in a financing gap that led the developers to engage Clackamas County regarding eligibility for Metro bond funds.

Clackamas County's local implementation strategy states that in addition to competitive solicitation processes, some funding awards might be considered through negotiated or sole source awards. With the exception of housing authority led acquisition and redevelopment projects, this is the only project in Clackamas County's Metro bond portfolio to be identified outside of a competitive solicitation process and our staff analysis found that the project aligned with bond program criteria and the county's local implementation strategy. As part of the discussion about adding Metro bond funds to the project, the developer agreed to shift 10 units previously planned for 60% AMI affordability to 30% AMI affordability, for a total of 40 units at 30% AMI.

## **Contribution to unit production targets**

Marylhurst Commons will utilize 3% of HACC's total allocation of bond funds (\$3,000,000) while delivering 100 units that meet the following unit production outcomes:

- 12% of HACC's overall unit production target;
- 12% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 20% of HACC's family sized unit target.

Additionally, it is worth noting that the 40 deeply affordable (30% AMI) units all 40 units will be supported by project based rental assistance from the SHS program.

When combining this project with HACC's existing development portfolio, this puts the County on a path to have utilized 44% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 69% of HACC's overall unit production target;
- 72% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 92% 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:

- A project pro forma dated 4/5/2022
- Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Key Community Development Corporation, Key Bank Community Development Lending, Oregon Housing and Community Services LIFT funding reservation, Mercy Housing, Inc, and Sisters of the Holy Names of Jesus and Mary. Oregon Multi-Family Energy Program and Energy Trust of Oregon to be provided at a later date.
- 80% drawings dates 3/11/2021
- Pre-Demolition Hazardous Building Materials Survey Report dated July 2021, ESA will be distributed when completed.
- Land appraisal dated 3/16/2021

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:**

Marylhurst Commons is located on the former Marylhurst University campus is on Willamette Dr. in Lake Oswego. Nearby amenities include a grocery store within 1.25 miles, the Hallinan Elementary School is located 1.3 miles away, and the former Marylhurst University campus functions as a park, providing large areas of open space.

### **Transit access:**

The site is within 0.25 miles of the TriMet #35 bus line which connects to down town Lake Oswego.

### **Diversity in contracting/hiring:**

The project has an aspirational goal of 35% MWESB contracting, which is in line with the 20% minimum COBID/DMWESB participation target established in the county's local implementation strategy. The project will work with Walsh Construction to track hours worked on site by apprentices, women, and people of color.

### **Access for historically marginalized communities:**

As part of the discussion with Clackamas County and Metro staff regarding adding Metro bond funds to the project, the developer agreed to increase the number of 30% AMI units from 30 to 40 units. These units will be supported with SHS rental assistance vouchers and will be designated for households who meet the SHS program population B criteria. Mercy Housing Northwest and HACC will work together to determine the referral process for the project. Mercy Housing Northwest has established relationships and MOUs with other local service providers and the Lake Oswego School District. Mercy Housing Management Group (MHMG) will manage the property. MHMG operates following an affirmative marketing approach and efforts will include translating marketing materials, offering phone-based and in-person translation services, developing relationships with local organizations focused on serving communities of color, doing in-person outreach and holding information sessions for community-based organizations focused on serving people of color, and ensuring leasing and property management staff is diverse, includes people of color and people from other historically marginalized communities.

### **Culturally responsive and appropriate services:**

The project's resident services plan includes the use of Resident Services Coordinators (RSCs) to provide individualized assistance to residents and coordinate presentations, classes, and workshops provided by partner organizations. Services are intended to help families meet basic needs, increase their self-sufficiency, improve their health and well-being, and strengthen children and families. Some of these will include financial literacy, parenting skills development, health and dental services and screenings, computer skills development, ESL classes, and emergency food, clothing, and furniture distributions. Activities for children include after-school homework groups, organized teen activities, movie nights, art programs, and summer lunch programs. Although Marylhurst Commons will not open until mid-2023, Mercy Housing Northwest has already established collaborative relationships with several organizations that will support this important work to serve families and children. Six Memoranda of Understanding are currently being developed between the project and the Lake Oswego School District, YMCA of Greater Portland, Clackamas Workforce Partnership, Northwest Family Services, Clackamas Children's Commission and Clackamas Children's Center. Additional details outlining the strategies these organizations will use to serve communities of color and disadvantaged groups can be found under the "Partnerships and Services" section of the Project Narrative (Exhibit A).

### **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:**

Mercy Housing Northwest prioritizes community-based feedback on all of its projects. For Marylhurst Commons, this includes a multi-phased approach that centered meaningful participation in design decisions from a variety of community-based organizations. The project team intentionally focused on a cross-section of participants that represented historically marginalized and/or communities of color, including people with disabilities (Clackamas ESD), educational (Lake Oswego Equity and Family Support worker), and community-based advocates (Respond to Racism Lake Oswego). By centering the voices of those who represent historically

marginalized communities and families of color in the community engagement and design process, it was MHNW's goal to ensure the project was designed in a responsive way to these communities.

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

The community engagement process has been designed to be ongoing, rather than a one-time engagement. The Design Focus Group continues during the final stages of design and through construction.

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

- Public art
- Addition of privacy screens to outdoor patios
- Updated exterior colors to be warmer gray colors
- Increased the quantity of landscape plantings
- Additional environmental sustainability efforts, which are being realized through the Passive House certification program
- Additional accessibility efforts, which are being realized by including corridors that are wider than required by code, Universal Design in all units and common spaces, and additional accessible spaces in the landscaped areas

The project also received design recommendations specifically to include more spaces for older children and young adults. This resulted in:

- Addition of window seats at corridor ends to create additional indoor "hang-out" space, as recommended by members of the design focus group
- Addition of a full-size, half-court basketball court
- Added seating areas to the landscape design to accommodate more outdoor "hang-out" space
- Added outdoor ping-pong table to outdoor furnishings

**Sustainability and climate resilience**

The Marylhurst commons project is pursuing Passive Housing USA (PHIUS) certification. The building will be extremely air-tight, making it very resilient in extreme weather events. The building will have centralized, balanced ventilation HVAC system, which will provide filtered, conditioned air to every room in every apartment, as well as commons area. The building will have zero greenhouse gas emissions and a rooftop solar photovoltaic system.

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## Project Overview

The Marylhurst Commons Affordable Housing project is a 100 unit, three and four story building located on the former Marylhurst University campus at 17600 Pacific Highway, in Lake Oswego. The project is seeking \$3 million in Metro funds to fund construction of the housing. The building will be located on a 4.25 acre parcel of land that Mercy Housing Northwest will lease (90-year ground lease) from the Sisters of the Holy Names, who own the former university campus. Three existing buildings will be demolished prior to starting construction on the new project. The buildings were construction in the mid-1960s and were used as residential and instructional spaces for students. A Phase II environmental study and abatement plan is included with this application.

The project will consist of 17 one bedroom units, 61 two bedroom units, and 22 three bedroom units. A generous community space is centrally located on the ground floor of the building, and will include a community kitchen, a large community room with operable divider for division into two spaces, a children's play area, technology center, and offices for on-site resident services staff. The management offices and mail room are also centrally located on the ground floor near the building entrance. The building will be a large U-shape with a spacious outdoor courtyard which will contain amenity spaces for residents including a playground, seating areas, landscaped walking paths, a large plaza, and direct connections to the rest of the open space in the former university campus. Secure Bike storage is also provided inside the building, along with laundry rooms located on each floor. Trauma-informed design principles will be utilized to ensure welcoming, empowering spaces.

The target population at Marylhurst Commons is a mix of households earning 60% AMI and below. Mercy Housing Northwest proposes to serve 40% of the families at 30% AMI or less who meet the SHS program Population B criteria. We plan to serve these households in partnership with the Housing Authority of Clackamas County, who have made a conditional award for 40 project-based rental assistance units and service funding. With this income mix, Marylhurst Commons will be an important community asset serving lower-wage working families who have been excluded from the high opportunity Lake Oswego community, as well as families who have been housing insecure. Mercy Housing Northwest and Lake Oswego School District have signed an MOU to for these units in an effort to reduce the number of families with children who are homeless or at risk of homelessness enrolled in Lake Oswego Schools. Because of the number of two and three bedroom units, the property will be focused on creating comfortable and welcoming spaces and programming for families and children.

Marylhurst Commons is pursuing Passive House USA (PHIUS) certification. When completed, it will be one of the largest multifamily projects in the country to achieve the rigorous, performance-based certification. It will also be the largest affordable housing project on the west coast to receive the certification. The benefits of pursuing this program are:

- Resilience: the building will moderate temperatures year-round, guaranteeing a more comfortable home and lower utility bills for residents and property.

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- Indoor Air Quality: A centralized energy recovery ventilation system will provide fresh, filtered air to every room in every apartment, even when outdoor air quality is poor and/or smokey.
- Temperature regulation: Heating and cooling coils are included in the centralized HVAC system to ensure the building is a comfortable temperature year round
- Reduced Greenhouse Gas Emissions: The building will be 100% electric, with highly energy efficiency hot water heating, solar PV panels on the roof,

To make this effort possible, the Sisters of the Holy Names of Jesus and Mary (SNJM), are contributing \$1.2 million to the project. These funds cover all the costs associated with the additional design, engineering, construction, and certifications required for the project to be certified.

The project will be financed by a combination of public and private funds, including approximately:

- \$4.25 million OHCS LIFT funds
- \$1.20 million from the SNJM for costs associated with PHIUS certification
- \$3.00 million in Metro Bond funds
- \$2.44 million in Deferred Developer Fee
- \$17.95 million in 4% LIHTC Equity
- \$500,000 Mercy Gap Note fund
- \$11.64 million permanent amortizing loan
- \$130,000 in OR-MEP and ETO incentive funds (exact amount TBD based on availability)

### Changes between Concept Endorsement and Final Approval

This project is submitting both Concept Endorsement and Final Approval documents simultaneously. No substantial changes are expected between submission in late March and project closing in August, 2022.

When the project initially applied for OHCS LIFT and 4% LIHTC funds in 2021, there was no need for funding from Metro. Rapid increases in construction costs, rising interest rates, and a competitive LIHTC equity market has resulted in a financing gap of approximately \$3 million. This investment from Metro will ensure the project can begin construction on time in August, 2022, bringing severely-needed, deeply affordable housing on line as soon as possible.

### Development Program

The project includes 100 units of housing in a three and four-story, U-shaped building. Total residential unit square footage is 79,979 SF. Total amenity square footage, include community room, community kitchen, technology center, laundry rooms, and bike storage is approximately 3,500 SF. The gross building square footage is 102,240 SF. Most of the parking on site will be re-used, with up to 148 parking spaces available for residents, guests, and staff. A large outdoor amenity space includes an open plaza, playground, seating areas, and raised beds.

Unit size (no. of bedrooms)	No. of units	AMI %	RFLA (SHS Program)	Square feet/unit	Gross monthly rent/unit*
One Bedroom	7	30%	7	532; 577	\$544
Two Bedroom	24	30%	24	768; 774	\$653
Three Bedroom	9	30%	9	1087; 1092	\$754

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<i>One Bedroom</i>	<i>10</i>	<i>60%</i>		<i>532; 577</i>	<i>\$1,088</i>
<i>Two Bedroom</i>	<i>37</i>	<i>60%</i>		<i>768; 774</i>	<i>\$1,306</i>
<i>Three Bedroom</i>	<i>13</i>	<i>60%</i>		<i>1087; 1092</i>	<i>\$1,509</i>
<b>Total</b>	<b>100</b>		<b>40</b>		<i>*2021 Rents</i>

### Project Image



### Background

The project originated after Marylhurst University closed in 2018. Ownership of the campus reverted to the Sisters of the Holy Names (SNJM). SNJM engaged in extensive community engagement to determine how best reactivate the campus after the university closed. Affordable housing emerged as a use that was sought-after by community members, stakeholders, the City of Lake Oswego, and neighbors. Mercy Housing Northwest worked closely with SNJM to understand the development capacity of the site, and worked together to rezone the campus to allow housing as a by-right use. In early 2021, the parties agreed to partner to develop a portion of the campus into affordable housing.

Mercy Housing Northwest engaged Carleton Hart Architecture and Walsh Construction Company as the architect and general contractor, both of which have extensive affordable housing development experience. Mercy Housing Northwest applied for OHCS LIFT funds in March, 2021, after working with Carleton Hart and Walsh for several months in advance to develop a preliminary design and cost estimate. LIFT funds were awarded to the project in June, 2021.

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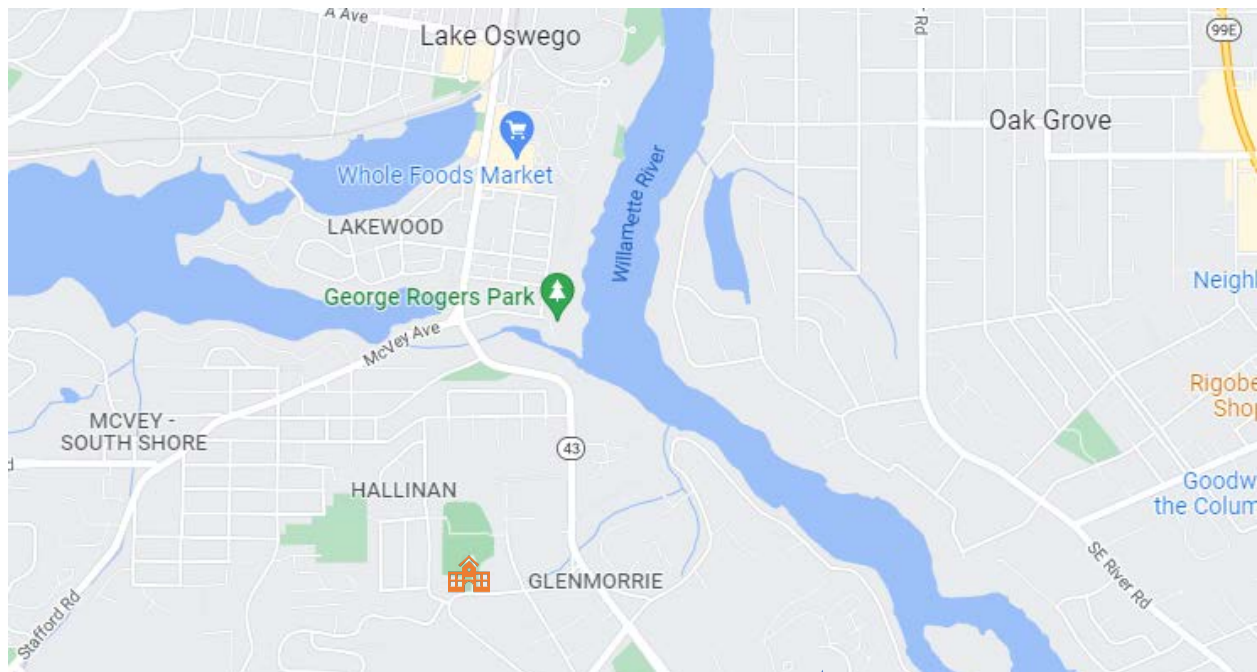
Since June 2021, the project team has been evaluating the site conditions and designing the building, including:

- Geotechnical analysis
- ALTA survey
- Phase II Environmental survey
- Evaluation of utilities
- Onboarding of consulting engineers
- Schematic design
- Community Outreach
- Design Development
- Application for City of Lake Oswego Development Review
- Received approval from the City of Lake Oswego staff on March 7<sup>th</sup>, 2022
- Application for and approval of 4% LIHTC Bonds
- Application and conditional approval for Mercy Housing Management Group to manage the property
- Lender and LIHTC Investor engagement
- Construction Drawings (please see the 80% drawings attached to this application)

Mercy Housing Northwest is self-funding all pre-development activities. The project team is working towards an April 14<sup>th</sup> goal to apply for a building permit with the City of Lake Oswego. The project is on track to close financing and begin construction on August 11<sup>th</sup>, 2022.

### Location and Neighborhood

The project is in Lake Oswego, surrounded by multifamily, single family, and office properties. It is approximately two miles from downtown Lake Oswego, a major employment center. The nearest bus stop is located .25 miles from the site (TriMet #35). There are amenities nearby, including a grocery store, which is approximately 1.25 miles south of the site. Sidewalks connect to Highway 43, approximately 1000' west of the site, and continue on Highway 43. The former campus functions like a park, providing large areas of open space accessible to the public. Hallinan Elementary School (Lake Oswego School District) is 1.3 miles northwest.



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## Notes:

- Walmart Neighborhood Market is the nearest grocery store (1.3 miles)
- Mary's Woods is a 800+ unit retirement community and is a major employer (.1 miles)
- Hallinan Elementary School is the nearest school serving the property (1.3 miles)

## Site

The site is approximately 4.25 acres of gently sloping land, with portions of dense forest that will remain intact and undisturbed. As part of the project, we are working with the Sisters of the Holy Names (SNJM) to replat the existing parcels so that the new housing is located in its own separate parcel so that none of the other buildings on campus are impacted by the new project. SNJM currently owns the property and will continue to own the property for the foreseeable future. SNJM and Mercy Housing Northwest have agreed to an option to ground lease the property for 90 years, with a capitalized payment. The property was appraised at a value of \$1.3 million. Mercy Housing Northwest and SNJM are working closely to ensure the project can be successful, which has resulted in a preliminary lease payment of \$500,000.

There are three buildings on site that will be demolished prior to construction of the new building. Two of the buildings were student dormitories and the third was a small instructional building. All three were built in the mid 1960s. The buildings are passed their useful lives, require environmental remediation, and have been vacant for a number of years. Abatement to remove asbestos containing materials is required prior to demolition of the structures. The scope of work includes removal of popcorn ceilings, flooring, and pipe insulation throughout the buildings. Once the abatement work is complete, the buildings will be demolished.

The three buildings to be demolished contain asbestos containing materials and trace amounts of lead based paints. All hazardous materials will be abated prior to demolition and new construction. Geotechnical conditions on site are favorable for a building of this type. Conventional, poured-in-place concrete footings will be used for the building foundation, with some amendments required. The geotechnical report has been reviewed and approved by the city. Because the building is reusing an existing building footprint and requires little additional excavation, no geotechnical challenges are anticipated.

## Project Financing

The total expected development cost is approximately \$41.1 million, roughly \$411,108 per unit, and roughly \$200,541 per bedroom. The project is receiving public subsidy from the following sources:

- **OHCS LIFT:** \$4.25 million (\$42,500/unit; \$20,732/bedroom)
- **OHCS 4% LIHTC:** \$17.95 million in total LIHTC equity (\$179,500/unit; \$87,564/bedroom)
- **Metro:** \$3.00 million (\$30,000/unit; \$14,634/bedroom)

## Sources of Funds

4% Tax Credit Equity	17,950,616
Oregon OHCS	4,250,000
Mercy Gap Note Fund	500,000

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Deferred Developer Fee	2,437,092
GP Equity	1,000
Permanent Amortizing Loan	11,642,128
SNJM Commitment	1,200,000
Metro Bond	3,000,000
OR-MEP and ETO Incentives	130,000
<b>Total</b>	<b>41,110,836</b>

### Uses of Funds

Acquisition	515,000
Construction	30,418,477
Soft Costs and Fees	7,553,100
Pre-Dev / Bridge Financing	10,500
Construction Interest and Fees	1,236,149
Permanent Financing	119,743
Capitalized Reserves	692,477
Bond Issuance and LIHTC Fees	565,388
<b>Total Uses</b>	<b>41,110,836</b>

The project is receiving an SDC waiver from the City of Lake Oswego, as well as reduced building permit fees (approximately \$2.4 million savings). The project is also anticipating a property tax abatement, which will be implemented upon completion as the property is currently tax exempt.

### Development Team

#### Mercy Housing Northwest (Developer)

Since 2010 Mercy Housing Northwest has secured over \$500 million of public and private financing, with an active pipeline of over 550 units under construction or in pre-development. The MHNW team has extensive experience in complex, publicly funded affordable housing transactions with multiple funding sources.

Our properties include 4% and 9% Low Income Housing Tax Credits, Tax-exempt Bonds issued and regulated by the Washington State Housing Finance Commission, HUD 202, HUD 811, USDA Rural Development, Project- and Tenant-based Voucher programs, VASH, HOME, CDBG, Washington State Housing Trust Fund, National Housing Trust Fund, FHLB Affordable Housing Program, and city and county funds. Many of these properties include multiple financing programs and MHNW is experienced with multiple, overlapping funding and compliance requirements. Because Mercy Housing Northwest develops and Mercy Management Group (MHMG) manages properties in numerous jurisdictions across Washington and Idaho, we are accustomed to learning and implementing a variety of policies, regulations, compliance standards, and other procedures, which tend to vary widely, depending on jurisdiction. The breadth of this experience is important as we develop capacity in a new market. Our experienced staff have completed projects in dense, urban

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settings, as well as in rural and suburban locations. The team is dedicated to building high-quality, well-designed affordable housing that will enrich the lives of generations of residents.

As an organization, Mercy Housing Northwest has the financial strength required to successfully develop Marylhurst Commons. At year-end 2020 (the latest available financial audit) MHNW had assets of \$319 million. Mercy Housing Northwest had a robust 3.0 revenue to expense ratio in 2020, with a 14% increase in overall liquidity. Despite the financial hardships throughout 2020 due to the COVID-19 pandemic, MHNW's financial position remained strong. Steady revenue from properties and developer fees was bolstered by extraordinary generosity from philanthropic partners that bolstered our ability to respond quickly and nimbly to the challenging conditions.

MHNW's local development experience is backed by affiliate organization Mercy Housing Inc., one of the largest nonprofit affordable housing developers, owners, and operators in the country. A strong balance sheet, significant experience in the systems necessary to develop, finance, and operate housing, and robust guarantee capacity allow Mercy Housing Inc. to expand its mission to bring new affordable housing opportunities to families, seniors, and people in need across the country. Supported by \$1.1 Billion in Net Assets, \$340 million in revenue, and \$240 million in cash and cash equivalents in 2019, Mercy Housing Inc. has significant organizational capacity for ongoing, robust affordable housing development.

The Mercy Housing Northwest Real Estate Development team consists of the following members:

- Joe Thompson, President, 30+ years.
- Colin Morgan-Cross, Director of Real Estate Development, 12 years
- Alisa Luber, Senior Project Developer, 26 years
- Ellen Lohe, Senior Project Developer, 6 years
- Obinna Amobi, Project Developer, 7 years
- Christopher Bendix, Project Developer, 4 years
- Tracey Lightburn, Administrative Assistant, 5 years
- Nicholas Efthimiadis, Associate Project Developer, 3 years

Colin Morgan-Cross, Director of Real Estate Development, will supervise the development on Marylhurst Commons. Colin has over 12 years of experience in affordable housing finance, development, administration, property management, resident services and provides leadership for the real estate development team. Colin has been in a supervisory role while leading several complex development projects including the Gardner House, a 95-unit mixed use urban TOD family housing project that received a large philanthropic contribution for the Paul Allen Foundation; and Mercy Othello Plaza, 108 apartments above the Mercy Housing Northwest headquarters, financed with 4% and 9% LIHTC and a large capital campaign.

Chris Bendix, Project Developer, will lead day-to-day project management including design, financing, construction administration, and will coordinate lease-up activities, and handoff to operations. Chris joined Mercy Housing Northwest in 2018. He has worked on multiple projects throughout the northwest from pre-development, construction, lease-up, and closeout. Most recently, he worked on the Gardner House apartments and Allen Family Center in Seattle, a unique mixed-income project in

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Seattle's Mt. Baker neighborhood which was made possible by a \$30 million grant from the Paul G. Allen Family Foundation.

Tracey Lightburn, Project Assistant, will provide organizational and administrative support for the project. Tracey has been at Mercy Housing Northwest since 2016 and has assisted with multiple functions on nearly a dozen projects. For Marylhurst Commons, Tracey will be responsible for internal and external administrative and operations tasks throughout the design, financing, construction, and lease-up phases. In addition, Tracey serves as the liaison between MHNW staff and central accounting and accounts payable staff. Other MHNW development staff are available to assist with the project as needed.

In addition to the Mercy Housing Northwest staff who will be managing the project, Mercy Housing Inc. will assist with legal, accounting, cost-certification, insurance, and information/data technology, among other functions.

While Mercy Housing Northwest is very experienced in housing development in numerous communities, Marylhurst Commons would be our first development in Oregon. To supplement our expertise, we have engaged the Housing Development Center to provide technical support around financing programs, requirements, and policies, to ensure Marylhurst Commons meets the requirements and goals of all funders. Housing Development Center will also provide construction management services so Marylhurst Commons has sufficient on-the-ground support.

Once the building is open, Mercy Housing Management Group (MHMG) will bring robust experience and expertise operating the property, ensuring compliance, and providing for all maintenance and capital needs at the property. MHMG manages nearly 24,000 affordable units in over 330 properties across the country and will bring their institutional capacity and skill at managing publicly financed affordable housing to the Portland Metro area. In Washington State, MHMG manages 51 properties owned by Mercy Housing Northwest. Since 2010, MHNW has received only 6 findings of non-compliance, all of which have been cleared and approved within one year.

### **Carleton Hart Architecture (Architect)**

Carleton Hart Architecture (CHA) has been designing affordable housing and community facilities in the Portland metropolitan area for nearly thirty years. Affordable housing and social justice have been major points of emphasis for their work since the firm's inception. CHA has engaged a highly experienced bench of consulting engineers for this project, including two MWESB certified firms. To-date Carleton Hart and their engineering consultants have achieved every major milestone on time and on budget throughout the pre-development process, including a Development Review decision from the City of Lake Oswego, which received city approval without any appeals or delays.

Carleton Hart Architecture's team includes experts in building codes, quality assurance, and building performance. CHA's technical experts have already been in close coordination with city code enforcement officials and plan reviewers. In addition, CHA, along with a third-party sustainability consultants, and consulting engineers, is leading the team's efforts to achieving Passive House

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certification. Finally, CHA's interior design team are experienced with Trauma-Informed Design, many elements of which are being included in the design of the project.

### **Walsh Construction Company (General Contractor)**

Walsh Construction Company has built over 52,000 affordable housing units across the Pacific Northwest. These units have provided a continuous benefit to communities, as well as employed thousands of subcontractors, tradespeople, suppliers, transportation workers, and many others. These projects have also provided numerous benefits to the local small businesses.

Walsh has a tradition of partnership with non-profit organizations. Since the company started, Walsh has partnered with 91 non-profit organizations that provide community-focused services and programs in a wide variety of disciplines. In addition to the company's explicit partnership opportunities, the company's annual giving campaign encourages employees to give back by providing a matching program for employee contributions to other non-profit organizations. The company's 2020 philanthropic contributions – both financial and in-kind - totaled \$1.1 million.

It is well-known that the commercial construction industry has long been a predominantly male and white industry. Walsh is actively striving to diversify its workforce to bring in new perspectives and to better reflect the demographics of the communities in which they often work. A few Walsh employee figures are:

- Women and minorities comprise 42% of Walsh staff
- Of the company's 21 project managers, over one-third are women
- In the past calendar year, Walsh has hired four Project Engineers, all of whom are women
- All new hires are formally enrolled in a mentorship program and works with management to establish career development plans to help them achieve their goals.
- A total of 153 employees (32%) have been with Walsh for 10 years or more. They are often listed among the top three best companies to work for in the Pacific Northwest.

In addition to creating a diverse workforce, Walsh works closely and directly with subcontractors and their own self-perform work crews to create a welcoming environment and to eliminate the number of workers who experience harassment, discrimination, hazing, or any other forms of aggression. They work hard to make sure everyone who works on-site feels respected and valued and the Walsh teams create a positive and harassment free jobsite culture. Walsh is a founding signatory of the *Safe From Hate Pledge*, which was developed in the summer of 2020, committing its signers to enforce a zero-tolerance policy against hostile workplace behavior and jobsite culture.

### **Community Engagement**

Community Engagement for this project began when the Sisters of the Holy Names first took ownership of the property in 2018. They spent several months doing outreach within the community to understand how to reactivate the former college campus. Affordable housing was a common theme amongst outreach participants. In 2020, the Sisters of Holy Names, in collaboration with Mercy Housing Northwest, completed a campus-wide rezone that included several months of community engagement. The rezone was approved unanimously by the City Council.

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Mercy Housing Northwest began doing outreach in summer, 2021, with the establishment of the Marylhurst Affordable Housing Design Focus Group. The Group consisted of neighbors, community members and stakeholders, service partners, anti-racism advocates, and family/education advocates. The group met four times throughout the summer and fall of 2021. Each time, the design team presented materials to the group and incorporated their feedback into the design of the building, including massing, layout of common areas, units, and details of both interior and exterior finishes. The focus group will continue to be involved with the project throughout the construction process, doing site visits during construction so that members of the community can have firsthand experience seeing the project during construction and better understand the intricacies of building a complex, multifamily property.

The team also held an open, online community meeting in October. The meeting was attended by over 150 people. Many participants asked questions throughout the meeting, and the design team and Mercy Housing Northwest staff were on hand to respond to the specific questions raised by community members. Prior to the online meeting, registrants for the meeting were asked to submit any questions they have about the project. A detailed list of questions and answers was posted publicly online following the meeting, including responses to questions asked during the registration process. Finally, the project has a website on which updates will be posted periodically as the project continues towards construction. The website can be accessed at: [www.mercyhousing.org/marylhurst](http://www.mercyhousing.org/marylhurst).

In part because of the extensive outreach conducted, the Development Review Commission unanimously approved the design concept in March 2021, citing the ongoing community engagement. There were very few concerns raised by community members, which is unusual for development projects in this jurisdiction.

### Advancing Racial Equity

#### **Mercy Housing Northwest Commitment to Race and Social Justice**

Mercy Housing Inc and Mercy Housing Northwest have made Racial Equity a key component of the organizations' Strategic Plan initiatives. Through its Racial Equity, Diversity and Inclusion program, Mercy Housing Inc. has implemented organization-wide strategies to improve equity outcomes, including:

- Hiring a Senior Vice President of REDI, reporting directly to the CEO
- Organizing a Colleagues Operationalizing Racial Equity (CORE) team to evaluate and recommend improvements to policies, procedures, and objectives using the Racial Equity Toolkit and creating four Racial Equity Action Plans over three years
- Training 100% of Mercy Housing's 1,600 staff in "Understanding and Analyzing Systemic Racism"
- Implementing a new Equity Lens to understand and evaluate the impact on racial equity of all real estate development projects pursued by the organization, including project siting, community served, MWESB utilization, and equitable community engagement.

At the local level, Mercy Housing Northwest is in the fourth year of its Racial Equity Team, a diverse, cross-departmental leadership team focused on making measurable, sustained progress on promoting racial equity. The Team coordinates education and peer support, communication, and planning actions, reporting results and impacts to our board, residents, staff and partners. As an annual initiative, the

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Racial Equity Team continues to examine progress and continuously improve. In the first four years, MHNW has:

- Met or exceeded goals related to mapping languages spoken by residents so that staff fluent in those languages can be hired
- Increased participation of Minority- and Women-owned Business Enterprises during construction
- Providing professional opportunities through permanent and internship positions for people of color; and connecting our housing opportunities with communities of color at risk of displacement.

A key aspect to Mercy Housing Northwest's equity initiatives is making sure that our staff reflect the diversity in our resident population. Beginning with the highest leadership levels, the MHNW Board is comprised of nearly 50% people of color (7 out of 15); 33% are low-income; 67% are women; and five are first-generation immigrants. At the staff level, 42% (19) of MHNW staff identify as people of color. On the Resident Services staff, 54% of staff identify as Black, Indigenous, or People of Color; 14 different language other than English are spoken; and two Resident Services staff have lived experience in our properties.

The goal of Marylhurst Commons is to serve low-income and historically underserved and marginalized communities by connecting residents to the High Opportunity Lake Oswego area and all the outstanding resources it has to offer. Since the early twentieth century, Lake Oswego has been an exclusive, high-end suburb. Historically, as was the case with many American cities, it was extremely difficult for people of color to own property in the city. Marylhurst Commons is seeking to play a small but historically significant role in correcting many decades of exclusionary policies designed to keep out low-income, minority, and immigrant households by creating a diverse community of families in one of the most resource-rich municipalities in Oregon.

Lake Oswego is an extremely affluent, homogenous community:

- Approximately 85% of Lake Oswego residents identified as white alone
- Approximately 6% identified as Asian
- The remaining 9% identifying as other categories
- Over 70% of Lake Oswego residents have a college degree or more
- The median household income is over \$108,000
- The median sale price for a home is \$720,000, out of reach for all but the highest-income households.

In late 2020 and early 2021, we held numerous discussions with organizations that serve communities of color, marginalized communities, and underrepresented communities, to better understand the need. Largely hearing that a majority of these groups, including low- and moderate-income families with children, were currently excluded from Lake Oswego, we focused our strategy on helping connect these families to the resource-rich environment. We believe there are advantages to working to establish strong partnerships with organizations that serve a wide variety of families, including with particular emphasis on families of color, through a diverse set of programs, affirmatively marketing the building to connect those families with the housing opportunity, and then tailoring those services to the specific population(s) in the building. Through our work serving extremely diverse groups of

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Submitted on: May 16, 2022 (updated)

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residents in our portfolio, we have learned the importance of tailoring services to meet the specific needs of individuals, families, and the community once residents call the building home. Because we operate through a “coordination” or partnership model of services, all of our properties have strong, diverse, and numerous partnerships with service organizations to best serve residents.

Marylhurst Commons seeks to connect underserved and communities of color, who have been historically and intentionally excluded from living in Lake Oswego. We have identified several strategies for doing so:

### **Housing for Service Industry and Lower-wage Workers**

One of the ways Marylhurst Commons will make a difference for families is by creating opportunities for low-wage workers to live closer to high-paying jobs in and around Lake Oswego. There are many retail and service industry jobs in and near Lake Oswego. Because they are unable to afford housing in the City, employees at these businesses often need to travel long distances to get to and from work, which is expensive and reduces the amount of time they can spend with their families or engaged in their community. For example, after polling workers at Mary’s Woods, the large retirement community adjacent to campus, we determined that over 40% of their employees had incomes at or below 50% AMI; many were interested in living closer to work; and nearly 30% of employees polled identified as people of color. Although there is no clear majority ethnicity or race of these workers, this data demonstrates that people of color have tended to be priced out of the areas in which they work. Considering the many other service industry jobs in and around Lake Oswego, MHNW’s strategy is for Marylhurst Commons to serve a diverse range of workers seeking affordable housing near jobs. We believe families of all background, but particularly Black, Indigenous, and People of Color who have faced extreme historic inequities, should be able to live in communities close to high paying jobs and high-quality schools for their children.

### **Connecting Families from Diverse Backgrounds to Opportunity**

Mercy Housing Northwest has experience connecting lower-income families to High Opportunity neighborhoods. Mercy Magnuson Place, in Seattle’s Sand Point neighborhood, included the redevelopment of a former Naval barracks, which is now part of a city park in one of Seattle’s wealthiest neighborhoods, into a mix of 148 homes for low-to-extremely-low-income residents. Through partnerships, affirmative marketing strategies, and emphasis on marketing to underserved communities, the property is now home to a diverse group of residents, with 14 different languages spoken by residents, and has given many underserved communities an opportunity to live in one of the most exclusive neighborhoods in the city. The property is a thriving and important part of the neighborhood. In addition to connecting residents and their families to the amenities and convenience of living within one of the city’s favorite parks and recreation areas, it has also given families safe, stable homes in close proximity to one of the city’s highest performing elementary and middle school service areas, as well as the many other service providers operating in the Park. Many of these lessons will serve MHNW well as we prepare for the lease-up of Marylhurst Commons.

### **Helping Children Achieve Educational Success**

The Lake Oswego School District is one of the highest-performing districts in Oregon. However, since beginning our partnership with the School District in early 2021, we have heard that they face

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challenges ensuring that their students of color who are economically disadvantaged graduate on time. Success in school – with the ultimate goal of on-time course completion and graduation – is one of the pillars of Mercy Housing Northwest’s Resident Services programs. Educational success is one of the best ways to address historic inequities, break the cycle of poverty, and improve the economic conditions for people of color and underserved communities.

Marylhurst Commons will include a full-time Youth Initiatives and School Liaisons (YISL) staff, who will facilitate and implement out of school time programming for youth in partnership with Lake Oswego schools to promote school success (attendance, behavior, course work), grade advancement, and student empowerment. Youth Initiative and School Liaison staff also assist many families who do not speak or read English as a primary language. The Resident Services staff work with parents to help them engage, advocate and navigate complex school systems and student portals so they can be successful in monitoring their child’s progress and accomplishments. MHNW leadership works to hire staff from diverse backgrounds and with a variety of language-skills so that they can assist with basic needs translation services to school, health and financial institutions.

Mercy Housing Northwest has already engaged the Lake Oswego School District, who have signed a Letter of Intent to enter into a Memorandum of Understanding that will allow our two organizations to best serve children in the building who are enrolled in the district. Special emphasis will be on families struggling with housing instability or at risk of homelessness. Anticipated outcomes include:

- Increased school attendance
- Sense of belonging/community and a positive social environment
- Positive relationship with staff
- Positive parental perception of child’s academic performance and sense of safety for their children and heightened sense of community.
- Support students from economically disadvantaged families and families at risk of homelessness, both of whom are disproportionately represented by people of color

Mercy Housing Northwest YISL programs have demonstrated success: At Sterling Meadows, a Mercy Housing Northwest farmworker property in Bellingham, WA, school-aged residents have achieved 98% graduation rate over the past seven years, an impressive feat for youth of farmworker and immigrant families. We look forward to building on this success in Lake Oswego.

### **Racial Equity Goals for Design and Construction**

Mercy Housing Northwest has an organization-wide mandate to pursue race and social justice in every project. From the project’s inception, Mercy Housing Northwest, Carleton Hart Architects, and Walsh Construction have pursued an aggressive strategy to engage as many MWESB certified firms as possible. The goal of the project is to exceed 35% of the total construction contract value. As of March, 2022, Walsh has onboarded several design-build firms, including two certified firms. Walsh has been communicating with a diverse pool of subcontractors since Q4, 2021, in advance of project bidding in June, 2022. The goal of the additional outreach is to ensure smaller, minority-owned businesses have an opportunity and the capacity to be competitive in the construction bidding process.

Carleton Hart has engaged MWESB firms for landscape architecture, HVAC, and Plumbing design, three of the largest scopes on this project. In addition, when Carleton Hart was first engaged as a

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consultant for the project in 2020, the firm was a certified minority-owned business. With Bill Hart's retirement, the firm is no longer a minority-owned business. However, the firm strongly values racial equity and social justice in their practice and employs a very diverse workforce. In addition to subconsultants to Carleton Hart, two other members of the design and permitting team are certified firms: The Bookin Group, land use consultant; and JLA Public Involvement, outreach and community engagement facilitators.

### Partnerships and Services

Mercy Housing's 5 year Strategic Plan refocuses our organization on our Residents, what we call our "North Star." This value is infused in all of our development, programming, and operations. Our resident services "meets residents where they are" to tailor services to a need that is specific to the community, culture, and individuals in our building. In our housing portfolio, we serve an extremely diverse, and wide-ranging population:

- 45% of our residents identify as a person of color
- 39 different languages are spoken at home
- 24% identify as Hispanic/Latinx
- 37% of our residents are children under 18 years old

In order to effectively house and provide services for such a diverse population, we have made intentional, specific efforts to bring culturally-, linguistically-, and racially-appropriate and relevant services. MHNW's Resident Services Coordinators (RSCs) provide individualized assistance to residents and coordinate presentations, classes, and workshops provided by partner organizations.

The program serves the surrounding community, assisting in areas such as financial literacy, parenting skills development, health and dental services and screenings, computer skills development, ESL classes, and emergency food, clothing, and furniture distributions. Activities for children include after-school homework groups, organized teen activities, movie nights, art programs, and summer lunch programs. Services like these help families meet basic needs, increase their self-sufficiency, improve their health and well-being, and strengthen children and families.

**Resident-centered approach and Community Connect:** Mercy Housing's 5-year Strategic Plan centers our organization back on our Residents. Community Connect is an approach to center Resident Voice in our day-to-day operations. We are shifting from an environment where we serve residents to a community where we co-create together. We know that staff cannot create happy, safe, vibrant communities without engaging our residents. Traditional service approaches do not create relationships with residents that allow for the needed collaboration. Community Connect creates space for residents and staff to come together to work towards the creating their community. Outcomes have ranged from new crosswalks to connect our properties with the neighborhood; a community shovel program to help residents after a big snowstorm; a large, resident-led mural to commemorate George Floyd; and a 50% year on year increase in reported "Neighborliness" in resident surveys.

Mercy Housing Northwest has made intentional efforts to ensure that our communities offer culturally-responsive services to support residents from diverse backgrounds. Because we operate through a

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“coordination” and partnership model, we see strong value in partnerships with organizations that will help us offer culturally-specific services and center equity in the work that we do.

Marylhurst Commons will not open until mid-2023. However, we have already established collaborative relationships with several organizations that will support this important work to serve families and children. We are attaching Agreements or MOUs from six organizations:

### **Partnership with Organizations to Serve Communities of Color and Improve Resident Outcomes**

**1. Lake Oswego School District:** While the Lake Oswego School District (LOSD) is one of the best in Oregon and boasts extremely high graduation rates, we understand from staff that they have seen worse outcomes for students of color who are also economically disadvantaged. LOSD has established a District Equity policy that established the framework to: “create the environment to achieve equality in educational results for each student and among historically marginalized groups of students. Equity strategies are intentional, systemic, funded, and focused on the core of the teaching and learning process.” An Equity and Family Engagement Specialist on staff supports this work.

Because we anticipate a large number of families of color in Marylhurst Commons who will come from families of limited means, we’ve already established a relationship with the School District, including the Superintendent; Equity and Family Engagement Specialist; Assistant Superintendent of Teaching & Learning; and the Director of Communication to work collaboratively to support these students. These conversations have culminated in an agreement and signed Letter of Intent to enter into a Memorandum of Understanding, based on our experience working with other school districts. A key aspect of the MOU is to “Support students from economically disadvantaged families and families at risk of homelessness, both of whom are disproportionately represented by people of color.”

The relationship with the school district includes connections for the whole family. We utilize a parent intake survey to identify student and parents' support needs as soon as they move into the building. In addition to School District staff, we develop strong partnerships with local elementary, middle, and high schools that includes student data sharing and dedicated staff to coordinate with partners around intervention supports. We also have programming that meets students’ academic, health, nutrition, and social/emotional needs and a host of partners that can fill in any gaps. Our Expanded on-site out-of-school time program will lead to the outcome because it provides a holistic, coordinated housing-school/community support model to support the students.

According to a study by the National Education Association, students in the demographic groups often living at MHNW properties, and especially those who have faced housing instability, are at greatest risk to experience education achievement gaps. One example of how this group is likely to be at risk for achievement gap is in literacy levels. According to National Center for Education Statistics, native English speaking 4th graders score about 36 points higher on average in reading than non-native English speaking 4th graders. By developing strong relationships with the school district and local school staff, we can help residents overcome barriers and achieve higher levels of educational success.

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Additionally, many studies show students from low-income households have worse outcomes in educational achievement than their more affluent peers. This is particularly true of students who face housing instability. The numbers worsen when students have experienced homelessness or are doubled up with families and friends. We plan to work with the Lake Oswego School District to ensure that these students, particularly those who identify as Black, Indigenous, or People of Color who are disproportionately impacted by these risk factors, are effectively supported.

**2. YWCA of Greater Portland:** We have signed an MOU with the YWCA of Greater Portland to provide additional support to families who live in Marylhurst Commons. With a mission of “Eliminating Racism, Empowering Women,” the Y is a natural partner to help serve families of color and bring a racial and social justice lens to the services provided on site. For example, through their 21-day Racial Equity and Social Justice Challenge, the Y created dedicated space and time to build more effective social justice habits, particularly those dealing with issues of race, power, privilege, and leadership. At Marylhurst Commons, the YWCA will provide housing stability, self-reliance, and tenant support through on-site meetings and referrals, while fostering a sense of community among all residents. MHNW also engaged the YWCA around their work to serve families at risk of displacement at Louisa Flowers building, and plan to use lessons learned and strategies from that lease-up to inform the Equity Outreach and affirmative marketing work at Marylhurst Commons.

**3. Clackamas Workforce Partnership:** Serving as the local workforce investment board, Clackamas Workforce Partnership (CWP) contracts with private and public entities to provide work-readiness and employment services via WorkSource Clackamas, the county’s one-stop-shop for employment and training supports. CWP is making a concerted effort to identify and address barriers in the county by further engaging priority populations in work-readiness services and related supports. CWP’s targeted populations include: Black, Indigenous, and People of Color (BIPOC), immigrants and refugees, English-language learners, women, veterans, the homeless and housing insecure, people with disabilities, people with mental/emotional health and substance abuse issues, people with legal records, rural residents, low-income individuals and families, individuals who are adult basic skills deficient, youth, people aged 55+, and LGBTQ+ identified individuals. We have signed a Memorandum of Understanding with Clackamas Workforce Partnership that will focus on serving communities of color via two avenues: first, in equitable and inclusionary hiring practices and pre-apprenticeship programs during construction; and second, to assist Marylhurst Commons residents with employment training, readiness, and placement. Emphasis and priority for these programs, as noted above, will be on communities of color and communities that have faced historic inequities.

**4. Northwest Family Services:** Northwest Family Services supports family stability, child well-being, and victims of crime by focusing on the social determinants of health. Northwest Family Services offer programs and services including health and social service navigation, culturally-specific women and children’s shelter who have experienced violence, youth prevention and intervention programs, outpatient alcohol and drug treatment, coalition support for drug free communities, support for youth and families affected by incarceration, youth education and employment success, restorative justice,

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mental health services, job readiness and placement, couple's classes, parenting, healthy relationship education, and more. Services are offered in both English and Spanish. We have signed an MOU with Northwest Family Services so they can bring this important experience and services to Marylhurst Commons.

**5. Clackamas Children's Commission:** The Clackamas Children's Commission provides early childhood education, early intervention, and social services for qualifying pregnant women and families with children from birth to five throughout Clackamas County. Given the family-sized units and emphasis on family spaces and supports at Marylhurst Commons, Clackamas Children's Commission will be an important partner to help families and parents alike through educational programs and interventions. Hands-on parent education on a variety of topics based on expressed needs of residents will help improve parenting methods, financial literacy, and health literacy skills. We have signed an MOUS with Clackamas Children's Commission to that children and parents of diverse backgrounds are supported.

**6. Clackamas Children's Center:** Seeking an end to child abuse and neglect, Clackamas Children's Center provides assessment, treatment, and prevention programs for children and families. Many of the children and families the Center serves face housing instability, which is understood to be correlated with instances of abuse. Children's Center recognizes that child abuse and neglect are linked with systemic inequity, and that looking at all power differentials is necessary to end child abuse and neglect. The Center applies a Diversity, Equity, and Inclusion lens to all efforts and relationships. This lens guides the evolution of programs, initiatives, policies, and practices in a way that honors the inherent dignity of all people. We have signed an MOU with Clackamas Children's Center to connect families served by the Center who face housing instability, as well as to serve future residents in parental education and abuse prevention programs.

### Referrals for SHS Supported Units

The Housing Authority of Clackamas County and Mercy Housing Northwest have been closely collaborating on the best way to bring deeply affordable housing in a resource-rich area like Lake Oswego. MHNW, Mercy Housing Management Group, and HACC will work closely to determine the best way to identify and welcome residents to the property from referral sources. Conversations with HACC to determine how best to coordinate with MHNW's existing services relationships will be ongoing in the coming months prior to final contract execution.

### Livability and Accessibility

#### Livability and Amenities

The project includes indoor and outdoor amenities. A generous ground floor community space including free wifi, computer labs, a community kitchen, and children's play area are centrally located near the two main building entries. Shared laundry facilities are located on each floor, as is indoor bike parking. The design includes large windows in every apartment, as well as windows at corridor ends,

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to ensure every apartment and community space has ample natural light. Outside, a large courtyard includes a plaza, playground, seating, and gardening beds.

Trauma-Informed Design principles and Passive House certification will further enhance the livability and comfort of the building's amenities and apartments. Trauma-Informed Design principles will be used throughout the building, which focuses on selecting calming interior colors and textures, ensuring common areas and apartments are quiet, ensuring good visibility throughout the building and site, and giving residents the ability to control lighting levels with dimmers on every fixture in each apartment. Passive House certification will improve air circulation in common areas and apartments. The constant-running centralized HVAC system will ensure apartments and the building are comfortable year-round, and will ensure that apartments feel fresh and never stuffy. Furthermore, the HVAC equipment is capable of filtering air up to MERV 16, which ensures indoor air quality will be comfortable even when outdoor air quality is poor or hazardous. The centralized HVAC system will also provide temperature control throughout the building, warming the air during winter months and cooling the air during the summer. Collectively these will improve the overall comfort and livability of the property.

### **Accessibility**

Marylhurst Commons will use Universal Design principles throughout the building, including ensuring that every apartment and all common spaces are accessible for people of all ages and abilities. Type A ADA compliant units will also be included in the project. Amenity spaces, indoors and outdoors, will also be accessible for people of all ages and abilities.

### **Climate Resilience and Sustainability**

Marylhurst Commons Affordable Housing will be one of the most resilient and low-emissions affordable housing communities on the west coast. The project is pursuing Passive House USA (PHIUS) certification, a rigorous performance-based sustainability certification. The building will be extremely air-tight, making it much more resilient in extreme weather events. It will also feature a centralized, balanced ventilation HVAC system, which will provide filtered, conditioned air to every room in every apartment, as well as common areas. During summer months, the building will be centrally cooled, ensuring units are safe and comfortable during heat waves.

The building will have zero greenhouse gas emissions. All the systems in the building will be electric, including space heating and hot water heating. A rooftop solar PV system will generate electricity to power common area loads, further reducing operating costs.

In addition to these features, all the appliances will be Energy Star rated and all the common area lighting will be automatically dimming based on occupancy and daylight levels. As an organization, Mercy Housing Northwest is striving to achieve exceptional sustainability results. We view this project as an opportunity to understand how to design and operate extremely energy-efficient, low-emissions buildings.

## **Metro Affordable Housing Bond Program**

### **Final Approval**

**Project Name:** 17811 SW Scholls Ferry Road

**Implementing Jurisdiction:** City of Beaverton

**Metro IGA Contract Number:** 936550

**Date of Concept Endorsement:** July 9, 2020

**Anticipated construction start:** June 2022

**Anticipated construction completion:** Winter 2023/2024

**Action:**

Metro hereby provides City of Beaverton with Final Approval of \$9,000,000.00 in Metro Affordable Housing Bond funds for the development of 17811 SW Scholls Ferry Road, a regulated affordable housing project located at 17811 SW Scholls Ferry Road. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the City of Beaverton, is attached as Exhibit B.

This Final Approval is based upon the information contained in the final approval request provided to Metro by City of Beaverton, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

<b>Number of Units</b>	<b>Number of Bedrooms</b>	<b>AMI Level</b>	<b>Project Based Vouchers</b>
8	One-bedroom	30%	0
48	One-bedroom	60%	0
8	Two-bedroom	30%	0
42	Two-bedroom	60%	0
19	Two-bedroom	70%	0
1	Three-bedroom	30%	0
6	Three-bedroom	60%	0
3	Three-bedroom	70%	0

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



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transfer of funds.

A handwritten signature in blue ink, reading "Andrew Scott", is written over a horizontal line.

5/31/2022

Andrew Scott  
Chief Operating Officer (Acting)

Date

# **Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for 17811 SW Scholls Ferry Road**



Drafted by: Alison Wicks, Senior Housing Program Coordinator and  
Jimmy Oporta, Housing Program Analyst  
Date: May 18, 2022

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## **Criteria for funding approval**

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

## **Staff recommendations**

Staff recommends the Metro Chief Operating Officer (COO) provide Final Approval of funding for 17811 SW Scholls Ferry Road. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the City of Beaverton.

## **Changes since concept approval**

The project has undergone some significant changes since concept endorsement. The project saw significant cost increases and decided to move forward with a smaller first phase, reducing the total units from 309 to 164. However, the project faced a remaining funding gap that is being filled through a combination of value engineering, a request to the Oregon Housing and Community Services (OHCS) for \$9,000,000 from Market Cost Offset Fund (MCOF), \$3,000,000 loan from OHCS General Housing Account Program (GHAP), and added funding from the City of Beaverton American Rescue Plan Act of \$849,191. The Metro housing bond funding has not changed. Changes or updates to information previously provided during the concept endorsement phase include:

- The total project unit count has been reduced to 164, reduced from 309.
- The total Metro Housing Bond eligible units has been reduced by 29 units, down to 135 units.
- The unit mix has changed with four 3-bedroom units being shifted to 2-bedroom units.
- The unit affordability has changed.
  - The total Metro Housing bond eligible units at 30% of AMI has been reduced to 17, down from the prior 20.
  - The total Metro Housing bond eligible family-sized units has increased to 79, up from the prior 32.
- Net cash developer fee of \$2.47 million (3.67% of developer fee basis) and is within the Metro Developer Fee Guidelines of 2% - 6% for projects over 100 units. Net cash developer fee was reduced from \$3.52 million at concept endorsement.
- Resident services funded via a capitalized resident services reserve of \$900,000.
- Construction start date changed from June 2021 to June 2022.

Staff recommendation for Final Approval is based on the assurances of the City of Beaverton will work with partners to ensure that the project provides resident services at adequate levels.

## **Contribution to unit production targets**

17811 SW Scholls Ferry Road will utilize 29% of Beaverton's total allocation of bond funds (\$9,000,000.00) while delivering 135 units that meet the following unit production outcomes:

- 62% of Beaverton's overall unit production target;
- 19% of Beaverton's target of units affordable to households making 30% or less of area median income (AMI); and
- 65% of Beaverton's family sized unit target.

Additionally, it is worth noting that total number of units in the project is 164 and only 135 are eligible to be counted towards unit targets. The project includes 51 units at 70% AMI. Due to Beaverton's unit cap for 61% - 80% of 22 units, 29 units at 70% AMI will not count towards Beaverton's unit targets.

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

- 123% of Beaverton's overall unit production target;
- 69% of Beaverton's target of units affordable to households making 30% or less of area median income (AMI); and
- 121% of Beaverton's family sized unit target.

## Readiness to proceed

Beaverton 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 5/23/2022
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Letters of Intent by Citi Community Capital, City of Beaverton ARPA, OHCS Market Cost Offset Fund, OHCS General Housing Account Program, OHCS Multifamily Energy Program
- Permit Set dated 1/12/2021
- Phase I Environmental Site Assessment (ESA) dated 4/15/2022
- Land appraisal dated 12/5/2021

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

## Advancing racial equity

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

- **Location:** The project is located in the South Cooper Mountain (SCM) area of Southwest Beaverton, which was added to the Urban Growth Boundary in 2011 and annexed by the City in 2013. The site is located in the area designated as Main Street in the South Cooper Mountain Community Plan. The proposed project is adjacent to the newly built Mountainside High School and proximate to Cooper Mountain Nature Park, Paul and Verna Winkelmann Park, a pedestrian friendly environment, with wide sidewalks, safe crossings, and traffic buffering. The City's plans anticipate significant development and infrastructure investment in coming years. This is consistent with Beaverton's LIS goal of providing new affordable housing in high opportunity neighborhoods with access to transit, jobs, quality schools, commercial services, parks and open spaces.

- **Transit access:** Currently, the project is not served by transit. However, TriMet plans to extend Bus #56 service to the area, which would connect the community to the nearby Washington Square and Tigard Transit Centers, WES commuter rail, and the SW Corridor Light Rail Project. As part of this expansion, the project has proposed a bus stop on the site; this stop is currently pending approval from TriMet. In response to a request for additional information, Beaverton staff provided the following update regarding anticipated timing of bus expansion: “According to Brenda Martin (TriMet), it was TriMet’s intent to expand bus line 56 to SCM on FY 21-22. However, due to COVID-19 no new services or upgraded services will be made FY 20-21; therefore, the line 56 expansion has been delayed by a year. This will work perfectly with the Wishcamper timeline. If, due to the ongoing development happening in SCM, there is a need for more immediate service, TriMet will be looking at Ride Connection to provide shuttle service until the bus line is extended.”
- **Diversity in contracting/hiring:** The developer has committed to meeting the 20% minimum DMWESB target for hard construction costs and has set an aspirational goal of 30%. Additionally, the project intends to achieve 20% DMWESB participation on professional services. The City will track workforce hours and demographics. The project has selected Colas Construction, a black-owned entity as their general contractor and NAMC as their consultant. Colas Construction’s commitment to equity can be seen in the COBID-certified participation in Colas Construction led projects, typically exceeding established goals.
- **Access for historically marginalized communities:** The project includes 80 units designated for seniors – approximately half of the total units proposed. Combined with the number of family-sized units on the site, this presents opportunities for intergenerational living, which is consistent with community engagement themes identified in the City’s LIS. The project commits to affirmatively furthering fair housing by including low barrier to entry screening and linguistically appropriate materials and translation services that reflect community demographics. Management will have a consistently applied policy to override the screening criteria and will maintain relationships with local community action organizations to assist residents in crisis and prevent eviction.
- **Culturally responsive and appropriate services:** WDP is taking a methodical approach in selecting key partners to ensure a racially diverse and equitable process through the development process and beyond. WDP has contracted with Community Partners for Affordable Housing (CPAH) to provide resident services. WDP is currently in negotiations with Centro Cultural to provide special services to Latinx residents, APANO to provide special services to API residents, Mari’s Little Lambs to provide childcare at an adjacent facility, and Virginia Garcia to provide special health care services through their mobile clinic. WDP will also engage Washington County’s Supportive Housing Services team to assist residents in the 17 deeply affordable units to ensure successful housing stability.

## Community engagement to inform project implementation

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

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

The WDP is partnering with Unite Oregon on community engagement. The partnership is geared toward community engagement, feedback, and awareness. It is divided into 5 areas:

- Build community trust through multilingual, multicultural focus groups that will allow community members/residents to share their feedback.

- Education through community workshops that will assist residents better understand how to lease a unit, the application process, tenant rights, what is affordable housing.
- Equitable outreach and engagement to ensure community needs are met, better understand outreach strategy, and connect units to families in need. WDP is contemplating on hiring a full-time bilingual Washington County organizer to lead this work.
- Empower community leaders by identifying 2 – 3 diverse (Somali, Burmese, Arabic, etc.) community leaders who will serve as liaisons and are deeply connected in their communities.
- Develop language supportive services by utilizing data from focus groups, community events, and surveys to identify priority language support services needed.

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

- WDP and Unite Oregon will work together from June 2022 – September 2023 on community engagement. Their focus on language supportive services includes building trust with tenants, communicating effectively and better serving non-English speakers. They plan to:
  - Maintain a calendar of culturally specific holidays and events.
  - Hire BIPOC staff.
  - Translate written materials into Spanish, Chinese, Arabic, Somali, Vietnamese, and other languages and ensure translations are accurate and easily understood.
  - Streamline the ability to request hearing devices and interpretation services for residents, and consistently use closed captioning for individuals joining virtually.
  - Add webpage links in various languages to facilitate interpretation service requests.
- WDP has Equity Plans for all projects that incorporate a community-specific and comprehensive Equity Plan that both sets goals and informs key elements, specifically: lease-up and screening; resident programs and services; management policies; management representation; contracting; and assessment and reporting. The Equity Plan for 17811 SW Scholls Ferry Road will be reviewed and informed by outreach efforts, the management company, resident services coordinator, and special services provider. Specific programming will be developed after the finalization of the Equity Plan, but categories include youth programs, adult education, food and nutrition, health and wellness, and community building.

## Sustainability and climate resilience

In response to the Metro’s policy statement on air conditioning following the June 2021 heatwave, 17811 SW Scholls Ferry Road will include VTAC heating and cooling with in-wall ducting in all units. The projects will include other sustainability features such as low flow toilets and aerators, LED lighting, occupancy / daylight sensors, low VOC materials, energy efficient appliances and thoughtful landscaping that requires minimal irrigation.

## EXHIBIT B: Project summary submitted by City of Beaverton | Metro bond Final Approval for 17811 SW Scholls Ferry Road Apartments

Submitted by: Javier Mena, Affordable Housing Manager  
City of Beaverton, jmena@beavertonoregon.gov  
Submitted on: May 12, 2022

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### Project Overview

The City of Beaverton is seeking final approval for Wishcamper Development Partners' (WDP) affordable housing project located at 17811 SW Scholls Ferry Road (The Project).

After a lengthy solicitation process, on May 12, 2020, the City of Beaverton Council selected WDP as its Project D developer. Subsequently, on July 9, 2020, Metro provided the Concept Endorsement on The Project. The Project has completed its due diligence and ready to move forward with construction phase. The City requests Metro provide Final Approval to The Project and transfer \$9 million of Metro Affordable Housing Bond funding for the construction of The Project.

The Project went through multiple changes since initial Concept Endorsement. WDP purchased the adjacent property, also known as "Black Bird Farms", with the intent of expanding the development from 164 units to 309, without additional Metro bond funds. Due to cost escalations and limited Private Activity Bond, the project was divided into two phases. Phase one consists of 164-units which will serve 300+ people across three buildings.

#### Original project proposed unit mix

Unit size	No. of units	AMI %	Square feet/unit	Gross monthly rent/unit
1 Bedroom	74	60%	620	\$1,041
1 Bedroom	6	30%	620	\$487
2 Bedroom	65	60%	945	\$1,243
2 Bedroom	5	30%	945	\$577
3 Bedroom	13	60%	1245	\$1,430
3 Bedroom	1	30%	1245	\$662
Total	164			

#### Updated project proposed unit mix

Unit size	No. of units	AMI %	Square feet/unit	Gross monthly rent/unit
1 Bedroom	8	30%	620	\$599
1 Bedroom	48	60%	620	\$1,199
1 Bedroom	24	70%	620	\$1,398
2 Bedroom	8	30%	945	\$719
2 Bedroom	42	60%	945	\$1,439
2 Bedroom	24	70%	945	\$1,678
3 Bedroom	1	30%	1245	\$831
3 Bedroom	6	60%	1245	\$1,662
3 Bedroom	3	70%	1245	\$1,939
Total	164			

The original proposal had all units restricted at 60% Area Median Income (AMI) or below, with 12 restricted at 30% AMI. The updated proposal, while producing the same number of units,

includes 51 units restricted at 70% AMI, and 17 units restricted at 30% AMI. This is allowable based on income averaging. The proposed unit mix does not have a negative impact on the total number of units restricted at 60% AMI or below that the city is charged in creating as part of the Metro Bond funding. The city is on target at almost doubling the number of units produced in comparison to its target. The Project does not have any allocation of Project Based Vouchers.

The second phase of the project is expected to begin as soon as funding is secured. At this time, there is no expectation that the second phase will require Metro Bond funds.

### **Preliminary Development Program**

Below are some highlights related to The Project

- 17-units at 30% AMI (10.3%), distributed across unit-types in proportion with the unit mix (thus serving seniors and families). Interest in the possibility of linking these units with the county's supportive housing services for the tenant's benefit and stabilization.
- A multigenerational project that includes 80-units of senior housing.
- 3-4 story buildings that are elevator served and all units inclusive of air conditioning, balcony / patio, walk-in closet, and washer / dryer hookups.
- A central community center that includes a fitness center, lobby / lounge / management offices, laundry facility, pet grooming station, bike wash facility, community room with kitchen, meeting and services room, and secure multicultural flex space with restrooms (facilitating options for on-site health care, childcare, and continuing education). In addition, each of the three floors housing senior units includes a dedicated seniors lounge, each with a different theme (TV, cards, visiting, etc.).
- Built to universal design standards. As an example, each residential floor includes an ADA restroom that be utilized by guests of residents who themselves don't reside in ADA units.

### **Project Image**

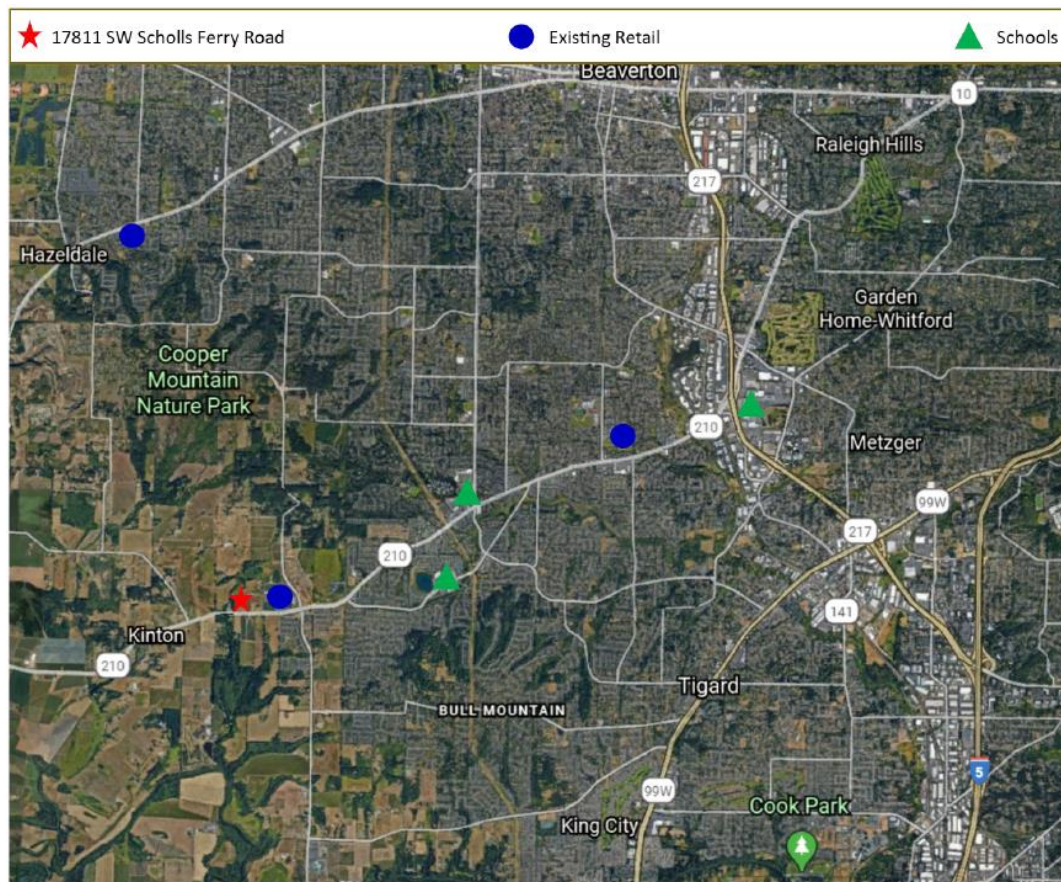


## Background

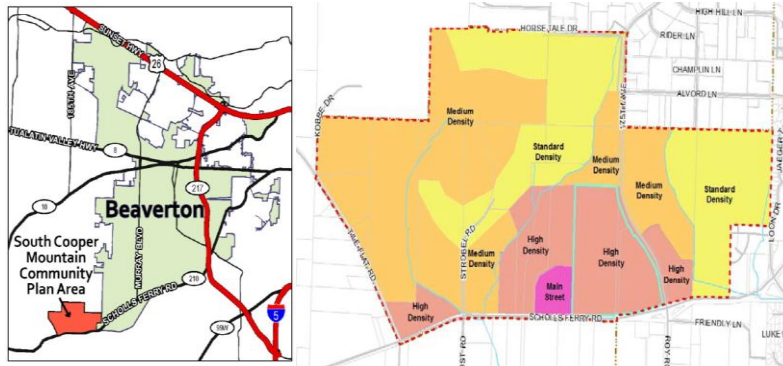
The site proposed for affordable housing is in a city-identified strategic area in the South Cooper Mt neighborhood. It is expected to have at least 50% of the space set as commercial space. During the predevelopment process WDP and the city negotiated commercial space via a vi housing, which allows The Project to move forward. As previously mentioned, WDP proceeded with the predevelopment process for the extended 309-unit project. Throughout the process, it was evident there was going to be funding gaps, the gap size was the question. First assessments last year listed the funding gap at \$9 million. Understanding the project's importance to the city and the area, City Council allocated \$1.6 million of its American Rescue Plan Act (ARPA) funds. As The Project edged closer to permit issuance, the gap increased due to higher interest and continuing construction costs escalations, ballooning to \$15 million. In addition to cost escalations, limitations to the Private Activity Bond, and OHCS's behest, WDP agreed to phase the project.

Also, throughout the predevelopment process, WDP continued its outreach through mostly paid partnerships with Colas Construction, Professional Development Business Group (PDBG), LatinoBuilt, National Association of Minority Contractors (NAMC), P3 Consulting (COBID certified), IZO Public Relations (COBID certified), and Unite Oregon. WDP is also in negotiations with Centro Cultural, Asian Pacific American Network of Oregon (APANO) Mari's Little Lambs (childcare), Virginia Garcia Memorial Health Center (weekly visits from mobile clinic).

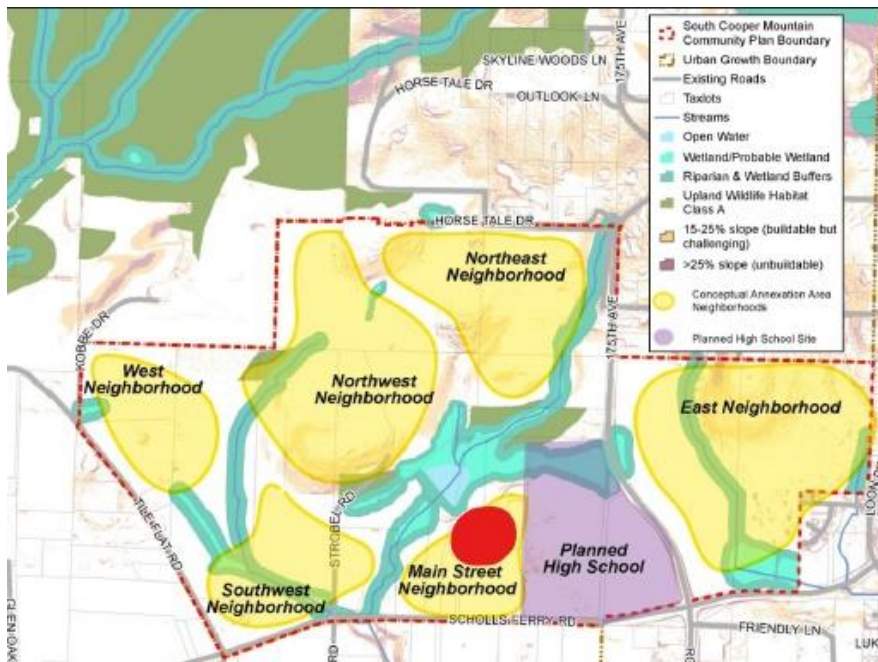
## Location and Neighborhood



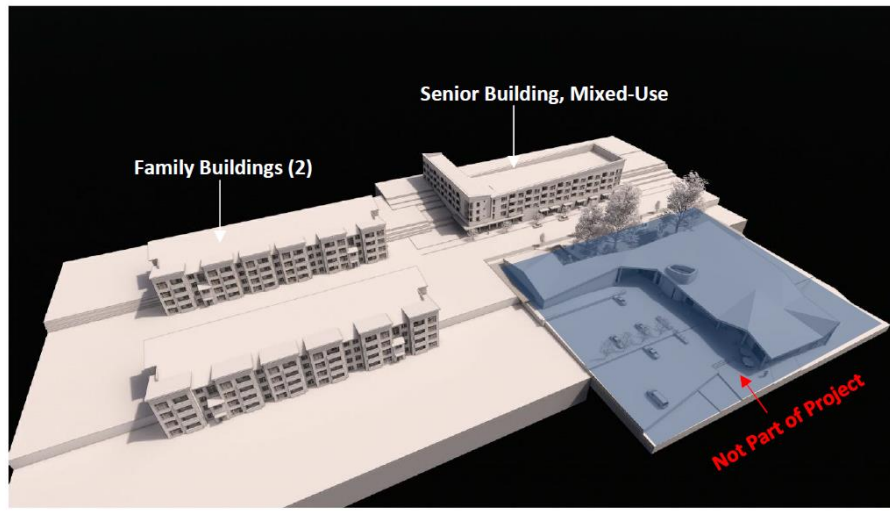
SCM was added to the Urban Growth Boundary in 2011 and annexed by the city in 2013. The area is located at the southwest edge of the city encompassing approximately 544 acres. The Project is adjacent to the newly built Mountainside High School, Cooper Mountain Nature Park, Paul and Verna Winkelman Park, a pedestrian friendly environment, with wide sidewalks, safe crossings, and traffic buffering. Emerging transit services will connect the community to the nearby Washington Square and Tigard Transit Centers, WES commuter rail, and the SW Corridor Light Rail Project. Today, there is no public transit to the site; however, TriMet plans to extend Bus #56 service to the area. The Project is adjacent to natural areas/amenities including the Cooper Mountain Nature Park.



## Site



Community Plan's conceptual neighborhoods. Affordable housing will cover 6.3-acres of the 9.46-acre site, the remaining 3.6 acres are set aside to meet the Main Street commercial space requirements. The Main Street policies include the need to provide local shopping opportunities, designed as a pedestrian-oriented center, complimentary relationship with Mountainside High School, walkable blocks, mixed used buildings are encouraged, public gathering spaces via a plaza, festival street, or parking area that can be converted to Saturday-market type use during community events.



SCM MAIN ST. | SCHEMATIC DESIGN | NEIGHBORHOOD PERSPECTIVE  
A1-102 | FEBRUARY 26, 2020 | 15515



Phase 1 and geotechnical reports identified the presence of highly moisture sensitive clayey and silty subgrade soils across the site, the presence of gently sloping site conditions across the site, the presence of the existing site improvements, and the relatively low infiltration rates anticipated within the near surface clayey and silty subgrade soils. Each of these concerns are not out of the ordinary and will be addressed during construction. No additional studies were needed.

## Project Financing

The capital stack needed to successfully fund The Project includes 4% LIHTC, conventional debt, deferred developer fee, City of Beaverton ARPA funds, Metro Affordable Housing Bond funds which will be funded via a cash-flow loan. The table below summarizes development cost estimates.

<b>17811 SW Scholls Ferry</b>	
Total Development Costs	\$79,554,642
Cost Per Unit	\$485,089
Cost Per SF	\$324
Metro Bonds Cost Per Unit	\$58,878

Project sources include:

<b>Source of funds</b>	<b>Amount</b>
4% LIHTC Equity	\$28,705,076
Weatherization	\$192,290
OHCS Market Cost Offset Fund	\$9,000,000
Metro Housing Bond	\$9,000,000
City of Beaverton ARPA	\$849,191
Permanent Loan	\$22,869,594
OHCS GHAP Loan	\$3,000,000
Seller Note	\$396,060
Deferred Developer Fee	\$5,542,431
<b>Total Sources</b>	<b>\$79,554,642</b>

Construction costs:

The original cost estimates were based on pre-pandemic assumptions. Since then, everything related to construction increased beyond normal inflationary factors. Materials costs continue to increase at a 25% factor annually. Due to labor shortages, labor costs have also increased at a high percentage rate. Due to increased interest rates, the project's debt capacity has fallen.

## **Development Team**

**WISHCAMPER DEVELOPMENT PARTNERS.** The principals of WDP have over 80-years of combined experience across 23 states; having developed or redeveloped over 15,000-units of affordable housing since the early 1970s. They have never terminated a subsidized rent contract or removed an affordable housing use-restriction, serving as true stewards within the industry. WDP is an active affordable housing developer in Oregon, with projects in Bend, Woodburn, Newberg, Oregon coast.

**OTAK.** WDP has engaged Otak to be the principal architect, planner, and engineer for 17811 SW Scholls Ferry. Over the last 35-years Otak has built a highly collaborative team with award-winning multidisciplinary expertise in urban design, architecture, planning, engineering, and construction management. They have worked on numerous affordable housing projects in Portland and are intimately familiar with the planning process in Beaverton.

**COLAS CONSTRUCTION.** A Black owned entity, Colas Construction is recognized as a BIPOC Prime Contractor is a second-generation, family-owned firm. Their experience goes beyond affordable housing and includes civic projects, and retail/mixed-use developments. Colas Construction commitment to equity can be seen in COBID-certified participation in Colas Construction led projects, typically exceeding established goals.

**GUARDIAN REAL ESTATE SERVICES.** Property management services will be provided by Guardian Real Estate Services. Guardian has decades of property management experience, including affordable housing. Guardian believes that affordable housing is an essential platform in promoting vibrant diverse communities. Their experience, skills help them understand the opportunities, needs, challenges of the property and its tenants, making sure all expectations and needs are met. Guardian's affordable housing portfolio includes managing 96 properties with some level of affordability requirements, and clients including housing authorities, and nonprofit owners.

**OUTREACH AND COMMUNITY ENGAGEMENT PARTNERSHIPS.** The following have been added to the development team through formal agreements:

- National Association of Minority Contractors (NAMC) to assist in recruitments and tracking of COBID-certified contractors
- Unite Oregon to help with community engagement during the construction phase and outreach/engagement during the lease-up phase
- Community Partners for Affordable Housing (CPAH) to provide resident services

## **Community Engagement**

Throughout the predevelopment process, WDP presented The Project and solicited feedback at a variety of venues, including Beaverton's Housing Technical Advisory Group (HTAG), Housing Cohort (a City of Beaverton partnership with Unite Oregon), LatinoBuilt general meeting, PDBG general meeting.

The WDP and Unite Oregon partnership is geared toward community engagement, feedback, and awareness. It is divided into 5 areas

- Build community trust through multilingual, multicultural focus groups that will allow community members/residents to share their feedback. The focus group will consist of 10-12 immigrant, refugee, and BIPOC participants who will be asked, how can the project make the community feel secure, safe, and welcome? What kind of resident services are needed? What do they want for multicultural space?
- Education through community workshops that will assist residents better understand how to lease a unit, the application process, tenant rights, what is affordable housing
- Equitable outreach and engagement to ensure community needs are met, better understand outreach strategy, and connect units to families in need. WDP is contemplating on hiring a full-time bilingual Washington County organizer to lead this work
- Empower community leaders by identifying 2 – 3 diverse (Somali, Burmese, Arabic, etc.) community leaders who will serve as liaisons and are deeply connected in their communities
- Develop language supportive services by utilizing data from focus groups, community events, and surveys to identify priority language support services needed

### **Advancing Racial Equity**

In recent decades the increasingly high cost of housing has permeated out from urban centers to dramatically affect almost every community in Oregon, further marginalizing communities of color and vulnerable communities in the process. To address these inequalities and to ensure equitable access, families and seniors will be focus of The Project. Priority populations targeted for lease-up and on-going marketing efforts are marginalized groups, such as recent immigrants, and communities of color.

Since its annexation, the SCM area has been developing fast, creating a neighborhood of limited access to households earning below the area median income. Through the years, the city has tried in a variety of ways to incent affordable housing in the area, without much success. Equally challenging has been getting the designated Main Street area developed due to its commercial space requirements. The Project provides the perfect opportunity to bring affordable housing to the area and incent activation of the commercial space.

One of the Beaverton's LIS guiding principle is racial equity. It is not enough to make subtle changes to increase housing access. The goal is to break down institutionalized barriers. An example of transformational shift is how WDP changed its business model to include previously overlooked Diversity, Equity and Inclusion (DEI) principles, not only for this project but all its projects in the pipeline. WDP partnered with PDBG in their Bend project to increase COBID participation even though it was not required to do so. Similar strategies have been included in the Woodburn and Newberg projects.

WDP selected Colas Construction as their general contractor and NAMC as their consultant. Colas Construction commitment to COBID-certified contractor participation will be enhanced by NAMC's partnership. NAMC is a trade association focused on assisting, promoting, training minority/women contractors to ensure they too benefit from public investments. Based on these partnerships, it is expected that the project will exceed the 20% COBID-certified contractor participation.

City staff, Guardian, and WDP met and will continue to meet to discuss screening criteria and the appeal process. It is important that the appeal process be transparent, easy to follow and proactively communicated. The group has also met with community groups previously mention and talk about

challenges renting an apartment based on the screening criteria. The feedback received matched the information received during the LIS process; application fee, money for deposit, not understanding why the applicant was denied, unaware of an appeal opportunity. These conversations will continue to ensure applications are reviewed with a screening-in criteria as opposed of a screening-out lens.

## 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.'*

Barriers to housing is a common theme for vulnerable communities and communities of color when household stability is discussed. These barriers come in a variety of ways: how housing availability is promoted, tenant screening process and requirements, the property manager, etc. WDP is taking a methodical approach in selecting key partners to ensure a racially diverse and equitable process through the development process and beyond. In addition to previously mentioned partnerships, WDP is currently in negotiations with:

- Centro Cultural to provide special services to Latinx residents
- APANO to provide special services to API residents
- Mari's Little Lambs to provide childcare at an adjacent facility
- Virginia Garcia to provide special health care services through their mobile clinic

WDP will also engage Washington County's Supportive Housing Services team to assist residents in the 17 deeply affordable units to ensure successful housing stability.

## Livability and Accessibility

Key design elements include:

- Community center with central full kitchen
- Secured multicultural flex space with restrooms
- Each of three floors housing senior units includes a dedicated senior lounge, and ADA restrooms available to residents and guests
- Fitness center
- High-speed WiFi in common areas
- Pedestrian and bike friendly infrastructure incorporation universal design principles
- Washer/Dryer hookups
- Secure ground-level bike storage

As mentioned above, the senior building will boast 3 separate multipurpose common rooms for seniors-only, each located on the southeast corner of the 3- story senior building, and each located adjacent to a stairwell that will be constructed in accordance with the principles of universal design (thus being a naturally lighted and inviting stairwell, not a dark emergency-exit afterthought). Bike parking is located strategically throughout the property and bike storage is central to every building via ground floor secure storage rooms.

Design features will showcase the east and southwest aspects of the structure to provide emphasis at both the entry into the development and the central intersection of the "Main Street" (as defined in the SCM Community Plan). Further, the urban design will likely appropriately accent the planned civic / commercial / retail across the "Main Street" to the south. The two

residential family buildings will resemble the mixed-use building in many respects, including elevator service, though will be less costly to construct without the mixed-use component. Care is being taken into designing the residential buildings to complement, yet not dominate, the overall development and serve as a transition into a less urban neighborhood.

Unit sizes are within OHCS's square footage maximums and comparable to the local market; 1-bedrooms are 8% smaller, 2-bedrooms 4% smaller, and 3-bedroom 8% larger. Significant thought is going into the design and layout of unit interiors and unit designs are being reviewed for furniture layout, living space, and storage, which are often afterthoughts in the design of affordable housing. Such thoughtfulness is especially important in family-sized units where living room size, pantry, and closet storage are paramount to functional living. All units will have hookups for washers and dryers and all buildings will have central elevator service.

### **Climate Resilience and Sustainability**

All units in The Project include VTAC heating and cooling with in-wall ducting.

Consistent with other WDP projects, the design at 17811 SW Scholls Ferry seeks to incorporate features such as low flow toilets and aerators, LED lighting, occupancy/daylight sensors, low VOC materials and sealants, energy efficient appliances and thoughtful landscaping that requires minimized irrigation.

### **Anticipated Timeline**

The Project's estimated timeline is as follows:

Project Closing	June 16, 2022
Construction Begins	Late June 2022
Preleasing	Winter 2023
Construction Completion	Winter 2023/2024

## **Metro Affordable Housing Bond Program**

### **Final Approval**

**Project Name:** Saltzman Road Senior Apartments

**Implementing Jurisdiction:** Washington County

**Metro IGA Contract Number:** 936591

**Date of Concept Endorsement:** May 20, 2021

**Anticipated construction start:** June 2022

**Anticipated construction completion:** August 2023

**Action:**

Metro hereby provides Washington County with Final Approval of \$5,400,000.00 in Metro Affordable Housing Bond funds for the development of Saltzman Road Senior Apartments, a regulated affordable housing project located at 1035 NW Saltzman Road, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B.

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

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
19	One-bedroom	30%	15
26	One-bedroom	60%	0
9	Two-bedroom	30%	9

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



Marissa Madrigal

Chief Operating Officer

6/08/2022

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond funding final approval for Saltzman Road Senior Apartments



Drafted by: Alison Wicks, Senior Housing Program Coordinator and  
Jimmy Oporta, Housing Program Analyst  
Date: June 6, 2022

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## Criteria for funding approval

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

## Staff recommendations

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

## Changes since concept approval

The project has undergone some changes since concept endorsement. The total project cost has increased \$5.8 million (38%) since concept endorsement. These increases are offset by an increase in anticipated 4% LIHTC equity and the permanent loan. Changes or updates to information previously provided during the concept endorsement phase include:

- Changes to unit mix and affordability:
  - Manager's unit was converted to a 60% of AMI 1-bedroom unit, increasing the total unit count to 54 units, up from the prior 53 units.
  - Two units previously affordable at 30% of AMI have been shifted to 60% of AMI.
  - The project's 24 Section 8 project based vouchers (PBV) have been reallocated, from 24 1-bedroom units, to 15 1-bedroom units and 9 2-bedroom units.
- Parking spaces decreased to 14 spaces from 19 spaces.
- Reconfiguration of units based on stakeholder outreach including comprehensive redesign of first floor community spaces.
- Project costs increased \$5.8 million from \$15.3 million to \$21.1 million:
  - Land cost increased by \$1 million, due to increase in appraised value.
  - Construction costs increased \$3.8 million primarily due to material cost inflation and general labor shortages.
  - Development costs increased \$950,000.
- Resident services in operating expenses reduced, declining to \$250 PUPY from the prior \$566 PUPY. Home First Development has applied to Washington County to participate in Permanent Supportive Housing programming with Supportive Housing Services funds, requested funds of \$293,000 per year.
- Project sources have correspondingly increased \$5.8 million, including \$2.1 million in LIHTC equity, permanent loan increased \$2.9 million, and applicant contribution increased \$798,000.
- Net cash developer fee of 9.9%, decreased from 13.5% and is within the Metro Developer Fee Guidelines of 6%-10% for projects with 31-75 units.

## Contribution to unit production targets

Saltzman Road Senior Apartments will utilize 4.6% of Washington County's total allocation of bond funds (\$5,400,000.00) while delivering 54 units that meet the following unit production outcomes:

- 6.6% of Washington County's overall unit production target;
- 8.4% of Washington County's target of units affordable to households making 30% or less of area median income (AMI); and
- 2.2% of Washington County's family sized unit target.

Additionally, it is worth noting that of the 28 deeply affordable (30% AMI) units 24 will be supported with project based section 8 vouchers.

When combining this project with Washington County's existing development portfolio, this puts the County on a path to have utilized 85.8% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 99.4% 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
- 97.1% 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 5/8/2022
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan dated 2/2022
- Letter of Intent by Redstone Equity Partners
- Permit Set dated 3/11/2022
- Phase I Environmental Site Assessment (ESA) dated 03/9/2022
- Land appraisal dated 5/3/2022
- Community Engagement Report

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:** Saltzman Road Senior Apartments would be the only bond project in northern Washington County, located in the Cedar Mill neighborhood of unincorporated Washington County perceived as a high opportunity area. The project is located within a half-mile of the Cedar Mill Library, recreational facilities (indoor pool, ball fields, track, walking paths) and a large grocery shopping center.
- **Transit access:** TriMet line 50 bus stop is 300 feet away and TriMet Line 48 and 62 bus stops are within 0.25 miles away that connect to Washington Square, Hillsboro and Sunset Transit Centers.

- **Diversity in contracting/hiring:** Home First Development aims to award 25% of construction contracts to MWESB firms and will track and provide information requested in the workforce outcomes report form including number of hours worked by apprentices, women, and people of color, disaggregated by gender and race.
- **Access for historically marginalized communities:** Home First Development utilizes a Low Barrier model for screening applicants. The low-barrier screening plan will be developed and implemented by property management and outreach for lease-up will be supported by SAGE, a Friendly House program providing case management and outreach services to LGBT seniors throughout Multnomah County since 2012. Low Barrier screening is specifically designed to promote accessibility to households with adverse credit, rental and legal histories, and who subsist on a very limited income. Any applicant who is denied due to an adverse screening outcome will be automatically re-evaluated on a case-by-case basis, taking into account successful completion of treatment or renter success courses, positive references, and any other documents submitted on their behalf.
- **Culturally responsive and appropriate services:** A detailed Resident Services Plan was provided by the developer, identifying the target population as low and very-low income LGBT seniors in Washington County. Friendly House/SAGE Metro Portland will deliver, manage and coordinate resident services. The services plan confirms SAGE will coordinate Senior Health Insurance Benefits Assistance (SHIBA), law assistance, energy assistance, tax preparation and transportation services for Saltzman Road residents. On-site activities and workshops are planned to take place monthly in community spaces and advertised to residents in advance. Activities will focus on an array of educational, social, recreational, fitness and wellness opportunities. In addition, a schedule of free and low-cost community events will be posted in common areas for residents. Friendly House/SAGE staff will use translation and interpretation services for people with limited English and TTY systems for those with hearing impairment. Congregants from the church next door to the project intend to make residents of the building part of their mission-based work by providing volunteer service and ancillary services such as companionship, errand running and help with transportation. Home First Development has submitted a letter of interest to Washington County to participate in Permanent Supportive Housing programming with Supportive Housing Services funds.

## 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 Saltzman Road was robust and well thought out. Washington County conducted three senior housing/senior friendly housing listening sessions with 26 senior community members between November 15, 2020, and March 30, 2021. In May 2020, two in-person project design meetings were held with Home First Development representatives, the project architect Doug Circosta, staff from the project service provider SAGE, Christ United Methodist Church (CUMC) members, and a professional senior living consultant. In order to create an opportunity for additional community feedback, Home First Development developed a partnership with Bienestar in the summer of 2021. On February 8, 2022, Bienestar held a virtual focus group meeting via Zoom with participants representing the intended future resident population – older adults who identify as

LGBTQIA+. Additional meeting details and participant demographics can be found in the project's community engagement reporting form.

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

Based on community engagement feedback, the project will now include comfortable and lightweight chairs, many round tables that encourage small community gatherings, furniture in the waiting area or lobby of the building, bold colors used in the community rooms, shade for the outdoor patio, under cabinet lighting, more power outlets and stations, and in general, support units that can accommodate all ages and levels of accessibility. In addition to these changes, the following changes were made to project design:

- The ground floor is at grade with no stairs or ramps necessary
- All areas have been designed for wheelchair access
- All property bathrooms will have grab bars, handrails, handheld shower heads, and raised toilets
- Door handles will be levered style
- Elevator controls will have large print numbers and letters, which will also be implemented through the building
- Built in cabinets will be added to save space
- Countertop heights will be at a standard kitchen height not bar height which is difficult to utilize with mobility issues
- Round tables will be used whenever possible, along with a mixture of seating options
- Bathroom signage will say "restroom" and be gender neutral
- Shaded areas will be provided outside via mature trees
- Security cameras will be utilized in entryways, elevator and outdoor space
- Ample lighting will be provided in the parking lot
- A large drive through area had been added for pick-ups and drop-offs

### **Sustainability and climate resilience**

Saltzman Road Senior Apartments aims to achieve Earth Advantage Gold certification. The project's sustainability features include sourcing resilient materials that are UL EPD Certified and CRI Green Label Plus, providing four EV vehicle charging stations, providing a solar ready design, Energy Star rated appliances, low-flow fixtures and smart heat recovery ventilation units. In alignment with Metro's policy statement on air conditioning following the June 2021 heatwave, the project will provide air conditioning to all resident units through mini-split air conditioning units. Common areas and community spaces will be air conditioned by a central air HVAC system.

## **EXHIBIT B: Project summary submitted by Washington County | Metro bond concept endorsement for Saltzman Road Senior Apartments**

Submitted by: Melisa Dailey, Housing Development Program Coordinator,  
Washington County, melisa\_dailey@co.washington.or.us  
Submitted on: May 12, 2022

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### **Project Overview**

The Saltzman Road Apartments is a 54-unit development with a mix of one- and two-bedroom units affordable to renters earning at or below 30% and 60% of Area Median Income (AMI). Twenty-four (24) of the units will have Project Based Section 8 Vouchers to provide very low-income individuals with an opportunity for affordable housing. As an underserved, vulnerable population, LGBTQIA+ residents will be prioritized and served through informed resident services, ample community space, and through an ideal location that will provide a safe, welcoming, and positive environment to residents for years to come.

The project design is a four-story, garden-style building with an elevator, a combination of brick and Hardi-style fiber cement lap siding exterior and pitched roofs. The site plan includes an expansive (2,300+ SF) service delivery space spread across three rooms on the ground floor. Apartment units feature durable vinyl plank flooring, quartz countertops, quartz windowsills, low-flow plumbing fixtures, LED lighting for reduced utility bills, and other high-quality amenities. The final product will be durable, accessible and sustainable.

Site amenities include a community garden, barbeque/picnic area, private meeting space for confidential 1-1 service delivery, and complimentary building-wide Wi-Fi. The project includes 14 parking spaces and a dedicated area for pick-up and drop-off near the building entrance. The site and floor plans developed through months of planning and consultation with Christ United Methodist Church parishioners and leadership, Home First Development, Washington County planning officials, project architect Doug Circosta, and service providers Friendly House/SAGE and outreach partner Bienestar to ensure a thoughtful, useful space for future residents.

The project will be financed with Metro Affordable Housing Bond funds, 4% LIHTC, private permanent loan, and deferred developer fee.

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

Changes to the project that occurred since Concept Endorsement include:

- Parking decreased to 14 spaces from 19
- Project costs increased to \$21.1 million from \$15.5 million. Reasons the project does not need additional financial assistance from Metro or OHCS:
  - The developer built a construction estimating contingency into the budget.
  - The project is located in a 30% basis boost area.
  - The developer increased the total developer fee which allows basis to increase, therefore increasing the amount of tax credits.
- Reconfiguration of units based on stakeholder outreach
- Comprehensive redesign of first floor community spaces
- Upgraded specifications in residential units and circulation areas
- Increase in appraised value by \$1 million
- Material cost inflation reflected in increased construction costs from an estimate of \$9.9 million to final cost of \$13.6 million

- Development costs increased from \$4.9 million to \$5.6 million. The developer fee increased by \$800,000 which enables the project to defer \$1 million developer fee and maintain an acceptable DCR while staying below Metro's new 10% net cash developer fee maximum for a project this size.
- Manager's units was converted to rent-paying because the project is small not necessitating a full time on-site manager and also the project needs the income from this unit

### Preliminary Development Program

Unit size (no. of bedrooms)	No. of units	AMI %	PSH <sup>1</sup>	PBVs	Square feet/unit	Gross monthly rent/unit
1 bedroom	26	60%			601	\$1,088
1 bedroom	4	30%			601	\$544
1 bedroom	15	30%		15	601	\$544
2 bedroom	9	30%		9	802	\$653
<b>Total</b>	<b>54</b>	<b>-</b>		<b>24</b>	<b>34,275</b>	

### Project Image



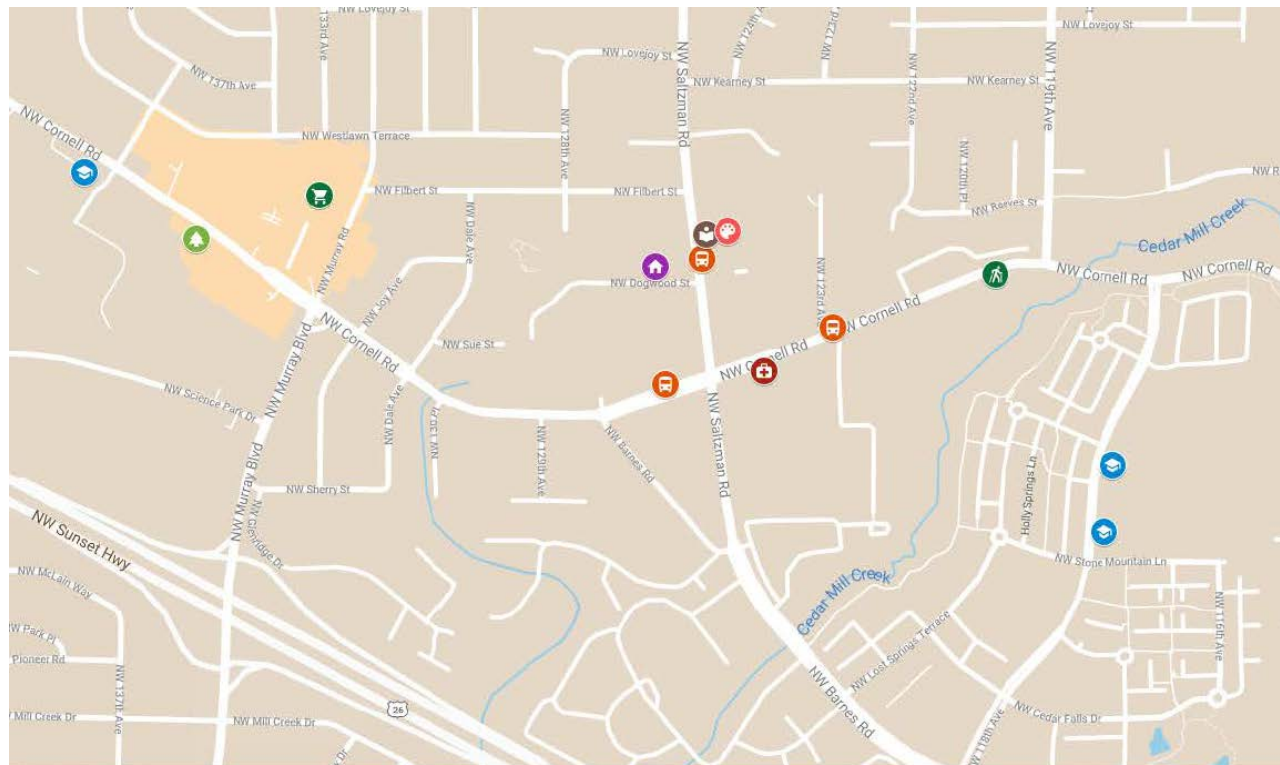
<sup>1</sup> Permanent supportive housing is housing that includes rental assistance and wraparound services, and is designated for households experiencing chronic homelessness (e.g., referrals through coordinated access). PSH units include units with ongoing operating subsidy and services through Veterans 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.

## Background

### Location and Neighborhood

The project is well-located in a high opportunity area within a half-mile of three TriMet bus lines, library, recreational facilities (indoor pool, ball fields, track, walking paths), and large grocery shopping center.

Local vicinity: Cedar Mill Library 300 feet away, TriMet line 50 bus stop 300 feet away, Safeway 0.4 miles away, TriMet line 48 & 62 bus stop 0.25 miles away.



### Site

The Property (tax lots R629975 and R629948) consists of one tax lot and a portion of a second tax lot forming a contiguous irregularly-shaped parcel with an approximate area of 0.83 acres in size. The Property is designed and used for residential purposes. Access to the Property is provided from NW Dogwood Street and NW Saltzman Road. Manicured landscaping surrounds the Property along all four boundaries and between the parking lots. A stormwater swale is located on the southeastern corner of the Property. The site is owned by Christ United Methodist Church.

In 1936, the Property appeared to be occupied by trees. By 1948, these trees were removed, and the Property appeared to be vacant land. Between 1948 and 1951, a dwelling was constructed on the eastern portion of the Property. Between 1963 and 1970, another dwelling was constructed on the western portion of the Property. Between 2009 and 2012, a stormwater swale was constructed on the southeastern corner of the Property. The Property has remained largely unchanged since this time with the two older homes that were operated as rental units by the church. Home First

and Christ United Methodist Church have worked with a relocation consultant and successfully found new homes for these households. The houses have subsequently been demolished in preparation of this development. Current zoning of TO:RC/INS (Transit Oriented Retail Commercial/Institutional District) allows for the development of multifamily housing.

An independent appraisal dated April 4, 2022, was conducted by CBRE and found that the proposed development site has a value of \$1,800,000.

## Project Financing

Cost per unit: \$390,989 Cost per gross SF: \$635.95

<b>Sources</b>	
Affordable Housing Bond	\$5,400,000
Permanent Loan	\$6,800,000
4% LIHTC	\$7,893,952
Deferred Developer Fee and Cash	\$1,019,448
<b>Total</b>	<b>\$21,113,400</b>

<b>Uses</b>	
Acquisition Costs	\$1,810,000
Construction Costs	\$13,673,027
Development Costs	\$5,630,373
<b>Total</b>	<b>\$21,113,400</b>

Washington County provides property tax abatement as well as reduced parking requirements for regulated affordable housing.

## Development Team

Home First Development (HFD) has been a lead construction manager/owner's representative for the development of more than 500 units across Oregon and SW Washington. All projects managed by Home First have utilized the efficient, thoughtful designs of architect Doug Circosta. Home First Development has overseen affordable housing developments ranging in size from 16 to 144 units and has designed units for seniors, Veterans, low-income families, formerly homeless residents, workforce, and other vulnerable populations. Home First has experience securing, utilizing, and managing public funding from a wide variety of sources.

Christ United Methodist Church (CUMC) is a reconciling congregation, proud to celebrate diversity and practice radical hospitality to people of every age, race, gender identity, and sexual orientation. It is one of few faith communities to strongly and actively support the faith inclusion of people who identify as LGBTQIA+. In this light, it was natural for the concept of safe and affordable housing for the LGBTQIA+ population to rise to the forefront in early discussions and drive project vision. It was CUCM's vision to provide housing that targets LGBTQ+ seniors. CUCM will be the administrative general partner in the project.

Doug Circosta, Architect is experienced in a wide variety of architectural projects from concept to closeout in the role of Project Designer, Project Architect, Project Manager, and Principal. Circosta

is experienced in working with many city agencies relating to entitlements, design review, construction permits, variances, and appeals. Circosta has working experience with many city zoning codes, the Oregon Structural Specialty Code, International Building Code, Washington Building Code and California Building Code and have considerable experience working collaboratively with owners, developers, contractors, and City officials.

General contractor for the project is Beaudin Construction. Beaudin Construction is a Woman Owned and Veteran Owned corporation operating in Oregon and Washington. Beaudin Construction is committed to providing an unprecedented level of service and a high-quality product to client partners. Beaudin is selective in accepting project opportunities to take on an appropriate amount of work in order to continue their tradition of excellence in meeting project goals.

## **Community Engagement**

Washington County conducted three senior housing/senior friendly housing listening sessions with 26 senior community members between November 15, 2020, and March 30, 2021. Feedback included a need for lease-up processes to be more accessible for BIPOC communities, creating a living environment focused on safety, and providing green spaces, picnic areas, and community rooms that help build community.

In May 2020, two in-person project design meetings were held with HFD representatives, the project architect Doug Circosta, staff from the project service provider SAGE, Christ United Methodist Church (CUMC) members, and a professional senior living consultant. These meetings led to several significant design changes focused on three core components: accessibility, amenities, and designated service spaces.

In order to create an opportunity for additional community feedback, HFD developed a partnership with Bienestar in the summer of 2021. Bienestar brought experience with community outreach and strong ties to the Latinx population in Washington County which provided an opportunity to further diversify the feedback.

On February 8, 2022, Bienestar held a virtual focus group meeting via Zoom with participants representing the intended future resident population – older adults who identify as LGBTQIA+. The first portion of the focus group presentation included the agenda and format of engagement, community agreements, land acknowledgment, and an icebreaker introduction question. The rest of the presentation focused on obtaining feedback from participants and showing blueprint images of the project or example pictures of discussion items. Questions posed in this focus group session covered: Accessibility, Unit Amenities, Community Room uses and configuration, Outdoor Spaces, Safety & Security, and Transit & Parking.

The feedback received from the senior living consultant (SLC) SAGE, the Washington County Senior Listening Sessions (WCSLS), and the focus group informed many design changes of the project to promote the residents' physical comfort and safety. The project will now include comfortable and lightweight chairs, many round tables that encourage small community gatherings, furniture in the waiting area or lobby of the building, bold colors used in the community rooms, shade for the outdoor patio, under cabinet lighting, more power outlets and stations, and in general, support units that can accommodate all ages and levels of accessibility.

Input from these engagement events has been incorporated in the project design, including:

- The ground floor is at grade with no stairs or ramps necessary
- All areas have been designed for wheelchair access
- All property bathrooms will have grab bars, handrails, handheld shower heads, and raised toilets
- Door handles will be levered style
- Elevator controls will have large print numbers and letters, which will also be implemented through the building
- Built in cabinets will be added to save space
- Countertop heights will be at a standard kitchen height not bar height which is difficult to utilize with mobility issues
- Round tables will be used whenever possible, along with a mixture of seating options
- Bathroom signage will say “restroom” and be gender neutral
- Shaded areas will be provided outside via mature trees
- Security cameras will be utilized in entryways, elevator and outdoor space
- Ample lighting will be provided in the parking lot
- A large drive through area had been added for pick-ups and drop-offs

## **Advancing Racial Equity**

Geographic dispersal of Affordable Housing Bond funded projects throughout the County is a development priority identified in Washington County’s Local Implementation Strategy (LIS). To that end, the Saltzman Road Senior Apartments is the only bond project in northern Washington County. The project is also located in the Cedar Mill neighborhood of unincorporated Washington County, which is a high opportunity area with access to nature, living wage jobs and other services.

Home First Development utilizes a Low Barrier model for screening applicants in order to establish a population composed of individuals demonstrating the highest and most immediate of needs, including but not limited to historically underserved and vulnerable populations such as people of color and/or identification as LGBT.

Low Barrier screening is specifically designed to promote accessibility to households with adverse credit, rental and legal histories, and who subsist on a very limited income. Any applicant who is denied due to an adverse screening outcome will be automatically re-evaluated on a case-by-case basis, taking into account successful completion of treatment or renter success courses, positive references, and any other documents submitted on their behalf. Saltzman Road Senior Apartments will be built on the foundations of Equity, Inclusion, and Diversity. The principles inherent in our mission reflect this commitment through daily operations as well as long-term planning and mission. This commitment will be reinforced through staffing, vendor selection, and operational plans and policies that are built upon Equity, Diversity, and culturally responsive services.

Ongoing training will be required annually for all staff in Diversity, Equity, and Inclusion, both in an online and a live classroom setting. All marketing and outreach activities will be specifically designed to reach those who are least likely to apply for the property, and to encourage the target populations, including people of color, to join the community.

## **MWESB**

Home First Development (HFD) has established an aspirational target of 25% of the dollar value of the professional service and construction contracts will be awarded to MWESB firms. HFD’s

construction manager will oversee all Minority, Women, and Emerging Small Business (MWESB) planning and documentation.

The construction manager will utilize his 20+ years of expertise and as the former executive director of Metropolitan Contractor Improvement Partnership (MCIP), a business support and training organization for viable minority and disadvantaged contractors, to identify additional contractors and help contractors become certified. Beaudin Construction has successful experience contracting with MWESB businesses on projects that have MWESB aspirational goals.

The development team will review the contracting opportunities and develop a successful strategy that aligns with the availability and capacity of MWESB businesses. The team will provide adequate time for MWESB firms to receive information and respond to proposals and bid requests. Home First Development will count COBID certified firms or firms eligible for certification in its total percentage toward contractor diversity which will be based on the *dollar value* of the contracts not the *number* of businesses. This project will prioritize MWESB businesses, but also consider the use of local businesses within the cities of Hillsboro and Beaverton and Washington County. Outlined below are some of the critical components of our strategy.

**1) COBID Certification** - Home First Development and Beaudin Construction will provide information to non-certified contractors about organizations that assist contractors in becoming COBID certified.

**2) Pre Development** - The team will review the project and identify the best contracting opportunities and strategies to reach MWESB contractors. The team will use regional resources to identify, market, and request proposals/bids from MWESB firms. The resources used to identify MWESB businesses include the general contractor, local college or university small business development programs, or regional organizations that provide small business networking forums, such as Salem Capital Connections. Professional service firms will be contacted during this phase for their respective contracting opportunities.

**3) Construction Bidding** - The general contractor will provide a bid announcement to the local contracting community and include the best entities outlined above to provide project information. The general contractor will give adequate time to notify businesses about the opportunity and allow a minimum of three weeks for subcontractors and suppliers to submit bids. The general contractor will keep a list of whom was contacted by construction discipline and contact them at least two weeks prior to the bid due date. Home First will encourage the general contractor to use a bid announcement/plan center/bid tracking software.

**4) Construction Estimate Evaluation** - The team will evaluate the schedule of values before the contract award. The general contractor will provide a preliminary estimate of the percentage of contracts awarded to MWESB firms that is based on dollar value. The team will discuss strategies and opportunities to increase the dollar value percentage of the awards to MWESB firms if it is below 25%.

**5) Construction** - The contractor will provide MWESB data on a regular basis, as required, for Davis Bacon monitoring and at a minimum quarterly to OHCS. Beaudin will also provide an end of project award summary for review by Home First to assure MWESB contractors are utilized, and the actual awards keep to the estimated percentage established at the construction estimate evaluation.

## Partnerships and Services

Home First/CUMC will jointly oversee ongoing operations of the project. The property management provider will be Quantum Residential. Three service providers have been selected to best meet the needs of future residents from a wide variety of backgrounds and cultures – Friendly House, Bienestar, and SAGE Metro Portland. Friendly House and SAGE will coordinate services while Bienestar will provide lease up outreach and services on an as-needed basis.

The overarching goal for Saltzman Road is to create a safe, welcoming, affordable community that offers residents the opportunity to gain skills and find the support they need to live healthy, active, and independent lives. The service coordinator will empower residents to build a culture of interdependence and mutual support among residents, service providers, and management. SAGE will offer a rich array of educational, social, recreational, fitness, wellness, and community-building opportunities designed to support residents to live with resilience and independence.

Service coordination will include, but is not limited to, benefits screenings, resource navigation and referral, coordination of in-home services and supports as needed, options counseling, decision-making support, advocacy, and to serve as liaisons between management and residents, with the goal of supporting people to live active and independent lives.

For residents who are very self-directed and independent and/or folks unable to engage in comprehensive service coordination, resident services staff will provide I&R services in order to improve access to needed services. Residents will be active participants in creating and driving offerings that have meaning for them. Community space will be used for affinity groups to meet without staff if they choose, helping them to take “ownership” over shared community space. Residents will report improved quality of life, sense of belonging and connection to their community, and increased independence because of services, on annual surveys.

## Livability and Accessibility

All project units are ADA adaptable and designed to be modified at any time to meet the mobility needs of the resident. Given that our project aims to serve seniors, universal design elements are a critical aspect of ensuring that residents have the ability to age in place in units that are designed to meet their unique needs. Examples of these design components include but are not limited to:

- The inclusion of three fully ADA accessible units and all units as ADA adaptable
- Elevator
- ADA accessible entrances and community spaces
- Handrails and grab bars in-unit bathrooms
- Walk-in showers or tubs
- Non-slip flooring
- Rounded edge countertops
- Accessible cabinet pulls
- Levered style door handles
- Handheld showerheads
- Hard exterior surfaces for ease of navigation
- Front-mounted cooktop controls
- Shallow sinks
- Front-load washer/dryer

- Large print elevator controls
- Bathrooms that accommodate wheelchairs with appropriate turning radius

Architect Doug Circosta and Home First Development engaged service providers SAGE/Friendly House to learn more about future residents' living needs which helped inform building design and utilize best practices related to universal design principles that promote healthy aging in place.

## **Climate Resilience and Sustainability**

### **Air Conditioning:**

The Saltzman Road Apartments will provide air conditioning to all resident units through mini-split air conditioning units. Common areas and community spaces will be air conditioned by a central air HVAC system.

### **Sustainability Statement:**

Home First Development is committed to designing and constructing affordable housing projects that are sustainable, resilient, healthy, and efficient. The Saltzman Road project is achieving these goals by pursuing Earth Advantage Gold standards, sourcing resilient materials that are UL EPD Certified and CRI Green Label Plus, and promoting new renewable energy technologies by providing four EV vehicle charging stations. All common spaces and units are equipped with mini-split units to provide high-efficiency air conditioning. From the solar ready design to the Energy Star rated appliances, low-flow fixtures and smart heat recovery ventilation units, the Saltzman Road project is designed to lower the energy cost burden of its residents and promote environmental health and quality of life.

## **Summary of Features**

### **Reducing energy consumption:**

- Energy Star rated appliances
- High-efficiency LED lighting
- Low-flow fixtures

### **Promoting Healthy Environments:**

- High efficiency in-unit air conditioning
- Heat recovery system for units over 500sf
- CRI Green Label Plus flooring
- UL EPD certified LVP flooring
- Low VOC paint

### **Durable materials:**

- Quartz countertops
- Stainless steel finishes
- Resilient flooring

### **Promoting Renewable energy resources:**

- Four EV Charging stations
- Solar Ready

### **Certificates:**

- Earth Advantage Gold

### **Anticipated Timeline**

- |   |                |
|---|----------------|
| • Land Use Submittal:                   | June 1, 2021   |
| • Washington County BOCC Final Approval | March 17, 2022 |
| • Land Use Approval:                    | March 28, 2022 |
| • Building Permit Submittal:            | April 9, 2022  |
| • Construction Closing:                 | June 23, 2022  |
| • Construction Start:                   | June 27, 2022  |
| • Building completion and lease-up:     | August 1, 2023 |