

Housing Bond Progress Report for Hillsboro | 2022

The purpose of this report is to summarize local progress toward implementing local implementation strategies for the Affordable Housing Bond program. At the end of each calendar year, participating jurisdictions submit progress reports to Metro. Reports are reviewed by the Affordable Housing Bond Community Oversight Committee, which is charged with monitoring progress toward unit production and policy goals and ensuring alignment with guiding principles. Metro staff produce an annual report summarizing regional progress across all implementing jurisdictions.

SECTION 1: UNIT PRODUCTION AND FUNDING

This section is intended to provide a summary of projects and units in each jurisdiction's Affordable Housing Bond pipeline and Affordable Housing Bond funding commitments. With the passage of the Supportive Housing Services measure in 2020, many jurisdictions are seeking opportunities to expand unit production, deepen affordability, or increase the number of supportive housing units across the portfolio. With this in mind, we are also tracking plans to leverage SHS funding for rental assistance and/or services.

At the end of December 2022, the City of Hillsboro has one of three total pipeline projects under construction, with project completion expected in the fall of 2023. The “Nueva Esperanza” project by Bienestar and Housing Development Center (HDC) represents 149 new affordable homes, achieving 52% of Hillsboro’s total production target, while using approximately 41% of the allocated \$41,240,081 in funding. Of the homes created, 105 will have 2 or more bedrooms, representing 74% of Hillsboro’s target for family-size homes. 60 units will be affordable to households with incomes at or below 30% of area median income (AMI), achieving 51% of Hillsboro’s target for deeply affordable homes. In addition to contributing \$16.9 Million in Housing Bond funds, Hillsboro donated 6-acres of City-owned property for the Nueva Esperanza project.

Throughout 2022, Hillsboro worked closely with Metro’s Site Acquisition Program Staff to assist with acquisition and predevelopment of property for Hillsboro’s second bond-funded affordable housing project: Walker Road. In July 2022, Metro purchased two adjacent properties on Walker Rd. in the Tanasbourne area of Hillsboro, totaling approximately 2 acres. Predevelopment work was conducted throughout summer of 2022, leading to a Request for Proposals (RFP) for disposition and development of the site issued by the City in late September. As part of the RFP, the City made a not-to-exceed amount of \$11 Million of its allocation of Metro Bond Funds available, equaling a maximum of \$183,000 in bond financing subsidy available per unit. The submittal deadline for the Walker Rd. Affordable Housing RFP was December 2nd. Three proposals were received in response to the competitive solicitation.

Walker Rd. RFP requirements included a minimum of 60 units, 40% at deeply affordable income levels (30% AMI or below) and 40% family-size units (two bedrooms or more). Racial Equity, Resident Services and Community Engagement plans were required of each proposal, aligning with Hillsboro’s Local Implementation Strategy (LIS) and the Metro Bond Framework. In addition, Sustainability Measures, Universal Design Features

and Cooling/AC provisions in each unit were also required of proposed projects. Preferences for the Walker Rd. RFP included dedicated Permanent Supportive Housing (PSH) units and voluntary workforce tracking and reporting. A Selection Committee was formed in partnership with Metro, comprised of racially and culturally diverse community members.

As of late January 2023, committee evaluations and scoring for the Walker Rd. RFP was underway. The City is expecting to bring the selected project forward for Concept Endorsement consideration in March 2023. The Walker Rd. project will provide a minimum of 60 units, totaling 209 units in combination with Nueva Esperanza. Together these two projects achieve nearly 75% of Hillsboro’s total production target.

Throughout 2022, the City also worked on a third affordable housing project being considered for Metro Bond financing: Block 67 Affordable Housing. The proposal “Viridian,” jointly submitted by developers Rembold and Related Northwest (“Related”) was selected by the City in Spring 2022 through an RFP for the Block 67 site in Downtown Hillsboro. The Viridian proposal contains an affordable housing project proposed by Related, in partnership with Centro Cultural, comprised of 78 units. After additional predevelopment and project feasibility work by the developer(s), the City expects to bring the Block 67 Affordable Housing project forward for Concept Endorsement consideration in March/April of 2023. The addition of these 78 units to the two aforementioned projects brings Hillsboro’s pipeline project total to 287 units, exceeding the City’s total unit production target by 3 units. Since the latter two Hillsboro projects have not yet received Concept Endorsement, they are not shown in the table included below as *Figure 1* or in several subsequent report sections.

Figure 1. Production progress and resources committed

Project	Total Project Cost	Metro Bond Funds	Number of BOND ELIGIBLE units <i>(excludes manager units and non-eligible units)</i>					Plans to leverage Supportive Housing Services (SHS) funding <i>(yes/no/TBD)</i>		Status <i>Concept, final approval, construction, complete</i>	Construction start <i>(anticipated or actual)</i> Month/Year	Completion Month/year
			Total units	30% AMI units	Family sized (2+ BRs)	PSH units	Number of occupants (as of Dec-2022)	For rental assistance	For wraparound services			
Nueva Esperanza	\$53,905,844	\$16,940,731	149	60	105	8			In Construction	Mar-2022	Oct-2023	
Total committed or underway		\$16,940,731	149	60	105	8						
LIS commitment		\$41,240,081	284	117	142							
% of commitment complete		41%	52%	51%	74%							
Remaining for LIS		\$24,299,350	135	57	37							

SECTION 2: PROJECT HIGHLIGHTS

This section is intended to provide a brief overview of each project in the pipeline—and some of the noteworthy features.

Nueva Esperanza will provide 149 new affordable homes and one unrestricted manager's unit across 12 residential buildings and one central community building. Units will serve households earning 30-60% of AMI. With 105 family-size units of 2 bedrooms or more, the project will focus on serving low and very-low-income families of color, particularly Latinx, Somali and other immigrant communities. The project features 46 three-bedroom units and 4 four-bedroom units for larger families.

The Nueva Esperanza Development Team of Bienestar, Housing Development Center (HDC), Scott | Edwards Architecture, and LMC Construction first came together in 2018 to tackle a difficult rehab project at the Bienestar-owned Montebello Apartments in Hillsboro. For this project, each of these four organizations has adopted a culturally specific lens. S|EA has designed *Nueva Esperanza* with cultural specificity and to be responsive to communities of color; HDC recognizes its role as consultant and partner and leans into listening to the community and those with lived experience during development.

The project leverages \$16,940,731 of Hillsboro's share of Housing Bond funds with non-competitive 4 percent LIHTC equity, tax exempt bonds, private bank financing, and an OHCS Multifamily Energy Program grant. Meyer Memorial Trust has also provided support for the Nueva Esperanza project and has granted \$300,000 in predevelopment funds to the project in addition to a \$750,000 loan for predevelopment from Community Housing Fund (CHF).

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

- Community courtyards are located within each cluster of residential buildings. Front doors open onto courtyards with areas to sit or to gather. Each courtyard provides a play area, a barbecue and picnic tables, walking paths, lighting and a distinct character.
- Type A (accessible) units are located within various buildings across the site with ADA parking as close to the designated unit as possible.
- The project includes flats as well as townhouse units which allows for diversity in accessibility.
- Two-bedroom units include a bathroom with a lavatory separated from a toilet/bathtub to allow a family member to use the sink while another family member is bathing.
- Three- and four-bedroom units include one bathroom with a bath and one bathroom with a shower.
- Blocking is provided in all bathrooms that will allow for future grab bars if the need arises.
- Kitchens include generous pantry units that enhance livability and reach space.

SECTION 3: ADVANCING EQUITABLE OPPORTUNITY IN PLANNING AND CONSTRUCTION

In keeping with the guiding principle of leading with racial equity, local implementation strategies include commitments to advance racial equity through the planning and construction process, including goals for the amount of contract dollars (hard and soft costs) that will be paid to COBID-certified Minority, Women, and Emerging Small Business (MWESB) firms and strategies for encouraging inclusion of women and people of color in the workforce. Goals and tracking commitments for workforce diversity vary across jurisdictions and projects. Within three months of construction completion, each project will report on contracting outcomes and those tracking workforce diversity will report on workforce outcomes. This data will be included in future annual progress reports.

Hillsboro’s LIS currently calls for a contracting goal of 20% of total project costs to MWESB-DV, COBID-certified businesses. Hillsboro’s equitable contracting goal, based on total project costs, increases construction contracting dollars to certified firms.

Nueva Esperanza total project cost is \$53.6 Million. Bienestar and HDC have committed to working to achieve the goal of 20% of these total costs for contracting to COBID-certified businesses in alignment with Hillsboro’s LIS. For Nueva Esperanza, that goal is quantified at \$10.7 Million in equitable contracting dollars. Thus far, the project is tracking at 26.36% of hard costs paid to COBID-certified businesses.

Due to limited current capacity for workforce tracking and compliance, the City of Hillsboro did not set numerical workforce diversity goals and strategies in its LIS. However, for the Nueva Esperanza project, the City has set expectations with the development/ownership team for reporting of workforce diversity successes. This could be quantitative information such as that contained in the table below related to labor hours or it could be qualitative reporting on mentorships, capacity building, and small business support. The City expects this workforce reporting to occur after project completion later this year.

Figure 2. Equitable contracting goals and outcomes

Project name	Developer, General contractor	Actual/expected construction completion	Contracting goals		Contracting outcome	
			% of total contract amounts paid to...		% of total contract amounts paid to...	
			Project goal (% hard costs)	Project goal (% soft costs)	Project outcome (% hard costs)	Project outcome (% soft costs)
Nueva Esperanza	Bienestar,HDC/ LMC	Oct-2023	20%	20%	TBD	TBD

For projects that provided a minimum and maximum (or “stretch”) goal, please use the “minimum goal.”

Figure 3. Workforce diversity goals/outcomes (as applicable based on LIS and project)

Project name			Workforce tracking?	Prevailing wage	Workforce goals	Workforce outcomes
					% of total labor hours* worked by...	% of total labor hours* worked by...

	Developer, General contractor	Actual/expected construction completion	Y/N	BOLI, Davis Bacon, N/A	POC	Women	Apprentices	POC	Women	Apprentices
Nueva Esperanza	Bienestar,HDC/LMC	Oct-2023	N	N						

For projects that provided a minimum and maximum (or “stretch”) goal, please use the “minimum goal.”

SECTION 4: ADVANCING EQUITABLE HOUSING OPPORTUNITY, ACCESS, AND STABILITY

The guiding principles for the Affordable Housing Bond Program include commitments to lead with racial equity and to create opportunity for those who have been left behind by the region’s housing market, especially communities of color, families with children and multiple generations, people living with disabilities, seniors, veterans, households experiencing or at risk of homelessness, and households at risk of displacement. Each local implementation strategy defines commitments and strategies to ensure affirmative marketing, low-barrier lease up practices, and culturally responsive programming—in addition to location priorities that affirmatively further fair housing and support community stability for those who have experienced displacement or risk of displacement. Once projects begin to lease up, data will be collected to report on marketing and lease up metrics and demographics of the initial resident population.

- a. *How locations of selected projects supported the location strategy described in your LIS, and any location priorities for future solicitations (feel free to include a map if you can)*

Hillsboro’s LIS calls for new affordable housing development in opportunity-rich neighborhoods, with priority in areas currently not served by existing affordable housing projects and resources. The Nueva Esperanza site on NE 53rd Ave and Hidden Creek is ideally located for the creation of a new, affordable neighborhood taking advantage of the City’s local parks amenities. Adjacent to the site is a new community center and the 53rd Avenue Community Park complex, including an all-access inclusive playground now under construction. High frequency light rail transit at the MAX Hawthorne Farm station is only ½ mile north of the site as is Bus #47 on Baseline Road to the south. A Neighborhood commercial district, including a pharmacy and medical office are within walking distance. The closest existing affordable housing is in the Orenco Neighborhood, some 2 miles in distance. Thus, Nueva Esperanza is filling an unmet need for affordable housing in the 53rd Avenue corridor.

The Walker Rd. and Block 67 projects are also located in service-and amenity-rich areas of Hillsboro. The Walker Rd. property acquired by Metro in Tanasbourne is proximate to Magnolia and Amberglen Parks, three grocery stores, the #48 bus line, and McKinley Elementary School. Block 67 in the heart of Downtown Hillsboro is immediately adjacent to MAX Transit and walking distance to ample shopping, education and health services all in ½ mile or less. The Block 67 project site itself will contain a grocery store and other retail amenities in addition to culturally competent community services.

b. How projects are incorporating affirmative marketing strategies, partnerships for referral, and low-barrier lease-up

For Nueva Esperanza, Bienestar, HDC, and partners are carrying out a multi-lingual marketing and lease-up plan that ensures racial and economic equity is achieved, that all classes of disadvantaged populations will have equal and fair access, and that the project is furthering affordable housing choice in Hillsboro.

Lease up for Phase I (48 units) will begin in mid-February 2023. Bienestar developed marketing materials that reach lower-income predominantly monolingual and limited-English Spanish-speaking households and lower-income African and other immigrant populations in Hillsboro to ensure that they are aware and informed of leasing availability. Bienestar is working with Somali Empowerment Circle, Adelante Mujeres, Family Promise, Community Action and others to ensure that information is distributed to other communities of color in the area and will produce leasing and other informative materials in other languages as needed.

Bienestar serves the area's largest and most at-risk population of color, Latinx farmworkers and working families, to ensure even the most financially disadvantaged in the community have access to quality homes. Bienestar worked with local service agencies to create an improved low-barrier and equitable screening process for all applicants. These partners, (Community Action, Family Promise and Somali Empowerment Circle) and supportive housing experts (Sequoia Mental Health), identified common barriers such as negative credit history, past evictions, income inefficiency, and criminal records. Bienestar has strived to address these through common sense changes. One example is that Management will not deny an applicant for negative rental history or prior evictions if it was based on severe rent burden. Additionally, the criminal conviction review process has removed any crimes that are no longer illegal at the State or Federal level. Applicants will be encouraged to provide professional letters to assist in the review process. For every aspect of the screening criteria, Bienestar and NW Real Estate (Property Manager) will consider relevant individualized evidence of mitigating factors and approach each review through the lens of equity.

c. Specific strategies for leasing permanent supportive housing units (e.g. coordinated referrals)

For Nueva Esperanza, Bienestar, HDC, and NW Real Estate will be accepting applicants with Washington County Long Term Rental Assistance (RLA) vouchers serving disabled community members that are struggling with chronic or at-risk homelessness. Bienestar is coordinating with organizations such as Family Promise, Community Action, Sequoia Mental Health, Community Connect and other resources in Washington County for coordinated referrals as applicable.

d. Plans and partnerships to align culturally specific/responsive programming and services to meet the needs of tenants.

Bienestar's Promotores/Community Connectors program recruits and empowers resident leaders (Promotores) who act as "community connectors," doing home visits and providing residents with referrals to relevant services. Resident services staffing will be provided on-site at

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

Bienestar will leverage a wide array of services for Nueva Esperanza residents through strong partnerships with more than 10 community-based organizations, including Virginia Garcia Memorial Health Center, Community Action, Centro Cultural, Adelante Mujeres, multiple departments of the City of Hillsboro, Washington County and others. Services provided by the partners include:

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

Figure 4. Summary of project plans and partnerships for affirmative marketing and culturally responsive services

Project name	Who the project seeks to serve	Plans/partnerships for affirmative marketing	Plans/partnerships for responsive services
Nueva Esperanza	Low and very-low-income individuals and families of color, particularly Latinx, Somali and other immigrant communities	Somali Empowerment Circle, Family Promise, Community Action and others as described above.	Virginia Garcia, Community Action, Adelante Mujeres and others as described above.

Figure 5. Physical accessibility features

Project name	Number of ground floor units	Number of ADA (Type A) units	Universal design (Y/N)
Nueva Esperanza	52	8	Y

SECTION 5: COMMUNITY ENGAGEMENT TO INFORM PROJECT OUTCOMES

In keeping with the Affordable Housing Bond Program include commitments to lead with racial equity, each local implementation strategy defines commitments and strategies for ensuring that people of color and members of other historically marginalized communities are engaged in shaping project outcomes. To ensure that we can measure these outcomes, Metro is encouraging and supporting jurisdictional and development partners in collecting and reporting on demographic outcomes for community engagement. While this data is not expected to be complete/thorough for each project, the goal is to expand best practices for tracking and reporting on demographic outcomes.

Each jurisdiction not only reports on WHO was engaged, but WHAT activities were done, WHAT themes came from the engagement, and WHAT changes were made in response, as well as any partnerships used to support reaching community members.

Figure 6. WHO WAS ENGAGED: Summary of community engagement demographics (add rows as needed)

Project or engagement event	Total participants	Were demographics tracked? (Y/N)	If yes, how many voluntarily reported demographics?	Of those reporting demographics...						
				% people of color	% people with low incomes	% older adults (over 60)	% limited English proficiency	% immigrants and refugees	% existing tenants in building	% people who have experience homelessness
Nueva Esperanza Engagement	31	Y	31	100	60	N/A	N/A	N/A	19	N/A

Figure 7. ENGAGEMENT ACTIVITIES, THEMES AND OUTCOMES (add rows as needed)

WHAT YOU DID	WHAT YOU HEARD	WHAT YOU CHANGED
Include engagement done by developers/CBOs on all your projects in 2022. List community engagement activities such as “focus group,” “3 listening sessions,” “survey,” etc.	Summarize major themes of feedback from each engagement activity, e.g. “more large units,” “more garden space,” “preferred cool exterior colors,” etc.	Summarize what changes were made to project in response to each theme of feedback, e.g. “added 5 more three- and four-bedroom units,” “increased garden space,” etc.
Bienestar conducted ongoing meetings with a Latinx Project Advisory Committee to inform everything from project name to design and approach. Bienestar met regularly with resident focus groups and members of the Somali Empowerment Circle to include	Having both shower and baths in a unit is favored, kitchen and living rooms should be separated-with a barndoor-style partition preferred, dining room should be closer to the laundry hook ups to multitask, Add outdoor cooking area and benches, more outdoor lighting for safety	As a result of feedback from culturally-specific communities of color, the following design adjustments were made: 2 bathrooms placed in 3 & 4-bedroom units, 3 and 4 bedrooms will have washer dryer hook ups placed by kitchen and dining areas for easier multitasking, a partition will be placed between

<p>feedback on design and other project elements. Bienestar in partnership with Adelante Mujeres conducted an online survey to receive project feedback. Developer also interfaced with organizations such as Community Action, Sequoia Mental Health, and Family Promise on feedback related to resident services, referrals, and marketing.</p>		<p>the kitchen and living room for 3 and 4 bedrooms, moveable furniture in the laundry room and community room to create a comfortable waiting area, changed leasing office to have two entries/exits to address safety concerns, community space layout changed with a separate access to the community kitchen, laundry room larger, art or mural wall for foyer will be included, windows/lighting in community room and kitchen were added, an outdoor cooking area was added, outdoor benches were included, play areas were separated by age level.</p>
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Figure 8. Summary of community engagement partnerships

	Total community-based organizations	Culturally specific organizations	Faith-based organizations	Other community-based organizations <i>(not culturally specific or faith based)</i>
Number of partnerships	6	3	0	3
List of organizational partners		Bienestar, Somali Empowerment Circle, Adelante Mujeres		Family Promise, Community Action, Sequoia Mental Health
Outreach strategies used (NOT engagement activities, but how you got people to engage, e.g. tabling, emails, phone calls, etc.)				

SECTION 6: CLIMATE RESILIENCE AND SUSTAINABILITY

The historic heat wave experienced by the Pacific Northwest in June 2021 made it clear that climate change is not only a challenge for the future; it's here. How are your projects incorporating cooling strategies to keep people safe as temperatures increase and wildfires that impact air quality become more frequent? More broadly, how is your jurisdiction working with affordable housing developers to support climate resilience and climate smart building strategies? What challenges do you face and what opportunities do you see for regional coordination?

As part of its competitive solicitations, Hillsboro requires descriptions of sustainability measures including the provision of cooling/AC in each project unit. Therefore, all bond-funded projects will have in-unit cooling to keep residents safe in Oregon's unprecedented temperatures.

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

Nueva Esperanza units are equipped to provide cooling for residents. After considering a number of factors including utility costs, long-term maintenance, construction cost, resident choice and comfort the development team has included the following cooling strategies for the project:

- A packaged terminal heat pump (PTHP) will be installed underneath each unit's living room window providing air conditioning into the living/cooking spaces. Based on the energy model, this device will typically cool the main living areas and provide respite when the rest of the unit might get warm.
- Ceiling fans will be installed in every bedroom. While a ceiling fan does not contribute to cooling in the energy model, it does contribute to a feeling of comfort when someone is in the room.
- Bedroom window ports are included in the project budget as a construction add-back item to allow for a portable air conditioning unit provided by the resident. The electrical engineer has verified that the available load for the unit will support a typical portable air conditioning unit in each bedroom.