METRO HOUSING BOND QUARTERLY REPORT | JANUARY – MARCH 2023

April 25, 2023

This is the first quarterly progress report for the Metro Affordable Housing Bond of 2023. Similar reports are produced quarterly with the goal of keeping the Housing Bond Community Oversight Committee, Metro Council, and other stakeholders and partners informed about ongoing implementation progress. A more detailed report will be provided annually for each calendar year, following submission of local progress reports by each participating implementation jurisdiction.

REGIONAL PRODUCTION PROGRESS

As of the end of March 2023, the Affordable Housing Bond program has 35 projects representing 3,392 new affordable homes in the pipeline, including twelve projects (1,209 units) that are in pre-construction. Twenty-eight projects have received final approval, of which thirteen (1,346 units) are under construction, and eleven projects (837 units) have completed construction and are accepting residents. Of these homes, 1,780 will have two or more bedrooms, representing 91% of the program's production goal of 1,950 family-sized homes; and 1,274 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 80% of the program's production goal of 1,600 deeply affordable homes. Collectively, the 35 projects in the pipeline represent 3,392 new affordable homes, or 87% of the total production target for the Housing Bond, while utilizing approximately 59% of allocated project funding.

Production and funding dashboard

Metro

REGIONAL PRODUCTION PROGRESS

	Eligible units	30% AMI units	2+ BR units	PSH units
Total units in pipeline	**3,392**	**1,274**	**1,780**	**595**
Total unit production targets	**3,900**	**1,600**	**1,950**	**N/A**
% of unit progress underway	**87%**	**79.6%**	**91.3%**	**N/A**
Total funding committed or underway ***% of funding committed*** ***Total funding remaining***	**$387,291,871** **59.1%** **$267,527,685**			

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	Complete	60	60	0	60	Oct-2021	Nov-2022
Dekum Court*	*see Home Forward*	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	$1,929,219	Complete	176	17	48	20	Dec-2020	Nov-2022
74th and Glisan – Phase I and Phase II	$8,472,884	Pre-construction	137	56	63	41	Feb-2023	May-2024
5020 N Interstate	$9,216,838	Construction	63	17	48	0	Jul-2022	Jan-2024
Albina One	$13,572,107	Pre-construction	94	32	54	0	Mar-2023	Feb-2025
Meridian Gardens	$13,365,160	Pre-construction	85	70	0	65	Feb-2023	Feb-2024
Hollywood Hub	$29,084,328	Pre-construction	199	69	129	0	Nov-2023	May-2025
PCC Killingsworth	$2,538,237	Pre-construction	84	28	60	0	Jun-2023	Aug-2024
Tistilal Village	$4,632,538	Pre-construction	24	24	22	16	Jan-2023	May-2024
Powellhurst Place	$4,091,048	Construction	64	12	45	0	Aug-2022	Nov-2023
Barbur Apartments	$22,519,248	Pre-construction	149	32	102	0	Jun-2024	Dec-2025
Total units in pipeline ***Total unit production targets*** ***% of commitment complete***			***1,317*** ***1,475*** ***89.2%***	***478*** ***605*** ***79%***	***649*** ***737*** ***88%***	***237*** ***300*** ***79%***		
Total committed or underway ***Total LIS funding*** ***% of funding committed*** ***Remaining LIS funding***			***$115,778,519*** ***$197,490,792*** ***58.6%*** ***$81,712,273***					

**Home Forward is the developer of Dekum Court, but the units will count toward Portland's production goals. Dekum Court's funding was allocated directly to Home Forward, based on an agreement between Portland, Home Forward, and Metro prior to the execution of IGAs allocating funds, and as part of Metro's early commitment of funding to four "Phase I projects" (also including Viewfinder, Mary Ann, and Tukwila Springs).*

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	$9,283,000	Complete	54	54	0	54	Dec-2021	Aug-2022
Plambeck Gardens	$14,320,000	Pre-construction	116	47	60	8	Mar-2023	Jun-2024
Goldcrest	$12,000,000	Construction	74	14	45	0	Sep-2022	Mar-2024
Plaza Los Amigos	$13,670,523	Construction	112	26	72	16	Jul-2022	Sep-2023
Saltzman Road	$5,400,000	Construction	54	28	9	24	Jun-2022	Aug-2023
Terrace Glen	$17,484,000	Construction	144	51	74	3	Nov-2021	May-2023
The Valfre at Avenida 26	$3,792,088	Complete	36	8	30	8	Jul-2021	Sep-2022
Tigard Senior	$6,270,000	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	***99.5%***	***95.2%***	***97.2%***	***N/A***		
		Total committed or underway	***$104,412,611***					
		Total LIS funding	***$118,135,532***					
		% of funding committed	***88.4%***					
		Remaining LIS funding	***$13,722,921***					

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	Complete	99	25	82	25	Apr-2021	Sep-2022
Good Shepherd Village	$18,330,000	Construction	142	58	79	35	Mar-2022	Aug-2023
Maple Apartments	$15,903,000	Construction	171	70	129	9	May-2022	Dec-2023
Tukwila Springs	$5,548,542	Complete	48	48	0	48	Jun-2021	Jun-2022
Marylhurst Commons	$3,000,000	Construction	100	40	83	40	Sep-2022	Jan-2024
		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	***$122,018,094***					
		% of funding committed	***42.1%***					
		Remaining LIS funding	***$70,666,552***					

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
		Total units in pipeline	***149***	***60***	***105***	***8***		
		Total unit production targets	***284***	***117***	***142***	***0***		
		% of commitment complete	***52.4%***	***51.2%***	***74%***	***N/A***		
		Total committed or underway	***$16,940,731***					
		Total LIS funding	***$41,240,081***					
		% of funding committed	***41%***					
		Remaining LIS funding	***$24,299,350***					

Gresham

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Albertina Kerr	$11,292,447.42	Complete	147	30	31	30	Jan-2021	Jun-2022
Rockwood Village	$5,237,813.69	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	***$16,530,261***					
		Total LIS funding	***$27,140,995***					
		% of funding committed	***61%***					
		Remaining LIS funding	***$10,610,734***					

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	$8,439,934	Pre-construction	80	33	32	0	Jan-2023	Dec-2024
Scholls Ferry Road	$9,000,000	Construction	135	17	79	0	Jun-2022	Jan-2024
		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	***$20,439,934***					
		Total LIS funding	***$31,587,595***					
		% of funding committed	***64.7%***					
		Remaining LIS funding	***$11,147,661***					

Home Forward (East Multnomah County)

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Troutdale Apartments	$13,449,238	Pre-construction	94	39	47	0	Apr-2023	Oct-2024
Dekum Court (PHB)*	$21,034,083	Pre-construction	*Counts toward PHB's unit production goals*				Apr-2022	Jan-2025
		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	***$34,483,321***					
		Total LIS funding	***$37,141,206***					
		% of funding committed	***92.84%***					
		Remaining LIS funding	***$2,657,885***					

**Home Forward is the developer of Dekum Court, but the units will count toward Portland's production goals. Dekum Court's funding was allocated directly to Home Forward, based on an agreement between Portland, Home Forward, and Metro prior to the execution of IGAs allocating funds, and as part of Metro's early commitment of funding to four "Phase I projects" (also including Viewfinder, Mary Ann, and Tukwila Springs).*

PROJECT ENDORSEMENTS AND FINAL APPROVALS

*The following projects were endorsed or approved during the first quarter of 2023. Staff reports for these approvals are included in the Quarterly Report Project Approvals Addendum.**

Project	Endorsement/Approval
Barbur Apartments	Concept Endorsement
74th and Glisan – Phase 1 (Family)	Final Approval
Meridian Gardens	Final Approval
Tistilal Village	Final Approval

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

METRO AFFORDABLE HOUSING BOND

Financial Report Through March 2023

FINANCIAL SUMMARY

TOTAL REVENUE	**$689,283,742**
TOTAL EXPENSES and DISBURSEMENTS	**$260,121,973**
TOTAL COMMITTED	**$142,865,549**
TOTAL FUNDING REMAINING	**$286,296,220**

REVENUE

	FY 2018 - 2022	FY 2022 - 2023	TOTAL REVENUE
Bond Proceeds	$652,800,000		$652,800,000
Premiums on Bonds	$2,630,335		$2,630,335
Interest Earnings	$29,965,748	$3,887,659	$33,853,407
TOTAL REVENUE:	**$685,396,083**	**$3,887,659**	**$689,283,742**

EXPENSES

PROJECTS Jurisdiction:	Prior Years Expended or Disbursed	FY2022-23 Expended or Disbursed	Committed -- Not Yet Disbursed	TOTAL EXPENDED, DISBURSED or COMMITTED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended, Disbursed or Committed
Beaverton	$12,000,000	$0	$8,439,934	$20,439,934	$31,587,595	64.71%
Clackamas County	$48,351,542	$3,000,000	$0	$51,351,542	$122,018,094	42.09%
Gresham	$16,341,505	$188,756	$0	$16,530,261	$27,140,995	60.91%
Hillsboro	$16,940,731	$0	$0	$16,940,731	$41,240,081	41.08%
Home Forward (East Multnomah Co.)	$21,034,083	$0	$13,449,238	$34,483,321	$37,141,206	92.84%
Portland	$8,096,131	$18,130,424	$89,551,964	$115,778,519	$197,490,792	58.62%
Washington County	$76,894,611	$12,818,000	$14,700,000	$104,412,611	$118,135,532	88.38%
Metro Site Acquisition Program	$7,656,656	$2,839,669	$16,724,413	$27,220,737	$62,016,000	43.89%
Other Metro Direct Project Costs	$71,131	$63,083	$0	$134,214	$0	N/A
PSH IGAs in progress					$15,834,000	N/A
Funding to be allocated (interest earnings)					$2,215,260	N/A
TOTAL:	**$207,386,390**	**$37,039,932**	**$142,865,549**	**$387,291,871**	**$ 654,819,556**	**59.14%**

ADMINISTRATIVE Jurisdiction:	Prior Years Expended or Disbursed	FY2022-23 Expended or Disbursed	TOTAL EXPENDED or DISBURSED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended or Disbursed
Beaverton	$454,134	$0	$454,134	$974,615	46.60%
Clackamas County	$1,467,639	$244,607	$1,712,246	$3,636,371	47.09%
Gresham	$309,817	$140,826	$450,643	$837,421	53.81%
Hillsboro	$513,564	$171,188	$684,752	$1,272,457	53.81%
Home Forward (East Multnomah Co.)	$334,297	$0	$334,297	$496,973	67.27%
Portland*	$0	$0	$0	$2,162,200	N/A
Washington County	$1,414,140	$345,450	$1,759,590	$3,645,054	48.27%
Metro Site Acquisition Program**	$0	$0	$0	$1,940,932	N/A
Metro Accountability and Financial Transaction Costs	$7,740,373	$2,559,616	$10,299,989	$19,409,319	53.07%
Funding to be allocated (interest earnings)				$88,845	N/A
TOTAL:	**$12,233,964**	**$3,461,687**	**$15,695,651**	**$34,464,187**	**45.54%**

600 NE Grand Ave.
Portland, OR 97232-2736
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Metro Affordable Housing Bond Program

Concept Endorsement

Project Name: Barbur Apartments
Implementing Jurisdiction: Portland Housing Bureau
Metro IGA Contract Number: 937016
Anticipated construction start: June 2024
Anticipated construction completion: December 2025

Action:
Metro hereby provides the Portland Housing Bureau with Concept Endorsement of $22,519,248.00 Metro Affordable Housing Bond funds for the development of Barbur Apartments, a regulated affordable housing project located at 8205 SW Barbur Blvd., Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau is attached as Exhibit B.

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

Number of Units	Bedroom type	AMI Level	Project Based Vouchers
6	One-bedroom	30%	0
12	One-bedroom	45%	0
29	One-bedroom	60%	0
5	Two-bedroom	30%	0
15	Two-bedroom	30%	15
5	Two-bedroom	45%	0
57	Two-bedroom	60%	0
2	Three-bedroom	30%	0
3	Three-bedroom	30%	3
2	Three-bedroom	45%	0
9	Three-bedroom	60%	0
1	Four-bedroom	30%	1
3	Four-bedroom	60%	0

Changes to the information contained in the concept endorsement request provided by the Portland Housing Bureau could result in reevaluation of the Project's need for Metro

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Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before Final Approval.

03/24/2023

Marissa Madrigal Date

Chief Operating Officer

Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Barbur Apartments

Metro
600 NE Grand Ave.
Portland, OR 97232-2736

Drafted by: Jimmy Oporta, Housing Program Coordinator and Alison Wicks, Senior Program Coordinator

Date: March 23, 2023

Criteria for funding approval

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

Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Barbur 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 Portland Housing Bureau.

Contribution to unit production targets

Barbur Apartments will utilize 11% ($22,519,248) of Portland's total allocation of bond funds while delivering 149 units that meet the following unit production outcomes:

- 10% of Portland's overall unit production target;
- 5% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 14% of Portland's family sized unit target; and

When combining this project with Portland's existing development portfolio, this puts the City on a path to have utilized 72% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 94% of Portland's overall unit production target;
- 83% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 88% of Portland's family sized unit target; and

Eligibility and readiness to proceed

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

- OHCS 4% LIHTC Pre Application dated 2/22/23
- Purchase and Sale Agreement dated 7/1/2021 as evidence of developer site control
- Concept drawings submitted MBOS application
- Zoning analysis, site plan and unit density summary by LRS Architects
- Development team resumes and developer schedule of real estate owned demonstrating a track record with housing development in Oregon

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

Advancing racial equity

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

- **Location:** Barbur Apartments is located in the SW Corridor, with an Opportunity Map Score of 4 and a Walk Score of 74 (very walkable). It is located on a Frequent Service bus line and adjacent to a planned future MAX stop. There is a major grocery store directly across the street and the local public schools are all within one mile. Multiple employment opportunities are a short bus ride away in the downtown Portland and Tigard communities. Other amenities include a nearby park and playing field, Multnomah Arts, a US Post Office and multitudes of restaurants along Barbur and in Multnomah Village and Hillsdale. Health and social services are also close by, including culturally specific organizations.
- **Transit access:** The project is served by frequent-service TriMet buses: #12 Barbur/Sandy (buses run every 15 minutes or less) is adjacent to a planned future MAX stop. Other bus lines within 200 feet of the site include Bus #39, Lewis/Clark and Bus #65 Marquam Hill/Barbur Blvd.
- **Diversity in contracting/hiring:** The project's COBID contracting goals include 30% hard cost and 20% soft cost participation by COBID-certified firms. IHI will be contracting with the Wenaha Group to increase the engagement and participation of people of color on the project management team. Wenaha Group will assist the General Contractor with outreach to COBID subcontractors and facilitate their participation in bidding. The project team will also collaborate with the National Association of Minority Contractors (NAMC) to reach out to COBID subcontractors and provide technical support to assist subcontractors in the preparation of bids. LRS Architects, a certified woman owned firm and Access Architecture, a certified minority owned firm, are partnering on the design/architecture work at Barbur Apartments. The project will be tracking workforce participation and will strive to meet or exceed the aspirational diversity goals of 22% of journey and 22% of apprentice hours worked by BIPOC individuals, and 9% of apprentice and 6% of journey level hours worked by women.
- **Access for historically marginalized communities:** IHI will implement low-barrier screening at Barbur Apartments and incorporate the Certificate of Good Standing model to help people with criminal histories access housing. In 2015, IHI developed educational materials to help future residents better understand how to apply for housing, navigate screening criteria and request appeals for denied applications. IHI will also implement PHB's N/NE Preference Policy to prioritize housing access for people of color in NE Portland.
- **Culturally appropriate services:** Resident services at the project will be provided by 1.5 FTE Resident Services Coordinators. IHI will work in collaboration with the Immigrant and Refugee Community Organization (IRCO) to hire at least one Resident Services Coordinator with specific cultural and language expertise and will provide a second half-time position to further support residents meet basic needs, maintain their housing and access opportunities for improved household stability. IHI has several partnerships with culturally specific and geographically specific service providers to complement its on-site resident services program and deliver a full range of family-focused support services for residents at Barbur Apartments. These services include priority housing referrals, translation services, on-site employment support, after-school academic support and ongoing family

stabilization services such as access to food, youth, and senior programs. The culturally specific organizations that will be providing these services include the Islamic Social Services of Oregon State (ISOS), Immigrant and Refugee Community Organization (IRCO) Somali American Council of Oregon (SACOO) and the Black Parent Initiative (BPI).

Community engagement to inform project implementation

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

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

IHI is a member of the SW Corridor Equity Coalition and its Anti-displacement Workgroup. IHI will work with SWEC and other project partners including Islamic Social Services of Oregon State (ISOS), Immigrant and Refugee Community Organization (IRCO) Somali American Council of Oregon (SACOO) and the Black Parent Initiative (BPI) to reach and engage communities of color in the SW Corridor. Partners will support IHI's work by making introductions to community leaders and institutions such as mosques (notably, Masjed As-Saber), churches, local schools, and business hubs. Outreach will be accomplished using a variety of methods, including focus groups, community meetings, virtual meetings, community events and posting signage on the site. IHI will use different technology platforms to broaden outreach, such as SMS texting, social media, and web applications. IHI will work with IRCO and SACOO, to ensure that all materials are translated into Somali and IHI staff will translate materials into Spanish and other languages identified by partners and stakeholders.

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

IHI has already met with representatives of the Somali Community at AYCO in June, 2022 to gather feedback on physical design, amenities, and programming elements. Outreach efforts will continue, and details related to the integration of community feedback into all aspects of the project, from the exterior site amenities to the green project features, and interior and exterior design will be provided in the future. IHI plans to translate community engagement materials into appropriate languages, provide locally sourced, culturally appropriate food, and offer incentives (i.e. gift cards) to community engagement event participants.

Sustainability and climate resilience

The Barbur Apartments will pursue Earth Advantage certification that fully aligns with PHB's Green Building Requirements. The project will incorporate energy and water saving products, include features like LED lighting, natural daylighting, water-saving fixtures, and additional insulation. To comply with Metro and PHB's cooling policy, the project will provide cooling in the living areas of all units. This will be done via PTAC through-wall or window AC units, or via mini splits if funded by PCEF.

EXHIBIT B: Project summary submitted by City of Portland | Metro bond concept endorsement for Barbur Apts

Submitted by: Lindsay Brown, Housing Finance Portfolio Coordinator
Portland Housing Bureau, Lindsay.brown@portlandoregon.gov
Submitted on: March 21, 2023

Project Overview

Preliminary Development Program

	Unit size (# of bedrooms)	# of units	% AMI	PBS8 Requested	# of SH units	Square feet/unit	Gross monthly rent/unit
	1 BR	6	30%			556	$599
	1 BR	12	45%			556	$898
	1 BR	29	60%			556	$1,198
	2 BR	5	30%			660	$719
	2 BR	15	30%	PBS8		660	$719 ($1,438 PBS8)
	2 BR	5	45%			660	$1,078
Manager	2 BR	1	N/A			660	0
	2 BR	57	60%			660	$1,438
	3 BR	2	30%			1,000	$831
	3 BR	3	30%	PBS8		1,000	$831 ($1,662 PBS8)
	3 BR	2	45%			1,000	$1,246
	3 BR	9	60%			1,000	$1,662
	4 BR	1	30%	PBS8		1,250	$927 ($1,854 PBS8)
	4 BR	3	60%			1,250	$1,854)
Totals		**150**					

The Barbur Apartments project will provide 150 units of new construction apartment homes (149 affordable units and one manager's unit) in a four story, wood construction building. The floor area ratio is 1.45, and the building height is 45 feet. The unit mix includes 4 four-bedroom, 16 three-bedroom, 83 two-bedroom, and 47 one-bedroom units. We added four-bedroom units to the project in response to the SW Corridor Equitable Housing Strategy priority for large units and because IHI knows these units are in demand at our other family sites (we have waiting lists for these unit sizes at every property that offers them).

This site fits very well in its surroundings. To the south and west is a Safeway grocery store, to the south and east is Barbur Blvd with a high-capacity bus line stop within 75 feet, and to the north is a tree line buffer with apartments beyond. The Barbur Blvd corridor has a very commercial orientation, so a four-story building with open space is a nice complement and a good fit. Additional outdoor space is provided via common area outdoor decks on floors 2 - 4.

Project Image

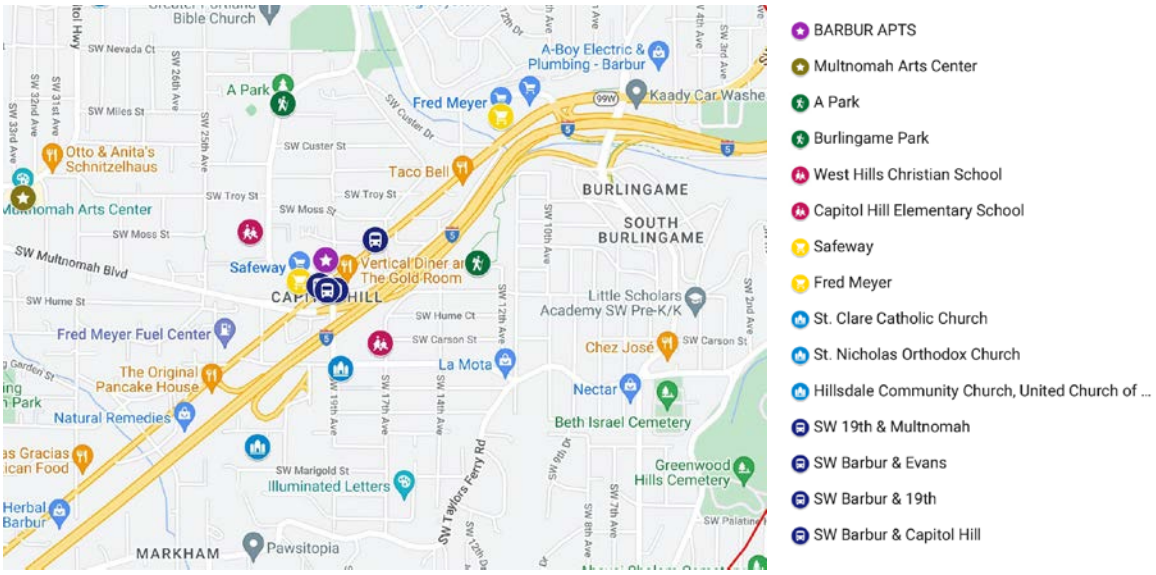
Please see Development Capacity pdf portfolio.

Background

Initially Barbur Apartments was selected to receive Portland Housing Bonds in the Winter 2021-2022 solicitation. The project was selected for award based on the target population served, the location and proximity to future light rail, the Developer's cultural partnerships and track record of delivering quality affordable housing developments. All proposals were thoroughly reviewed by a technical committee of PHB and public agency staff, and a community review panel comprised of affordable housing professionals, community members, and other partners. These review committees recommended proposals for award, and the Housing Bureau's Commissioner in Charge made the final decisions.

In Winter of 2023, PHB reviewed the limitations of the Portland Housing Bond allocations, including the timeline in which funds must be spent, and in consultation with Metro, switched the Portland Housing Bond award for Metro Bonds. The switch allows the project more time to refine the design and develop the building permit set, and also allows Barbur Apts to contribute towards the goals of the Metro Bond, including the creation of family-sized units. Shortly after, PHB awarded the project a little over $4M in LIFT funds, subject to subsequent application to and approval by OHCS. Currently PHB is requesting $2M via the Congressional Direct Ask process to fill the financing gap for Barbur Apts. Receipt of award would require finance close and construction start by October of 2024. The developer has committed to advancing their predevelopment schedule to accommodate this potential funding addition, if approved.

Location and Neighborhood



Recreation		Schools		Churches		Grocery	
Burlingame Park	*.25 mi*	*West Hills Christian*	*.2 mi*	*St. Clare Christian*	*.2 mi*	*Safeway*	*.2 mi*
A Park	*.3 mi*	*Capitol Hill Elementary*	*.25 mi*	*St. Nicolas Orthodox*	*.5 mi*	*Fred Myer*	*.7 mi*
Stephens Creek	*.4 mi*	*St. Clare School*	*.25 mi*	*Gr. Portland Bible Church*	*.5 mi*		
Spring Garden	*0.6 mi*	*Rieke Elem.*	*0.7 mi*	*Mittleman Jewish Comm. Cntr*	*.8 mi*		

The Barbur Apartment site is in an excellent location in the SW Corridor, with an Opportunity Map Score of 4 and a Walk Score of 74 (very walkable). It is located on a Frequent Service bus line (#12 Barbur/Sandy busses run every 15 minutes or less, most of the day, every day) and adjacent to a planned future MAX stop. Other bus lines within 200 feet of the site include Bus #39, Lewis/Clark and Bus #65 Marquam Hill/Barbur Blvd. There is a major grocery store is directly across the street and the local public schools are all within one mile. Multiple employment opportunities are a short bus ride away in the downtown Portland and Tigard communities. Other amenities include a nearby park and playing field, Multnomah Arts, a US Post Office and multitudes of restaurants along Barbur and in Multnomah Village and Hillsdale. Health and social services are also close by, including culturally specific organizations.

Site

IHI has site control via a purchase option acquired in October 2020. IHI recently extended its option until July 2023. IHI is in talks with the sellers for additional extensions and simultaneously looking at options for acquisition financing.

The site is comprised of 4 tax lots totaling approximately 2.19 acres, zoned CM2, RM 2 and R-1. Currently the site is home to Barbur Boulevard Rentals, an equipment and party supply business. Buildings on the site include a 15,500-sf retail building, a 5,000 sf warehouse, a 400 sf storage shed, and an 1,100 sf house with detached garage. All existing buildings will be demolished in order to develop Barbur Apartments. A Phase 1 ESA was completed prepared by Hart Crowser on April 2020.

The site is not located within a design overlay zone. The land use review process will occur during permitting. While not subject to design review, the project is committed to maintaining the values of good urban planning by employing measures such as quality materials, good site circulation, accessible paths to the street and transit access, and access to a variety of outdoor spaces that facilitate interaction and engagement among residents and with neighbors. These features will be evaluated and planned in more depth during the community outreach and engagement process, so that feedback and input can be obtained for the project from prospective residents and stakeholder communities of color.

No lot line adjustments will be required.

Project Financing

The funding sources in this application include private debt with OAHTC, 4% LIHTC equity, LIFT, weatherization funds, PCEF, a special allocation of Congressional Funding, a sponsor capital contribution, and deferred developer fee. IHI has talked with several lenders and investors who are interested in the project, and IHI will issue RFP's for construction/perm debt and an equity investor once PHB funds have been secured. The LIHTC credit price estimate is based on a conversation with Raymond James based on an early pro forma. Raymond James has partnered with IHI on multiple deals; for most of those deals IHI selected them after a competitive process in which they offered strong pricing. Raymond James reports that markets are still pretty volatile and the safe, reliable floor for credit price for LIHTC equity is $0.87. IHI will absolutely be taking this project out to multiple investors

to look for the best pricing, when a closing date target is determined, and closing is anticipated within a year. Besides RJ, IHI has completed recent deals with Key and Enterprise, and other investors are a possibility as well.

All financing assumptions (interest rates, term, and fees) are based on LOIs received within the last few months for a different, similarly sized, IHI project as well as a conversation with one of IHI's long time investment partners about his project specifically to estimate tax credit pricing.

IHI assumes that Metro Bond funds will come into the project as a cash flow loan, with zero interest. Bond funds will only pay for capital costs.

Uncommitted sources include PCEF, the Congressional Funding, and the competitive funding from OHCS (tax exempt bond and OAHTCs). OAHTCs are in good supply and are not very competitive. The next opportunity to apply for tax exempt bonds will be Spring of 2024. Barbur will be in for permits at that point, which will make it highly competitive.

Construction costs were provided by Todd Construction based on a preliminary design by LRS and Access Architecture. Costs were updated in November 2022. The design team worked with IHI through various iterations, balancing efficiency in design/construction with IHI's vision for the project. The construction total in the budget includes both estimating and inflation contingencies and has been reviewed and confirmed for this updated application. Other development costs are estimated based on the actual costs at recent IHI projects. IHI maintains a master spreadsheet summarizing all our development work, providing us with recent comps for things such as site inspections, environmental work, permits, insurance, and other expenses.

Source Name	Enter External Source (i.e. Bank/Lender/Investor) Name (if not in dropdown in Column C)	Amount	
LIFT		$ 4,048,772	
Deferred Developer Fee		$ 1,921,274.00	
LIHTC Equity		$ 26,542,516	LIHTC equity
AWHTC Equity			
Perm Loan	Umpqua Bank	$ 3,633,853.00	Use of OAHTCs
Perm Loan	Umpqua Bank	$ 6,000,000	
Loan - Other			
Loan - City	Portland Housing Bureau	$ 22,798,490.00	
Source Name	PHB/Congressional Fund	$ 1,345,133.00	
Owner Equity	Capital Contribution (Dev fee)	$ 3,078,726.00	
Weatherization - NonOHCS	Energy Trust/Other Rebates	$ 80,000.00	
Grant - Other	PCEF	$ 1,327,681.00	
	Total Sources:	$ 70,776,445	
	Total Uses:	$ 70,776,445	

The total development fee is $$7,357,495, which is just over 13% of anticipated Total Development Cost per OHCS requirements. $5,436,221 is the cash developer fee and $1,921,274 will be the deferred fee. A majority of the cash fee, $3,078,726, will be reinvested in the project as a sponsor contribution or subordinate sponsor loan. The developer will receive a net cash developer fee of

$1,921,274 (3.40% of developer fee basis), well under metro max net cash guidelines of 2 to 6% of developer fee basis or $3M, whichever is less.

Development Team

Innovative Housing – Project Developer
Wenaha Group – Project Management/Community Outreach (COBID Native-owned firm)
National Association of Minority Contractors Oregon Chapter – COBID Outreach
LRS Architects/Access Architecture (both COBID firms) – Design Team
Todd Construction – General Contractor

IHI is the project sponsor and the developer. IHI will lead the design process, participate in and coordinate the community engagement process, and oversee construction with construction management assistance from Wenaha Group. IHI will also be the long-term owner/operator and provide on-site resident services for the project.

IHI is the only developer on the project, but we will split ownership with a Limited Partner (Raymond James, our LIHTC equity investor will have 99.99% ownership of the property). IHI will serve as the General Partner (.01% ownership). Developer fees will not be split—IHI will be the sole recipient of developer fees and it will have the right of first refusal to purchase after the 15-year tax equity period.

Innovative Housing, Inc. – Project Sponsor and Developer

IHI has been developing and operating affordable housing for over thirty years and has extensive experience managing development projects. Once built, IHI will be responsible for day-to-day operations as General Manager of the Limited Partnership that will own the building until Year 15, when IHI will acquire it.

- Sarah Stevenson, Executive Director - As IHI's executive director, Sarah has been deeply involved in all aspects of IHI's projects for the last 20 years. Trained as a lawyer, Sarah takes the lead on reviewing and negotiating loan and partnership documents as well as setting overall agency priorities and development standards.
- Julie Garver, Director of Housing Development - Julie has been developing affordable housing for over 25 years and has been the project manager for the majority of IHI's projects ranging in size from 14-129 units. Julie will take the lead managing the design team, and will work with Wenaha Group as they manage the construction.
- Carolyn O'Doherty, Housing Developer - Carolyn's main focus is on project financing. She has also worked in affordable housing for over twenty years and has specific expertise in the coordination of large LIHTC projects that access multiple funding sources.
- Leah Cooper, IHI's Director of Housing Operations – supervises and coordinates Resident Services and Asset Management.

Project Management Consultant - The Wenaha Group

To extend IHI's capacity and increase the engagement/participation of people of color on the project management team for Barbur Apartments, IHI is contracting with The Wenaha Group as the Project Management Consultant.

Wenaha will focus on increasing COBID utilization, community outreach, and construction project management. Wenaha has extensive experience with these three scopes of work, consulting on over several community outreach and COBID utilization projects, and on nearly 150 construction project management jobs.

- Wenaha will assist the General Contractor with outreach to COBID subcontractors, encouraging and facilitating their participation in bidding.
- Wenaha has a well-developed community engagement program that focuses on group organizing strategies to ensure developers, communities of color, and stakeholders work together to create positive and beneficial projects that address culturally specific goals. Wenaha helps project teams utilize equity driven practices to facilitate stakeholder voices and input.
- Wenaha's project management expertise will allow IHI to extend its development capacity. IHI was introduced to Wenaha by Bobby Daniels, who will be the Wenaha project manager for Barbur Apartments. IHI and Bobby worked together on the Erickson Fritz when he was with PHB, so Julie Garver and Bobby have a preexisting working relationship that will help facilitate this new organizational relationship. Wenaha's project management work will begin during predevelopment, with Bobby Daniels attending Owner/Architect/Contractor meetings. Initially, either Julie Garver or David West from IHI will also attend these meetings. Wenaha and IHI will work together to develop a comprehensive Project Goals and Scope List, which will be a guiding document for the project. Gradually, Wenaha will take on more responsibility during the predevelopment period, and IHI will scale back its attendance at the OAC meetings. Wenaha will provide IHI with written updates weekly, augmenting the Architect's meeting notes, a practice that will continue during construction. By the time construction begins, Wenaha will be the primary owner's representative for the project, and will be the point of contact for everyday construction-related activities and decision making. Wenaha will review and advise on all contract documents, preparing these for IHI's review and approval. IHI will attend at least one job meeting per month, including the pay application job meeting, in order to provide ongoing IHI participation in a meaningful way. While IHI remains the developer and primary decision maker, with ultimate responsibility for every aspect of the project, Wenaha taking on the day-to-day construction management work will expand IHI staff capacity and allow it to engage in more affordable housing projects.

Examples of Wenaha construction management duties will include:

- Negotiate and preapprove potential Contract Modifications including RFI, ASI, Submittals, and Change Orders prior to IHI sign-off
- Construction site reviews for consistency with contract documents and enforcement of IHI quality standards and policies
- Maintain real-time tracking and reporting project status/projections for budget, allowances and contingencies
- Provide direction to Contractor and A/E in response to City inspections and permitting
- Review and approve monthly application and funder required documentation requests prior to IHI sign-off
- Prepare, solicit and negotiate scopes and terms for third-party professional services
- Advise and facilitate on conflict resolution challenges within project team
- Collect, review and address deficiencies in project close-out deliverables including, but not limited to O&Ms, training, and commissioning.

National Association of Minority Contractors (NAMC)

- The project team will also work with National Association of Minority Contractors (NAMC) to reach out to COBID subcontractors, provide technical support to assist subcontractors in preparing bids,

and assist the project with the creation of an anti-hazing education and reporting program. NAMC has excellent COBID contacts and is developing the anti-hazing program in conjunction with IHI and the rest of the Barber Apartment team.

LRS Architects and Access Architecture - Design Team

- LRS Architects, a certified woman owned firm, and Access Architecture, a certified minority owned firm, are partnering on the design/architecture work at Barbur. LRS worked on two of IHI's recent new construction projects – Magnolia 2 and Vibrant! LRS and Access will be working together as a collaborative team on all parts of the project. This collaboration combines the strength of LRS's vast experience with Access's unique approach, merging their strengths and diverse backgrounds to bring a fresh perspective to affordable development.

Todd Construction – General Contractor

- Todd Construction is a well-known contractor that has been in business in the greater Portland area for several decades. They do a significant amount of public contracting and school work, and are comfortable working within the various requirements that come with public funding. IHI worked closely with the Todd project manager when he worked at another company, so has a pre-existing relationship with this key actor (Matthew Dalla Corte). Todd has had success and experience engaging COBID certified subcontractors on previous projects.

Property Management - TBD

- No property management team has been selected. IHI prioritizes experience with service BIPOC and N/NE Preference Policy communities in selecting management providers. Both of IHI's usual property management partners (IPM and Pinehurst Management) have extensive experience managing properties that serve BIPOC residents. IPM manages IHI's Magnolia II property that is subject to the N/NE Preference Policy.
- IHI works very closely with property management at each of our affordable housing sites. We currently contract with three different property management companies in the Portland area, each of which brings its own set of strengths to the task. IHI will interview each of these three companies, and any others that we feel are good candidates for the job when the project is closer to completion – especially if a mission-driven or BIPOC-owned company enters the scene.
- Criteria IHI uses to evaluate a property management company are excellence in compliance, fair housing, and standard management performance measures (timely lease up, staying on budget, keeping turnover times short, minimal vacancy loss, financial viability, etc.), in addition to a willingness to work with IHI to achieve our equally important mission-driven goals around equitable access, low barrier screening criteria, resident housing stability, and anti-displacement efforts.

IHI has been developing affordable housing for over 30 years. We have extensive experience with tax exempt bond financing, 4% LIHTCs, and the State's Local Innovation and Fast Track (LIFT) program. Most of our Portland properties have City funding (recent examples include Phase 2 of Magnolia, Vibrant!, and the Erickson Fritz Apartments) and we have a good track record of working cooperatively with PHB staff both during and after development. All our recent projects have accessed 4% LIHTCs/bonds and we successfully applied for and secured LIFT funds at Magnolia 2 and the Merwyn Apartments in Astoria. IHI also has long standing relationships with a number of lenders and investors, all of whom have expressed strong interest in working with IHI on future deals.

LRS and Access Architects, Todd Construction, and Wenaha are all familiar with affordable housing and PHB Policies. Principals of each team member have successfully completed projects utilizing COBID requirements, Workforce Training and Hiring, Davis Bacon and Green Building Requirements.

IHI's recent projects include the rehabilitation of 60 family units at the Center Village Apartments in NE Portland (2020), the newly constructed second phase of the Magnolia Apartments in NE Portland (2019), and the renovation of an historic hotel in downtown Astoria (2021). IHI completed Vibrant!, a new construction project in the Pearl District in 2019 and is currently beginning construction at the 129-unit Anna Mann project in NE Portland, which is a combination of historic rehab and new construction.

Equity In Contracting and Workforce Diversity

Barbur Apartments will strive to meet the equitable contracting goals of PHB and Metro, including the goals of 30% hard cost and 20% professional service participation by COBID-certified firms. The development team will also make a good-faith effort to meet or exceed the subgoals of 14% hard cost participation by D/M/WBE firms.

Additionally, Barbur will meet PHB's Apprentice and Workforce Diversity requirement that 20% of hours worked by trade on contracts exceeding $300,000 and jobsite work hours in excess of 300 hours, be worked by state-registered apprentices. The project will strive to meet or exceed the aspirational diversity goals of 22% of journey and 22% of apprentice hours worked by BIPOC individuals, and 9% of apprentice and 6% of journey level hours worked by women.

The Wenaha Group will assist Todd Construction in outreach to COBID-certified firms and the National Association of Minority Contractors prior to bidding. Both Wenaha and Todd Construction are experienced in techniques to boost interest by COBID-certified firms, and Todd Construction is familiar with PHB Equity in Contracting policies, as they are currently constructing another IHI project with PHB funds, the Anna Mann.

Section 3 requirements also apply. Todd Construction and subcontractors will need to prioritize efforts to hire and train Section 3 Workers, Targeted Section 3 Workers and contract with Section 3 Business concerns. Section 3 Workers should work at least 25% of all labor hours and targeted Section 3 Workers should work at least 5% of all labor hours to the greatest extent possible. The City's Procurement Office will work with IHI, Wenaha, and Todd Construction to track Section 3-participation rates.

Community Engagement

Barbur Apartments, as proposed, is based on community engagement activities conducted in the SW Corridor by the SW Corridor Equity Coalition and others. Overall scope and unit mix for the Barbur Apartments is based on the SW Corridor Equitable Development Strategy's call to:

- Add more 2- and 3-bedroom apartment homes
- Add more 30% MFI housing
- Provide assistance/preference for those displaced by light rail
- Add more housing for people with disabilities
- Focus on larger apartment developments (100+ units)

The Barbur Apartments project took these stakeholder goals and incorporated them into a "base project," creating a plan for a large development that includes mostly family units, with many unit rents set at 30% AMI, and all apartments being accessible or adaptable. IHI would encourage and support a preference policy for households displaced by light rail, although this project may well be done and

leased up before those impacts are known. Beyond the "base project" IHI has proposed, the team has created "placeholder spaces" to be programmed for specific use based on future community engagement work with stakeholders and residents. The look and design of the project will also be shaped by community feedback.

Further engagement with stakeholders in the SW Corridor will build on the tremendous organizing work of the SW Corridor Equity Coalition. IHI is a member of the SW Corridor Equity Coalition and its Anti-displacement Workgroup. IHI will work with SWEC and our project partners (including ISOS, IRCO, SACOO, and BPI) to reach and engage communities of color in the SW Corridor. Our partners will support IHI's work by making introductions to community leaders and institutions such as mosques (notably, Masjed As-Saber), churches, local schools, and business hubs, which will further expand our engagement. Outreach will be accomplished using a variety of methods, including focus groups, community meetings, virtual meetings (if that mode is still attractive), attending community events, going door to door along business corridors, and posting signage on our site. IHI will also use different technology platforms to broaden our reach, such as SMS texting, social media, and web applications. All of these modes can be translated into a variety of languages, which is important in an area with so many different communities and spoken languages. IHI will work with our partners, primarily IRCO and SACOO, to ensure that all of our materials are translated into Somali (IHI staff will translate into Spanish) and other languages identified by partners and stakeholders. Having such a wide range of outreach tools, both high and low tech, will maximize opportunities for people to engage in ways most convenient and familiar to them.

IHI has already begun implementing its community engagement efforts and met with representatives of the Somali Community at AYCO in June, 2022 to gather feedback on physical design, amenities, and programming elements. We are integrating this feedback, along with information gathered at outreach sessions that IRCO has held with its stakeholder groups, into the architectural plans, the PCEF green building grant application, and the development of our resident services program. We will continue this outreach effort, and incorporate stakeholder input into all aspects of the project, from the exterior site amenities, to the green project features, and interior and exterior design. Specific tools like design charrettes, visual preference surveys, and small group roundtables will be used to encourage participation and excitement about the process. At each outreach event, IHI translates materials and content into appropriate languages, provides locally-sourced, culturally appropriate food, and IHI offers incentives (ie: gift cards) for participation.

IHI has experience working with BIPOC communities and stakeholders, as the majority of IHI residents are people of color and we engage with our residents regularly. Part of IHI's equity and systems change work is to make resident engagement a more integral part of not only our services work but also our operations and development work. This means that all of IHI's teams are deepening our skill sets to ensure IHI's engagement activities are informed by cultural competence and principles of inclusion and collaboration. In addition to centering resident (and future resident) voices in all of our work output, IHI's Resident Services, Asset Management/Operations, and Development staff are coming together to learn how to nurture and support cultural placemaking at our properties to ensure the culture of IHI's affordable housing communities is resident created and driven. With Barbur Apartments, IHI is coming to a space that has already been extremely well organized by the SW Corridor Equity Coalition, which puts IHI miles ahead of a typical development project, and also raises the bar and expectations for how we engage with the community and how we incorporate their guidance. IHI is looking forward to stepping into this space, using new tools and methods to engage with stakeholders, and working collaboratively with communities of color and our culturally specific partners to create housing centered on the specific needs of our future residents.

Advancing Racial Equity

IHI, as the owner and operator of the housing that will be created, is the primary party responsible for ensuring that it both meets the specific needs of BIPOC households and is accessible to/inclusive of BIPOC households. IHI understands that systemic racism perpetuates inequities in access to housing and has been a pioneer in relaxed screening criteria, far ahead of the City's FAIR policies. We do not require social security numbers, we do not screen for bad credit other than certain property debt, we utilize a universal appeals process for screening denials, and many of our properties are low-barrier and "felony friendly."

IHI is committed to ensuring that our housing and services are equitably delivered in culturally appropriate ways, and that all of our residents feel they can access the support they need. To ensure this, we track demographics and cross-reference our service delivery data, allowing us to adjust service delivery and outreach when it becomes clear that a particular demographic group is underserved. The majority of IHI's resident services staff are people of color and we work to ensure our services are culturally competent. When we can't meet residents' culturally specific needs ourselves, we collaborate with culturally specific service partners. More than half of IHI's residents are people of color - our tracking shows that households of color access our services and participate in community events at rates that equal or exceed their representation in our housing. Our portfolio turnover reports show that households of color exit IHI's housing at lower rates than their white counterparts, which means that residents of color are experiencing greater household stability than our general population. Because the primary goal of our resident services program is housing stability, we interpret this data to indicate that our services are being delivered in a culturally competent and effective way. We supplement this data with surveys and other feedback mechanisms from our residents that inform us about overall satisfaction with our services.

Because we are focusing on anti-displacement at Barbur Apartments and anticipate that many of our new residents will be immigrant, refugee, East African, and Muslim households, IHI has developed several partnerships with culturally specific agencies that we believe will provide strong wraparound support. These partnerships include Islamic Social Services of Oregon State (ISOS), the Black Parent Initiative (BPI), the Immigrant and Refugee Community Organization (IRCO), and the Somali American Council of Oregon (SACOO). All of these organizations currently serve SW Portland and the communities of color that live there, most with a focus on immigrants and refugees, especially from East and North Africa, many of whom are also members of the Muslim community. IHI's service partners will all have priority referrals for housing opportunities and have agreed to provide ongoing service support to residents of the Barbur Apartments. IHI also plans to work closely with nearby community centers and mosques, the Community Services Network, Neighborhood House, and other community organizations that provide an array of culturally specific and culturally responsive support services in SW Portland.

IRCO, ISOS, and SACOO have also agreed to support IHI's community outreach and engagement to inform the design and programs for Barbur Apartments and to ensure that the communities they serve are aware of new housing opportunities being created. Further, IRCO has recently created a new staff position to facilitate its involvement in housing projects. IHI will work directly with IRCO's new Housing and Supportive Services Manager to advise and consult on design and programs at Barbur Apartments and will pay IRCO a consulting fee for this work. IRCO will also assist IHI with identifying/hiring Resident Service staff with lived experience and language skills to meet the culturally specific needs of Barbur Apartments future residents.

IHI is also implementing a cultural placemaking initiative across our portfolio. We are working with the Asian Pacific American Network of Oregon (APANO) as our advisor and will be contracting with them as consultants during an upcoming development to ensure that we optimize opportunities to create a place and culture that is welcoming to and inclusive of communities of color. APANO will work with IHI until our staff has the skills and tools to implement and maintain cultural placemaking at all of our sites and integrate it fully into our services and housing operations.

Cultural placemaking is an ongoing, resident driven process that begins with physical spaces and art and extends to programming, use of community spaces, and cultural activities. It is a resident-lead process that engages and empowers people who live in a community to curate the culture of that community – we believe it will be extremely effective at Barbur Apartments, where we anticipate many different cultures coming together to create a uniquely inclusive space. Approaching our housing and services through this lens will not only help IHI better understand resident needs but also create space for IHI, residents, and service provider partners to more fully explore culturally responsive ways to meet those needs.

IHI has a strong commitment to increasing housing accessibility and a demonstrated track record of outreach, marketing, and leasing to BIPOC households. We have successfully leased up one property using the City's N/NE Preference Policy and have had equal success reaching communities of color using a grassroots leasing strategy focused on neighborhood institutions and community centers. This is the approach we plan to take for Barbur Apartments. Some specific examples of IHI's approach to low-barrier screening criteria, marketing to BIPOC communities, and appeals processes include:

- IHI is a pioneer in relaxed screening criteria – we do not require social security numbers, many of our properties are low-barrier and "felony friendly," and we co-developed the Certificate of Good Standing program with MercyCorps NW to help people with criminal histories access housing. IHI's current screening criteria, portfolio-wide, is low barrier and aligns with Exhibit N of the MBOS.
- In 2018, IHI implemented a universal individualized assessment and appeal process, creating a pathway for any applicant to appeal a denial based on any aspect of IHI's screening criteria.
- In 2015, IHI developed educational materials to help people better understand how to apply for housing, navigate screening criteria, and respond if denied housing. IHI shared this material broadly with the service community (with the goal of supporting case managers to better help their clients access housing) and at the Re-entry Transition Center to help people transitioning back into their communities after being incarcerated – we continue to update these materials and share them with partners and service providers today.
- In 2012, before the City developed its N/NE Preference Policy, IHI successfully executed a grass roots leasing strategy that prioritized access for people of color in NE Portland. IHI committed to using Magnolia 1 as anti-displacement housing and achieved our goal by marketing locally, reaching out to local businesses, community centers, churches, and attending local events like Good in the Hood. Instead of a traditional groundbreaking event, IHI threw a block party to help spread the word with neighbors that new housing was coming. Our lease up efforts were successful, resulting in a resident population that was 48% African American, 10% Native, 7% Latino, and 5% Asian (with 10% of residents choosing not to identify a race). Nine years later, our demographics remain diverse, with over 50% of residents identifying as people of color.
- IHI believes it is important for site staff to reflect the diversity of our properties and prioritizes hiring BIPOC property managers across our portfolio. We find that this has a significant impact on resident demographics, especially with a new lease-up.

Once the project is funded, IHI and Wenaha Group will work together, along with IHI's culturally specific project partners, to engage the communities who currently live, work, worship, and learn in the SW Corridor, especially communities of color who are at higher risk of displacement. IHI is a member of the SW Equity Coalition and its Antidisplacement Workgroup, and will also work with members of this well-established organization to further engage the SW Corridor community. IHI's community outreach will cover a wide variety of topics, including project amenities, building design, and services to be offered on-site.

Partnerships and Services

The Barbur Apartments Project will be family-focused housing with a total of 150 units (149 affordable units and 1 manager's unit), including 103 two, three, and four-bedroom homes. In an effort to prevent displacement and serve communities of color that are currently living, working, and worshipping in the SW Corridor, IHI's outreach and service plans focus on immigrant and refugee communities, specifically Muslim and East and North African households. There is a significant Muslim community in this neighborhood - the City's largest Mosque is located nearby, among others, along with many Muslim religious and service organizations.

Resident Services at Barbur Apartments will be provided by 1.5 FTE Resident Services Coordinators. IHI will work in collaboration with the Immigrant and Refugee Community Organization (IRCO) to identify and hire at least one Resident Services Coordinator with specific cultural and language expertise to serve our target population and will provide a second half-time position to further support residents. A combination of two RSCs will be able to provide culturally specific supports along with IHI's full resident program and foster a vibrant housing community while helping residents meet basic needs, maintain their housing, and access opportunities for improved household stability. These services and the design of the community spaces will be centered on feedback from the Muslim and immigrant/refugee community, as well as other communities of color with ties to the SW Corridor.
In designing the service plan for Barbur Apartments, IHI has developed several partnerships with culturally-specific and geographically-specific service providers to complement its on-site resident services program and deliver a full range of family-focused support services for residents at Barbur Apartments. Details about each partner's service commitments and relationship to Barbur Apartments, along with a detailed description of IHI's Resident Services Program, are included in Services Attachment C. These partnerships/relationships include:

- The Immigrant and Refugee Community Organization (IRCO) - Priority housing referrals, support services to residents, translation services, building and program design consultation, on-site programming such as ESL and employment support for immigrant/refugee households
- Islamic Social Services of Oregon State (ISOS) - Priority housing referrals, ongoing family stabilization services to residents, including rent assistance, and collaboration with IHI on community outreach to the Muslim community
- Somali American Council of Oregon (SACOO) – Priority housing referrals, support to residents, assistance with outreach to the Somali Community
- Black Parent Initiative (BPI) - Priority housing referrals, parenting and early childhood development services to residents, and assistance with community outreach
- Neighborhood House - Family stabilization services including access to food, youth programs, senior programs, culturally responsive parenting classes, after-school academic support
- The Community Services Network - Network of existing service providers in SW Portland, including many culturally specific providers that serve the immigrant and refugee community in the SW Corridor, will provide an array of support services

IHI has extensive experience housing and serving very low income families who struggle with housing stability. IHI anticipates housing many large families with very low-incomes at the Barbur Apartments. IHI's RSC staff will provide a full range of support to residents, including new tenant orientation, information and resource referrals, direct services and advocacy, eviction prevention and housing stability support, tenant education, youth and family services, community building, and access to emergency funds (please see detailed descriptions of these services in Service Attachment C). Additional services will be developed and offered based on resident need and community engagement using a cultural placemaking strategy.

Livability and Accessibility

Connected to the upper floor decks are "amenity rooms" which will provide indoor amenity space. In addition, the design includes square footage for community spaces so that we can accommodate on-site programming options (one being a regular after-school program), two managers offices, two Resident Services offices, one office for service partners to use when they meet with clients on-site, a laundry room on each floor, and one large indoor bike room. These indoor and outdoor spaces have been "set aside," with uses outlined but not finalized. The community engagement process will determine final uses and arrangement of space and amenities. Key design elements are based on the SW Corridor Equitable Housing Strategy from 2018:

- Large family apartment homes (including two, three, and four-bedroom units)
- 32 units with rents affordable to households with incomes between 0 – 30% MFI and 19 units are affordable to households with incomes below 45% MFI.
- All units will be adaptable or accessible for people with disabilities and IHI is working with Community Vision to create demonstration units based on universal design principles
- Barbur Apartments is a large development, with 150 units (149 affordable units, 1 manager's unit)

This project will provide a .48 parking ratio, or 72 parking spaces. Accessibility and equity issues have been addressed preliminarily by making sure that building entry doors are accessible and close to parking and transit, and that a generous amount of open space is available for resident use. The way in which community space is used will be determined by residents, aside from certain program offerings outlined in IHI's partner MOU's (which will, of course, evolve based on resident need and participation). IHI will engage future residents in an inclusive process of cultural placemaking to decide how spaces should be used and what programming they will host.

Physical accessibility is critical when creating all of these spaces. IHI often works with accessibility consultants to ensure we are not only meeting code requirements but providing seamless accessibility for all. IHI also has a longstanding relationship with Community Vision, an organization dedicated to increasing opportunities for people with disabilities, to make sure people who actually need ADA units have priority for them across IHI's portfolio. Community Vision also consults with IHI's development staff to advise on accessibility and universal design principles and figure out ways to make the site, indoor common areas, and units more accessible. Currently IHI is working with Community Vision to plan ADA demonstration units at several developments including Barbur Apartments that go above and beyond our usual ADA program, adding extra features to the kitchens such as separate ovens with side opening doors, cooktops with roll under space, hydraulic upper cabinets, and kitchen faucets located on the side of sinks. During lease-up and operations, IHI will work with Community Vision to ensure differently-abled people who need these features will benefit from living in these units.

Key design elements from Portland's LIS goals include:

- Leading with Racial Equity. Many features, including the look and feel of the building and units, are not decided at this time because once funded IHI will embark on a major outreach and community engagement effort with culturally specific partners to gather input from communities of color in the SW Corridor.
- The location on Barbur is a high amenity area, with an Opportunity Area score of 4.
- The Barbur corridor, while rich with commercial, employment, services, recreation, shopping and other amenities, has a shortage of existing development resources including affordable housing, with an expected high demand for more housing according to the SW Corridor Equity and Housing Needs Assessment.
- The design of the project – with a variety of unit sizes, with all units accessible or adaptable, and with generous open space – provides a good atmosphere to serve a variety of residents, including families, older adults, people with disabilities and youth.
- IHI's Partnership with Community Vision to increase accessibility for people with disabilities, including demonstration units with universal design elements.
- The project will link with culturally specific agencies to provide priority housing referrals and culturally responsive services.
- The project will have low barrier screening criteria to increase access to housing.
- The project will have on-site resident services and available support services to promote stability for vulnerable households.
- The project will include 32 units at 30% AMI rents and 19 units at 45% AMI rents.
- The project will include 103 family-sized units.

Climate Resilience and Sustainability

The Barbur Apartments will pursue Earth Advantage certification that fully aligns with PHB's Green Building Requirements. The project will incorporate energy and water saving products, green building methods, energy modeling, and careful building design to meet or exceed the PHB Green Building Policy requirements. This includes features like all LED lighting, natural daylighting, water-saving fixtures, additional insulation, and car charging stations. IHI has a lot of experience working with PHB's sustainability goals and has four recent projects that have Earth Advantage or LEED Certification. IHI will work with a sustainability consultant to conduct focus groups for community stakeholders and facilitate an eco-charrette with the design team during schematic design to identify particular measures that would be most effective for this project.
IHI is exploring new ways of advancing electric car share opportunities at our projects. The project is extremely well placed for solar panels, and IHI will be pursing all available incentives to build solar into the project.

The project will also be applying for a PCEF Grant to pursue additional green options, which could include features like mini-splits, geo thermal, passive house, or other GHG reducing, cutting edge features. The project team will be seeking input from future resident stakeholders and communities of color about green elements they would like to see incorporated into the project and will incorporate this feedback into a PCEF grant. This input, along with community outreach supported by the project team and our culturally specific partners (ie: ISOS, IRCO, and SACOO), will be the foundation for creating a PCEF application that incorporates deeper green building options.

One area IHI always prioritizes is indoor air quality. Earth Advantage requirements such as low or no VOC paints and no added formaldehyde products will be specified, and mechanical ventilation will provide effective and efficient fresh air changes. Hard surface flooring, specifically luxury vinyl plank, will be installed in lieu of carpet to minimize potential allergens trapped in the flooring material. Sun shading devices, tuned to each façade, will be studied, in an attempt to lessen the summer, solar heat load. As is standard on IHI projects, we will install all Energy Star rated appliances and all LED lighting. To comply with the PHB cooling policy, the project will provide cooling in the living areas of all units. This will be done via PTAC through-wall or window AC units, or via mini splits if funded by PCEF.

Anticipated Timeline

IHI has had site control for the Barbur Apartments since October 2020 and has done a great deal of due diligence on the property. IHI's architects and contractors have evaluated the site and development requirements. LRS is gearing up to being design work in March. The work will include Community Engagement activities. We expect design to take ten months, with the goal of applying for permits in January 2024. If the Congressional Direct Ask is successful, the project will need to close on financing on or before September 2024. The award of OHCS LIFT funds via PHB require finance close and construction start to take place on or before December 2024.

	Proposed Date (Month /Year)*
1. Option/Contract executed	10/21/2019
2. Site Acquisition	7/30/2023
3. Zoning Approval	4/19/2022
4. Building Permit & Fees	4/31/2024
5. Offsite Improvements	6/1/2024
6. Plans Completed	8/31/2023
Bond Sale/Construction Loan	
7. Proposal	
8. Firm Commitment	3/30/2024
9. Closing/Funding of Loan	5/31/2024
Permanant Loan	
10. Proposal	
11. Firm Commitment	3/30/2024
12. Closing/Funding of Loan	5/31/2024
Development	
13. Syndication/Partnership Agreement	5/1/2024
14. Construction Begins	6/1/2024
15. Construction Completed	12/30/2025
16. Certificate of Occupancy	12/31/2025
Marketing	
17. Lease Up Begins	1/1/2026
18. Lease Up Completed	10/1/2026
19. Absorption (units per month)	17

	First Building
Estimated Place in Service	3/1/2025

Metro Affordable Housing Bond Program

Final Approval Letter Amendment 1

Project Name: 74th and Glisan (Phase 1 – Family project)
Implementing Jurisdiction: Portland Housing Bureau
Metro IGA Contract Number: 937016
Construction start: April 2023
Anticipated construction completion: February 2025

Action:

Metro hereby issues this Amendment to the Final Approval Letter issued on February 9, 2023.

1. **Approve Additional Metro Funds.** Metro approves an additional $1,300,000 of Metro funds, for an amended total of $15,185,679 in Metro Affordable Housing Bond funds, of which $11,500,000 will be Site Acquisition Program funds and $3,685,679 from the Portland Housing Bureau's eligible share allocation, for the development of 74th and Glisan (Phase 1 – Family project) a regulated affordable housing project located at 432 NE 74th Avenue, Portland
2. **Amend Exhibit A of 74th and Glisan (Phase 1 – Family project) Final Approval Letter.** Metro amends *Exhibit A: Metro staff findings and recommendations* of the Final Approval Letter as follows:
    a. *UPDATE* "Staff recommendations" section with the following: "Staff recommends the Metro Chief Operating Officer (COO) approves an additional $1,300,000 of Metro funds, for an amended total of $15,185,679 in Metro Affordable Housing Bond for 74th and Glisan (Phase 1 – Family project) to support increased development costs due to a financing gap created by BOLI's determination that Prevailing Wage Rate laws will apply to the 74th and Glisan family project.

3. **Amend Exhibit B of 74th and Glisan (Phase 1 – Family project) Final Approval Letter.** Metro amends *Exhibit B: Project summary submitted by the Portland Housing Bureau* of the Final Approval Letter as follows:
    a. *UPDATE* all references to the Metro Bond funding amount from $13,885,679 to the amended total of $15,185,679.
    b. *ADD* a new section entitled: "Changes for Final Approval Letter Amendment 1" that reads as follows:

"After receiving final approval in February 2023, a risk for an undetermined and potentially large negative impact to the capital structure and closing schedule involving a yet to be received Bureau of Labor and Industry (BOLI) determination was identified.

- In mid-February, Related Northwest provided an update that BOLI had determined Prevailing Wage Rate laws applied to the family project and this created a funding gap of $3.6 million.
- To address the total funding gap, Related sought $325,000 in Brownfield grants, increased LIHTC equity by approximately $1.4 million, reduced the developer fee by $350,000 and decreased the interest carry on the construction loan by eliminating the underwriting spread.
- As part of the solution, PHB is offering an additional 7 project-based Section 8 vouchers (PBV). Anything over 8 vouchers triggers Davis Bacon wages, which increases pricing for some trades aside from the BOLI prevailing wage. The range of price increase depends upon the DMWESB target percent and ranges from approximately $1.9 to $3.7 million. The additional vouchers allowed the project to increase the permanent senior loan by $825,000 (from the already increased amount of $9,175,000), which is a partial funding of the gap.
- As hard costs increased, which are eligible for increased tax credit basis, the investor equity figure also increased by approximately $1.4 million. Because Davis Bacon impacts to some of the trade pricing is still under discussion, Related has added a cushion to account for that.
- The additional $1.3 million in funding and increased number of vouchers are necessary to deliver the 30% DMWESB target and close the funding gap. This will allow the project to close on its financing scheduled for April 28.

4. **Amend unit mix in Final Approval Letter.** Metro amends *Metro Affordable Housing Bond Program Final Approval Letter* as follows:
   a. *Update* unit mix to add 7 project-based section 8 vouchers (PBV).
   b. *Update* unit mix to reflect new total of 15 Project Based Vouchers (PBV) distributed as follows:

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

All other elements of the Final Approval Letter remain the same.

3/20/2023

Marissa Madrigal

Date

Chief Operating Officer

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

Metro Affordable Housing Bond Program

Final Approval

Project Name: 74th and Glisan (Phase 1 – Family project)
Implementing Jurisdiction: Portland Housing Bureau
Metro IGA Contract Number: 937016
Date of Concept Endorsement: November 16, 2021
Anticipated construction start: March 2023
Anticipated construction completion: February 2025

Action:
Metro hereby provides the Portland Housing Bureau with Final Approval of $13,885,679.00 in Metro Affordable Housing Bond funds, of which $11,500,000 will be Site Acquisition Program funds and $2,385,679 from the Portland Housing Bureau's eligible share allocation, for the development of 74th and Glisan – Phase I – Family Project, a regulated affordable housing project located at 432 NE 74th Avenue, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau is attached as Exhibit B.

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

Number of Units	Bedroom size	AMI Level	Project Based Vouchers
1	Studio	30%	0
8	Studio	60%	0
4	One-bedroom	30%	0
20	One-bedroom	60%	0
7	Two-bedroom	30%	5
38	Two-bedroom	60%	0
2	Three-bedroom	30%	2
13	Three-bedroom	60%	0
1	Four-bedroom	30%	1
2	Four-bedroom	60%	0

Changes to the information contained in the final approval request provided by the Portland Housing Bureau could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before 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 Portland Housing Bureau, and will occur within 10 days of Metro's receipt of the following

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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 Portland Housing Bureau including wiring or other instructions related to transfer of funds.

_____ 2/9/23

Marissa Madrigal Date
Deputy Chief Operating Officer

Exhibit A: Metro staff findings and recommendations | Metro bond funding concept endorsement and final approval for 74th and Glisan (Phase I – Family project)

Metro
600 NE Grand Ave.
Portland, OR 97232-2736

Drafted by: Jimmy Oporta, Housing Program Coordinator and Alison Wicks, Senior Housing Program Coordinator
Date: February 7, 2023

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 74th and Glisan –Phase 1 – Family project. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau (PHB).

Changes since Concept Endorsement

The project is being reviewed for final approval and has undergone changes since Concept Endorsement on November 16, 2021. In the 13 months since Concept Endorsement, development costs have increased $11.5 million (28.3%), due to a $8.16 million increase in construction costs (27.4%) and a $3.14 million increase in development costs (28.3%). As with other projects in the development pipeline, this project incurred increased costs due to a marked inflation in materials and labor pricing, as well as increased rates for construction and permanent financing. The Metro Housing Bond funding amount remains unchanged at $13,885,679.

The project is now being developed into two separate phases, with separate lots, financing structures and legal tax credit partnerships. This phased approach achieves costs efficiencies, supports tailored services for target populations and delivers housing efficiently and quickly.

- The first phase is anticipated for a financial close in March 2023 and focuses on creating 96 family units (Glisan Family). Total development costs for Phase I are estimated at $54.3 million.
- The second phase is anticipated for a financial close in May 2023 and focuses on creating 41 units of permanent supportive housing (Glisan PSH). A Final Approval request for Phase II is expected from the Portland Housing Bureau in March 2023.

The immediate Metro funding request for the Glisan Family (Phase I) project, is in the amount of $13,885,679, of which $11,500,000 will be Metro Site Acquisition Program funds and $2,385,679 from the City of Portland's eligible share allocation.

In 2019, Metro utilized funding from its Transit Oriented Development (TOD) program to purchase the 1.65-acre site, formerly occupied by the Trinity Broadcasting Network's studios, in the Montavilla neighborhood of Northeast Portland for the purpose of developing affordable housing. Soon after the acquisition, Metro identified an opportunity to work collaboratively with the Portland Housing Bureau to develop the site into affordable housing using a combination of Affordable Housing Bond funding from metro's Site Acquisition Program and Portland's eligible share of Metro bond funds.

Metro and PHB partnered to select a developer for the site as part of Portland's 2021 Metro Bond Opportunity Solicitation (M-BOS), and through that process selected the proposal submitted by Related NW, IRCO and Catholic Charities. Key project highlights include:

- Total project development costs are $54.3 million and Metro Housing Bond funding is $13.8 million (25.5% of total costs).
- Net cash developer fee is 3.43% of developer fee basis. This amount is less than the Metro Developer Fee Guidelines maximum of 7.0% for projects with 76-100 units.
- Construction start date of March 2023 with completion anticipated in February 2025.

Contribution to unit production targets

When combined, 74th and Glisan's Phase I and Phase II projects will utilize 9% of total available funding through Portland's eligible share and Portland's available SAP funding while delivering 137 units that meet the following unit production outcomes:

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

The combined Phase I and Phase II projects will utilize 4% of Portland's eligible share funding ($8,472,884) and 62% of Portland's available SAP funding ($11,500,000). When combining this project with Portland's existing Metro bond development portfolio, this puts the city on a path to have utilized 57% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 80% of Portland Housing Bureau's overall unit production target;
- 75% of Portland Housing Bureau's target of units affordable to households making 30% or less of area median income (AMI); and
- 74% of Portland Housing Bureau's family sized unit target.

Readiness to proceed

Portland Housing Bureau 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 9/14/22
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Letters of Intent by US Bank, City Bank
- Permit Bid Set 10/14/2022
- Phase II Environmental Site Assessment (ESA) dated 1/28/2022
- Contaminated Media Management Plan (CMMP), dated 5/6/2022
- Land appraisal dated 7/19/2022

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

Advancing racial equity

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

- **Location:** The site is in the Montavilla neighborhood of Northeast Portland, surrounded by parks and public amenities like the Rosemont Bluff Natural Area and the Montavilla Community Center. Grocery locations are within walking distance, and West Vestral School is located immediately to the south. The proposed community is also accessible via I-205 and I-84 freeways and hosts multiple high schools nearby.
- **Transit access:** The project is served by two frequent-service TriMet buses (lines 20 and 72) within 0.4 miles, as well as the NE 82nd Ave MAX station 0.6 miles away, served by the blue, red, and green lines.
- **Diversity in contracting/hiring:** The project has a goal of 30% COBID participation. In addition, LMC Construction has partnered with Almar Construction LLC, a Latino-owned contracting firm, in a joint venture created to elevate capacity and mentorship for minority-owned businesses. Almar Construction LLC will receive preconstruction mentorship from LMC staff and provide administrative support to LMC's estimating and preconstruction department. Almar will also assist in COBID certified subcontractor bidding outreach efforts.
- **Access for historically marginalized communities:** The 74th and Glisan community addresses affordable housing access for BIPOC and immigrant families with targeted outreach, culturally specific services, and a focus on family-sized units. The development team will employ a grassroots approach to leasing that will leverage relationships through service partners. Project specific screening criteria will be reviewed by Related NW, Catholic Charities, Immigrant & Refugee Community Organization (IRCO), and Quantum property management.
- **Culturally responsive and appropriate services:** Related NW is partnering on development with IRCO and will operate the property with IRCO providing resident services and Catholic Charities (CC) providing case management services. IRCO will provide language services, employment access assistance, case management, advocacy and legal services and housing placements. Service alignment between IRCO and CC will ensure that households from diverse backgrounds receive culturally and linguistically relevant services. The project's service program will be tailored to meet the needs of the residents and include literacy classes, information and referral services, parenting Education, ESL classes, health and wellness classes, family self-sufficiency, GED Courses, support groups, summer lunch & snack programs, job readiness/placement skills, housekeeping workshops, energy assistance, computer training and financial literacy classes.

Community engagement to inform project implementation

Metro staff have reviewed the updated narrative to confirm consistency with the community engagement elements of Portland Housing Bureau'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 this project was led by We All Rise, a BIPOC led consulting firm specializing in culturally specific community outreach**.** The engagement plan included focus groups, surveys, interviews, and targeted outreach campaigns. We All Rise collaborated with Catholic Charities and IRCO to utilize the existing engagement channels of these two organizations to reach targeted communities. Community members were also compensated for their time and feedback.

Focus group meetings were held with 40 diverse members of the public, including Spanish speakers, immigrants, people of color, women, youth and service providers. A survey was distributed to partner organizations and included questions to gather demographics of survey participants and input about project livability and design. The survey influenced the first iteration of project designs and focus group meetings allowed community members to ask questions, learn more about the project and provide input.

Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:
Themes and design feedback heard from community engagement included:

- A strong preference to maximize storage space over counter space
- Preference of larger refrigerators for families
- Designing kitchens toward the back of units and providing visibility toward courtyards
- Incorporating culturally specific designs, such as seating nooks for families and U-shaped counters
- Incorporating accessibility features in kitchens and bathrooms for family members with disabilities
- Preference for large built-in cabinets, eliminating the need for residents to buy additional furniture
- Larger windows to allow more natural light and air circulation
- A preference for warm wheat and cream tones for the exterior palette of the building and a canvas of vivid earth tones for the interior palette of the building
- Inclusive and inviting outdoor amenities, including spaces for social gatherings

Sustainability and climate resilience

74th and Glisan's building envelope is designed to meet or exceed energy code requirements and the building is projected to meet Earth Advantage Gold certification. Energy use at the project will be offset by a rooftop solar array on the larger family building. Consistent with PHB's statement on Air Conditioning Requirement (August 13, 2021) and Metro's Policy Statement on Air Conditioning (September 14, 2021), the project will provide in-unit air conditioning to every unit via PTHP/PTAC units.

EXHIBIT B: Refined Project Narrative submitted by Portland Housing Bureau |74th & Glisan – Family, located at 342 NE Glisan ("Glisan Family")

Submitted by: Siobain Beddow, Housing Portfolio Finance Coordinator Portland Housing Bureau, siobain.beddow@portlandoregon.gov

Submitted on: November 20, 2022

Project Overview

The Portland Housing Bureau (PHB) is requesting Metro final approval to award up to $13,885,679 in Metro bond and site acquisition funds to Related Northwest and Immigrant and Refugee Community Organization (IRCO) for the Glisan Family project, located at 342 NE Glisan.

As a result of the Spring 2021 Metro Bond Opportunity Solicitation (MBOS) co-developers Related Northwest, Immigrant and Refugee Community Organization and Catholic Charities were awarded development rights to an existing site at 74th & Glisan owned by Metro and up to $19,707,679 of Metro Housing Bonds of which $11,500,000 will be from Metro Site Acquisition Program.

The original application submitted a combined project that is split into two legally separate projects with separate lots, financing structures and legal tax credit partnerships. One focuses on family (Glisan Family), and the other focuses on permanent supportive housing (PSH). This approval request discusses only the Glisan Family project of 96 units. After the original award, revised award letters were provided in September 2022 which split the project and the funding between the Glisan Family versus the Glisan PSH project, accordingly. The Metro funding request for the family project is in the amount of $13,885,679[1], of which $11,500,000 in Metro Site Acquisition Program funds.

Related Northwest, as lead co-developer (with Immigrant Resource Community Organization- IRCO), will construct a new four-story affordable housing project, totaling 96 affordable units, on the 1.65 acre 74th & Glisan site located in the Montavilla neighborhood of northeast Portland at 432 NE 74th Avenue. The existing site is currently owned by Metro and has the old Trinity Broadcast Network building on it. The site will be legally partitioned prior to the financial close with conveyance of the relevant partitioned site from Metro to the family or PSH project at their respective financial closing.

At completion, the project is expected to deliver 96 units of housing affordable to households with incomes at or below 60% of median family income (MFI); of the affordable units, seven will have unsubsidized rents at or below 30% MFI and eight will have Section 8 project-based voucher subsidy at 60% MFI[2], with the remainining 81 units at or below 60% MFI. Sixty-three (63) units are family-sized units of two-bedrooms or larger.

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[1] The $13,885,679 figure includes a PHB program delivery fee of $53,797, which is calculated on the difference between the total funding and the funding from the Metro Site Acquisition Program.
[2] Regulated at 30% MFI

Unit Size	Total No. Units	30% MFI	60% MFI	PSH	Section 8 PBV[3]
Studio	9	1	8	0	
1 Bedroom	24	4	20	0	
2 Bedroom	45	7	38	0	5
3 Bedroom	15	2	13	0	2
4 Bedroom	3	1	2	0	1
Total	**96**	**15**	**81**	**0**	**8**

Inclusionary Housing:

The project is also subject to inclusionary housing and will be making the following election for the 10 units required in this project.

Unit Type	# Req	Min Sq Ft
Studio	1	371
1B	2	537
2B	5	764
3B	2	1033
	10	

Changes between Concept Endorsement and Final Approval

- Project will legally split between Family (96 units) and Permanent Supportive Housing (41 units) includes unit count and mix change. The initial Grouptrail project was divided into Glisan Family and Glisan PSH
- Addition of eight (8) project-based Section 8 vouchers to the Family project – see Development Program unit mix for unit sizes receiving vouchers
- Updated Sources and Uses including leveraging of the developer fee to increase LIHTC equity
- PHB recommended support of $6,226,000 in LIFT for this project from OHCS that has been allocated to Metro bond funding
- This updated narrative covers only the Family project

Development Program

The Glisan Family project will deliver a new 103,771 square foot four-story building with 96 affordable homes as well as ground floor community space. Planned amenities at 342 NE Glisan include a

[3] Included in the 30% MFI unit count

community room and kitchen, laundry room[4], playground, picnic area, community garden, bike parking, surface parking, and onsite multicultural reading room open to the community.

All units will have air conditioning via packaged thermal heat pump system.

As a family-focused project, the resident target populations are BIPOC, immigrant and refugee households, and intergenerational families.

Project Image

As the viewer sees this rendering, the L-shaped family project is on your left.

Background

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

Location and Neighborhood

The site is well supported by parks and amenities including Rosemont Bluff Natural Area, the Montavilla Community Center, a grocery store within walking distance, and two frequent-service TriMet bus lines on NE Glisan and NE 82nd Avenue. The site is close to IRCO headquarters at 103rd and Glisan.

[4] Three and four-bedroom units will have in-unit washer and dryer

Site: Phase 2 Environmental Site Assessment and Geotechnical Report

A Phase 2 report from Evren Northwest, dated 1/28/22 described the following issues requiring attention:

- Three (3) unregistered drywells require registration with DEQ;
- The portion of the site containing a former dry cleaner does not pose a contaminant risk;
- Possible presence of two (2) underground storage tanks (USTs) in the northwest portion of the site that may be encountered during development, in which case they must be decommissioned with DEQ;
- Possible underground hydraulic hoists in the northeast section of the site. If encountered, these need to be decommissioned with DEQ;
- Ethylbenzene in soil vapors indicates a potential contaminant beneath the existing commercial building that would be encountered during redevelopment;
- Some arsenic and lead levels, but no leaching into groundwater, observed above DEQ's Clean Fill Screening Level.

Once the commercial building has been removed, further investigation of the ethylbenzene source should be conducted for mitigation. Also noted is the potential for difficult excavation during redevelopment due to soil borings encountering cobblestones, boulders, and large concrete debris.

A Contaminated Media Management Plan (CMMP), dated 5/6/22 and prepared by Evren Northwest, is required to adequately notify workers, and describe appropriate management and disposal methods for arsenic and lead impacted soils as well as any USTs or hoists encountered. The project is engaged in a voluntary cleanup process through Oregon Department of Environmental Quality that expects to result in a No Further Action letter.

A geotech report from NV5 dated November 29, 2021, evaluated the site a feasible for the proposed project with some provisions for evaluating previous fill areas and echoing the potential for difficult excavation described in the Phase 2 report.

As provision for the environmental remediation expense, the project is carrying the following amounts in the budget:

$20k per tank at 4 tanks
$25k ethyl benzene remediation under building
$15k per drywell (UIC) at 3 tanks
$20k lead and arsenic – but may end up being not needing to remediate as they do a sample based on mixed heap (non-technical term)

Project Financing

The estimated total development cost for the residential portion of the development is $52,939,513, equal to $542,557/unit or $416/sq ft. Capital sources include OHCS weatherization, 4% tax credits,

Metro Bond funds, Metro grants, SDC waivers, a deferred developer fee, and a permanent loan. The project is expected to receive a $7,635 per unit in SDC waivers. The Partners are exempt from paying property taxes on the site due to the non-profit exemption (NPLTE). As with other projects in the development pipeline, this project incurred increased costs escalating from the original $40.5 million estimate due to marked inflation in materials and labor pricing, as well as increased interest rates for construction and permanent financing.

Sources and Uses (Permanent):

SOURCES:		**USES**:	
PHB - Metro - Original ask	13,885,679	Acquisition Costs	200,000
LIFT	6,226,000	Construction Costs	37,804,072
LIHTC Equity ($.91) _USB CDC	18,109,336	Developer and consulting fees	6,850,000
Metro TOD	500,000	Soft Development Costs	8,085,441
OHCS Weatherization	75,000		
GP Equity	100		
Senior perm loan - USBank	8,200,000		
Deferred Developer Fee	5,210,325		
SDC Waivers	733,073		
TOTAL SOURCES	**52,939,513**	**TOTAL USES**	**52,939,513**

PHB does not plan to increase the amount of the Metro Bond award. Changes to the overall financing structure will be approved by PHB's Housing Investment and Portfolio Preservation Manager or Deputy Director, provided they do not increase risk to PHB or Metro or the project and that no additional PHB and/or Metro funds are required.

Development Team

Developer: Related Northwest is the assumed business name in Oregon[5] of The Related Companies of California, LLC, which is the for-profit owner and developer of over 14,000 units of affordable housing on the west coast. In 2020, Related was in the top 50 affordable housing development companies in the US. Related Northwest is a subsidiary of Related California, which has 3,000 affordable units under development. The parent company, Related Companies LP, owns over 50,000 affordable units.

Project Manager: Stef Kondor of Related Northwest

General Contractor: LMC/ALMAR Impact Builders. LMC Construction has partnered with Almar Construction LLC in a joint venture created to elevate capacity and mentor this Latino-owned contracting firm.

LMC Construction has been building in the Pacific Northwest since 2004 and has constructed dozens of multifamily projects including PHB-funded projects, Villa de Suenos (rehabilitation of construction defects), Villa de Clara Vista, Miraflores, the Nick Fish, 72Foster and is now constructing Las Adelitas. LMC is partnering with ALMAR Construction LLC, a certified Emerging

[5] The Related Northwest business name was first filed in Oregon in 2018.

Small Business and Minority Business Enterprise. Related describes the LMC/ALMAR Construction LLC partnership as a joint venture[6]. According to Related, the contemplated agreement for the joint venture ALMAR is to perform and receive the following:

- ALMAR to receive preconstruction mentorship from LMC staff and provide administrative support to LMC estimating and preconstruction department.
- ALMAR to join various OAC and Design Team meetings to gain further knowledge of the collaborative Construction Management/GC process.
- ALMAR to assist in COBID certified subcontractor bidding outreach efforts.
- ALMAR to assist in Certified Payroll reporting and management as required.
- ALMAR will provide onsite management staff to assist the LMC team. ALMAR onsite management team will also be supervised and mentored by LMC staff.
- ALMAR will be given the opportunity to self-perform specific scopes of work (through a competitive process in alignment with COBID outreach efforts).
- ALMAR and LMC will negotiate a fee-split based on final teaming agreement and responsibilities.

Architect: Holst Architect Inc. – A DBE/WBE certified firm associated with a number PHB affordable housing projects including Glisan Commons, The Nick Fish, and 72Foster, to name a few.
Attorney: Bocarsly Emden Cowan Esmail & Arndt, LLP, real estate and tax counsel advising on debt and equity –. a Bethesda, MD law firm with a Los Angeles office specializing in transactional real estate including LIHTC. Established 2007. and Stoel Rives multiregional law firm which will advise on PHB/OHCS and Metro issues.
Investor: US Bancorp.
Property Manager: Quantum Residential– founded in 1969, Quantum manages over 6,000 units at 50+ properties throughout Oregon and Washington. Holds an Accredited Management Organization certification with the Institute of Real Estate Management.

Community Engagement

In collaboration with Related Northwest and Immigrant and Refugee Community Organization (IRCO) as co-developers, We All Rise Consulting partnered on community engagement to develop 96 units of affordable housing, on a Metro-owned site in Montavilla. Throughout the project We All Rise centered community-based design, utilizing social equity frameworks in conducting a diversity of community engagement processes.

- Facilitated community outreach & engagement
    - Informal interviews
    - Focus Groups
    - Survey

[6] Staff has not been able to review any documentation around this yet and information provided is as reported to PHB.

Developed marketing materials to build project awareness and support community transparency met with a variety of stakeholders that included: Portland Public School Districts McKinney-Vento Coordinators, area businesses, Montavilla Neighborhood association members and a variety of others.

Related also built upon IRCO's extensive research, which takes an in-depth look at family needs. IRCO's Community Need Assessment report delves into culturally specific immigrant and refugee community needs.

Advancing Racial Equity

Related Companies has a unique commitment to forwarding equity. The 74th & Glisan proposal reflects intentional efforts in partnerships with culturally specific and responsive partners such as IRCO; extensive pre-application community engagement; mission expanding economic opportunity for project partner IRCO through shared ownership of 74th & Glisan; shared learning with our community engagement consultant (We All Rise) who will also be mentored through the development process.

Immigrant Refugee Community Organization (IRCO) founded in 1976 by Southeast Asian refugees resettling in Oregon has grown to be a nationally recognized multi-ethnic, multi-service community based nonprofit organization that is one of the first stops for immigrants and refugees arriving in Oregon and a trusted focal point for all those in need. IRCO's mission is to promote the integration of refugees, immigrants, and the community at large into a self-sufficient, healthy, and inclusive multi-ethnic society. They do this by providing more than 200 culturally specific and responsive programs targeting a wide array of community identified needs ranging from early childhood development to employment and training services to support for elders. Their services assist individuals from all communities at all ages and stages of life.

IRCO conducted an exhaustive community needs assessment (CNA) in 2017 that included input from 243 immigrant and refugee leaders, community members, and key stakeholders to assess and prioritize local immigrant and refugee populations' needs. There were over 50 languages spoken and a comparable number of cultural, national, or ethnic communities represented. Attendees organized in eight broad cultural groupings to allow communities to separately convene and discuss their community's distinct needs and perspectives. These groups included: African, Asian "established communities", Bhutanese/Nepalese, Communities from Myanmar, Latinx, Middle Eastern, Pacific Islander, and Slavic. The results of the CNA helped guide the 2018-2022 agencywide strategic plan. The initiative has broadened cross-collaboration amongst the varied cultures and supplies rich data from which to create best practices for anti-racist training and DEI initiatives.

Property manager, Quantum Residential will implement low barrier screening including less restrictive criteria will be utilized for this project. This will reduce the number of denials and need for appeals and expedite access to housing. Working in partnership with IRCO will assist with addressing cultural and or language barriers for many of the groups least likely to apply.

Related/IRCO expects to achieve a 76% target for DMWESB in professional services. The initial application referenced a 30% target for DMWESB in subcontracting, and the developer has notified of a potential challenge to reaching that due to current economic factors. Some COBID certified firms are at

capacity and that affects how achievable the 30% target is. They will continue to update and should not be far off the 30% target.

Partnership and Services

Related is partnering on development with IRCO and will operate the property with IRCO providing resident services. IRCO has several specialty programs for youth, from mentoring and academic advocacy to gang prevention and intervention for high-risk youth that will be made available to the residents. Although the project's service program will be tailored to meet the needs of the residents, general services provided would be literacy classes, information and referral services, parenting Education, ESL classes, health/wellness classes, family self-sufficiency, GED Courses, support groups, summer lunch & snack programs, job readiness/placement skills, housekeeping workshops, energy assistance, computer training. financial literacy classes, community events.

Livability and Accessibility

The Project will provide an opportunity to address racial and ethnic inequalities that have significantly affected communities in the Northeast Portland Area. Specifically focusing on providing affordable housing, ensuring equitable access, and empowering residents and their families through the services that IRCO offer. Of the 96 residential units, 5 will be accessible units. Of the 57 parking spaces, 3 will be accessible, including 1 specifically for van accessibility.

The community and services space will be on the first floor and includes:

- Leasing office with work area
- Property management office
- Conference room
- Community Room
- Resident services offices
- Staff office
- Teen Room
- Movement Room
- Fibers Art Studio/Classroom
- Multi-cultural Reading Room
- Computer Lab
- Walking Circuit
- Playground
- BBQ and Picnic Area

Climate Resilience and Sustainability

The Related Glisan housing project incorporates several green building strategies that together create an affordable, sustainable community for low-income residents in Portland. The site is directly accessible by public transit, and located near convenient bike routes through the city, encouraging alternate means of transportation. The neighborhood provides several amenities within walking

distance, including schools, churches, restaurants and shops. The residential buildings surround a generous outdoor space, providing views to nature for many residents and access for all to outdoor leisure activities and community gathering areas. The variety of units support a range of family types, and include good access to daylight and fresh air, energy star rated appliances, and are supported by amenity areas that facilitate community functions. Energy use is offset by a rooftop solar array on the larger family building. The building envelope is designed to meet or exceed energy code requirements, and the building is projected to meet Earth Advantage Gold certification. All 74th & Glisan units will meet Metro's Cooling memo policy via PTHP/PTAC units in each dwelling unit in the living room area.

Anticipated Timeline

Metro Concept Endorsement	11/2021
OHCS 4% LIHTC Application Submitted	06/2022
Building Permit Submitted	07/2022
Final contractor bid package	10/2022
PHB Housing Investment Committee Approval	01/2023
Metro Final Approval	01/2023
Financial Closing	03/2023
Construction Start	03/2023
Construction Completed	02/2025
Lease-Up Completed	09/2025

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

Metro Affordable Housing Bond Program

Final Approval

Project Name: Meridian Gardens (Cedar Commons II)
Implementing Jurisdiction: Portland Housing Bureau
Metro IGA Contract Number: 937016
Date of Concept Endorsement: November 16, 2021
Anticipated construction start: April 2023
Anticipated construction completion: May 2024

Action:
Metro hereby provides the Portland Housing Bureau with Final Approval of $13,365,160.00 in Metro Affordable Housing Bond funds for the development of Meridian Gardens, a regulated affordable housing project located at 11312-11320 SE Division, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau, is attached as Exhibit B.

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

Number of Units	Bedroom Type	AMI Level	Project Based Vouchers
55	SRO	30%	55
5	SRO	30%	0
10	Studio	30%	10
15	Studio	60%	0

Changes to the information contained in the final approval request provided by the Portland Housing Bureau could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before funding disbursement. Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and the Portland Housing Bureau, 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 Portland Housing Bureau including wiring or other instructions related to transfer of funds.

3/29/2023

Marissa Madrigal
Chief Operating Officer

Date

Exhibit A: Metro staff findings and recommendations | Metro bond funding concept endorsement and final approval for Meridian Gardens

Drafted by: Jimmy Oporta, Housing Program Coordinator and Alison Wicks, Senior Housing Program Coordinator
Date: March 27, 2023

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 Meridian Gardens. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

Changes since Concept Endorsement

The project is being reviewed for final approval and has undergone changes since Concept Endorsement on November 16, 2021.

In July 2021, Central City Concern (CCC) signed a purchase and sale agreement for 11312 – 11320 SE Division Street and a Letter of Intent for 11250 SE Division, the two parcels that make up the Meridian Gardens site. Site analysis and zoning approvals were completed that same month, and CCC submitted a proposal to the Portland Housing Bureau (PHB) as part of PHB's Metro Bond Opportunity Solicitation (M-BOS).

As with other projects in the development pipeline, this project incurred increased costs due to a marked inflation in materials and labor pricing, as well as increased rates for construction and permanent financing. Between April 2022 and July 2023, development costs increased substantially due to a $3.91 million increase in construction costs (25%), bringing the project's total development costs to $30.7 million. The Metro Housing Bond funding amount increased by $929,744 (7.4%), up to $13.3 million from the prior $12.4 million requested at initial concept endorsement, to support A/C cooling upgrades and integrations at the project.

The priority population for Meridian Gardens will be households experiencing or at risk of experiencing chronic homelessness and who may be in treatment for or recovery from a substance use disorder. Meridian Gardens will serve 70 households at 30% or less of AMI in SRO and Studio units, and 15 households in 15 studio units at 50% AMI.

Key project highlights include:

- Total development costs are $30.7 million and Metro Housing Bond funding is $13.3 million.
- Net cash developer fee is 7% of developer fee basis. This amount is equal to the Metro Developer Fee Guidelines maximum of 7% for projects with 76-100 units.
- Construction start date in March 2023 with completion anticipated in May of 2024.

Contribution to unit production targets

Meridian Gardens will utilize 7% of Portland's total allocation of bond funds ($13,365,160.00) while delivering 85 units that meet the following unit production outcomes:

- 6% of Portland's overall unit production target
- 12% of Portland's target of units affordable to households making 30% or less of area median income (AMI); and

When combining this project with Portland Housing Bureau's existing development portfolio, this puts the city on a path to have utilized 58% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 80% of Portland's overall unit production target
- 75% of Portland's target of units affordable to households making 30% or less of area median income (AMI); and
- 74% of Portland's family sized unit target.

Readiness to proceed

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

- An updated project pro forma dated 3/22/23
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Letters of Intent from Umpqua Bank, US Bank and Metro TOD, Energy Trust of Oregon, OHCS Housing Trust Fund
- Permit Bid Set 8/29/2022
- Phase I Environmental Site Assessment (ESA) dated 6/10/2021
- Land appraisal dated 11/28/2022

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

Advancing racial equity

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

- **Location:** The Meridian Gardens project is in outer East Portland at SE 113th and Division Street. The location is adjacent to CCC's Cedar Commons Building, a Permanent Supportive Housing Community serving chronically homeless individuals living with disabilities and severe mental illness. A grocery store, pharmacy, and other services are located less than .5 miles west on SE 122nd. The Midland Public Library is 1 mile north. Nearby parks include Kelly Butte (.8 Miles West), Ventura Park (1 mile north), and Powell Butte (2 miles East). PCC's Southeast Campus is 1.6 miles west on SE Division.
- **Transit access:** The project is well-supported by public transit along SE Division, with the expansion of the Division Street Bus Rapid Transit line, currently under construction in front of the project site. The 122nd MAX station is 1 mile north at 122nd and Burnside.

- **Diversity in contracting/hiring:** The selected contractor, Walsh, partners with pre-apprenticeship programs to increase the number of POC and women in the construction workforce. Walsh participates directly with pre-apprenticeship programs that assist in lowering the barriers for POC and women seeking to enter the field through financial support as well as placement, hiring, and board membership. The project will be tracking the diversity of the workforce and is in alignment with PHB's aspirational goals of awarding 20% of workforce hours to apprentices, while aiming to award 22% of apprentice hours to minorities and 9% of apprentice hours to women. The same goals have been applied to those working in journey level positions. The project will be required to meet Portland's 30% COBID certified DMWESB-SDV requirements for hard costs and 20% for soft costs.
- **Access for historically marginalized communities:** The project will implement low barrier lease up that includes minimal screening requirements aimed at providing housing opportunities to people with criminal or rental issues as well as low income to rent ratios. As 65 units will be set aside for Permanent Supportive Housing, marketing activities will comply with Home Forward's requirements for the Project-Based Voucher program. Housing staff will assist applicants with the appeals process and help mitigate barriers related to criminal or rental history. Marketing for the project will occur throughout the Portland Metro area and will be supported with the help of social service agencies and community partners serving communities with a high concentration of at-risk populations.
- **Culturally responsive and appropriate services:** CCC's Culturally Specific programs – Imani, Puentes, and Flip the Script – will serve as the primary programming and referral partnerships for the Meridian Gardens community. These programs provide culturally specific housing, health, and employment services. The Imani Center provides culturally specific Afrocentric approaches to mental health and addictions treatment, peer support, and case management to adults who identify as Black or African American. Puentes (Spanish for Bridges) provides culturally and linguistically appropriate treatment for substance use and mental health disorders to the Latino community. Flip the Script (FTS) aims to reduce recidivism by providing culturally specific employment and housing services alongside advocacy training for African Americans (AA) in reentry housing.

Community engagement to inform project implementation

Metro staff have reviewed the updated narrative to confirm consistency with the community engagement elements of Portland Housing Bureau'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:
From February through April 2022, Central City Concern (CCC) conducted six virtual community engagement sessions with participants engaged in housing, substance abuse treatment and mental health services programs through CCC. Participants of CCC's other culturally specific programs included BIPOC participation from the Puentes program, a substance use recovery program for the Latinx community and Flip the Script, a program serving African American males involved in the criminal justice system. Participants also included those participating in the Imani program and SUDS (Substance Use Disorder Services) programs as well as those engaged in mental health services at Cedar Commons.

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

Major themes heard from community engagement included:

- Importance of culturally specific services and cultural representation
- Large group rooms and shared community spaces
- Client-centered and onsite access to supportive services
- A project design that feels like home and not an institution
- Flexible community spaces to support small groups and quiet time
- Resident safety that employs 24/7 staffing and setting up entry points that pass by staffed areas

Major design feedback heard from community engagement included:

- Hiring staff who understand lived experience
- Access to cooktops in single room occupancy units
- Ample sound buffering throughout the project
- Soothing color palates
- Bed bug resistant beds
- Adding ovens to community rooms to facilitate group meals
- Focus on safety and security at project entryways
- Private lockable shower rooms

Sustainability and climate resilience

Consistent with PHB's statement on Air Conditioning Requirement (August 13, 2021) and Metro's Policy Statement on Air Conditioning (September 14, 2021), Meridian Gardens' residential units and shared spaces will be equipped with energy-efficient mini-split cooling systems. Building materials such as window insulation and flooring will compliment building ventilation and cooling. Due to an upgrade to the roofing and other cooling enhancements, the project will be pursuing Earth Advantage Platinum certification.

EXHIBIT B: Project summary submitted by City of Portland | Metro bond concept endorsement for Meridian Gardens (formerly Cedar Commons II)

Submitted by: Jill Chen, Housing Investments and Portfolio Preservation Manager, Portland Housing Bureau, jill.chen@portlandoregon.gov
Submitted on: January 30, 2023

Project Overview

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

The priority population for Meridian Gardens are households experiencing or at risk of experiencing chronic homelessness and who may be in treatment for or recovery from a substance use disorder. Meridian Gardens will serve 70 households at 30% or less of AMI in SRO and Studio units, and 15 households in 15 studio units at 50% AMI. The supportive housing recovery services model for the project is centered around a peer-delivered approach that has been the cornerstone of CCC's programs for over 40 years.

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

Development financing for the project includes 9% LIHTC equity, a US Bank Solar Grant, Energy Trust of Oregon (ETO) funds, Housing Trust Fund (HTF) dollars, Metro TOD, Metro AC funds, deferred developer fee, and proposed Metro Bond funds.

Changes between Concept Endorsement and Final Approval

Oregon Housing and Community Services (OHCS), the issuer of LIHTCs and tax-exempt bond funding, suddenly announced a shortage of capacity to issue 4% tax exempt bond funding in August of 2021. Two months later it declared the shortage applied to 2022/23 developments and issued a list of projects that it expected to fund. This was nearly simultaneous to PHB's awarding of projects for the Fall 2021 M-BOS. OHCS originally did not list Meridian Gardens as a 2023 closing that was approved for funding. However, PHB and the development team diligently worked with OHCS to secure additional funding to keep on schedule for a close in spring of 2023. Unfortunately, construction costs and other market conditions dramatically drove up costs for nearly all developments in Oregon's development pipeline. Nearly all of PHB awarded projects were adversely impacted. The project has travailed several funding challenges due to changes in the market and state/federal funding sources. Currently the project is on track for closing and does not anticipate further funding gaps.

The total construction contract amount at the time of funding application was $15,653,721.72 which included a 10% inflation escalation. By April of 2022, the schematic design cost estimate reflected significant construction market cost increases across trades and building materials. The price per square foot increased from $371 to $515. The construction contract amount increased from $15,653,721.72 to $19,968,760.90. Throughout the predevelopment process, PHB staff have worked closely with the development team to search for cost savings and potential areas of value engineering in order to close the gap. The design development phase and accompanying cost estimate came in slightly lower due to favorable sub-contractor estimates and value engineering although market uncertainty continued to drive up prices and projects were advised to carry a conservative contingency. In July 2022, pricing came in at $17,833,014.00 ($460.42 /SF) with the added 10% escalation driving costs to $19,616,775.82 ($506.47/SF). Since July of 2022 the developer has continued to refine building design and applied cost savings, successfully holding steady to the July 2022 numbers. Construction costs as of July 2023 total $19,572,118 ($505.32/SF). Escalation carried by Walsh Construction totals $614,674 to account for a volatile construction pricing market and cost indexing for buyout period. Construction is slated to begin this spring with high confidence from Walsh that the escalation will hold until closing. Source and uses are listed in the table below.

PHB coordinated with CCC and other funding partners to address the remaining funding gap, exhausting all possible options for additional funds. In September of 2022, PHB issued an updated award letter that reflected the original award amount of $12,435,416 in Metro Bond funds in addition to $929,744 in Metro AC funds. PHB also facilitated the OHCS award of Housing Trust Fund dollars to the project in the amount of $576,500. Together with value engineering and further refinement of construction pricing, these additional funding sources have enabled the project to move forward.

Preliminary Development Program

Meridian Gardens will be a 38,732 square foot, 4-story apartment building. Amenities include common kitchens and community rooms, recovery group rooms for onsite tenant support, supportive services office, a resident gym, and a large, shared outdoor courtyard. A gardening area and raised beds will be shared with the Cedar Commons building.

Meridian Gardens will include 85-units of new construction, a supportive recovery building with a mix of Single Room Occupancy and Studio Units:

Unit size	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
SRO	55	0-30%	55	192	$839
SRO (HTF)	3	30%	0	192	$420
SRO	2	30%	0	192	$419
Studio	10	0-30%	10	384	$839
Studio	15	50%	0	384	$932
Total	85		65		

Project Image

Rendering of Meridian Gardens viewed from SE Division Street.

Background

Meridian Gardens will be the next building in CCC's intentional expansion and network of supportive housing and clinical services in East Portland, with a strong connection to CCC's multi-service Blackburn Center, located just one mile north. This new service HUB on the East Side was motivated by factors ranging from the opioid crisis to dwindling housing affordability, stemming from displacement that began to increase in the late 2000s. CCC saw a shift in the zip codes of those entering their services, with growing numbers of people coming from East Portland. Today the rates of gentrification and displacement for BIPOC communities continue to play out geographically in East Portland, with expanding need for affordable housing. Since 2018, CCC has opened 475 units of supportive and affordable family housing in outer East Portland.

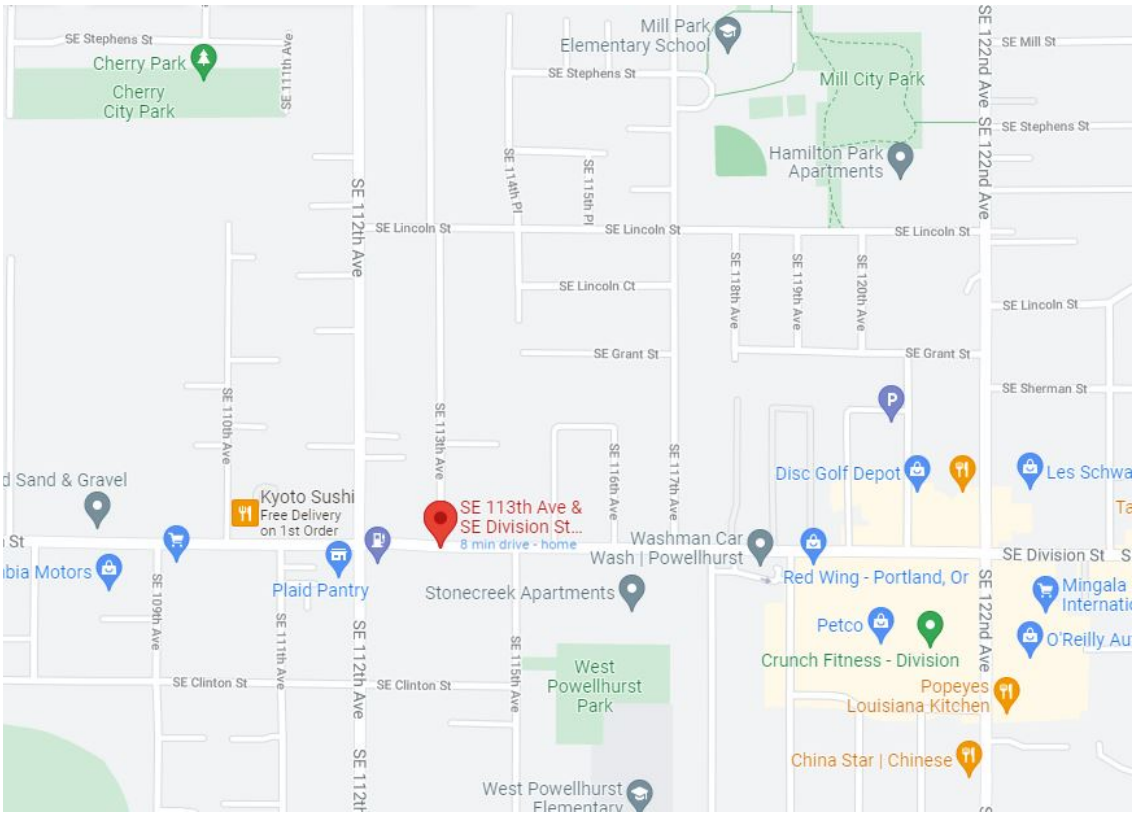
In July 2021, CCC signed a purchase and sale agreement for 11312-11320 SE Division Street and a Letter of Intent for 11250 SE Division, the two parcels that make up the Meridian Gardens site. Site analysis and zoning approval were completed in June 2021.

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

Location and Neighborhood

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

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



Site

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

At completion, Meridian Gardens will be a new 38,732 square foot, 4-story wood frame, elevator-served apartment building covering approximately 30% of the lot. 21,120 square feet of the building will be residential area, and the remaining 17,612 square footage will be open space and

common areas. The project will provide approximately 38 off street parking spaces for residential use.

Key findings from the Phase I report found no evidence of any Recognized Environmental Conditions (REC's). No further site reconnaissance is needed, and the project successfully underwent a HUD Environmental Review for the site. A phase I update will be finalized prior to closing. The findings from the Geotech report indicate favorable soils for the proposed construction design. The project continues to hold a small contingency in case unexpected environmental cleanup is needed on the site through the course of construction.

Project Financing

The Meridian Gardens project will have a total Development Cost of approximately 31 million dollars, equal to $361,975/unit and $794.37/sf. The sources includes $12,435,416 in PHB/METRO Bond loan funds. On the Supportive Housing budget, the sponsor is requesting 65 Project-Based Section 8 Vouchers and an annual JOHS subsidy of $10,000 per unit per year.

Sources and Uses Overview

Source	Amount	Use	Amount
4% LIHTC Equity	$13,084,916	Land/Acquisition	$1,260,000
PHB Metro Bond	$12,435,416	Construction Costs	$19,819,588
Deferred Developer Fee	$1,579,159	Soft Costs (excl. Developer Fee)	$6,326,270.00
Metro TOD	$500,000	Developer Fee	$3,362,000
SDC Waiver	$1,472,904		
ETO Grant	$148,922		
Solar Equity USB Grant	$40,297.50		
National Housing Trust Fund (HTF)	$576,500		
Metro AC Funds	$929,744		
Total	**$30,767,859**	**Total**	**$30,767,859**

Development Team

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

- **CCC** is an experienced developer and operator of affordable housing, with projects ranging from 6 to more than 190 units. CCC has also developed several medical facilities totaling more than 130,000 SF. CCC's current portfolio includes 32 buildings providing over 2,300 units of affordable housing, medical, and social services programming. Since 2018, CCC has opened 337 units of supportive and affordable family housing in outer East Portland.

- **Ankrom Moisan Architects** is a leader in the development and design of affordable housing, having designed more than 3,000 affordable homes. They are actively engaged in finding new and innovative solutions to the problems facing affordable housing providers. Their approach has led them to develop creative, innovative strategies that can significantly drive down the cost of building affordable housing. Their goal is to be responsible stewards of the available resources, such as the Metro Housing Bond dollars, to create as many high-quality, safe and comfortable homes for individuals and families as possible. They have extensive experience, a deep bench of expert professionals, and all the current technology needed to deliver projects on time and on budget.

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

Community Engagement

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

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

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

Program. Outreach tools have included in-person and online meetings, surveys, and interviews to garner a wide range of feedback.

From February through April of 2022 CCC conducted six community engagement sessions with clients engaged in housing, substances use treatment, mental health services, culturally specific programs, and the Tenant Advisory Council. We reached out to programs and building staff and asked to join regular occurring meetings when possible and conducted supplemental interviews as an alternative. Clients gave input on program needs, community space layout, and unit layout. To the best of our ability feedback was incorporated into building design.

Meridian Gardens will be the next building in CCC's intentional expansion and network of supportive housing and clinical services in East Portland, with a strong connection to CCC's multi-service Blackburn Center, located just one mile north. This new service HUB on the East Side was motivated by factors ranging from the opioid crisis to lessening affordability and displacement that began to increase in the late 2000s.

Advancing Racial Equity

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

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

Since 2018, CCC has opened 475 units of supportive and affordable family housing in outer East Portland: Hazel Heights (2018), Blackburn Center (2019), and Cedar Commons (2021). Crescent Court, a partnership development between Related NW, CCC, and the Boys and Girls Club opened in spring of 2022 and has added another 138 units to CCC's East Portland portfolio. Data from established CCC properties: The Blackburn Center has a resident population of 20% BIPOC and Hazel Heights has 39% BIPOC resident households. CCC is committed to culturally specific services and cultural representation found in the community

Fair Housing Strategies
CCC's housing team is skilled at the provision of low-barrier lease-up models that include minimal screening requirements aimed at providing housing opportunities to people with criminal or rental issues as well as a low income to rent ratio. Of the total units at Meridian Gardens, 65 will

be set aside as Permanent Supportive Housing units with Section 8 Project-Based Voucher Assistance. To that extent, all marketing activities will comply with Home Forward's requirements for the Project-Based Voucher program. As necessary, CCC's Housing staff will work with the applicant to complete the appeal process with Home Forward to mitigate any barriers potentially posed by criminal history records. CCC and Home Forward have an active partnership and an established process to accommodate such requests.

Marketing will begin 6-8 months before the building opens with the waitlist opening 4-6 months before building completion, and applications being taken 6-8 weeks prior to opening. Advertising will occur throughout the Portland Metropolitan area, focusing on communities with a high concentration of at-risk populations. Publicity will be directed toward agencies serving those most in need, on CCC's website, e-mail communications with local agencies, and fliers throughout CCC housing. CCC will affirmatively market this housing through CCC's wide array of Social Service agencies and community partners to reach out to those most in need and least likely to apply to housing. CCC's Housing Department is skilled at lease-up that meets LIHTC and other funding source compliance. CCC will track demographic data beginning at move-in for this project. In collaboration with program leadership, Housing Department staff aim to improve data collection across all programs within its housing to improve data accuracy so that they can continue to evaluate outreach efforts and determine where disparities among services and housing exist.

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

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

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

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

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

Equity in Contracting
The project is on target to meet DMWESB-SDV goals of 30% for hard costs construction and 20% for professional services. They are also on track to meet all Section 3 and Workforce & Training requirements as outlined in the MBOS Appendix D Equity in Contracting, Section 3 and Apprentice & Workforce Diversity.

Partnerships and Services

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

Recovery Housing and SUDS (Substance Use Disorder Services) design for Meridian Gardens will engage with program leadership from across CCC. Directors of CCC programs will advise on best practices for the delivery of services in a trauma-informed and culturally specific ways for the community.

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

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

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

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

Livability and Accessibility

Common spaces and exterior landscape were designed with substantial input from the community and resident advisory groups. Trauma informed design as well as universal design were kept in mind when planning building and exterior layout. Design strategies throughout, including ample sound buffering; clear and simple circulation patterns; plenty of meeting and community spaces; focus on safety and security at entryways; soothing color palate; and direct lines of sight and connections. CCC will draw on their years of knowledge for creating inclusive environments for diverse populations. Thoughtful furnishings such as bed bug resistant beds and durable finishes help to ensure resident comfort and livability. The single room occupancy units will have small kitchenettes and a private toilet for privacy. There will be single stall common shower rooms on each floor. Unit amenities include Energy Star rated appliances including refrigerators, energy efficient lighting, air conditioning, and floor and window coverings. The Project will have ground floor offices for counseling, group kitchens on each floor, rest rooms and bathing areas, community space, laundry, and access to Cedar Commons' community garden. It will have bike storage and 38 on-site parking spaces.

Climate Resilience and Sustainability

Meridian Gardens applied for additional fund from Metro to further their cooling strategy. A major upgrade to the project will be the installation of mini-splits in every unit in place of a PTHP system. Each unit will include efficiency sensors. Due to the timing of design development, an upgrade to the roofing was added to accommodate a better cooling plan. Shared spaces and individual units will be equipped with energy efficient cooling systems. Building materials such as window, insulation, and flooring will compliment building ventilation and cooling. A full report on added design features related to cooling will be provided in the future. Meridian Gardens does not currently have a PCEF award to support cooling strategies. Cooling upgrades and integrations are expected to cost approximately $929,744.

The project will be pursuing Earth Advantage Platinum with the following enhancements:

- On-site roof-top Solar ~70 kW Array
- On-Site EV Charging – 8 Spaces (4 Double Chargers) and 4 EV-Ready Conduits
- No Natural Gas utility connections
- High-Efficiency Centralized Heat Pump Hot Water Heater System
- Minisplit HVAC
- LED lighting throughout
- Occupancy/Daylight sensors
- Transit-Oriented design
- Passive cooling – Exterior Sunshades

Additional considerations include a Centralized Thermostat Management/Monitoring – remote setpoint and monitoring of abnormal usage. If budget allows, permeable Pavers may be added in the parking area and High-Efficiency Heat Pump Driers in the Laundry facility.

Anticipated Timeline

Metro Concept Endorsement	10/2021
Financial Commitments	01/2023
Plans Completed	01/2023
PHB Housing Investment Committee Approval	02/2023

Building Permits/Fees	03/2023
Financial Closing	03/2023
Construction Start	03/2023
Construction Completed	05/2024
Lease-Up Completed	10/2024

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

Metro Affordable Housing Bond Program

Final Approval

Project Name: Tistilal Village
Implementing Jurisdiction: Portland Housing Bureau
Metro IGA Contract Number: 937016
Date of Concept Endorsement: November 16, 2021
Anticipated construction start: February 2023
Anticipated construction completion: July 2024

Action:
Metro hereby provides the Portland Housing Bureau with Final Approval of $4,632,538.00 in Metro Affordable Housing Bond funds for the development of Tistilal Village a regulated affordable housing project located at 7602 N. Gloucester Avenue, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau is attached as Exhibit B.

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

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
2	One-bedroom	30%	0
13	Two-bedroom	30%	4
9	Three-bedroom	30%	4

Changes to the information contained in the final approval request provided by the Portland Housing Bureau could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before funding disbursement. Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and the Portland Housing Bureau, 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 Portland Housing Bureau including wiring or other instructions related to transfer of funds.

2/6/2023

Marissa Madrigal
Chief Operating Officer

Date

Exhibit A: Metro staff findings and recommendations | Metro bond funding concept endorsement and final approval for Tistilal Village

Drafted by: Jimmy Oporta, Housing Program Coordinator and Alison Wicks, Senior Housing Program Coordinator
Date: February 6, 2023

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 Tistilal Village. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

Changes since Concept Endorsement

The project is being reviewed for final approval and has undergone changes since Concept Endorsement on November 16, 2021. Development costs increased $8.5 million (29.9%), due to a $6.24 million increase in construction costs (34.9%) and a $1.79 million increase in development costs (18.9%). As with other projects in the development pipeline, this project incurred increased costs due to a marked inflation in materials and labor pricing, as well as increased rates for construction and permanent financing. The Metro Housing Bond funding amount increased $1.20 million, up to $4.63 million from the prior $3.43 million requested at initial concept endorsement.

In October 2020, NAYA submitted a proposal to the Portland Housing Bureau (PHB) as part of PHB's RFQ for Supportive Housing and the project was selected to receive a contingent award of Metro Bond funds. In July 2021, NAYA responded to Portland's 2021 Metro Bond Opportunity Solicitation (M-BOS) and proposed redeveloping the site by tearing down the existing NAYA Family Center and creating 58 new affordable housing units and integrating permanent supportive housing for Native American families experiencing homelessness. NAYA has had site control and a deed to the property since 2008. The site currently includes 34 multifamily housing rental units across seven, two-story buildings. The existing structures will be demolished to create 58 new affordable housing units, of which 24 will be Metro-bond funded units. Key project highlights include:

- Total development costs are $36.91 million and Metro Housing Bond funding is $4.63 million.
- Net cash developer fee is 7.38% of developer fee basis. This amount is less than the Metro Developer Fee Guidelines maximum of 10.0% for projects with 31-75 units.
- Construction start date in February 2023 with completion anticipated in July of 2024.

Contribution to unit production targets

Tistilal Village will utilize 2% of Portland's total allocation of bond funds ($4,632,538.00) while delivering 24 units that meet the following unit production outcomes:

- 2% of Portland's overall unit production target;

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

When combining this project with Portland Housing Bureau's existing development portfolio, this puts the city on a path to have utilized 57% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 80% of Portland's overall unit production target;
- 75% of Portland's target of units affordable to households making 30% or less of area median income (AMI); and
- 74% of Portland's family sized unit target.

Readiness to proceed

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

- An updated project pro forma dated 12/22/22
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Letters of Intent by Chase Bank, NWAF, Marguerite Casey Foundation, Meyer Memorial Trust, Portland Clean Energy, OHCS Multifamily Energy and Metro TOD
- Construction Bid Set 10/10/2022
- Phase II Environmental Site Assessment (ESA) dated 11/18/2022
- Land appraisal dated 10/19/2022

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

Advancing racial equity

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

- **Location:** Tistilal Village is located in the Portsmouth neighborhood of North Portland, adjacent to Lombard Street. TriMet line 75 is a two-minute walk from the site. The site is 0.2 miles from PPS's Cesar Chavez K-8 School. Fred Meyer, Safeway and Grocery Outlet are within a 10-minute drive and easily accessible via the 75 bus line. Food is also available at the Hereford House Pantry, just 50 feet from Tistilal Village. Lombard Street includes a number of urgent care clinics, dental clinics and doctors' offices. The site is a short walk from multiple parks and the Charles Jordan Community Center.
- **Transit access:** The project is served by TriMet's 75-Cesar Chavez/Lombard line, which can be accessed by a two-minute walk from the site.
- **Diversity in contracting/hiring:** The project has elected an aspirational goal of 30% MWESB COBID participation. COLAS Construction, a BIPOC Prime Contractor, was selected as the general contractor because the firm's journey, experience, values, and commitment to racial justice and creating economic opportunities for Black, Indigenous, and people of color (BIPOC) directly aligns with the project's own housing vision, goals, and principles. Colas project teams understand how to successfully interact with contractors from historically excluded

communities who have not been afforded the same opportunities as the dominant majority-owned construction firms.

- **Access for historically marginalized communities:** NAYA and NARA will work together to develop, evaluate and modify low-barrier tenant screening to ensure culturally responsive practices are in place. Working toward equitable housing access will be an ongoing process in which staff regularly review outreach and referral paths, as well as the outcomes of those referrals, to ensure the intended population is able to access housing without being screened-out. Because residents need to identify and see themselves represented by those providing housing services, NAYA and NARA will hire and engage staff who come from the Native American community.
- **Culturally responsive and appropriate services:** Tistilal Village will serve very low-income Native American families and will specifically target homeless Native American families. Of the 58-units serving families earning between 0 and 50% AMI, 16 will be dedicated permanent supportive housing units. NAYA's resident services will include family support services, including parenting and child development support. Enhanced supportive services will include alcohol and drug counseling, skills training, medical, dental, and behavioral care. Youth and educational services are also a priority and will be supported by after school programs, tutoring, gang outreach and gang intervention. Asset building programs will include job training, IDA programs, financial education and access to benefit and entitlement programs. NAYA has also identified Cultural enrichment and arts as an area of importance for future resident services.

Community engagement to inform project implementation

Metro staff have reviewed the updated narrative to confirm consistency with the community engagement elements of Portland Housing Bureau'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:

As a redevelopment project, all 34 current households of Tistilal Village, require relocation during the project's construction period. In order to help residents navigate this stressful and challenging period, NAYA hired a relocation consultant, along with three additional relocation contractors, to prioritize assisting residents throughout the relocation. Current residents were also engaged through several online and in-person meetings to provide input on project design and preferences. 89% of residents at Tistilal Village identify as BIPOC and approximately half identify as Hispanic/Latino, whose first language is Spanish. For this reason, Spanish and English interpretation and translation services were provided for community meetings, as well as ASL interpretation and live CART captioning for online meetings. Additional details regarding Tistilal Village's community engagement activities can be found in the 2/5/23 NAYA Community Engagement report and attachments.

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

Major themes heard from community engagement included:

- Uplifting the important of Native culture and pride
- Ensuring culturally specific, wraparound services for all residents

- Importance of community and resident safety
- Creating housing that allows residents to be both self-determined and community driven

Major design feedback heard from community engagement included:

- A strong preference to maximize storage and counter space
- Preference for washer and dryers in units
- Wheelchair accessibility in offices and wellness rooms
- Keeping kid areas separate from parking lots; designing safe, contoured outdoor areas for kids
- Dedicating a portion of the community for small children's activities
- Implementing keyless entry into the building
- Putting up art that represents the community and helps people feel welcome
- Including more lighting throughout the property and positioning light where it is needed

Sustainability and climate resilience

Consistent with PHB's statement on Air Conditioning Requirement (August 13, 2021) and Metro's Policy Statement on Air Conditioning (September 14, 2021), Tistilal Village's residential units, offices and community rooms will be conditioned via individual split-system heat pumps, with heating and cooling provided throughout. The bedrooms in each home will receive supplemental heating and cooling via ceiling fans and radiant cove heaters. Heat pumps were selected because they are energy efficient and improve overall comfort. Tistilal Village is targeting Gold certification through the Earth Advantage Multi-family program.

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

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

The following narrative should be submitted at the concept endorsement stage` and again at the final approval stage. As noted below, some items will be added to the report at the final approval stage.

Please do not change the formatting of margins, fonts, alignment or section titles ("project overview," "background"….)

Project Overview

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

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

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

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

Tistilal Village's existing 34 units are currently rent-restricted by PHB, so they are not eligible for Metro Bond funding. We are developing additional 24 "net new" units, bringing the total number of units at Tistilal from 34 to 58. These new 24 units will be restricted to 30% AMI and will have an

average size of 2.5 bedrooms. Our project will house a population deeply in need of service enriched, culturally responsive programming.

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

In addition to Metro Bond funding, OHCS is also supporting Tistilal Village Redevelopment with an award of 9% LIHTCs, $3M in OAHTCs, $400,000 in GHAP and approximately $42,000 in MEP funds. Metro is supporting the project with an anticipated $300,000 in TOD funds. NAYA has also secured $800,000 in philanthropic funds.

Changes between Concept Endorsement and Final Approval (Final Approval only)
Project uses increased $8.4 M since the initial MBOS application primarily driven by construction cost increase and construction interest reserve increases. Construction costs increased by $5.2 MM. 1. Sustainable elements that are deliverables for Portland Clean Energy Fund (PCEF) funding are $500,000 above the award due to inflationary cost increases. PHB's Metro Air Conditioning additional funding mitigated a portion of the cost increase. 2. Permanent Supportive Housing upgrades such as increased security scope, enhanced access controls to all common areas, addition of floor drains, and more substantial floor, wall, and ceiling assemblies within/between units and common areas increased costs. 3. Public works requirements include replacing 2700 linear feet of water mains, repaving 3,800 square feet of public asphalt, replacing curbs and sidewalks, and installing four new streetlights and three new poles –all at a cost of over $150,000 have been added. 4. Existing subsurface structures were discovered in October, which results in NAYA needing to hold approximately $300,000 for excavation to properly remove existing structures that were abandoned before Tistilal Village was built in 1973. The Owner's hard cost is increased by approximately $240,000 to ensure a 1.5% overall hard cost contingency. Further, NAYA is carrying a 1.5% escalation contingency totaling just under $330,000 to cover escalation through closing and a cushion if closing slips in a highly inflationary environment.

Construction interest rates have increased by $1.4 M with rates rising from 2.75% to 7%. Also, the construction lender has taken a very conservative approach to the construction and stabilization period proposing an initial 30-month term with two optional 6-month periods for a total of 42 months. This recently increased the construction interest reserves by $700,000. Soft cost increases amounted to $520,000 and included architectural, insurance, and building permits. Site acquisition costs increased by $1.28 M that were offset by a NAYA seller note and PHB original financing that will be assigned to the owner of the property.

Since the initial M-BOS application, NAYA as brought in an additional $7.7 M of additional funding which required an additional $731,986 gap funding increase by PHB at its Housing Investment Committee on December 15, 2022.

The $7.7 M of additional funding procured by NAYA included the following: $800,000 increase in equity due to competitive investor RFPs that increased tax credit pricing, $816,000 increase in perm loan due to more OAHTC's, plus switching to owner paid electric, $157,000 additional MEP, $1.7 M in PCEF, $750,000 in Federal Home Loan Bank AHP Grant, $3.1 M in OHCS Housing Trust Fund loan brokered by PHB and Metro, $374,655, in additional Metro AC Bond funds. Since the

MBOS application July 2021, total project costs have increased by $8.4 M. During that time, NAYA has brought in $7.7 M in additional funds leaving a gap of $731,986 that was filled by PHB. NAYA.'s developer fee has remained the same during this period.

Preliminary Development Program

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

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

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

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

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

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

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

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

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
Studio-Replacement	7	60% (45% OAHTC)		432	$1,015 ($839 w OAHTC)
1 BR-New*	2	30%	OHCS PSH RA	593	$599**
1 BR-Replacement	17	60% (50% OAHTC)		593	$1,088 ($998 w OAHTC)
2 BR-New*	4	30%	Existing HF PBV	864	$719**

2 BR-New*	9	30%	OHCS PSH RA	864	$719**
2 BR-Replacement	7	60% (45% OAHTC)		864	$1,306 ($1,078 w OAHTC)
2 BR-MGR	1	Unrestricted		864	$0
3 BR-Replacement	2	60% (40% OAHTC)		1,026	$1,509 ($1,108 w OAHTC)
3 BR-New*	4	30%	Existing HF PBV	1,026	$831**
3 BR-New*	5	30%	OHCS PSH RA	1,026	$831**
Total	**58**		**24**		

*New units refer to the 24 "net new" units that will be added to the existing 34 units.
**Units will be restricted to 30%. Project-based subsidy will bring gross rents to a 60% payment standard.

Project Image

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

CARLETON HART ARCHITECTURE

TISTILAL VILLAGE APARTMENTS

NAYA FAMILY CENTER

COLAS

Background

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

NAYA originally submitted a proposal to PHB in October 2020 as part of PHB's RFQ for Supportive Housing. The project was selected to receive a contingent award of Metro Bond funds at $75,000 per unit in subsidy. The contingent award expires on December 31, 2021. In July 2021, NAYA responded to Portland's 2021 Metro Bond Opportunity Solicitation (M-BOS) requesting an additional $68,000 per unit in subsidy for the newly affordable units of the redevelopment project. In the Spring of 2022, PHB added $374,655 of additional Metro cooling funds , and in the December PHB's Housing Investment Committee recommended adding $731,986 of Metro Housing Bond funds to fill the remaining financing gap. PHB has recommended that NAYA is awarded $4,632,538 in Metro bond funds to develop this site. This amount includes the project subsidy per unit award of up to $4,163,986 and a 2.307% program delivery fee ($93,897).

Location and Neighborhood

[word limit: 100]

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

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

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

See attachment "NAYA Tistilal_Vicinity Map"

Site

[word limit: 300]

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

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

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

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

<u>Final approval only:</u> Environmental Conditions:
A November 18, 2022, Phase1 performed by APEX with the scope and limitations of ASTM Practice E1527-13 for the subject property at 7602-7630 N. Gloucester Avenue in Portland Oregon. This assessment has revealed no evidence of recognized environmental conditions, including controlled recognized environmental conditions or historical recognized environmental condition in connection with the property. Data gaps related to offsite properties were identified. Data gaps were identified based on several gas stations and dry-cleaning operations located adjacent to and near the Subject property. These operations do not have documented releases. A soil vapor investigation was completed to assess whether volatile organic compounds (VOCs) may be present based on undocumented releases from the off-site properties. The soil vapor investigation activities and analytical data indicate that chlorinated solvents and petroleum hydrocarbons are not present at laboratory reporting limits or are present at trace concentrations well below DEQ soil vapor risk-based concentrations for residential pathways.

However, an existing subsurface structure was discovered in October. NAYA is holding approximately $300,000 for excavation to properly remove the existing structure that was abandoned before Tistilal Village was built in 1973.

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

Project Financing

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

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

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

FUNDING SOURCE	**APPROX $**	**USES**	**APPROX $**
LIHTC 9% Equity/Solar	18,084,236	Acquisition	2,310,000
Perm. Loan with OAHTC	3,781,974	Construction	23,794,912
OHCS GHAP /MEP as Sponsor Loan	600,000	Development	10,639,416
OHCS -Housing Trust Funds as Sponsor Loan	3,097,000		
Metro TOD Funds as Sponsor Loan	250,000		
Metro BOS -	4,257,883		
PHB Metro Cooling	374,655		
City of Portland SDC Wavier	550,903		
PHB Existing Cash Flow Loan	1,570,302		
FHLB AHP Des Moines Grant as Sponsor Loan	750,000		
PCEF/(Solar- ETO/PGE/RDF) as Sponsor Loans	1,925,312		
Charitable Org Grants as Sponsor Loans	800,000		
Deferred Developer Fee/GP Equity	702,063		
Total Sources	**36,744,328**	**Total Uses**	**36,744,328**

Development Team

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

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

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

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

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

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

Housing Development Center (HDC): To further boost our capacity and provide technical expertise, we have enlisted the support of Housing Development Center as our development consultant for Tistilal Village Redevelopment. NAYA has worked with HDC for over six years, first as an asset management client and now as a development client. HDC has 28 years of experience providing development capacity for non-profits and public housing authorities to build and renovate affordable housing and community facilities. Since 1993, HDC has worked with 60+ nonprofits and housing authorities to develop and preserve more than 7,000 new and rehabbed affordable housing units and 350,000 square feet of commercial and service-facility space in communities across Oregon and Southwest Washington.

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

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

Colas Construction is one of the largest Black-owned construction firms in the Pacific Northwest and brings sizable project experience with a proven track record of exceeding expectations in construction. As a second generation, family-owned and operated BIPOC Prime Contractor, Colas constructs value-based projects that not only create jobs but careers that reflect our community. Annually, Colas conducts a volume of approximately $100M and consistently has held a capacity of $80M per project and $150M in aggregate bonding.

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

Community Engagement

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

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

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

quality, and affordable housing to the Native community, integrate PSH and trauma informed design, incorporate Native American art, and thus create cultural pride and empowerment into the site. All of these are important priorities identified by the community we serve.

While assembling our project sources, we developed a resident engagement plan for the current residents of Tistilal Village. We have planned regular engagement every 4-6 weeks to discuss the project's timeline and residents' relocation options, to receive final input on building design and amenities, and to discuss when and how they can move back to Tistilal Village. As of September 2021, we have held two outdoor, in-person meetings with residents, which were both very well attended. During the meetings, we reassured residents that NAYA will support them through the project and will offer lots of options, including homeownership counseling and financial assistance. Colas Construction staff explained the resources they will make available to residents interested in working in the construction trades. We also notified people about upcoming design feedback sessions for residents to provide input on what they would like to see in the new development.

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

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

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

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

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

Advancing Racial Equity

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

- *How the project location reflects considerations related to racial equity (e.g., geographic distribution of affordable housing, access to opportunity, strategies to address racial segregation, and strategies to prevent displacement and stabilize communities)*
- *Fair housing strategies to eliminate barriers to housing access for communities of color and other historically marginalized groups (e.g., fair housing marketing strategies, community partnerships, low barrier screening, etc.)*
- *Strategies to include economic opportunities for people of color (e.g., MWESB/COBID participation and workforce diversity)*

The Native American Youth and Family Center's (NAYA) mission is to enhance the diverse strengths of our youth and families in partnership with the community through cultural identity and education. Throughout our organization's 46-year history, we have sustained our diverse traditions while expanding and modernizing our programs and services to meet the needs of our people. NAYA is a gathering space for Multnomah County's Native American community to practice tradition and teach culture in a safe and welcoming space. Our organizational philosophy and service delivery model is rooted in Indigenous teachings and values.

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

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

Project Location

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

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

Housing Access

NAYA's housing is developed by and for the region's Native community. We know we can successfully reach this population, as our recent lease-ups have shown. Nesika Illahee opened in

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

Our results at Nesika Illahee are remarkable and unprecedented. We are housing and serving some of our most vulnerable community members. Fifty-nine percent of heads of household are female; 16% of heads of household are female, disabled, Native, with no other adult in household, and with kids; lastly, the average household income is 27% AMI, with one-third of households at or below 10% AMI.

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

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

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

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

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

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

Equitable Contracting

COBID-certified Disadvantaged, MWESB or Service-Disabled Veteran-Owned Businesses: NAYA selected Colas Construction as the general contractor on this project because their firm's

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

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

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

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

Partnerships and Services

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.

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

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

NAYA and NARA are culturally specific organizations, and are the lead developer and service provider, respectively. Both NAYA and NARA were founded on a vision of equity for our people. We

are grounded in Native American values and are dedicated to healing and empowering our Native American community.

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

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

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

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

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

Anticipated Timeline

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

Our current project schedule has us closing the construction loan in February 2023 and completing construction in July 2024, with the project fully leased by December 2024.

Activity	Proposed Date (month/year)*	Completed Date (month/year)*
Site		
Site Acquisition	Feb-08	Feb-08
Zoning Approval	Apr-21	Apr-21
Site Analysis	Sept-21	Jan-23
Building Permits & Fees	Apr-22	Jan-23
Off-Site Improvements	Dec-23	Sep-24

Pre-Development		
Plans Completed	Apr-22	Nov-22
Final Bids	Jul-22	Dec-22
Contractor Selected	Jan-21	Jan-21
Financing		
Construction Loan:		
Proposal	Jun-21	Jun-22
Firm Commitment	Apr-22	Aug-22
Closing/Funding of Loan	Sep-22	Feb-23
Permanent Loan:		
Proposal	Jun-21	June-22
Firm Commitment	Apr-22	Aug-22
Closing/Funding of Loan	Sep-24	Feb-23
Development		
Syndication/Partnership Agreement (LIHTC)	Sep-22	Feb-23
Construction Begins	Sep-22	Feb-23
Construction Completed	Dec-23	July-24
Certificate of Occupancy	Dec-23	July-24
Marketing		
Lease Up Begins	Jan- 24	July-24
Lease Up Completed	Jun-24	Dec-24
Absorption (units per month)	11.5	