

METRO HOUSING BOND QUARTERLY REPORT | APRIL – JUNE 2023

August 3, 2023

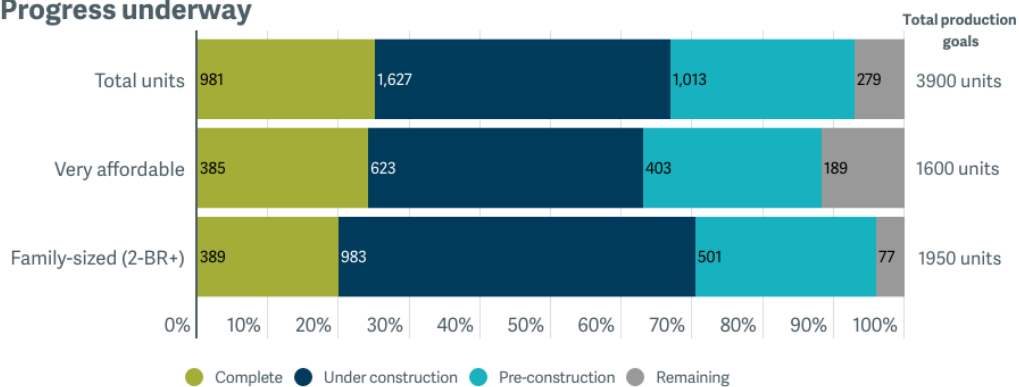
This is the second quarterly progress report for the Metro Affordable Housing Bond of 2023. Similar reports are produced quarterly with the goal of keeping the Housing Bond Community Oversight Committee, Metro Council, and other stakeholders and partners informed about ongoing implementation progress. 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

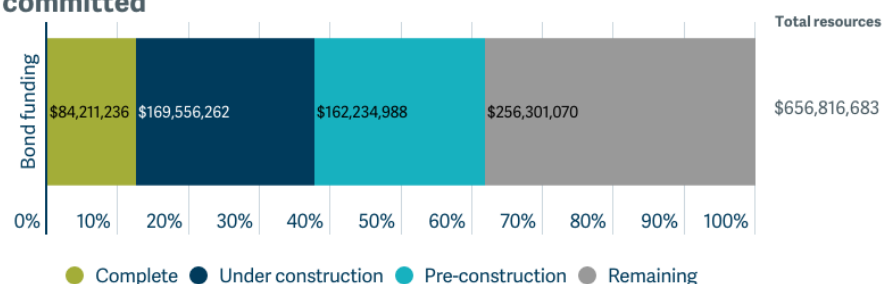
As of the end of June 2023, the Affordable Housing Bond program has 41 projects representing 3,621 new affordable homes in the pipeline, including eleven projects (1,013 units) that are in pre-construction. Thirty-two projects have received final approval, of which eighteen (1,627 units) are under construction, and twelve projects (981 units) have completed construction and are accepting residents. Of these homes, 1,873 will have two or more bedrooms, representing 96% of the program's production goal of 1,950 family-sized homes; and 1,411 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 88% of the program's production goal of 1,600 deeply affordable homes. Collectively, the 41 projects in the pipeline represent 3,621 new affordable homes, or 93% of the total production target for the Housing Bond, while utilizing approximately 66% of allocated project funding.

Production and funding dashboard

Progress underway



Resources committed



REGIONAL PRODUCTION PROGRESS

	Eligible units	30% AMI units	2+ BR units	PSH units
Total units in pipeline	3,621	1,411	1,873	649
Total unit production targets	3,900	1,600	1,950	N/A
% of unit progress underway	93%	88%	96%	N/A
Total funding committed or underway	\$433,380,948			
% of funding committed	66%			
Total funding remaining	\$223,435,735			

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	Feb-2023
Dekum Court*	<i>see Home Forward</i>	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	Dec-2022
74th and Glisan – Family	\$3,685,679	Construction	96	56	63	0	Jun-2023	Sep-2024
74 th and Glisan – PSH	\$5,822,000	Construction	41	41	0	41	Jun-2023	Sep-2024
5020 N Interstate	\$9,216,838	Construction	63	17	48	0	Jul-2022	Dec-2023
Albina One	\$13,572,107	Construction	94	32	55	0	Mar-2023	Jun-2025
Meridian Gardens	\$13,365,160	Pre-construction	85	70	0	65	Feb-2023	Mar-2025
Hollywood Hub	\$29,084,328	Pre-construction	73	39	23	0	Nov-2023	Jun-2026
PCC Killingsworth	\$2,538,237	Pre-construction	84	28	60	0	Jun-2023	Dec-2025
Tistilal Village	\$4,632,538	Construction	24	24	22	16	Jan-2023	Aug-2024
Powellhurst Place	\$4,091,048	Construction	64	12	45	12	Aug-2022	Dec-2023
Barbur Apartments	\$22,519,248	Pre-construction	149	32	102	0	Jun-2024	Dec-2025
Carter Commons	\$5,800,000	Pre-construction	62	21	0	0	Jun-2024	Aug-2025
Garden Park Estates	\$2,239,308	Construction	54	25	40	25	Jun-2023	Jul-2025
Strong Site	\$11,250,000	Pre-construction	75	11	54	0	Apr-2024	Aug-2025
Portland Value Inn	\$6,155,974	Pre-construction	98	39	58	15	Jun-2025	Aug-2026
Total units in pipeline			1,480	585	696	289		
Total unit production targets			1,475	605	737	300		
% of commitment complete			100%	97%	94%	96%		
Total committed or underway								
Total LIS funding			\$143,111,086					
% of funding committed			\$199,652,992					
Remaining LIS funding			72%					
			\$56,541,906					

*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	Oct-2023
Aloha Quality Inn	\$9,283,000	Complete	54	54	0	54	Dec-2021	Feb-2023
Plambeck Gardens	\$14,320,000	Construction	116	47	60	8	Mar-2023	Aug-2024
Goldcrest	\$12,000,000	Construction	74	14	45	0	Sep-2022	Apr-2024
Plaza Los Amigos	\$13,670,523	Construction	112	26	72	16	Jul-2022	Sep-2023
Saltzman Road	\$6,149,000	Construction	54	28	9	24	Jun-2022	Dec-2023
Terrace Glen	\$17,484,000	Complete	144	51	74	3	Nov-2021	May-2023
The Valfre at Avenida 26	\$3,792,088	Complete	36	8	30	8	Jul-2021	Oct-2022
Tigard Senior	\$6,270,000	Construction	57	23	0	23	Jul-2022	Aug-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%	95%	97%	N/A		
Total committed or underway			\$105,161,611					
Total LIS funding			\$118,135,532					
% of funding committed			89%					
Remaining LIS funding			\$12,973,921					

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
Las Flores (Maple Apts.)	\$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			69%	72%	92%	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	0	Mar-2022	Oct-2023
The Dolores	\$10,500,000	Pre-construction	66	30	46	10	Sep-2024	Dec-2025
Total units in pipeline			215	90	151	10		
Total unit production targets			284	117	142	0		
% of commitment complete			76%	77%	106%	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%	69%	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			85%	85%	85%	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 second quarter of 2023. Staff reports for these approvals are included in the Quarterly Report Project Approvals Addendum.**

Project	Endorsement/Approval
74 th and Glisan – Phase 2 (PSH)	Final Approval
Albina One	Final Approval
Carter Commons	Concept Endorsement
Garden Park Estates	Final Approval
Plambeck Gardens	Final Approval
Portland Value Inn	Concept Endorsement
Strong Site	Concept Endorsement
The Dolores	Concept Endorsement

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

METRO AFFORDABLE HOUSING BOND

Financial Report Through June 2023

FINANCIAL SUMMARY

TOTAL REVENUE	\$691,385,981
TOTAL EXPENSES and DISBURSEMENTS	\$327,782,516
TOTAL COMMITTED	\$122,297,378
TOTAL FUNDING REMAINING	\$241,306,087

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	\$5,989,898	\$35,955,646
TOTAL REVENUE:	\$685,396,083	\$5,989,898	\$691,385,981

EXPENSES

PROJECTS	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
Jurisdiction:						
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	\$10,500,000	\$27,440,731	\$41,240,081	66.54%
Home Forward (East Multnomah Co.)	\$21,034,083	\$0	\$13,449,238	\$34,483,321	\$37,141,206	92.84%
Portland	\$8,096,131	\$57,667,168	\$77,347,787	\$143,111,086	\$199,652,992	71.68%
Washington County	\$76,894,611	\$28,267,000	\$0	\$105,161,611	\$118,135,532	89.02%
Metro Site Acquisition Program	\$7,656,656	\$14,486,087	\$12,560,419	\$34,703,162	\$62,016,000	55.96%
Other Metro Direct Project Costs	\$71,131	\$88,169	\$0	\$159,300	\$0	N/A
PSH IGAs in progress					\$15,834,000	N/A
Funding to be allocated (interest earnings)					\$2,050,187	N/A
TOTAL:	\$207,386,390	\$103,697,180	\$122,297,378	\$433,380,948	\$ 656,816,683	65.98%

ADMINISTRATIVE	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
Jurisdiction:					
Beaverton	\$454,134	\$115,118	\$569,252	\$974,615	58.41%
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	\$0	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	\$3,447,793	\$11,188,166	\$19,409,319	57.64%
Funding to be allocated (interest earnings)				\$2,356,157	N/A
TOTAL:	\$12,233,964	\$4,464,982	\$16,698,946	\$34,569,299	48.31%

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

** Administrative expenses in support of Metro's Site Acquisition Program are combined with Metro's total Administrative expenses and included in "Metro Accountability and Financial Transaction Costs."

Metro Affordable Housing Bond Program

Final Approval

Project Name: 74th and Glisan (Phase 2 – PSH project)

Implementing Jurisdiction: Portland Housing Bureau

Metro IGA Contract Number: 937016

Date of Concept Endorsement: November 16, 2021

Anticipated construction start: June 2023

Anticipated construction completion: September 2025

Action:

Metro hereby provides the Portland Housing Bureau with Final Approval of \$5,822,000.00 in Metro Affordable Housing Bond funds, for the development of 74th and Glisan – Phase II – PSH Project, a regulated affordable housing project located at 7450 NE Glisan Street, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau is attached as Exhibit B.

This 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
41	Studio	30%	41

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 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.



Marissa Madrigal
Deputy Chief Operating Officer

5/10/2023

Date

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



Drafted by: Jimmy Oporta, Housing Program Coordinator and Alison Wicks, Senior Housing Program Coordinator
Date: May 10, 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 II – PSH 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. 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 had a financial close in April 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, all supported by project-based section 8 vouchers and a \$10,000 per unit subsidy from the Joint Office of Homeless Services (Glisan PSH). Total development costs for Phase 2 are estimated at \$21.2 million.

The immediate Metro funding request for the 74th and Glisan - PSH (Phase 2) project, is in the amount of \$5,822,000 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 \$21.2 million and Metro Housing Bond funding is \$5.8 million (27% of total costs).

- Net cash developer fee is 8.2% 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 is June 2023 with completion anticipated in September 2025.

Contribution to unit production targets

When combined, 74th and Glisan's Phase I and Phase II projects will utilize 5% 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:

- 10% of Portland's overall unit production target;
- 16% 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 (\$9,507,679) 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 82% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 110% of Portland Housing Bureau's overall unit production target;
- 98% of Portland Housing Bureau's target of units affordable to households making 30% or less of area median income (AMI); and
- 106% 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 4/6/2023
- OHCS Affirmative Fair Housing Marketing Plan
- Resident services plan
- Letters of Intent by US Bank, City Bank
- Design development drawings 4/15/2022
- Phase II Environmental Site Assessment (ESA) dated 1/28/2022
- Contaminated Media Management Plan (CMMP), dated 5/6/2022
- Land appraisal dated 2/3/2023
- Community engagement outcomes report dated 9/7/2022

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. 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. Similar goals have been applied to those working in journey level positions. Additional details can be found in PHB's Appendix D, Equity in contracting, section 3, and apprentice & workforce diversity requirements document.
- **Access for historically marginalized communities:** The 74th and Glisan PSH project focuses on providing specialized affordable housing access for BIPOC and disabled individuals, as well as survivors of domestic violence. Five units of PSH housing will be set-aside for survivors of domestic violence and/or sexual assault. To increase access for marginalized communities, the project will implement low barrier screening to reduce the number of denials, need for appeals and to expedite access to housing. Quantum property management will partner with IRCO to assist with addressing cultural and language barriers for groups least likely to apply.
- **Culturally responsive and appropriate services:** Catholic charities will provide resident services at the 74th and Glisan – PSH project. These will include case management, mental health services, ongoing culturally specific counseling, and trauma support. Case managers will also work with residents to help them access primary care, nursing and health programs, food pantries, public benefits, energy assistance and financial counseling.

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
- Designing kitchens toward the back of units and providing visibility toward courtyards
- 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 PSH's building envelope is designed to meet or exceed energy code requirements and the building is projected to meet Earth Advantage Gold certification. 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 air conditioning to every unit via Packaged Terminal Heat Pump (PTHP) units.

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

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

Submitted on: February 16, 2023

Project Overview

The Portland Housing Bureau (PHB) is requesting Metro final approval to award up to \$5,822,000 in Metro bond and site acquisition funds to Related Northwest and Immigrant and Refugee Community Organization (IRCO) for the Glisan PSH 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 PSH (Glisan PSH), and the other focuses on permanent supportive housing (PSH). This approval request discusses only the Glisan PSH project of 41 units. After the original award, revised award letters were provided in September 2022 which split the project and the funding between the Glisan PSH versus the Glisan PSH project, accordingly. The Metro funding request for the PSH project is in the amount of \$5,822,000. All PSH units have project-based Section 8 vouchers and include a \$10,000 per unit subsidy from JOHS.

Related Northwest, as lead co-developer (with Catholic Charities’ development affiliate, Caritas), will construct a new four-story affordable housing project, totaling 41 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, which site will be conveyed fee simple at or before close of construction financing and the building demolished as a part of the overall construction project.

Catholic Charities will provide 1.60 PSH case managers (two staff, each at four days per week) as well as one fulltime peer support specialist. Services would include:

- Case management and peer support focused on housing retention and housing stability including adjusting to living inside, understanding lease requirements, getting along with neighbors, paying rent and utilities on time, housekeeping
- Mental health services, either provided by Catholic Charities or other mental health providers, including ongoing counseling, trauma support, culturally specific counseling, domestic and sexual violence recovery, addictions support, healthy relationships, and support groups
- Services focused on income support including accessing benefits, employment support, access to matched savings accounts, energy assistance events, and financial counseling

April 11, 2023

- Services related to health including access to primary care, nursing and health programs, food pantry, gardening, cooking classes, walking groups, yoga and fall prevention
- Social Services related to social connection including building activities like picnics, arts classes, bingo, holiday parties, peer support

Unit Size	Total No. Units	30% MFI	60% MFI	PSH	Section 8 PBV ¹	HTF units
Studio	41	41	0	41	41	15
Total	41	41	0	41	41	15

Inclusionary Housing:

The project is also subject to inclusionary housing and will be making the following election for the four (4) units required in this project.

Unit Type	# Req	Min Sq Ft
Studio	4	383
	4	

Development Program

The proposed project is a 46,743 square foot, 41-unit, all studio four-story elevator building.

Planned amenities at the project include a resident lounge, a wellness consult room fitted with teleconference equipment, common laundry areas on the 3rd and 4th floors, service offices and a conference room, property management space and elevator. Additionally, the project is partnering with Mercy Corp NW to initiate and promote small business classes, offering two retail incubator spaces and a social impact café with culinary and barista training program operated by Humble Pie.

The PSH-focused project will be housed in a single building to provide specialized housing prioritizing communities disproportionately impacted by homelessness (BIPOC, disabled, domestic violence survivors). Wrap around services will be delivered by Catholic Charities.

Five (5) units of PSH housing will be set-aside for survivors of domestic violence (DV) and/or sexual assault (SA) which will be referred through Coordinated Access's specialized pool for survivors of DV/SA. Supportive services include intensive case management and housing retention, assisting individuals by helping them engage in their communities after long periods of alienation and isolation on the streets. CC also provide basic support services, housing and employment services that lends to stability.

¹ Included in the 30% MFI unit count

Project Image



As the viewer sees this rendering, the PSH project is on your right.

Background

The project is in a Level Three High Opportunity Area. 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.

Retail amenities, including a grocery store with fresh foods, are within walking distance. 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.

The original site has been legally lot partitioned to allow for multiple developments to occur, including this one. The adjacent Glisan Family project is currently scheduled to close April 25-28.

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.

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 as 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

With a total per unit development cost of \$516,660 this project is on the high side for per unit total development costs.

Of the total per unit, a little less than \$45.1k per unit can be explained by hard and soft cost contingencies, and the SDC and PHB fees.

The average of all proposed projects applying to the 2021 MBOS for the 74th & Glisan site was slightly over \$397k per affordable unit. Other projects in the PHB pipeline have experienced the similar inflationary

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cost impacts (30% and up) to their development budgets as this one did, due to inflation, supply chain issues and interest rate escalation. Metro PHB's funding is \$142,000 per unit which is within the MBOS maximum per unit guidelines for new construction of \$143k and includes the PHB program delivery fee.

There is a de minimis remainder deferred developer fee (\$34k) at the end of Year 15. Revenues are running at 3% for the first 15 years, confirmed with the investor.

Sources and Uses (Permanent):

SOURCES:		USES:	
PHB - Metro	5,822,000	Acquisition Costs	200,000
HTF	3,562,630	Construction Costs	13,089,940
LIHTC Equity (\$.95-USB CDC)	6,575,517	Developer fee	2,500,000
Metro TOD	500,000	Development Costs	5,393,128
Metro Infrastructure	250,000		
GP Equity	100		
Senior perm loan - Citibank	2,350,000		
Deferred Developer Fee	1,142,252		
PCEF	275,000		
SDC Waivers	705,569		
TOTAL SOURCES	21,183,068	TOTAL USES	21,183,068

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 Oregon² 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.

Catholic Charities was founded in 1933 to combat poverty and injustice throughout Western Oregon by providing professional, compassionate social services. Prior CC projects funded by PHB include Sacred Heart Villa and Kateri Park. Catholic Charities is an experienced developer and owner of affordable housing, with projects ranging from four to more than 100 units. CC's current portfolio includes 20 projects providing over 800 units of affordable housing. CC has

² The Related Northwest business name was first filed in Oregon in 2018.

developed innovative housing solutions and integrated supportive services to assist the most vulnerable populations financed through PHB TIF, Bond and HOME funds, OHCS LIHTC program, HUD 202 and 811 funds, and UDA Rural Development resources.

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 Small Business and Minority Business Enterprise. Related describes the LMC/ALMAR Construction LLC partnership as a joint venture³. 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.

³ Staff has not been able to review any documentation around this yet and information provided is as reported to PHB.

Community Engagement

In collaboration with Related Northwest and Catholic Charities as co-developers, We All Rise Consulting partnered on community engagement to develop 41 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

The number of participants for the PSH project was small (3) and although the final community engagement report, dated 9/7/22, is detailed, no design changes were cited because of the various outreach methods for the project. Much of the gathered feedback related to the companion family project.

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 CC; 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.

Catholic Charities was founded in 1933 to combat poverty and injustice throughout Western Oregon by providing professional, compassionate social services. Catholic Charities provides a broad array of programs and services to meet the basic need of the most vulnerable people in our community, regardless of faith, and provide them with tools and support to improve their situations, and ultimately break free of poverty. CC will provide onsite resident services and case manage culturally and linguistically relevant services.

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.

The project expects to reach and possibly exceed the 30% DWESB target for hard costs and the 20% target for professional fees. The general contractor is tracking a 31% aspirational equity target which may include subcontractors via Washington COBID certification. The general contractor is tracking to meet the PHB Equity in Contracting, Section 3, and Apprentice & Workforce Diversity Program aspirational policy requirements which includes a minimum of 20% of the hours worked, by trade, on contracts that exceed \$300,000 and jobsite work hours exceed 300 hours in any given trade, must be worked by state registered apprentices throughout the duration of the project.

Partnership and Services

Related is partnering on development with CC and CC will own and upon issuance of the project's 8609. 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, PSH 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 through the services that CC offers. Of the 41 residential units, 3 will be accessible units and one additional one will have communication accessibility features. No parking is associated with the PSH project.

Climate Resilience and Sustainability

Glisan PSH 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, churches, restaurants and shops and 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 Glisan PSH project includes the following green building and sustainable improvements: occupancy/daylight sensors, low flow plumbing fixtures, LED lighting, energy efficient appliances, low VOC sealants, mini splits, and Packaged Terminal Heat Pump (PTHP). There is anticipated to be one PTHP unit installed in each living room of every dwelling unit to provide both heating and cooling. This has been confirmed via permit drawing submission. The project is on track to meet Earth Advantage Multifamily Gold certification.

Anticipated Timeline

Metro Concept Endorsement	11/2021
OHCS 4% LIHTC Application Submitted	06/2022
Building Permit Submitted	07/2022

Final contractor bid package	11/2022
PHB Housing Investment Committee Approval	03/2023
Metro Final Approval	05/2023
Financial Closing	05/2023
Construction Start	06/2023
Construction Completed	09/2025
Lease-Up Completed	03/2026

Metro Affordable Housing Bond Program

Final Approval

Project Name: Albina One

Implementing Jurisdiction: Portland Housing Bureau

Metro IGA Contract Number: 937016

Anticipated construction start: June 2023

Anticipated construction completion: June 2025

Action:

Metro hereby provides Portland Housing Bureau with Final Approval of \$14,424,597.00 in Metro Affordable Housing Bond funds for the development of Albina One, a regulated affordable housing project located at 1771 N Flint 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 Portland Housing Bureau, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
13	One-bedroom	30%	0
26	One-bedroom	60%	0
11	Two-bedroom	30%	11
22	Two-bedroom	60%	0
8	Three-bedroom	30%	8
14	Three-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 items: a draft regulatory



Metro

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

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.

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

Marissa Madrigal

Chief Operating Officer

6/1/2023

Date

Exhibit A: Metro staff findings and recommendations | Metro bond funding Final Approval for Albina One



Drafted by: Jimmy Oporta, Housing Program Coordinator and Alison Wicks, Senior Housing Program Coordinator
Date: May 31, 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 Albina One. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

Changes since Concept Endorsement

In July 2021, the Albina One development team submitted a proposal for Portland's 2021 Metro Bond Opportunity Solicitation (M-BOS), with a final award letter in the amount of \$14,424,597 and 19 Project-based vouchers. In December 2022, the project received an award of Private Activity Bonds from OHCS and in February 2023, the land was purchased by the Albina Vision Trust (AVT), which will then be sold back to the project at closing. The project is now fully funded and preparing for a financial close, and construction start in June 2023.

The request of Metro Bonds for Albina One is \$14,424,597. Albina One will specifically target a vulnerable and under-represented population: young, Black/African/African American Portlanders, with a focus on single fathers. This project leverages N/NE Neighborhood Housing Strategy goals and would operate under PHB's N/NE Preference Policy, which provides preference to housing applicants with generational ties to North/Northeast Portland. Albina One will be a 7-story, wood-framed building that will serve 32 households at 30% or less of AMI in 1, 2 and 3-bedroom units, and 62 households in similarly sized units at 60% AMI.

Key project highlights include:

- Total development costs are \$68.3 million and Metro Housing Bond funding is \$14.4 million.
- Net cash developer fee is 3% of developer fee basis. This amount is less than the Metro Developer Fee Guidelines maximum of 7% for projects with 76-100 units.
- Construction start date in June 2023 with completion anticipated in June of 2025.

Contribution to unit production targets

Albina One will utilize 7% of Portland's total allocation of bond funds (\$14,424,597.00) while delivering 94 units that meet the following unit production outcomes:

- 6% of Portland's overall unit production target
- 5% of Portland's target of units affordable to households making 30% or less of area median income (AMI); and
- 7% 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 82% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 110% of Portland's overall unit production target
- 98% of Portland's target of units affordable to households making 30% or less of area median income (AMI); and
- 105% 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 5/5/2023
- OHCS Affirmative Fair Housing Marketing Plan
- Resident Services Plan dated 6/30/2021
- Letters of Intent from Chase Bank, HTF, CSFRF, Hillman Family Foundations, Metro TOD, Meyer Memorial Trust, Oregon Community Foundation, PCEF, and Home Forward.
- Information about development teams
- Permit Bid Set dated 2/2/2023
- Phase I Environmental Site Assessment (ESA) dated 4/11/2023
- Land appraisal dated 3/30/2023
- Community Engagement Outcomes Report

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:** Albina One is in lower Albina, a historic Black neighborhood. It is near multimodal transit and transportation alternatives; Interstate 5; numerous bike share alternatives; and Union Station. It has remarkable access to jobs and is less than one mile from a grocery store and other commercial activities. The location is within a half-mile of the Willamette River, immediately across from downtown Portland. It is also near Dawson Park, Harriet Tubman Middle School, and several historic churches.
- **Transit access:** The project is served by two frequent-service TriMet buses (lines 4 and 8) within 0.3 miles, as well as 5 additional bus lines within 0.2 miles. The project is also well-served by the MAX (Red, Green, Blue, and Yellow lines) at the Interstate/Rose Quarter 0.4 miles away, and the Portland Streetcar (A and B loop) 0.1 miles away.
- **Diversity in contracting/hiring:** The selected contractor, COLAS Construction, has significant experience developing and executing MWESB strategies on several affordable housing projects and is the largest Black-owned construction firm in the Pacific Northwest. 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. Similar goals have been applied to

those working in journey level positions. The project aims to to meet Portland's 30% COBID certified DMWESB-SDV requirements for hard costs and 20% for soft costs.

- **Access for historically marginalized communities:** The specific mission and purpose of AVT and the objectives of this project are to counter intentional displacement of Black people from the neighborhood due to urban renewal, freeway siting, and long-term gentrification. The project site was selected for its strong ties to Black history and culture in Portland. The project is in lower Albina, the historic neighborhood for Black Portlanders that was home to the highest concentration of African American residents anywhere in the city or state of Oregon. It is adjacent to the Paramount Apartments, which was a safe hotel and apartment complex for Black people before and during segregation. Albina One will specifically target a vulnerable and under-represented population: young, Black/African/African American Portlanders, with a focus on single fathers. To ensure better housing access for the target population, the project will implement low-barrier screening criteria that will reduce the number of denials and need for appeals. An appeals committee will be available to review supporting documents and consider mitigating factors that can overturn a denial. Quantum, the future property manager, will provide marketing materials (via direct email, internet, flyer distribution and through any other specific methods outlined in the property AFHMP) and release an open waitlist notification. As part of the lease-up process, Quantum will assist in the implementation of PHB's N/NE Preference policy, which provides preference for displaced or longtime residents of N/NE Portland.
- **Culturally responsive and appropriate services:** POIC + RAHS (Portland Opportunities Industrialization Center and Rosemary Anderson High School), a minority-led non-profit specializing in serving the Black and African American Community, will be the resident services provider for Albina One. POIC+RAHS is committed to the success of at-risk youth and adults, providing quality services in education, mentoring, family outreach, employment training, and placement. POIC + RAHS services seek to help young people, particularly single fathers, and their families establish or re-establish roots in the central city. POIC + RAHS will hire and oversee Resident Service Coordinators at the project who will provide the following services for residents: peer, adult, and gang-impacted youth mentoring programs, young parent education and case management, leadership development and training opportunities, one-on-one and group mental health counseling services, college and career exploration, job placement services, including employment and training opportunities for formerly incarcerated adults, BOLI-certified construction pre-apprenticeship programs for youth and adults and trauma-informed therapy and case management for youth and families involved in the juvenile justice system.

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 Albina One was heavily informed by AVT's Community Investment Plan (CIP), which engaged over 550 Portlanders through 18 community workshops and 6 Black community-only spaces focused on engaging and celebrating the Black community. Workshops for Albina One included presentations and discussions with the Eliot Neighborhood Association, N/NE Oversight Committee, the Historic Albina Advisory Body, the Coalition of African and African American Pastors and Imams and current residents of the adjacent property, Paramount

Apartments. Although specific demographic data was not collected, AVT estimates 60 – 65% of engagement participants were of African American descent. Additional details related to community engagement can be found in Albina One’s Community Engagement Outcomes report.

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

Major themes heard from community engagement included:

- Building common areas and shared spaces that are inviting
- Ensuring colors chosen for the building are vibrant
- Building design should reflect principles of “Afro-futurism” – the acknowledgement that Black people will exist and thrive long into the future
- Prioritizing safety as a key consideration
- Mitigation strategies for the lack of available parking
- Pursuing additional wealth building strategies for future residents

Major design feedback heard from community engagement included:

- Building common areas and shared spaces that are inviting and multi-use
- Investments in ample lighting, fencing around the property and controlled building access
- Establishing close coordination with site managers to resolve concerns
- Exterior spaces that allow safe play for children
- Large balconies that will offer residents incredible views of the river
- Incorporating art throughout the project that encourages storytelling of Black Portland’s past, present and future
- Affordable rents that include utilities (as a result, internet will be the only utility residents are responsible for)
- Inclusion of laundry appliances in 3-BR units
- Selecting outdoor plants that are safe for children to explore
- Enclosed outdoor play space near shared laundry room on first floor

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), Albina One’ residential units will be equipped with energy-efficient mini-split cooling systems. Due to a significant PCEF (Portland Clean Energy Fund) grant, Albina One will include a solar photovoltaic array on the roof, energy-efficient windows, and a heat pump water system for central hot water.

Albina One

Narrative and Community Engagement

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.

The Portland Housing Bureau (PHB) is requesting Metro Final Approval to award up to \$14,424,597 in Metro Bond Funds to Albina Vision Trust for the Albina One project located at 1771 N Flint Ave, which had a previous address of 253 WI/ N Broadway. As the catalyzing project of Albina Vision Trust's mission for the historic district, Albina One will be a 94-unit building of newly constructed family-focused housing units located on a 29,185 square foot parcel of land. Due to its adjacency to the Paramount Apartments, a safe hotel and apartment complex for Black people before and during segregation, it has also been referred to as the Paramount Lot project. This project leverages N/NE Neighborhood Housing Strategy goals and would operate under the N/NE Preference Policy. The project will purchase the land at closing and as part of that purchase and will recognize half of the price of the land was donated to AVT for a net land price at 50% of the value paid by the Partnership. Albina One's budget includes the following sources: 4% LIHTC, ITC and 45L equity, Housing Trust Funds provided by OHCS, Metro TOD, a construction and permanent loan (via OHCS private activity bonds), grants that Albina Vision Trust will loan to the project, deferred developer fee, General Partner capital contribution, and SDC waivers.

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.

Albina One will be a 7-story, 92,200 square foot wood-framed building. It will have a 3.16:1 floor-area-ratio and will be 75 feet tall. This project will include 39 one-bedroom, 33 two-bedroom, and 22 three-bedroom units for an average bedroom count of 1.819. Thirty-four percent of the units are at 30% Area Median Income, evenly distributed across the overall unit mix, with the balance of the units serving those at 60% Area Median Income. 19 of the 30% AMI units will receive Project-Based Section 8 vouchers, or 20% of their overall units. Under PHB guidance, the vouchers are underwritten to provide 60% AMI rents. Its amenities include a community room, community kitchenette and resident services offices on the ground floor adjacent to the community plaza that connects to N Wheeler Avenue, on-site property management offices, package room, trash room and loading space, community laundry facilities, secure bike parking, and a community plaza that provides an accessible path from N Flint to N Wheeler, and a private courtyard with a kids play space. Due to a significant PCEF grant received, Albina One also includes a Solar PV array on the roof, energy-efficient Air Conditioning (Mini-splits) for all the units, energy-efficient windows, and an incredibly efficient heat pump water heater system for central hot water.

Unit Mix

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
1 Bed	13	30%	No	530	\$583
1 Bed	26	60%	No	530	\$1,182
2 Bed	22	60%	No	755	\$1,422
2 Bed	11	30%	Yes	755	\$1,438
3 Bed	14	30%	No	907	\$1,646
3 Bed	8	60%	Yes	907	\$1,662
Total	94				

Project Image



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.

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

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

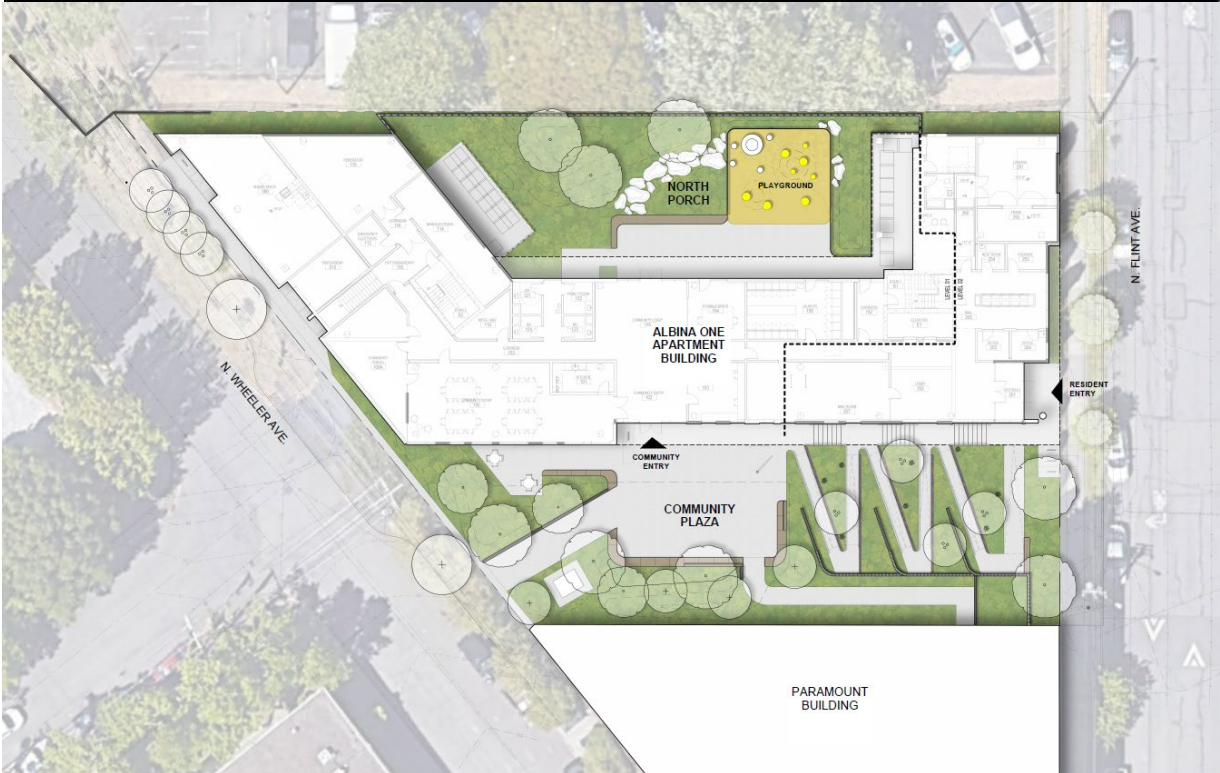
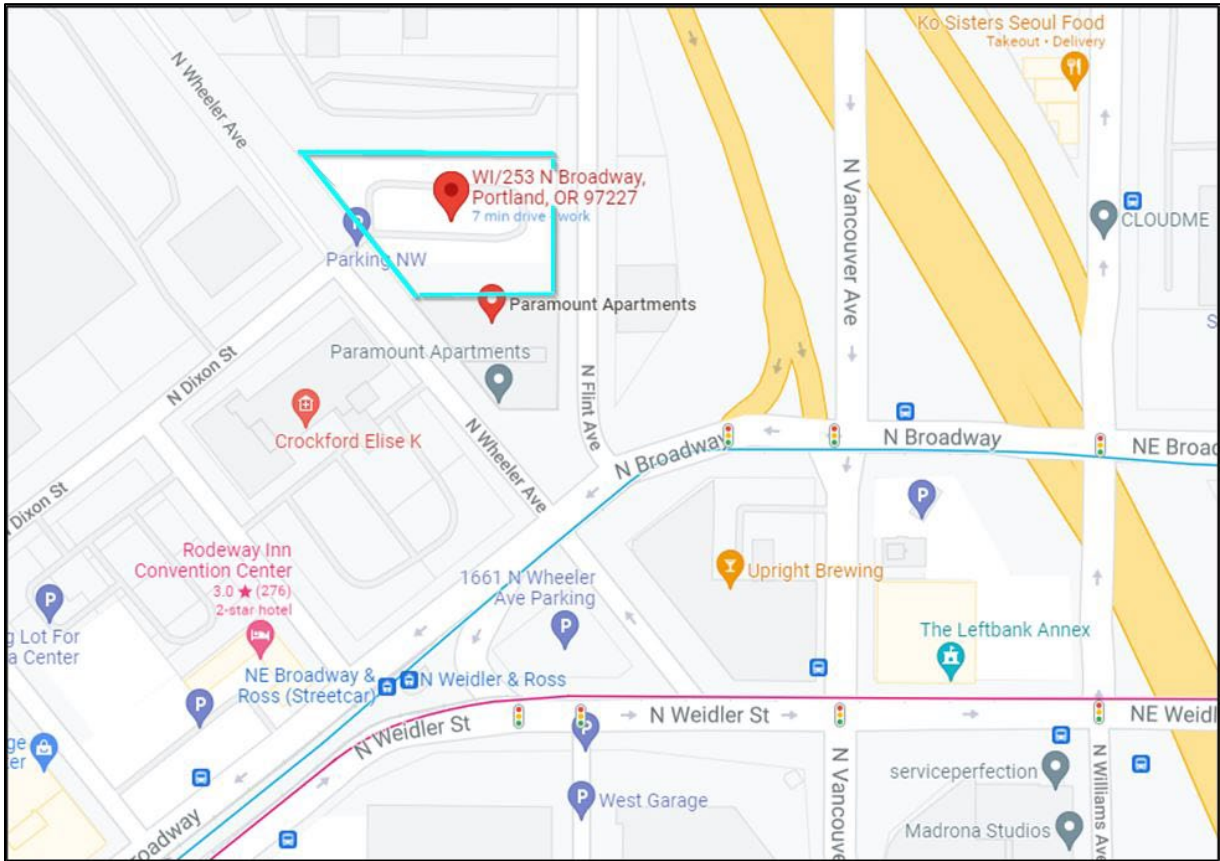
In July 2021, the Albina One development team submitted a proposal for Portland's 2021 Metro Bond Opportunity Solicitation (M-BOS), with a final award letter in the amount of \$14,424,597 and 19 Project-based vouchers and in December 2022, the project received an award of Private Activity Bonds from OHCS. The land was also purchased by AVT in February 2023 which will then be sold to the project at Closing. The project has received Land Use approval and is currently in the third round of permit comments, anticipating receiving building permit early June in preparation for a June 21, 2023 Closing date with all funders. The project has completed design, completed all due diligence related to environmental, geotechnical, and archeological, has term sheets from LIHTC investor and lender, has received bids from subcontractors and is pending final GMP with the general contractor, has received approval from HUD on the subsidy layering review for the project-based vouchers.

Location and Neighborhood

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.).

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

Aerial Map and Nearby Transit



Site

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

The Albina One site is a single 29,185 square foot parcel located between N Wheeler Ave and N Flint Ave. The project is located on land that was owned by Paramount Parking LCC and is now owned by AVT, who purchased the property for 50% of the value and a recognition of the balance as a donation to AVT. AVT will sell the land to the project at the same 50% price, however, as required by the investor, will be documented as a gross sales price at 100% of the value, with 50% paid as cash due at closing, and then remaining 50% recorded as a loan to AVT which is not intended to be paid back. The site is currently a parking lot. The site is zoned Central Employment (EX) which allows a full range of high density commercial, light industrial, institutional, and residential uses. This zone is intended for sites in or near the Central City and in Gateway. The completed project will cover 51% of the lot.

Project Financing

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.)

The estimated total development cost of project is \$68,782,357, equal to \$731,727 per unit or \$746,20 per square foot, however this includes \$10,412,976 of costs that are also Sources, \$501,502 of commercial costs, and \$156,000 of a Resident Services reserve that was provided by the tax credit investor. The \$10.4M of Sources include \$3,580,846 of GP Capital Contributions (contributing development fee), \$2,590,000 of deferred developer fees, \$1,970,000 of the land loan from the donation, \$392,130 of deferred interest on sponsor and other loans, and \$1,880,000 of SDC fees, waived by the City. Adjusting for these “costs” and the commercial space, the net cost is for the housing units is \$57,711,878.70 or \$613,956 per unit. Those costs include energy-efficient upgrades and Solar PV array made possible by a \$1.87M grant award from PCEF, so removing the value of that grant results in total project costs for the housing of \$55,741,879, \$592,999 per unit, or \$605 per square foot. Other capital sources include Metro Bonds and TOD grant funds, a construction and permanent loan, Housing Trust Funds from OHCS, and a series of grants received by AVT. The project is expected to receive a partial SDC exemption for all the units affordable to individuals earning up to 30% AMI. Property taxes will be exempt on all units under the City’s NPLTE program due to the eligible non-profit status of its ultimate owner AVT.

Sources and Uses Overview - TBD

Source	Amount	Use	Amount
4% LIHTC Equity	\$28,311,932	Land/Acquisition	\$3,969,956.18
Solar ITC/45L Equity	\$340,346	Construction Costs	\$41,058,375
Metro TOD	\$500,000	Contributed/Deferred Fees	\$11,022,924
Permanent Loan	\$9,807,000	Financing Costs	\$6,170,846

PHB Metro Loan	\$14,424,597		
Housing Trust Funds	\$2,115,510		
Deferred Development Fee	\$2,590,000		
Grants (loaned to project)	\$2,870,000		
Contributed Developer Fees	\$3,580,846		
SDC Waivers	\$1,880,000		
Deferred soft loan interest during construction	\$392,130		
Donation of Land (land loan)	\$1,970,000		
Total	\$68,782,361	Total	\$68,782,361

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.

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

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

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

Edlen & Company (Edlen & Co.) will be Developer and initial Asset Manager for the project and has a long track record of successful projects with public and nonprofit partners,

including affordable housing as well as other community facilities. Edlen & Co will also be a Special Limited Partner as required by the tax credit investor. Edlen & Co. is one of two successor companies to Gerding Edlen. Edlen & Co.'s focus is on mission-driven real estate with an emphasis on affordable and middle-income housing development and preservation, public-private partnerships, and projects that further push the boundaries of sustainability. In addition to asset management experience on past housing and mixed-use projects and a current housing portfolio under active management, the firm extensive development experience leading diverse and collaborative teams and is dedicated to ensuring that all aspects of the design and execution are on time, on budget and consistent with the project vision.

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

- **Service Provider: POIC + RAHS**

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

POIC+RAHS will partner with AVT by conceiving the physical design, providing referrals for targeted populations and to providing services to future residents. POIC+RAHS is committed to the success of at-risk youth and adults, providing the highest quality services in education, mentoring, family outreach, employment training, and placement. This partnership particularly seeks to help young people, particularly single fathers, and their families establish or re-establish roots in the central city.

- **Architect: Lever Architects**

LEVER will be the architect for the Albina One. The LEVER team is united by a passion for architecture and design. Their firm values are curiosity, collaboration, integrity, inclusivity, initiative, accountability, and dedication. LEVER Architecture was founded by Principal Thomas Robinson in 2009. The firm works closely with mission-driven clients and has a body of built work that includes affordable-housing, campus planning and design for creative companies, and impactful projects for cultural institutions and non-profits. LEVER is nationally recognized for material innovation and pioneering work with mass timber construction. The firm recently completed Louisa Flowers, a 240-unit residential project that is the largest affordable housing project to be built in Portland in 50 years. They work

every day to engage young people of color through organizations they volunteer with to explore ideas around design and social justice. They mentor young people of color to get to know them and their goals and be part of their network with the intent of providing support throughout their high-school and college careers and into their professional lives in the design field. They strive to evolve design processes to be more inclusive of the expertise people bring through their lived experience.

- **General Contractor: COLAS Construction**

Colas Construction will be the project's general contractor and is one of the largest Black-owned construction firms in the Pacific Northwest and brings sizable project experience with a proven track record of exceeding expectations in construction. As a 2nd generation, family-owned and operated BIPOC Prime Contractor, COLAS constructs value-based projects that not only create jobs but careers that reflect their community. With over 275 completed projects, COLAS specializes in affordable housing among other community building types, bringing critical experience and advocacy for racial equity in construction. Colas Construction centers the highest standards by providing the best in today's construction with strength from a commitment to hard work, and the inherent value of equity, inclusion for diversity in every aspect.

- **Property Manager: Quantum Residential**

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

Community Engagement

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.

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

- 2015-2016 Initial Conception: discussion and learning
- 2016 Mission Refinement: development of inaugural values and desired outcomes
- 2017 Values Refinement: 12+ Black community meetings, including elders, youth activists, artists, businesspeople, and educators at the Gordly House to discuss and refine mission, vision, and values
- 2017 AVT Formation: incorporation of AVT with Black community focus

- 2017-2020 Intensive Community Engagement: approximately 30 presentations of AVT's mission, vision, and plan to wider Portland Community
- 2020-2021 Intensive Community Investment Plan (CIP): engagement and partnerships designed to add detail to the Vision and move it towards implementation

The Community Investment Plan (CIP) was funded by Metro and the City of Portland to determine long-term capacity for the area. As the first step, AVT hired a team of multi-disciplinary experts (the Community Investment Plan Team), began in August 2020 and has engaged 550+ Portlanders to date. The CIP includes four work streams:

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

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

This outreach identified the following 5 community-identified priorities: wealth building opportunities, sense of belonging (centering Black heritage), access to public spaces, access to nature, and shared social support. These 5 priorities have greatly influenced the Albina One project which will be the AVT's first development in lower Albina.

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)*

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

- Set the stage for intentional diversity and inclusion in the central city,
- Establish the standard for excellence in contractor diversity and wealth building opportunities and
- Reconnect the urban fabric for Lloyd District, to the east, and Boise-Elliot, to the north, ensuring the safety of pedestrians and children throughout the neighborhood.

AVT's business as a culturally specific organization, since their formation, has been working with and on behalf of the Black community, one of Portland's most vulnerable populations. They have built a database of interested community members, relationships with community media to disseminate information, a cohort of community-based partners to drive positive outcomes and programming platforms to share information and joy. Albina One will specifically target a vulnerable and under-represented population: young, Black/African/African American Portlanders, with a focus on single fathers. Cultural competence and responsiveness are important and AVT will

work closely with the property manager and services provider to best serve this population. AVT is committed to remaining a Black-led and Black-serving organization—that means that staff, consultants, and board must remain Black connected, informed, and interested, for the long-term. Given that the target residents for the project will be POIC+RAHS's service demographic—young Portlanders and their families, AVT and POIC+RAHS will look for programming partners and provider partners that address the needs of that population in social and workforce development and health that already have deep cultural competencies. As demonstrated by AVT's long record of soliciting input from the African/African American community and the importance of community engagement, their approach to outreach and marketing is to constantly solicit input, adapt their tone, strategy, and outcomes based on that input and share information through all channels to reach a wide array of folks from the Black community. When using this approach for outreach and marketing to future residents, focusing on POIC+RAHS's service demographic, they will use culturally specific communication platforms and partners to lease-up the project, and AVT will work closely with the Property Management team to hire on-site staff who are able to connect with the resident population and show cultural competency with the communities in the building.

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

Partnerships and Services

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.

In addition to providing resident referrals, POIC+RAHS will be the predominant service provider for the building. POIC+RAHS provides a continuum of education, career, and family services. From reintroducing houseless teens to the classroom, to pairing gang-affected students with meaningful career opportunities, to helping youth experiencing domestic violence find stability and hope through mentorship - POIC+RAHS helps youth and adults reimagine and rewrite their life stories. The exact services they will provide to residents will be finalized at the time when the final resident services plan is submitted to OHCS as part of the Management Agent Package (due halfway through construction) but are anticipated to include the following: parenting classes including those for single parents and single fathers, employment support and training, and leadership development for teens and kids.

AVT and POIC+RAHS will also look for referral partners, programming partners and provider partners that address the needs of that population in social and workforce development and health that already have deep cultural competencies. For health services they hope to partner with

organizations that have already deep connections to the Black population including NxNW Health, The OHSU Avel Gordly Center for Healing and Prism Health. Child welfare services or parent teaching programs could also be provided on site by the Black Parent Initiative. These potential partnerships will be explored as they continue with outreach and community engagement.

Anticipated Timeline

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.

Metro Concept Endorsement	10/2021
OHCS 4% LIHTC Application Submitted	08/2022
Building Permit Submitted	11/2022
Final contractor bid package	4/2023
PHB Housing Investment Committee Approval	5/2023
Metro Final Approval	5/2023
Financial Closing	6/2023
Construction Start	6/2023
Construction Completed	06/2025
Lease-Up Completed	12/2025

Metro Affordable Housing Bond Program Concept Endorsement

Project Name: Carter Commons

Implementing Jurisdiction: Portland Housing Bureau

Metro IGA Contract Number: 937016

Anticipated construction start: June 2024

Anticipated construction completion: August 2025

Action:

Metro hereby provides the Portland Housing Bureau with Concept Endorsement of \$5,800,000.00 in Metro Affordable Housing Bond funds for the development of Carter Commons, a regulated affordable housing project located at 3715 N Interstate Avenue, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by 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
2	Studio	30%	0
4	Studio	60%	0
19	One-bedroom	30%	11
37	One-bedroom	60%	0

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



Marissa Madrigal

Chief Operating Officer

4/10/2023

Date

Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Carter Commons



Drafted by: Jimmy Oporta, Housing Program Coordinator

Date: March 30, 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 Carter Commons. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

Contribution to unit production targets

Carter Commons will utilize 3% (\$5,800,000) of Portland's total allocation of bond funds while delivering 62 units that meet the following unit production outcomes:

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

When combining this project with Portland Housing Bureau'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);

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 11/4/2022
- Kaiser Permanente donation of real property letter, dated 7/23/2021 as evidence of developer site control
- 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:** Carter Commons is adjacent to the 11 acre Overlook Park, and a 6-story apartment building in the Overlook neighborhood. Kaiser medical facilities are directly across the street and restaurants are within a few blocks. The location's walk score is 'Somewhat Walkable' (62), yet direct access to a light rail stop coupled with a 'Very Bikeable' (75) zone makes it an ideal location for affordable housing. Neighborhood schools are to the north and east, as is shopping and groceries, cultural amenities, and natural areas. The streets are accessible and have continuous sidewalks with safe, regularly signalized intersections including one directly in front of the site.
- **Transit access:** The project is served by the Overlook Park light rail station, located directly adjacent to the site.
- **Diversity in contracting/hiring:** The Sponsor Team has selected Salazar Architects, a COBID certified MBE firm, as the architect for the Project due to their strong community outreach and engagement skills and knowledge of affordable housing. O'Neill Walsh Community Builders (OWCB), a partnership between Walsh Construction and O'Neill Construction Group, a COBID certified MBE/DBE firm, has been selected for their expertise in affordable housing construction and ability to attract high levels of minority subcontracting through comprehensive outreach. The project's COBID contracting goals include 30% hard cost and 30% soft cost participation by COBID-certified firms. The project will be tracking workforce participation and will strive to meet or exceed the aspirational diversity goals of 20% of hours worked by apprentices, 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:** The project will use low barriers to entry and implement PHB's N/NE preference policy, which gives preference to housing applicants with generational ties to N/NE Portland. Urban League also operates a Fair Housing Enforcement Collaborative contract (comprised of 4 agencies) serving African American and Latinx communities facing housing discrimination from landlords, screening companies, or neighbors. Urban League has experience leasing up with PHB's N/NE Preference Policy through five programs at Hattie Redmond, Renaissance Commons, Renn Commons, Project Haven, and Umoja Timu.
- **Culturally appropriate services:** Urban League is a culturally specific service provider and will lead resident services at the project. The resident services team will design services to help those who identify as Black/African American, elders and people with disabilities. Urban League aims to support self-determination and independent living with life skills development coaching and workshops. Additional resident services will include food security resources, transportation support and hygiene resource connections. Other culturally responsive services will include financial planning, workforce training, and eviction prevention intervention for the low- and extremely low-income populations being served. Additionally, Urban League has existing partnerships with Hooper Detox, Cascadia Behavioral Health, The Imani Center, and other specialized providers. UL provides access to

services through many community partners including: Meals on Wheels, ADVSD, Elders in Action, Self Enhancement Incorporated, AARP, Ride Connection and others.

- **Cooling plans:** The Project will be designed to Earth Advantage Multi-Family Platinum level certification. Air conditioning will be provided through high quality, ductless mini splits paid for, in part, through the Portland Clean Energy Fund.

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:**

Community outreach will be coordinated by Urban League, a culturally specific nonprofit serving the African American community of Portland. Future service providers and referral partners will be identified as part of the engagement to ensure project households have access to culturally responsive services. Future outreach will elicit feedback from neighbors, potential residents, existing residents, and program staff of NHA and UL properties, BIPOC community organizations and people on PHB's N/NE Preference Policy waitlist.

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

Community engagement teams aim to host listening session with potential residents on development and design elements with collaboration and support from the architectural and construction teams. Discussions regarding building name and logo, art, finishes and materials will be held with potential residents at times and with supports that lowers barriers to access and engagement. Examples of past successful engagement activities of meeting people 'where they are' include attendance and engagement at events such as church, market and community events (Good in the Hood, Alberta Street Fair, Black Business and Enterprise events such as Come through Market.) Project teams will continue these practices and post engagement fliers at churches, grocery stores and restaurants frequented by the community.

EXHIBIT B: Project summary submitted by the City of Portland | Metro bond concept endorsement for Carter Commons

Submitted by: Megan Grillo, Bond Housing Program Coordinator
Portland Housing Bureau, megan.grillo@portlandoregon.gov
Submitted on: 2/21/2023

Project Overview

The Portland Housing Bureau (PHB) is requesting Metro Concept Endorsement to award up to \$5,800,000 in Metro Bond Funds to Northwest Housing Alternatives (NHA) and Urban League of Portland (UL) for the Carter Commons (Kaiser Permanente Site) project located at 3715 N Interstate Avenue. The site contains a 3,000sf existing, 1 story 1962 building. It will be demolished utilizing deconstruction when feasible. A plaque inside the lobby of the new building will commemorate the existing built context and its place in history.

The project will be developed using 4% LIHTC, Tax Exempt Bonds, and 9.3M in gap financing from PHB, as well as Energy Trust of Oregon (ETO) and Portland Clean Energy Funds (PCEF.) The team will also apply for Oregon Affordable Housing Tax Credits (OAHTC) to reduce the tenant rents for up to 20-years with the goal that no unit is leased at above 50% AMI rents. Finally, the team will review other financing supports for alignment with the City's goals including but not limited to: Permanent Supportive Housing (PSH) funds, Transit Oriented Development (TOD) funds; other Energy and targeted Special Needs

Named after Oregon's first Black woman legislator, Margaret Louise Carter, Carter Commons will deliver 62 units of senior housing to the Overlook Neighborhood for N/NE Preference Policy households. The project, located on Land donated by Kaiser Permanente, will have low barriers to entry, and more than one-third of the units will be affordable at extremely low incomes (30% AMI or below) with community and resident services provided by the Urban League.

Preliminary Development Program

The Project is a new construction multi-family apartment building with 62 affordable apartment homes restricted at 30% and 60% AMI and one unrestricted manager's unit. The Project will be a 5 story, 55' tall building, built with Type III wood construction over a partial concrete basement.

Unit size (no. of bedrooms)	No. of units	AMI %	PSH ¹	PBVs	Square feet/unit	Gross monthly rent/unit
<i>Studio</i>	2	30%	0	0	446	\$559
<i>Studio</i>	4	60%	0	0	446	\$1119
<i>1-bedroom</i>	19	30%	0	11	596	\$599 (\$1198 with PBV)
<i>1-bedroom</i>	37	60%	0	0	596	\$1198

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

<i>Manager's Unit (1-bedroom)</i>	1	N/A	0	0	596	0
Total	63		0	11		

Project Image



Background

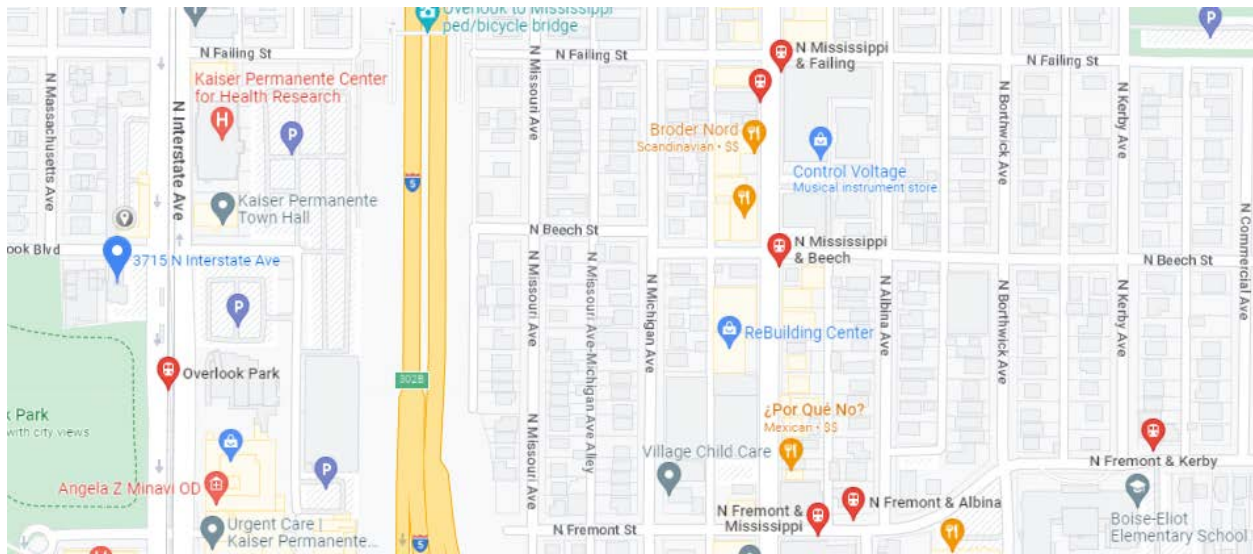
In 2021, Kaiser Foundation Health Plan of the Northwest (“Kaiser Permanente”) and PHB signed a Letter of Intent to collaborate on an in-kind donation of real property at 3715-17 N. Interstate Avenue for the purpose of creating affordable housing. The 0.31-acre site in the Overlook neighborhood of North Portland is currently zoned as RM3 in a walkable urban neighborhood and on a light-rail transit line, adjacent to the Overlook Park, near shopping and schools as well as Kaiser Permanente’s Interstate medical campus. The property is located in the ICURA and is subject to PHB’s N/NE Preference Policy.

Current Kaiser Permanente tenants in the existing building will vacate the property at least 3 months prior to the negotiated conveyance of the property to NHA and Urban League. Kaiser Permanente will be responsible for relocation costs.

In November 2022, NHA and Urban League submitted a proposal for Portland’s 2022 Metro Bond Opportunity Solicitation (M-BOS). PHB has recommended that the Carter Commons development team are awarded \$5,800,000 in Metro bond funds to develop this site.

Location and Neighborhood

The site is adjacent to the 11 acre Overlook Park, and a 6-story apartment building in the Overlook neighborhood. Kaiser medical facilities are directly across the street and restaurants are within a few blocks. The location’s walk score is ‘Somewhat Walkable’ (62), yet direct access to a light rail stop coupled with a ‘Very Bikeable’ (75) zone makes it an ideal location for affordable housing. Neighborhood schools are to the north and east, as is shopping and groceries, cultural amenities and natural areas. The streets are accessible and have continuous sidewalks with safe, regularly signalized intersections including one directly in front of the site.



Site

The Site is located at 3715 North Interstate and is a single tax lot of approximately .31 acres (100' x 148'). It is bounded on three sides with public rights of way and has a similar layout as the apartment to the west. The southern alleyway is ideal for access to building services since it takes advantage of the gentle site slope from North to South.

- **Zoning:** The Site is zoned Residential Multi-Dwelling 3 (RM3) allowing for a 4:1 FAR with affordable housing amenity bonuses. The zone accommodates more height and building coverage than is necessary given the FAR constraints. There is a Design Overlay Zone ('d'), the Plan District is North Interstate. The Sponsor and Project Team has direct experience with all these zones and overlays.
- **Existing Buildings:** The Site contains a 3,000sf existing, 1 story 1962 building that will be demolished utilizing deconstruction when feasible. A plaque inside the lobby of the new building will commemorate the existing built context and its place in history.
- **Targeted land use and permitting path:** The experienced Project team will move the Project expeditiously through design and permitting to ensure construction can get underway as soon as possible. NHA has successfully navigated several recent PHB Portland area projects including one that had both Design Review and Historic Overlays (Emmons) and others that navigated many complex requirements on tight urban infill sites (Powellhurst, Buri.)
- **Lot Line Adjustments:** There may be a need for a minor street dedication along North Interstate to satisfy PBOT requirements. The Project's initial design includes this dedication and is flexible in its East-West width to accommodate additional dedications as required. No additional lot line or property adjustments are anticipated. However, the team has completed recent dedications and property adjustments on Emmons, Powellhurst, and Gresham projects.
- **Commercial Space:** No commercial space.

Project Financing

Source		Use	
Permanent First Loan, Hard Debt (Non-OAHTC)	\$3,203,000	Acquisition	\$1
Metro Bond	\$5,800,000	Site Work	\$1,501,595
ICURA TIF	\$3,500,000	Hard Construction Costs	\$16,339,691
SDC Waiver	\$1,000,000	Owner Hard Costs	\$968,862
Applicant Contribution	\$885,695	Development	\$6,165,578
Owner Equity	\$100	Interim/Finance	\$1,600,613
PCEF	\$800,000	Professional Fees	\$117,400
Deferred Developer Fee	\$703,011	Department Charges	\$406,237
LIHTC Equity	\$11,333,557	Reserves	\$225,386
ETO Grant	\$100,000		
TOTAL	\$27,325,363	TOTAL	\$27,325,363

Key financial assumptions and financing terms.

- Capital Sources and Uses.** The Project capital assumptions have been determined through a thorough analysis of recent projects that closed on financing or completed construction in the last 18 months. This includes 539 units across 5 projects in the Metro area (Buri, Emmons, Canopy, Powellhurst, Tigard) completed by NHA. The project has also been compared against a database of historical costs and line items from similar projects over the last five years completed by the NHA. Costs have been verified with the architect, professional service providers, lenders, investors, and construction companies. All numbers include estimates for cost escalations to financial close and are rounded off to account for minor variations in costs. There are also standard project contingency line items for both hard and soft costs. NHA has over 696 units fully funded, and in various stages of development throughout the State, and 277 recently stabilized and in operations.
- Operating Cash Flow.** The Project income and expenses have been determined through careful analysis of the NHA operating portfolio of over 40 LIHTC development projects and compared to investor and lender portfolio input and analysis. Standard industry and PHB metrics are used to project changes over time, with careful analysis and required reserves to weather downturns or project escalations. Staff wages have been increased to recognize inflation and labor constraints in the recent market. Estimates have been verified and informed by property management and resident service providers.
- Financing Terms and Projections.** The financing terms have been determined through careful analysis of recently closed transactions and verified with lenders, investors, and tax credit council. Investors NEF and Enterprise were consulted along with lenders NOAH and Umpqua. NHA completed the finance closing for 7 projects within the last 18 months and as such has specialized knowledge of the changing landscape of financial and technical requirements shaping affordable housing development. Two transactions were with Enterprise and Umpqua. NHA will work with investors such as Enterprise to delay equity pay in to increase tax credit yield listing a pay in rate of 10% Submission, 87% Conversion,

and 3% 8609 capital contribution. Unlike for-profit developers, the team will work to delay equity funds and developer fees to maximize tax credit yield. Also, see included Attachment 'C3 Lending LOI Example' from Umpqua. Note that the Proforma shows a minor buffer on lending rates, but there is also the opportunity for longer amortization period if required. Also note that the Sponsor Team plans to negotiate 4-month operating reserve as represented in the Proforma.

- **Leveraged funds.** In addition to the summary above, the Project anticipates leveraging incentives and funds including but not limited to: SDC and CET Waivers, property tax abatement, Energy Trust of Oregon incentives, Department of Energy incentives, Solar Energy Tax Credits, and Oregon Affordable Housing Tax Credits. The project will evaluate applications to Metro TOD, Oregon Multi-Family Energy Program, FHLB, and PSH funding sources in collaboration with PHB staff.
- **Requests.** The Sponsor team requests funds for Resident Services Coordination be allowed 'below the line' in addition to what is shown currently 'above the line', and in alignment with best practices and FTE recommendations in service of extremely low-income residents. Additionally, the team requests maximum allowable cash developer fee if additional resources outside of PHB funds are brought to bear, recognizing that partnerships of this nature require additional logistics, efforts and coordination above single source projects, and that additional applications require additional development team efforts. Finally, the partnership offers any PHB reduction of the traditional 50% PHB Cash Flow split as an equivalent support amount added to UL cash flow split as part of the waterfall.
- **Indicators of cost-efficient design, construction, and operations:** Construction cost estimates appropriate to this stage of the project have been completed by the selected General Contractor, O'Neill Walsh Community Builders (OWCB), who is highly experienced with new construction under best practices gained from decades of residential projects designed to maximize cost efficiency. Walsh pioneered advancements in cost efficiency design standards. The Architect, Contractor and NHA have a long track record of undertaking innovative and cost-efficient design together and have established efficiencies of communication, effort, and decision making that benefit the project's bottom line. Both NHA and OWCB maintain a master guideline checklist of design solutions, cost efficiency measures, best practices, and lessons learned from project to project, assuring that the best information from multiple projects, architects, and contractors to bring to bear on any current project is utilized. This project is a direct decedent of lessons learned on the Tigard Senior Housing development of 58 units of fully accessible senior housing under construction with Walsh and NHA.
- **Confirmation of Davis Bacon and/or BOLI wage assumptions:** The Project is five stories and includes federal project-based section 8 units, and as such is assumed to be, and is costed at, the higher of Residential Davis Bacon and BOLI Commercial wage rates.
- **Homeownership Projects.** This Project does not include any homeownership units.

Development Team

The Project Team is built on a new real estate development partnership between Urban League of Portland (UL) and Northwest Housing Alternatives (NHA.) The organizations are excited to deepen their relationship of service to each other and the NNE community. The project will be a LIHTC partnership with the Sponsor Team entities having .01% ownership and an investor having 99.99% ownership for at least 15 years. NHA will act as 70% Co-GP, and Co-Owner, Developer, Guarantor, and Asset Manager with UL as 30% Co-GP and Co-Owner and Resident Services Coordinator. The Sponsor Team will split developer fees, ownership, and any cashflow at 70% NHA / 30% UL. NHA will take on predevelopment, development, stabilization, and guarantee risks.

NHA will provide asset management services and receive asset management fees, and UL will provide resident services and receive resident services fees. Both organizations will receive funds for outreach in alignment with their outreach efforts. UL, who is both a non-profit and a Culturally Specific provider, will have first right of refusal to purchase the project at the sale, and an option to purchase any time after the initial permanent loan term. Decision making will be 50%/50%, made through an equity lens, and utilize “priority stacking” to assure that those least heard voices are centered, and views prioritized in discussions. Please see Attachment ‘C1 MOU’ for additional partnership details.

The Sponsor Team has selected Salazar Architects, a COBID certified MBE firm, as the architect for the Project due to their strong community outreach and engagement skills and knowledge of affordable housing. O’Neill Walsh Community Builders (OWCB), a partnership between Walsh Construction and O’Neill Construction Group, a COBID certified MBE/DBE firm, has been selected for their expertise in affordable housing construction and ability to attract high levels of minority subcontracting through comprehensive outreach. Property Manager, Cascade Management (CMC), has been selected due to their high level of success coordinating with ownership to support leasing to Communities of Color.

Design, Financing and Construction Team(s): The Real Estate Development team will oversee design, financing, and construction and include Ty Brown and Mary Bradshaw, with support from the full NHA real estate development team including Destin Ferdun, Director of Real Estate Development. The team will be supported from time to time by Trina Whitman, COBID certified Construction Manager, who works exclusively in support of NHA and most recently has worked on the substantially similar projects, Emmons Place Senior Housing (PHB) and Tigard Senior Housing (Metro Housing Bond.) Mary, Destin, and Trina have all worked on NNE Preference Policy projects with PHB.

Project Lead(s.) The Project real estate development lead positions will be shared by Ty Brown, UL Developer, and Mary Bradshaw, NHA Developer.

- Ty Brown is the Affordable Housing Developer at UL and has been with the organization since the beginning of 2022. She joined the real estate industry in 2018 with the vision to help all community members find a place to call home. Ty Brown grew up in public subsidized housing most of her childhood, therefore can relate to individuals she serves at The Urban League. She is committed to being an advocate for underserved populations. Ty Brown is devoted to bringing more affordable units to the Portland Metropolitan area to better support houseless and lower income households by providing housing and services for communities of color in the region with an equitable lens. Ty Brown is a member of the Welcome Home Coalition Steering

Committee, member of Urban Land Institute, and holds an active Principal Broker's license.

- Mary Bradshaw is a Senior Real Estate Developer at NHA. Mary is a licensed architect and experienced housing developer with over 30 years in residential design, construction, and development. Mary has been the Director of Construction Management at HDC, worked in housing development at Home Forward and HACC, and been the Executive Director at Proud Ground. Mary was part of the project management team that completed the Garlington Apartments in 2016 which is one of the first NNE Preference Policy projects to complete and lease-up. Mary is active in equity work both internally and externally to NHA. Mary is originally from California where she received a Bachelor of Architecture at California Polytechnic State University, San Luis Obispo.

Community Engagement

The Real Estate Development team, and Salazar Architects, will be supported by Shantel Reynolds, Assistant Housing Program Manager at UL. Shantel will coordinate outreach to the community, additional service providers, and referral partners to create a cohesive engagement plan and approach of connecting households to culturally responsive services, navigation, cultural mediation, and basic needs/assessments, including using state-certified community health workers.

UL and NHA will be actively engaged in community outreach to inform the concept, design, planning, resident services, marketing and lease-up plans. Outreach will include multiple sets of stakeholders including neighbors, potential residents, existing residents of NHA and UL properties and programs, staff and owners of the COBID organizations hired, BIPOC community organizations and trade groups, and people on the NNE Preference Policy waitlist. Stakeholders will inform the processes through their experience, and a special effort will be made by the Sponsor Team to reach underserved communities and those 'least likely to apply.' UL and NHA have a large and collaborative service and referral network built on 77 and 40 years respectively, of local service to Communities of Color assuring that engagement work does not end with lease-up but continues throughout the project's life.

The Team will host listening sessions early on to gather people's opinions on the development and design elements with collaboration and support from the architect and construction team. Along the way, they will seek additional input on the services that will be provided on-site, including working with community-based organizations and local partners to inform best practice service delivery. Engagement activities such as building name and logo, art, finishes, materials, etc. will be held with potential residents at times and with supports that lower barriers to access and engagement. A particularly successful activity of meeting people 'where they are' completed on previous development projects included attendance and engagement at events such as church, market and community events (Good in the Hood, Alberta Street Fair, Black Business and Enterprise events such as Come through Market.)

The Team will continuously reach out to the community: through local and culturally specific publications; through flyers with language appropriate services; and/or posting at gathering places such as churches, groceries, or restaurants. As an example, NHA work on Tigard Senior housing included an advisory council, regular newsletters, an engagement website, eight Washington county listening sessions with 6 culturally specific organizations, and over six

community events both virtual and in person. The Team will use this outreach to establish an “interested parties” list to engage with potential residents, expedite lease-up, and advocate for the project services and supports within the community. Regular reporting on project progress will engage and connect with stakeholders and the target population, assuring that input is not a singular opportunity but an availability over time.

Advancing Racial Equity

UL is a Culturally Specific Organization and NHA is a Culturally Responsive Organization. The team will meet residents “where they are” by utilizing trauma informed design and services; centering service and property management staff with similar lived experience; language supports; and opportunities to join Resident Advisory Council and leadership committees and boards.

The team recognizes that historic injustices have been perpetrated on minority communities and that impacts show up in all aspects of life including but not limited to: lowered health outcomes; lack of opportunities for wealth building; educational and life enrichment attainment; and higher barriers to accessing of services. The organizations have worked for years to create programs that directly address these issues including: NHA’s Senior Health and Housing program of grant funded resident supports; NHA IDA savings matching program; resident events and excursions; and a constant review of, and adjustment of, rental barriers to housing for the targeted population. UL has been serving seniors from multi-cultural backgrounds for 50 years including serving 6000 seniors in a year pre-pandemic. See additional services detail in item 3 below. As mentioned previously, UL and NHA will share ownership and fees.

UL and NHA have worked together over many years and across multiple programs including most recently in serving the residents of Rosemont Court, a senior housing development in the NNE community that has a majority non-white resident base and includes 38% Black Households. Fully 1/3 of NHA service and referral partnerships are with Culturally Specific Organizations, providing a robust connection resources and responsive service community for BIPOC households.

UL operates a Fair Housing Enforcement Collaborative contract (compromised of 4 agencies) serving African American and Latinx communities facing housing discrimination from landlords, screening companies, or neighbors. Urban League has experience leasing up with NNE Preference Policy through five programs at Hattie Redmond, Renaissance Commons, Renn Commons, Project Haven, and Umoja Timu. As members of the Coordinated Access Leadership committee, UL highlighted a disparity in relation to the number of African Americans placed into affordable housing via preference policy being lower than coordinated access. As a result of UL advocacy, PHB and Multnomah County developed an adaptation of the original preference policy screening process to include culturally specific questions.

The NHA real estate team (including specifically Destin, Mary and Trina) have worked under the NNE Preference Policy including design, outreach and lease up planning and preparation for Songbird Apartments with PHB and Garlington Apartments. As mentioned above, outreach will include multiple sets of stakeholders including neighbors, potential residents, existing residents of NHA and UL properties and programs, staff, and owners of the COBID organizations hired, BIPOC community organizations and trade groups, and people on the NNE Preference Policy waitlist

Partnerships and Services

Cascade Management (CMC) was selected by the Sponsor Team due to their excellent service to BIPOC communities. Over 40% of CMC's portfolio is senior/disabled housing and 11 of 25 Portland area non-profit or housing authority properties they serve include PSH. CMC staff is 33% from Communities of Color and they maintain mentorship and outreach with minority business development organizations for hiring. CMC work under the NNE Preference Policy includes an estimated 80% lease up to COCs in a recent project. Another recent 159-unit project lease up during the pandemic with Cascade and NHA elicited an initial lease up of over 60% COC.

UL will provide resident services coordination including Culturally Specific and Responsive services, NHA will provide asset management, resident population tracking and oversee Cascade Management providing responsive property management services. NHA and UL both have robust resident service provision and fundraising departments.

The target population is seniors 55 and older. The Team anticipates that lease up will be primarily to households from Communities of Color with at least a third of the population being extremely low-income. The age cohort was specifically selected as to be Culturally Responsive knowing that target households may include grandchildren under senior care. It is expected that the households will have experienced racism, trauma, and will exhibit the disparities perpetrated racially including health, education, detention, poverty, and access to services. Health conditions will likely include co-occurring conditions making the population especially vulnerable and in need of a healthy environment and health service connections. The residents are likely to age in place, requiring special design and programming to address mobility issues and support continued independent living. The Team would like to engage with PHB around possible PSH service and referral from UL's directly adjacent shelter and/or street outreach programs for overlapping NNE Preference Policy / PSH households.

Resident Services Team(s). The Resident Services team will be led by UL who designs their services to help those who identify as Black/African American and gives priority to elders and people with disabilities. Lead positions will be held by Denetta Monk and Arleta Christian.

- Denetta Monk, Associate Vice President of Programs at the Urban League of Portland, was born in Portland, Oregon and has lived here most of her life. She graduated from Concordia University in 2013, with a Bachelor of Science in Social Work, and is has been employed at Urban League for 6 years. Her aspirations are tailored towards impacting policies and strategies to support the Black Community. Denetta provided years of social work service to her community while working at various local Black nonprofit organizations in direct service, administrative and leadership capacities. She focuses on uplifting people and building upon their strengths to activate change.
- Arleta Christian, Director of Health and Older Adult Services, has worked with UL for over 25 years serving seniors in UL Senior Services programs.

Denetta and Arleta will lead Resident Service Coordinators to support clients in preparing for living independently by supporting their self-determination and increasing independence both with life skills development coaching and workshops, and with barrier mitigation. Alongside these services, more immediate needs will be connected to including food security resources, transportation support, and hygiene resource connections. See below for additional services information.

UL will lead resident services with Culturally Specific and Culturally Responsive services that will respond to the known importance of financial planning, workforce training, and eviction prevention intervention for the low- and extremely low-income populations being served. The services provided by UL will support robust income development and financial empowerment opportunities (jobs) to increase resident self-sufficiency. Additionally, services will support residents' navigation and acquisition of benefits and entitlements, which will bring further income. Alongside these services, more immediate needs include food security resources, transportation support, and hygiene resource connections.

UL's housing department is comprised of a wealth of knowledge, lived experience with homelessness and/or discrimination, certifications, formal education, and professional development. UL supports residents seeking medical services by implementing cultural mediation from a certified community health worker or peer wellness specialist. Additionally, UL has partnerships with Hooper Detox, Cascadia Behavioral Health, The Imani Center, and other specialized providers. UL provides access to services through many community partners including: Meals on Wheels, ADVSD, Elders in Action, Self Enhancement Incorporated, AARP, Ride Connection and others. UL provides Multnomah County North/Northeast Senior District Center services as a consortium partner with Hollywood Senior Center, providing the following areas of service: Older Americans Act (OAA), Oregon Project Independence (OPI), and Family Caregiver Case Management; Information & Referral (I&R); Transportation Scheduling & Coordination; and Focal point services.

UL staff are offered community health worker certification to increase case management skills and provide a deeper level of service and understanding to programs participants. The client led approach to care that UL provides is based on the principles of trauma informed care and assertive engagement. UL staff do not give up when a client is not seeking services and uses harm reduction principles to support their safety and health until they are ready to recover from the trauma of their lived experience.

Livability and Accessibility

The project is envisioned to have 62 affordable, accessible apartment homes, an on-site manager's unit, community room, property management and resident services offices, as well as laundry, and a protected entry courtyard.

The Project includes a Loading Area as required by code, but no other parking. The team has prioritized housing over parking uses and recognizes that this location is ideally located on frequent service mass transit to remove the cost burden of cars for the senior population served. The Project is directly adjacent to Overlook Park and will include a shared entry courtyard to provide a warm and inviting place to meet and mingle, play chess, or watch the world go by. The Project will be constructed with 100% ADA accessible units, utilizing Universal Design, and visitable and adaptable unit principles.

The Team has determined the need for service areas including trash room, fire services and water room, telecommunications room, city required loading area, bike storage, electrical room and elevator and stair vertical circulation cores. Amenity areas anticipated include: a community room with teaching kitchen and restroom, resident services office, property manager's office, mail area, laundry, and a fireside room.

Climate Resilience and Sustainability

The Project will be designed to Earth Advantage Multi-Family Platinum level certification. Air conditioning will be provided through high quality, indoor air health, ductless mini splits paid for, in part, through application to Portland Clean Energy Fund. The project team is experienced with the PHB2 Affordable Housing Green Building Policy, having utilized it on two PHB projects closed in the last 18 months. NHA includes solar power when possible, and ensures buildings are at a minimum solar ready. There are many incentives for solar power generation at this time that can offset much of the capital cost and NHA is familiar with their utilization. Additionally, NHA has a goal and plan to develop all future projects as all-electric projects.

A healthy indoor environment and below market utility costs are the pre-eminent goal for housing developed by the Sponsor Team. Every project completed by these not-for-profit entities is organized to be owned in perpetuity, with the lowest cost and highest level of direct service to the tenants, healthy environments, and to be future proofed for regular rehabilitation, repair, and upkeep.

Anticipated Timeline

Metro Concept Endorsement	3/1/2023
Plans Completed	1/1/2024
Financial Commitments	5/1/2024
PHB Housing Investment Committee Approval	TBD
Building Permits/Fees	6/1/2024
Financial Closing	3/1/2026
Construction Start	6/1/2024
Construction Completed	8/1/2025
Lease-Up Completed	12/1/2025


Metro Affordable Housing Bond Program
Final Approval**Project Name:** Garden Park Estates**Implementing Jurisdiction:** Portland Housing Bureau**Metro IGA Contract Number:** 937016**Anticipated construction start:** June 2023**Anticipated construction completion:** October 2025**Action:**

Metro hereby provides the Portland Housing Bureau with Concept Endorsement and Final Approval of \$2,239,308.00 in Metro Affordable Housing Bond funds for the development of Garden Park Estates, a regulated affordable housing project located at 3214 SE 136th 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	Bedrooms Type	AMI Level	Project Based Vouchers
5	Studio	30%	5
3	Studio	60%	0
5	One-bedroom	30%	5
1	One-bedroom	60%	0
13	Two-bedroom	30%	13
21	Two-bedroom	60%	0
2	Three-bedroom	30%	2
4	Three-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 Beaverton, and will occur within 10 days of Metro's receipt of the following items: a draft regulatory agreement meeting IGA requirements, a final sources and uses budget, a construction contract schedule of values, and an invoice from the Portland Housing Bureau including wiring or other instructions related to transfer of funds.

Marissa Madrigal
Chief Operating Officer5/11/2023

Date

Exhibit A: Metro staff findings and recommendations | Metro bond funding concept endorsement and final approval for Garden Park Estates



Drafted by: Jimmy Oporta, Housing Program Coordinator and Alison Wicks, Senior Housing Program Coordinator
Date: May 4, 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 Garden Park Estates. 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.

Context for joint Concept Endorsement/Final Approval

This project is being reviewed for concept endorsement and final approval simultaneously. In 2017, Innovative Housing Inc. (IHI) acquired Garden Park, a rent restricted property, and planned to redevelop the site with additional units and increased density. In 2019, IHI was awarded HOME funds from PHB to support the project. In 2021, the project was successful in securing PSH funding from OHCS, at which time PHB increased their award to fill the gap between the maximum PSH award and rising project costs. As with other projects in the development pipeline, this project incurred increased costs due to a continued rise in construction costs and interest rates in 2021 and 2022. In 2022, PHB once again increased their award to the project and OHCS increased their funding award by converting what had been a PSH capital funding + 4% LIHTC award into a larger award of 9% LIHTCs. The project is now fully funded and preparing for a financing close, and construction start in late May 2023.

The request of Metro Bonds for Garden Park is \$2,239,308, which includes \$858,111 to support the cost of integrating A/C cooling upgrades at the project. The priority population for Garden Park Estates will include individuals and families that have experienced homelessness and have a household member with a disability. Garden Park Estates will serve 25 households at 30% or less of AMI in Studio, 1, 2 and 3-bedroom units, and 29 households in similarly sized units at 60% AMI. Key project highlights include:

- Total development costs are \$57.1 million and Metro Housing Bond funding is \$2.2 million.
- Net cash developer fee is 3% of developer fee basis. This amount is less than the Metro Developer Fee Guidelines maximum of 6% for projects with 101+ units.
- Construction start date in June 2023 with completion anticipated in October of 2025.

Contribution to unit production targets

Garden Park Estates will utilize 1% of Portland's total allocation of bond funds (\$2,239,308.00) while delivering 54 units that meet the following unit production outcomes:

- 4% 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

When combining this project with Portland Housing Bureau's existing development portfolio, this puts the city on a path to have utilized 82% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 110% of Portland's overall unit production target
- 92% of Portland's target of units affordable to households making 30% or less of area median income (AMI); and
- 106% 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 3/23/2023
- OHCS Affirmative Fair Housing Marketing Plan
- Letters of Intent from Umpqua Bank, Enterprise, HOME, Portland Clean Energy Community Benefits Fund, OHCS PSH Capital funds
- Permit Bid Set dated 8/15/2022
- Phase I Environmental Site Assessment (ESA) dated 3/29/2022
- Land appraisal dated 1/29/2022

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:** Garden Park is located in the Powellhurst-Gilbert neighborhood. This neighborhood is a mix of single family, smaller multiplexes, and commercial uses. Amenities near the site include multiple transit lines and easy access to major services, including groceries. Recent improvements to Powell include swales and bike lanes. The site is served by the David Douglas school district. The local elementary school, Lincoln Park, is 0.73 miles away; and the designated middle and high schools are both about 1.5 miles from the complex. The Powell Butte Nature Preserve offers over 8 miles of hiking/biking trails including some that are accessible.
- **Transit access:** The project is well-supported by public transit through bus line #2 along SE Division, bus line #73 along Powell Blvd and bus line #9 at SE 122nd Avenue.
- **Diversity in contracting/hiring:** The selected contractor, LMC Construction, has significant experience developing and executing MWESB strategies on several affordable housing projects. 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. Similar 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 screening criteria to accommodate those with poor credit or rental history and some criminal backgrounds. Applicants will have access to IHI's appeal process and resident services staff will have experience working with high needs populations, including folks moving out of homelessness. IHI will partner with the Immigrant and Refugee Community Organization (IRCO) as the primary referral partner for incoming residents, including those who will live in Permanent Supportive Housing (PSH) units. When potential applicants receive pre-application paperwork, resident services staff will walk them through the application process, with special attention paid to required documentation, screening criteria and income requirements. IHI staff will also help residents access move-in funds to pay for security deposit, utility deposit, screening fees, ID replacement, and transportation.
- **Culturally responsive and appropriate services:** IHI will be staffing the site with a full time Resident Services Coordinator, Housing Support Specialist (HSS) and a Peer Support Specialist (PSS), along with support from the building manager and assistant manager. Staff will meet weekly to provide opportunities to discuss tenant issues, concerns, inspections, repairs and community event planning. The resident services coordinator will assist residents connect with local family and support services. The Housing Support and Peer Support Specialists will assist those moving into PSH units with pre-application paperwork, securing access to move-in funds to pay security deposit, utility deposit, ID replacement and transportation. Upon move in, the HSS will work with each PSH household to develop a client-centered plan to maintain stable housing. In addition, service staff will coordinate communication with outside providers that are working with PSH tenants. These might include health and mental health providers, DHS, agencies that provide benefits and culturally specific service providers.

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:

IHI's community engagement focused on working with existing residents of the project. Meetings have been held on site and flyers were posted with advance notice on every door and in common areas to encourage participation. During 2020 and 2021, IHI held five property-wide informational sessions onsite with several households and meeting times were staggered to allow folks with different schedules to attend. IHI staff also hosted informal drop-in sessions for residents to drop by and ask questions about construction phasing and temporary relocation plans. Residents were offered gift cards as an incentive to attend drop-in sessions and participation was high. In 2022, IHI hired a staff member to work directly with residents around relocation. The first five households to be relocated during phase 1 were all contacted for one-on-one conversations about the temporary relocation plan to begin in May 2023. IHI will continue to reach out to residents ahead of each household's moving date to surface and respond to any reasonable accommodation requests.

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

Major themes heard from community engagement included:

- Increased common areas and shared space
- Increased outdoor community spaces for residents
- Upgrading to modern playground equipment
- Addition of several single-level units to accommodate residents with restricted mobility
- Desire for larger family-sized floorplans and multi-generational living

Major design feedback heard from community engagement included:

- Addition of a second laundry facility on the property
- Investment in camera systems and lighting
- Ample fencing around the property
- Adding semi-private decking
- Guaranteed parking for residents
- Designing flats that are more accessible than current townhome design
- Addition of seven three-bedroom units
- Gating to discourage through-traffic on the property

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), Garden Park Estates' 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 Portland Housing Bureau | Metro bond concept endorsement for Garden Park Estates

Submitted by: Lindsay Brown, Housing Portfolio Finance Coordinator
Portland Housing Bureau, Lindsay.brown@portlandoregon.gov
Submitted on: March 6th, 2023 Revised March 23, 2023 and April 13, 2023

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.

Garden Park Estates currently operates as a LIHTC apartment complex with 63 units. The apartments are scattered across a 4.13 acre tax lot, and it is zoned for Multifamily development. The property is currently owned by Innovative Garden Park LLC, a wholly owned subsidiary of the project sponsor/developer, Innovative Housing. The LLC will transfer the property to Garden Park Limited Partnership for a sale price to be determined by appraisal and carry back a seller note for the difference between the existing debt that must be repaid and the value of the property.

Garden Park is currently owned by Innovative Garden Park, LLC which is a wholly owned subsidiary of IHI. IHI/the LLC purchased the property using a short term acquisition loan. That loan is held by Enterprise and comes due at construction closing. It is interest only, with interest being paid monthly through the property's operations.

The project's purchase price is based on an appraisal from February 2022 and will be adjusted based on a new appraisal which has just been ordered. The Sponsor Loan is the difference between the purchase price and the Enterprise loan. The project investor (Enterprise) opted for the difference to come in as a note rather than owner equity, so this will not negatively impact LIHTC financing. The Note will be repaid with project cash flow, after deferred developer fee and after PHB cash flow split provisions.

The new owner will be a limited partnership. The General partner (with .01% ownership) is Garden Park GP LLC (an IHI subsidiary), 99.99% of the new owner entity is an Enterprise Communities Fund. This is a typical LIHTC structure and will not create related party issues.

With the exception of one 3-bedroom single-family home that was built in the 1940s (which will be demolished and replaced with a multifamily building as part of this project), all existing buildings on the site were constructed in 1978. IHI proposes to tear down approximately half of the existing structures and replace them with larger buildings, adding 54 units for a total of 117 permanently affordable homes. The 54 new, added units are the only units supported by Metro Bond funds. By better utilizing the generous acreage at Garden Park, IHI can essentially double the number of units available in the complex, as well as introduce a larger variety of unit types. The new units will be developed as efficient, well-designed buildings with between nine and eighteen units each, most of them two-story townhouses over flats.

New, Metro-Bonds Supported Units:

Unit Size	Total No. Units	Total @ 30% AMI	Total @ 60% AMI	PSH units
Studio	8	5	3	5
1 BR	6	5	1	5
2 BR	34	13	21	13
3 BR	6	2	4	2
Total	54	25	29	25

Existing/Replacement Units:

Unit Size	Total No. Units	Total @ 30% AMI	Total @ 60% AMI	PSH units
Studio	0	0	0	0
1 BR	0	0	0	0
2 BR	34 (rehab) + 28 (replace)	0	62*	0
3 BR	1 (replace)	0	1	0
Total	63	0	63	0

Total Units- New and Existing units to be rehabilitated or replaced:

Unit Size	Total No. Units	Total @ 30% AMI	Total @ 60% AMI	PSH units
Studio	8	5	3	5
1 BR	6	5	1	5
2 BR	96	13	83	13
3 BR	7	2	5	2
Total	117	25	92	25

All buildings will utilize wood frame construction. The project includes substantial rehabilitation of the remaining units, transforming them from tired 1970's era money-drains into comfortable, energy efficient apartments. The proposal involves phased construction and an elegant relocation plan that minimizes impacts to existing residents.

The request of Metro Bonds for Garden Park is \$1,381,197, plus \$858,111 from the Metro fund to help pay for the costs associated with including mini-splits in all units, for a total of \$2,239,308. The balance of project funding will come from LIHTC equity through 9% tax credits awarded to the project in 2023, PCEF grant funding for green building features, a permanent bank loan, HOME funds awarded by PHB, and Sponsor contributions. The total development cost of the new construction and rehabilitation of Garden Park is estimated to be \$55,998,546. A sources and uses table is provided below for more details regarding the project financing structure.

Budget Sources	
<i>Deferred Developer Fee</i>	\$ 2,293,463
<i>LIHTC 9% Equity</i>	\$ 30,112,757
<i>Perm Loan</i>	\$ 8,497,602
<i>Portland Housing Bureau - HOME</i>	\$ 5,927,515
<i>Systems Development Charge Waivers</i>	\$ 1,552,304
<i>ODOT easement payment</i>	\$ 18,900
<i>Metro Bond</i>	\$ 3,691,051
<i>Owner Equity / Land + Building</i>	\$ 3,431,681
<i>Weatherization grants/rebates</i>	\$ 15,978
<i>PCEF Grant - Green Building</i>	\$ 1,608,104
Total Sources:	\$ 57,149,355

Budget Uses	Total	% of TDC
<i>Acquisition</i>	\$ 7,028,181	12.30%
<i>Soft Cost Total</i>	\$ 14,099,225	24.67%
<i>Hard Cost Total</i>	\$ 36,021,949	63.03%
<i>Total Project Cost</i>	\$57,149,355	100.00%

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

Summarize all changes to the project between concept endorsement and final approval and additional information provided in the report that was not previously included in the Concept Endorsement report. Specifically, please address how changes in total subsidy resulted in changes to the project that could impact sustainability, durability, climate resilience, and resident experience. If total subsidy increased, please describe whether a reduction in Metro bond funds is recommended and why or why not.

Garden Park Estates is a PHB Phase 2 project, and this submittal is for combined Concept Endorsement and Final Approval.

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.

Unit size (no. of bedrooms)	No. of units	AMI %	PSH (1)	PBVs	Square feet	Gross monthly rent/unit
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Studio (new)	5	30%	PSH	Yes	450	1,119	
Studio (new)	3	60%			450	1,119	
1 BR (new)	5	30%	PSH	Yes	625	1,198	
1 BR (new)	1	60%			625	1,198	
2 BR (rehab/replace)	45	60%			825	1,126	
2 BR (rehab/replace)	6	MKT			825	1,126	
2 BR (rehab/replace)	11	60%			825	1,438	
2 BR (new)	13	30%	PSH	Yes	900	1,438	
2 BR (new)	21	60%			900	1,438	
3 BR (new)	2	30%	PSH	Yes	1,250	1,662	
3 BR (new)	4	60%			1,250	1,662	
3 BR (rehab/replace)	1	60%			1,250	1,275	
Total	117				97,850	149,523	
Total New Units		54	Common Areas			9,919	
			Total Sq Ft		107,769		

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.

Please see attachment.

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.

IHI acquired Garden Park, a rent restricted property, in 2017 after several years of serving as a silent partner in the general partnership that controlled the site before that date. IHI's plan since 2017 has been to redevelop the site to take advantage of the ample room to add density and new units in an area with high demand for affordable housing. In 2017, it was clear that the deferred maintenance accumulated prior to IHI's acquisition necessitated a full rehabilitation of the property. IHI determined that the density of the site was not optimal and began exploring adding new units.

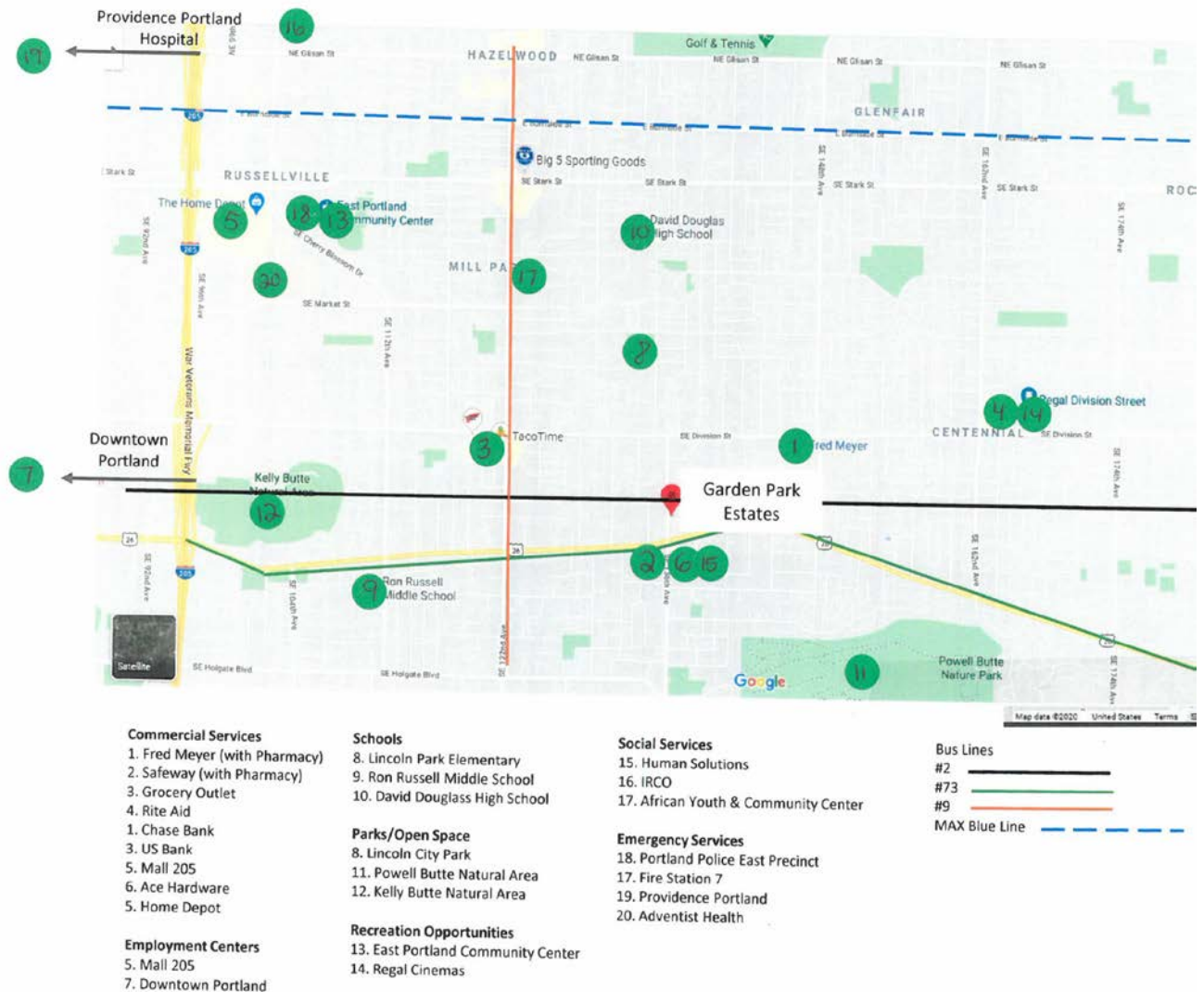
IHI was awarded HOME funds from PHB in support of this project in 2019. In early 2020, IHI applied for 9% credits from OHCS but was denied. They went back to OHCS in 2021 and were successful in their application for PSH funding, at which time PHB increased their award to fill the gap between the maximum PSH award and rising project costs. Construction costs and interest rates continued to rise alarmingly in 2021 and 2022. In 2022, PHB again increased their award to the project. OHCS also increased their funding award by converting what had been a PSH capital funding + 4% LIHTC award into a larger award of 9% LIHTCs. The project is now fully funded and preparing for a financing close and construction start in late May 2023.

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.



Garden Park is located in the Powellhurst-Gilbert neighborhood. This neighborhood is a mix of single family, smaller multiplexes, and commercial uses. Amenities near the site include multiple transit lines and easy access to major services, including groceries. Recent improvements to Powell include swales and bike lanes. The site is served by the David Douglas school district. The local elementary school, Lincoln Park, is 0.73 miles away; and the designated middle and high schools are both about 1.5 miles from the complex. The Powell Butte Nature Preserve offers over 8 miles of hiking/biking trails including some that are accessible.

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.

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

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

Garden Park Estates currently has 63 units on a single 4.13 acre tax lot. The apartments were built in 1978 and all but one are 2-BRs. The site is zoned Multifamily. The property is currently owned by Innovative Garden Park LLC, a wholly owned subsidiary of Innovative Housing. The new development will tear down and replace approximately half of the existing units, substantially renovating the units that will remain, and adding 54 new units for a project total of 117 units. The new project will include a range of unit sizes including studio, one-, two- and three-bedroom homes. Twenty-five units will be designated PSH. The work will be done in phases to minimize impact to residents. Residents will be able to remain on site while the work is completed and they will not see an increase in rent because of the renovations.

Partner Engineering completed a Capital needs assessment in 2020, which determined that all major systems on the site were reaching the end of their useful life. The renovation plan for the units that will remain on site includes a complete gut remodel. We will replace all electrical and plumbing, provide new flooring, paint, appliances, and exterior siding. New appliances will all be Energy Star rated. Renovated (and new units) will all be equipped with mini-splits which provide energy efficient heating and cooling.

IHI completed a Phase I ESA in 2017 and no recognized environmental conditions were encountered on the site. A lead-based paint and asbestos assessment was completed in 2017, which indicated minor presence of asbestos but no lead-based paint. LMC construction will complete and adhere to an asbestos abatement program ahead of demolition and renovation. Radon testing was conducted in 7 units across the site, and all testing revealed radon levels below the EPA Action Level of 4.0 pCi/L.

As a two story, wood construction complex, the seismic risk is low and no special construction is required.

Project Financing

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

Summarize the total developer fee and net cash developer fee and summarize how the following considerations informed the determination of the fee within the ranges specified by Metro's Developer Fee Guidelines: project complexity and risk (e.g. PSH units), developer organizational size

and financial capacity, participation of small/emerging community based and culturally specific organizations in development, and exceptional track record or outcomes for serving communities of color. To receive a fee at the upper end of the fee limits projects should demonstrate alignment with multiple considerations. See Metro Developer Fee Guidelines for additional information.

Summarize ongoing funding sources for rental assistance and services, including total, and total per unit.

The Total development cost for this project is estimated at \$55,998,546. Of that \$7,410,404 million comes from HOME and \$2,239,308 from Metro Bonds, allocated by the Portland Housing Bureau. OHCS's award of 9% LIHTC credits leverages over \$30 million in private equity. The chart below breaks down the total financing sources per unit and per bedroom. In addition to sources listed below, the project will receive full property tax abatement.

<i>Budget Sources</i>					
		<i>Per Unit</i>	<i>Per Bedroom</i>	<i>Per New Unit</i>	<i>Per New Bedroom</i>
		117	227	54	100
<i>Deferred Developer Fee</i>	\$2,293,463	\$19,602	\$10,103	\$0	\$0
<i>LIHTC 9% Equity</i>	\$30,112,757	\$257,374	\$132,655		
<i>Perm Loan</i>	\$8,497,602	\$72,629	\$37,434	\$0	\$0
<i>Portland Housing Bureau - HOME</i>	\$5,927,515	\$50,663	\$26,112		
<i>Systems Development Charge Waivers</i>	\$1,552,304	\$13,268	\$6,838		
<i>ODOT easement payment</i>	\$18,900	\$162	\$83	\$0	\$0
<i>Metro Bond</i>	\$3,691,051	\$31,547	\$16,260	\$68,353	\$36,911
<i>Owner Equity / Land + Building</i>	\$3,431,681	\$29,331	\$15,118	\$0	\$0
<i>Weatherization grants/rebates</i>	\$15,978	\$137	\$70	\$0	\$0
<i>PCEF Grant - Green Building</i>	\$1,608,104	\$13,744	\$7,084		
Total Sources:	\$57,149,355	\$488,456	\$251,759		

Summarize the total developer fee and net cash developer fee and summarize how the following considerations informed the determination of the fee within the ranges specified by Metro's Developer Fee Guidelines: project complexity and risk (e.g. PSH units), developer organizational size and financial capacity, participation of small/emerging community based and culturally specific organizations in development, and exceptional track record or outcomes for serving communities of color. To receive a fee at the upper end of the fee limits projects should demonstrate alignment with multiple considerations. See Metro Developer Fee Guidelines for additional information.

Developer fee

The total developer fee of \$3,722,009 was calculated to fit within PHB, OHCS, and Metro guidelines. The cash fee of \$1,428,546 is equal to 3.13% of the development fee basis. The fee is modest given the complexity of the financing and the lengthy development schedule.

The deferred developer fee is calculated to capture all the cash flow during years 1- 15. This is standard practice in LIHTC deals to prevent cash from going to the for-profit partner. After year 15, all net cash flow will be split with PHB.

Summarize ongoing funding sources for rental assistance and services, including total, and total per unit.

Operating Subsidy

This is a PSH property, with 25 PSH units serving families and individuals leaving homelessness. Our PSH operational award from OHCS includes rent subsidy for all 25 PSH units as well as up to \$10,000 per unit per year to cover enhanced services to those households with the goal of allowing them to be successful in maintaining their housing. The amount of the rent subsidy will vary as it is designed to make up the difference between 30% of each resident's income and a contract rent capped at the affordable payment for someone earning 60% of area median.

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.

Developer: IHI has extensive experience managing construction development projects. We are currently managing the construction of Anna Mann (129 units in NE Portland) and Fifth Street Apartments (150 units in Lincoln City). Their most recent completed projects are the rehabilitation of 60 family units at the Center Village Apartments in NE Portland and the second phase of the Magnolia Apartments, a newly constructed 50-unit apartment building also in NE Portland. Like Garden Park, both of these properties have wood-framed construction. The general design for the new units at Garden Park are based on IHI's Woodwind Apartments in Albany, which was built in 2015.

The primary IHI staff members working on Garden Park are Sarah Stevenson, Carolyn O'Doherty, David West, and Patrick McGill. As IHI's executive director, Sarah has been deeply involved in all aspects of every one of IHI's projects for the last 17 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. David West has a background in architecture/project management and has worked in housing development for thirteen years. He was IHI's project lead in the redevelopment of our property Center Village, also an occupied rehab. Carolyn's main focus is on project financing. She has worked in affordable housing finance for over twenty years and has specific expertise in the coordination of large LIHTC projects that access multiple funding sources. Patrick supports Carolyn's financing work and is the lead working with residents on relocation.

General Contractor / Architect: We are using the same design/architect team at Garden Park as we partnered with in the redevelopment of Center Village: LRS Architects and LMC Construction. Both firms have excellent reputations and deep experience in their fields. LRS has partnered with IHI on many of our recent projects and the two entities have developed strong working rapport.

LRS qualifies as a Woman Owned Business, although they have chosen not to proceed with certification. We selected LMC in part because of their proven ability to handle an occupied rehab, a job that requires delicacy working with and around residents. LMC did an excellent job in this area while completing the rehabilitation of Center Village and we are glad to bring them on board for Garden Park.

Garden Park is an existing IHI property and as such we are intimately aware of its current condition and rehab needs. We have been working with our design team for two years in preparation for this redevelopment. The team has completed an initial Needs Assessment including reports on lead-based paint and asbestos. The team has also developed a detailed relocation plan and conferred with the contractor on ways to phase the work in order to minimize disruption for existing resident.

Resident Services: Leah Cooper, IHI's Director of Housing Operations, joined IHI in the Spring of 2016. She comes with over 12 years of experience working with homeless and marginalized populations in Portland, providing direct services, program design, and development and administrative oversight. She also has extensive knowledge of Portland housing issues and support services.

Leah oversees our Resident Services team, and works to integrate services and management into a trauma informed housing operations model. IHI's Resident Service staff is highly trained and provides wraparound support services to all of IHI's residents, including those who have been homeless. IHI operates several service intensive buildings with PSH units, both single and family, including Musolf Manor, the Bridgeview Apartments, The Clifford Apartments, and Broadway Vantage Apartments.

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.

IHI's community engagement process has focused on working with existing residents to do our best to ensure that we are incorporating their needs and priorities into the project design. Garden Park is one of IHI's most diverse properties and we have made every effort to encourage participation. Meetings have all been held on site and notices were posted on every door and in common areas ahead of time. We have also staggered meeting times in an effort to allow folks with different schedules to attend.

Initial Project Outreach and Engagement: During 2020-2021, IHI held five property-wide informational sessions onsite with several dozen households. Some meetings were with IHI staff so we could update residents about our progress and gather information about their concerns and preferences, while others were facilitated by members of the design team to elicit feedback on specific design elements. IHI staff members Carolyn O'Doherty and David West also hosted

informal drop-in sessions where residents could come by and ask questions about the construction phasing and temporary relocation plans. During this period, IHI established a Resident Advisory Council whose job it was to help us spread information and gather resident concerns. Council members were compensated for their time.

Key insights gained from resident input informed:

- IHI's security scope, which increased to include lighting in excess of code, significant investment in camera systems, and fencing around the property.
- Design elements like adding semi-private decking to recreate the outdoor space that residents currently enjoy at the property.
- Inform parking policy, including ensuring current residents are guaranteed parking at the new Garden Park Estates.
- The design of several flats that are more accessible than the current townhome layout that is predominant at garden park.
- Gating to discourage through-traffic on the property (IHI closed one entrance to the public so that surrounding community members would be less likely to cut through the Garden Park parking lot).

Temporary Relocation Communications to Residents: In 2022, IHI hired a staff member (Patrick McGill) to work directly with residents around relocation. In November, IHI sent out Newsletters (all our communications are translated into multiple languages) updating all residents about the planned construction start date of June 1, 2023. All 5 households moving in phase 1 of construction were contacted for one-on-one conversations about the temporary relocation plan starting in May 2023. These households will be moving onsite to other Garden Park units at IHI's expense for the duration of phase I of construction. Patrick, who speaks Spanish, also hosted a holiday open house, inviting residents to meet with him in his on-site temporary office to look at plans and ask questions. Residents were offered gift cards as incentive to drop by and participation was high.

IHI will continue to reach out to residents ahead of each household's moving date to surface and respond to any reasonable accommodations beyond the basic packing, moving, utility assistance, and trash disposal services we'll be providing. IHI has committed staff resources to ensure we are coordinating and sharing information with any non-profit caseworkers engaged with our residents who are impacted by the temporary relocation plan.

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)*

Garden Park is currently one of IHI's most diverse housing sites; we house a significant number of Asian/Pacific Islander, Black, and Latinx households. We are building on this foundation to create a culturally inclusive and welcoming housing environment by partnering with groups such as: the Immigrant and Refugee Community Organization (IRCO) who is our primary referral partner for incoming residents (including PSH); The Asian Pacific American Network of Oregon (APANO) to engage in culture building and placemaking efforts at Garden Park, both as an aspect of the project's redevelopment and as an ongoing part of our programming; The Blueprint Foundation which works with Black youth to expose them career options in construction and environmental jobs; and WomenFirst which supports housing opportunity and stability for Black women transitioning out of incarceration.

IHI was a pioneer in relaxed screening criteria, which allows us to accept residents with poor credit or rental history and/or some criminal backgrounds. IHI also has a robust appeal process available to anyone who is denied housing. IHI's resident services staff has deep experience working with high needs populations, including folks moving to our properties from homelessness. IHI demonstrates its organizational commitment to equity and inclusion by partnering with culturally specific organizations in developing resident services offerings to ensure we are prioritizing the unique needs of the various target populations we serve.

In addition to our resident services approach, Garden Park will create economic opportunities that expand beyond the individuals who reside at the property. Our general contractor, LMC construction, has significant experience developing and executing MWESB strategies on several affordable housing projects. A large percentage of LMC's work history has been in the Affordable Housing industry, and they've had remarkable success implementing and exceeding Owner-Driven Policy Goals including DMWESB participation, Section 3 Businesses, Section 3 Hiring, Apprenticeship and Workforce Training and Green Building practices. Since LMC started tracking DMWESB participation on all of their projects (including projects with no requirement or aspirational goals): 76% have surpassed 20% DMWESB involvement, 46% have reached 30% DMWESB involvement or higher, and 12% have surpassed 40% DMWESB involvement. To supplement our MWESB work, IHI has begun partnering with Oregon Tradeswomen to offer respectful workplace training through their RISE Up Program (Respect, Inclusion, Safety, and Equity).

Partnerships and Services

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

Income Property Management (IPM) currently provides property manager services and will continue to do so through and after the renovation. IPM has a strong portfolio of affordable properties in the Portland Metro area and is a longtime partner of IHI's. IHI will also be staffing the site with a full time Resident Services Coordinator whose job it is to be the first contact if a resident falls behind on rent or is looking for connections/referrals to area services. Resident service coordinators also provide family support, such as after school homework clubs and summer programming.

In addition to IHI's traditional services, IHI will also provide an in-depth and comprehensive Permanent Supportive Housing program for the PSH residents at Garden Park. IHI has many years of experience providing effective, client-centered, trauma informed, and culturally responsive services to people who have experienced homelessness and disabling conditions. Our experience, combined with the skills we learned in the CSH institute, ensure our service delivery will keep people stably housed, improve health and well-being and diminish marginalization. The below description demonstrates the program will meet the CSH Dimensions of Quality.

The 25 PSH units at Garden Park will be supported by both a Housing Support Specialist (HSS) and a Peer Support Specialist (PSS). The participants will have access to studios, one, two- and three-bedroom units that will be subsidized by the Oregon Health Authority. Our targeted PSH population will include individuals and families that have experienced homelessness and have a household member with a disability. Referrals will come through Coordinated Access with additional priority referrals from IRCO. When potential applicants receive pre-application paperwork, PSH staff will walk them through the application process, with special attention paid to required documentation, how screening criteria may affect the application, and income requirements. The HSS and PSS will also help residents access move-in funds to pay for security deposit, utility deposit, screening fees, ID replacement, and transportation.

The PSS will provide residents with an orientation introducing them to their apartment, the building, and the larger community. They will provide in-depth information on their lease and the tenant's rights and responsibilities. Upon move in, the HSS will work with each PSH household to develop a client-centered goal plan that includes the client's identified strengths and areas of improvement. These plans will be revisited and updated as the tenant accomplishes goals and articulates new ones.

The HSS will hold open office hours throughout the week; this is a time for residents to access them for services and referrals but also for general support. These office hours will be used to build relationships, trust and rapport with residents. While services are not required, regular meetings are an opportunity to help residents improve their communication skills, reduce isolation and less formally begin working toward longer term goals. The PSS will provide workshops, support groups and other opportunities that are client driven, with a goal of supporting tenants in navigating the complex elements of maintaining stable housing. The building will have several areas that are designed to function as both learning and gathering spaces, including a community kitchen, garden area and walking trail. Like much of the programming, recreation activities will be guided by tenant voices with IHI routinely soliciting suggestions and feedback. Program goals will be targeted and measured by stability rates, tenant outcomes and an annual tenant satisfaction survey.

The HSS, PSS, and Resident Services Coordinator (RSC) will all be employed by IHI, the lead service partner. IHI staff and supervisors will coordinate communications with all project partners. The building manager, assistant manager, HSS, PSS and RSC will meet weekly. Each of these partners will have a clear understanding of their role in the PSH program and weekly meetings will provide an opportunity to discuss tenant issues, notices and concerns, building events (inspections, repairs, etc.), community events and opportunities. In addition, the service staff will coordinate communication with outside providers that are working with PSH tenants. These might include health and mental health providers, DHS, agencies that provide benefits and culturally specific service providers.

Livability and Accessibility

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

Accessibility in all of its forms is a primary goal for IHI. We partner with Community Vision to ensure that people with disabilities have priority referral for ADA units throughout our portfolio and also look to their expertise to help make our units as accessible as possible. As PHB has awarded HOME dollars, Garden Park is subject to Section 504 and the Fair Housing Act.

Livability as the site will be enhanced by the addition of two laundry facilities in different sections of the property (currently there is only one onsite), the addition of an outdoor community space (amphitheater), new modern playground equipment, and the addition of several single-level units to accommodate residents with restricted mobility or disabilities. We are adding more on-site office space for resident service staff as well as a shared community room. In addition, seven three-bedroom units will be constructed as a result of this project. Several current tenants at Garden Park have expressed desire for these larger family-sized floorplans to better accommodate multi-generational living situations and growing families.

Climate Resilience and Sustainability

Please describe the project's cooling plan to keep residents safe in extreme heat events, take into consideration Metro's Policy Statement of Air Conditioning (Sept. 14, 2021) for expectations related to cooling strategies. Include type of air conditioning system and cost. Including reasons why the type of air conditioning system was selected including sustainability, durability, expense, and feasibility given project constraints.

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

Mini-split heating/cooling units were selected as the cooling strategy, due to superior energy efficiency and cooling capacity (versus PTACs), and cost efficiency (versus central air). In November 2021, mini-split installations were estimated to cost \$757,575 including all labor and materials. Retrofits related to the mini-split installations for units in existing buildings slated for renovation was additionally estimated to cost \$206,250. Additional accommodation (electrical, other system alterations) related to the mini-split scope for new units were expected to add an additional \$157,500, for a grand total of \$1.121 million.

Garden Park was awarded a PCEF grant in the amount of \$1,608,104, initially allocated for mini-splits in all units. Since the project was awarded Metro funds exclusively to help finance the costs of cooling, IHI will use PCEF's "Scope Modification Request" to move much of the PCEF award dollars to finance other PCEF-eligible cost categories. Other sustainability elements include new Heat Pump Water Heaters for all units (part of the PCEF scope), project-wide LED lighting, new energy efficient windows for all units, Energy Star appliances, and replacement of exterior doors with modern energy efficient models.

The project team will be pursuing Earth Advantage certification at Garden Park Estates.

Anticipated Timeline

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

The Garden Park project is well on its way. All of our finance partners and team members have been selected. Architectural design is complete and we are currently working with the planning department to secure permits. LMC went out to bid the first week of March with the goal of having final pricing by late April. The team is targeting a June 1 construction start.

The financing team recently started weekly team calls and IHI is hard at work providing all the required due diligence ahead of a late May closing. The appraisal will be ordered in early March and we look to begin document review in the next couple of months.

Construction at Garden Park will take place in two phases. Phase one involves tearing down eight units and replacing them with two buildings totaling 27 units. That work will start in June 2023 and be complete in May 2024. Phase two begins in May 2024 and will rebuild the entire north end of the site. (Those residents will be moved into the 27 new units ahead of demolition.) Simultaneously, LMC will begin renovating the units we are keeping in blocks of eight, temporarily moving residents to vacant units as needed to accommodate that work. This second phase will take 18 months with completion in October 2025. We anticipate being fully leased by February 2026 with conversion to permanent financing in June 2026.

Metro Affordable Housing Bond Program

Final Approval

Project Name: Plambeck Gardens (formerly Basalt Creek)

Implementing Jurisdiction: Washington County

Metro IGA Contract Number: 936591

Date of Concept Endorsement: September 17, 2020

Date of Concept Endorsement Amendment: January 25, 2023

Anticipated construction start: April 2023

Anticipated construction completion: November 2024

Action:

Metro hereby provides the Washington County with Final Approval of \$14,700,000 in Metro Affordable Housing Bond funds for the development of Plambeck Gardens, a regulated affordable housing project located at 23500 SW Boones Ferry Road, Tualatin. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B.

This Final Approval is based upon the information contained in the final approval request provided to Metro by Washington County, including 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
26	1-bedroom	30%	0
5	1-bedroom	40%	0
7	1-bedroom	50%	0
16	1-bedroom	60%	0
13	2-bedroom	30%	0
4	2-bedroom	40%	0
8	2-bedroom	50%	0
15	2-bedroom	60%	0
5	3-bedroom	30%	5
2	3-bedroom	40%	0
3	3-bedroom	50%	0
6	3-bedroom	60%	0
3	4-bedroom	30%	3
3	4-bedroom	60%	0

Changes to the information contained in the final approval request provided by Washington County could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and



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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 Washington County, and will occur within 10 days of Metro's receipt of the following items: a draft regulatory agreement meeting IGA requirements, a final sources and uses budget, a construction contract schedule of values, and an invoice from Washington County including wiring or other instructions related to transfer of funds.

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

4/7/2023

Marissa Madrigal
Chief Operating Officer

Date

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



Drafted by: Alison Wicks, Senior Housing Program Coordinator and
Jimmy Oporta, Senior Housing Program Coordinator
Date: March 29, 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 Housing Authority of Washington County (HAWC).

Changes since Concept Endorsement

The project being reviewed for final approval and has undergone changes since Concept Endorsement on September 17, 2020. The project received a Concept Endorsement Amendment on January 25, 2023. The Concept Endorsement Amendment added Metro Bond funds to support the inclusion of air conditioning in each unit. The Concept Endorsement Amendment increased the Metro Bond funds for the project from \$14,320,000 to \$14,700,000.

Project costs for Plambeck Gardens have increased by \$23.5 million since 2020 (64%) with \$15.1 million due to increased construction prices. Sources have increased to fill the project gaps including, \$12.8 million increase in 4% LIHTC equity, \$2.4 million in Housing Trust Funds, \$845,783 in Market Cost Offset Funds (MCOF), and \$380,000 increase in Metro Bond Funds. As with other projects in the 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.

Key project highlights include:

- Total development costs are \$67 million and Metro Housing Bond funding is \$14.7 million.
- Net cash developer fee is 4.1% of developer fee basis. This amount is less than the Metro maximum of 6.0% for project is 101+ units.
- Construction start date in April 2023 with completion anticipated in December 2024.

Contribution to unit production targets

Plambeck Gardens will utilize 13% of HAWC's total allocation of bond funds (\$14,700,000) while delivering 116 units that meet the following unit production outcomes:

- 14% of HAWC's overall unit production target
- 14% of HAWC's target of units affordable to households making 30% or less of area median income (AMI);
- 15% of HAWC's family sized unit target; and
- 6% of HAWC's project based voucher target.

When combining this project with HAWC's existing development portfolio, this puts the city on a path to have utilized 90% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 99% of HAWC's overall unit production target
- 95% of HAWC's target of units affordable to households making 30% or less of area median income (AMI);
- 98% of HAWC's family sized unit target; and
- 120% of HAWC's project based voucher target.

The project will provide 16 units of permanent supportive housing of which eight are support by project-based vouchers and eight supportive housing vouchers from OHCS.

Readiness to proceed

HAWC 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 December 2022
- OHCS Affirmative Fair Housing Marketing Plan
- Residents Service Plan
- Letters of Intent from Red Stone, US Bank, CPAH deferred developer fee, OHCS HTF, OHCS LIHTC, Enterprise, City of Tualatin, Energy Trust of Oregon, Washington County HOME funds, and Washington County PBVs.
- Permit Bid Set 8/12/2022
- Phase I Environmental Site Assessment (ESA) dated 2/2/2023
- Land appraisal dated 1/27/2023
- Community engagement outcome report

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

Advancing racial equity

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

- **Location:** The site is in Tualatin's newly approved Basalt Creek Concept Plan Area. A grocery store and pharmacy are located within 1.5 miles from the property. Nearby parks include Ibach Park (1.3 miles) and across the street (700 feet), the City of Tualatin purchased a new 6.7-acre park. Sherwood schools (6-7 miles) will require a bus ride from the Sherwood School District. Tigard High School (0.6 miles) and Edward Byrom Elementary School (0.9 miles), if a transfer is granted, are to the North
- **Transit access:** The property is in close proximity to the Trimet bus route 96 with service to proximity to Tualatin and downtown Portland. The site is in close proximity to proposed light rail, the WES, and new bus lines as the Basalt Creek area develops.
- **Diversity in contracting/hiring:** Community Partners for Affordable Housing (CPAH), the developer has set a goal of 25% COBID participation for hard and soft costs combined. They are currently tracking towards 30%. Washington County does not require COBID/MWESB reporting. The project does not plan to track workforce diversity goals.

- **Access for historically marginalized communities:** CPAH is working directly with culturally specific agencies to market to residents who are living in the area. Because they have developed relationships through their planning work, they are able to partner with multiple culturally specific agencies, including UniteOregon, APANO, Centro Cultural, and HAKI. CPAH also partners with Virginia Garcia and the Urban League, as well as the Native American Rehabilitation Association, to provide equitable access to PSH. Applications will be translated into multiple languages and use a lottery process, with online access, in person and via mail, as part of the lease up process. CPAH will reduce barriers through relaxed screening criteria and a clearly articulated hearing process for appeals. CPAH's RSC will also be on-site to learn and respond to the needs of diverse residents.
- **Culturally responsive and appropriate services:** CPAH has a well-developed resident services program that provides eviction prevention for vulnerable households, Thriving in Place activities for our seniors, workforce support for those with their working lives ahead of them, services for young people to support learning and positive social engagement, and connections to service partners for residents who need temporary intermittent support or those who need permanent supportive housing. Sixteen apartments will be set aside for people coming from the Washington County Coordinated Access List and CPAH has signed MOUs to partner closely with Community Action (CA), Native American Rehabilitation Association (NARA) Cascade AIDS Project, and Lifeworks NW, to ensure that PSH residents have access to supportive services, and that the team is working together to provide a platform for success. CPAH will have a full-time (1.0 FTE) Resident Services Coordinator (RSC) who provides eviction prevention and housing stabilization resources for the apartment community.

Community engagement to inform project implementation

Metro staff have reviewed the updated narrative to confirm consistency with the community engagement elements of HAWC 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:

CPAH's Executive Director, Rachael Duke, has been planning for housing in the SW Corridor, which is adjacent to this site, for five years. This includes participation in the SW Equitable Development Strategy Committee, the SW Equity Coalition, and a SW Corridor anti-displacement work group. All planning work has covered in great detail the housing needs for BIPOC and immigrant communities. CPAH received a grant from Metro in 2018 to directly explore community housing needs in this area. During community meetings in 2019 at the Muslim Education Trust and the Tigard Library, diverse community members discussed a fear of displacement, their strong community connections, and the need for community organizing.

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

Design features included based on feedback from community engagement:

- multiple bedrooms in units
- flexible interiors
- ample outdoor space
- extra storage
- education space
- a space for large family gatherings
- shared wi-fi

- ample parking
- community garden with some beds raised to be accessible to those in wheelchairs

The project design team centered the values of Universal Design and Trauma Informed Design. Accessible design features included are grab bars, door assist, and keyless entry. These values also informed colors, textures, building navigation, and materials. Access to job training was another need identified via community outreach. The project will feature classrooms that create multiple sized flexible space, and a large kitchen.

Sustainability and climate resilience

Consistent with Metro's Policy Statement on Air Conditioning (September 14, 2021), Plambeck Gardens will provide heating and cooling through-wall units in every unit and the largest units will have two. CPAH will provide packaged terminal heat pumps (PTHPs). Plambeck Gardens is on track to exceed the Earth Advantage Platinum certification and will include solar voltaic array on the roofs of all three buildings. Other sustainable features include no-VOC flooring and paint, lighting and plumbing controls, ventilation systems using energy recovery and centralized hot water heating.

EXHIBIT B: Project summary submitted by Washington County | Metro bond concept endorsement for Plambeck Gardens (formerly Basalt Creek)

Submitted by: Melisa Dailey, Housing Development Program Coordinator
Washington County Housing, melisa_dailey@washingtoncountyor.gov
Submitted on: March 10, 2023; updated April 5, 2023

Project Overview

Plambeck Gardens is a proposed multi-family affordable housing development located on a 4.66-acre site in Tualatin on Boones Ferry Road in the Basalt Creek Concept Plan area. There are two residences on the property, one constructed in the 1920s and the other in the 1940s. There is also a shop/garage building, construction date unknown. Historically, the property was used for residential and agricultural purposes. Crops and orchards were present on the property starting in the late 1930s through the 1970s and then used as a plant nursery from the 1990s through the early 2000s.

The project consists of two four-story building totaling 116 units, ranging in size from one- to four-bedrooms. There is also 6,100 SF of community space. The project will serve families whose incomes are between 30%-60% of Median Family Income (MFI), with 47 units serving extremely low-income families at or below 30% of MFI. Eight Project Based Section 8 Vouchers (PBV) are included consisting of five (5) three-bedroom units and three (3) four-bedroom units. The eight PBV units are also designated for Permanent Supportive Housing (PSH); an additional eight PSH units are funded by OHCS, for a total of 16 PSH units.

The project will be developed and owned by Community Partners for Affordable Housing (CPAH). CPAH purchased the site in March 2020 with the assistance of \$500,000 Housing Production Opportunity Funds (HPOF) from Washington County. Total Project Costs are \$67.1 million anticipated to be financed with \$14.7 million in Metro Bond funds; \$500,000 of HPOF from Washington County; \$1.0 million of ARPA (American Rescue Plan Act) funds from the City of Tualatin; \$124K Cash Flow funds; \$2.4 million in deferred developer fee; \$29.4 million in 4% Low Income Housing Tax Credit (LIHTC) equity; \$3,245,783 OHCS HTF funds; and a \$9.6 million permanent loan. This is the second largest Metro bond-funded project in Washington County's portfolio of projects.

Sources of funding include:

- 4% LIHTC Equity \$29,379,545
- OHCS HTF (PSH) \$2,400,000
- OHCS MCOF (HTF) \$845,783
- Permanent Debt: \$9,600,000
- METRO Bond: \$14,700,000
- Washington County HPOF: \$500,000
- Washington County HOME: \$1,200,000
- ARPA Funding: \$1,000,000
- Solar Tax Credit: \$233,424
- EOT Solar Incentive: \$150,000
- ODOE: \$60,000
- Deferred Developer Fee: \$2,398,416
- Contributed Developers Fee: \$3,083,529

Changes between Concept Endorsement and Final Approval

Since Plambeck Gardens (formerly Basalt Creek) received Concept Endorsement in September 2020, the region has seen unprecedented cost escalations for construction materials and labor, as well as an increase in interest rates. Plambeck Gardens costs increased by \$23.5 million since 2020; 64%, or \$15.1 million of those costs, are due to increased construction prices. To bridge the financing gap, \$12.8 million was filled by an increase in 4% LIHTC equity. The CPAH team also received a \$380,000 increase of Metro bond air conditioning funds in addition to Oregon Housing and Community Services (OHCS) Market Cost Offset Funds (MCOF) of \$845,783. The project was also awarded \$2.4 million in Housing Trust Funds (HTF) from OHCS as part of a competitive Permanent Supportive Housing (PSH) application in 2022.

- Design – The architectural plans for the site were reconfigured from four buildings to three. The buildings were relocated to access a needed utility easement on the southern boundary of the property.
- Parking - Concept Endorsement 165 spaces; Final Approval 170 spaces
- Air Conditioning – A/C was value engineered out of the project due to cost escalations, but added back in with the Metro A/C funding of \$380,000
- Total costs increased from \$43.5 million to \$67.1 million. A reduction in Metro bond funds is not recommended because the increased costs are due to inflation, higher interest rates, and unavoidable site design changes.
 - Construction costs increased by \$15.1 million.
 - Installing solar panels added \$500,000, the cost of which is 90% covered by new sources including tax credits and incentives.
 - Adding 4-bedroom units also increased construction costs
 - Land acquisition costs increased by \$2,465,625 for two main reasons. First, the value of land has almost doubled since 2020. Second, an easement was purchased from the neighboring property, costs of which totaled \$250,000. Holding costs also increased by over \$70,000.
- \$380,000 of Metro bond air conditioning funds were added to the project which increased the total Metro bond allocation to \$14,700,000. (Climate Resilience)
- Solar panels – A total of \$233,424 in funding was acquired from Enterprise for solar tax credits (\$178,324) and 45L tax credits (\$55,100), as well as an Energy Trust of Oregon Solar Grant (\$150,000) and Oregon Department of Energy grant (\$60,000) for the solar panels at Plambeck Gardens. (Sustainability/Climate Resilience)
- The project was allocated \$1.2 million of HOME funds
- Funds from the City of Tualatin increased by \$700,000, from \$300,000 to \$1,000,000. Initially the City of Tualatin funds were not ARPA. The pandemic made these funds available to cities and their priority projects.
- The permanent loan amount increased by \$1.3 million.
- Deferred Developer fee amount has decreased by approximately \$300,000 which makes more cash available for the project.
- Initial sources that included Weatherization (\$150,000), Metro (\$200,000) and Foundations (\$300,000), were not utilized. The ARPA funds were not available when Concept Endorsement occurred. Foundation funding became unavailable due to the pandemic.
- Operations: OHCS PSH funding increased by \$1,750,000 to \$2,400,000.

Development Program

Unit size (no. of bedrooms)	No. of units	AMI %	PSH ¹	PBVs	Square feet/unit	Gross monthly rent/unit
1BR	26	30%	2 ²		568	\$599
1BR	5	40%			568	\$798
1BR	7	50%			568	\$998
1BR	16	60%			568	\$1198
2BR	13	30%	6 ²		830	\$719
2BR	4	40%			830	\$958
2BR	8	50%			830	\$1198
2BR	15	60%			830	\$1438
3BR	5	30%	5	5	1,199	\$831
3BR	2	40%			1,067	\$1108
3BR	3	50%			1,199	\$1385
3BR	6	60%			1,067	\$1661
4BR	3	30%	3	3	1,393	\$926
4BR	3	60%			1,393	\$1853
Total	116		16	8		

- Unit sizes changed due to adding six 4BR units and reconfiguration of site design. The 1BR decreased from 600 sq. ft. to 568 sq. ft., the 2BR increased from 800 sq ft. to 830 sq ft., and the 3BR decreased from 1,400 sq. ft. to 1,067 sq. ft
- Initially, 69 units were for those at or less than 60% AMI. Those units are now split between 40%, 50% and 60% AMI households, with 11 40% AMI units, 18 50% AMI units, and 40 60% AMI units allowing the project to serve households with realistic rents.
- PBVs were reallocated to the larger family-sized units, from concept endorsement of 2 PBVs/2BR and 6 PBVs/3BR to this final approval of 0 PBVs/2BR, 5 PBVs/3BR, and 3 PBVs/4BR.
- Building design was changed to two mirrored 4-story buildings from three mirrored 3-story buildings.

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

² Eight PSH units funded by OHCS.

Project Image



CHA CARLETON HART
ARCHITECTURE

CPAH COMMUNITY PARTNERS
FOR AFFORDABLE HOUSING

PLAMBECK GARDENS
23500 SW BOONES FERRY ROAD, TUALATIN, OREGON

Background

In November 2018, voters authorized Metro to issue \$652.8 million in bonds to support affordable housing. Washington County received about \$116 million to construct 814 affordable housing units in the Washington County Metro Service area outside Hillsboro and Beaverton. The County developed a Local Implementation Strategy (LIS) and, in March 2020, issued a Notice of Funding Availability (NOFA) offering \$80 million of the \$116 million. To be approved for funding, proposed projects had to be consistent with the LIS. Plambeck Gardens (formerly Basalt Creek) received Concept Endorsement Approval from the Washington County Board of Commissioners on September 1, 2020, and from Metro on September 17, 2020.

CPAH acquired the property in March 2020. At the time, the property was in unincorporated Washington County with an agricultural designation and a discounted tax liability. CPAH purchased the property with assistance of \$500,000 Housing Production Opportunity Funds from Washington County. Upon purchase, CPAH worked to annex the 4.66-acre site into the City of Tualatin which is located in the Basalt Creek Concept Plan area. The development received a height variance to build up to 4 stories and a parking variance to decrease parking by approximately five spaces. Two residences and a shop/garage will be demolished upon construction start. Due diligence items completed include:

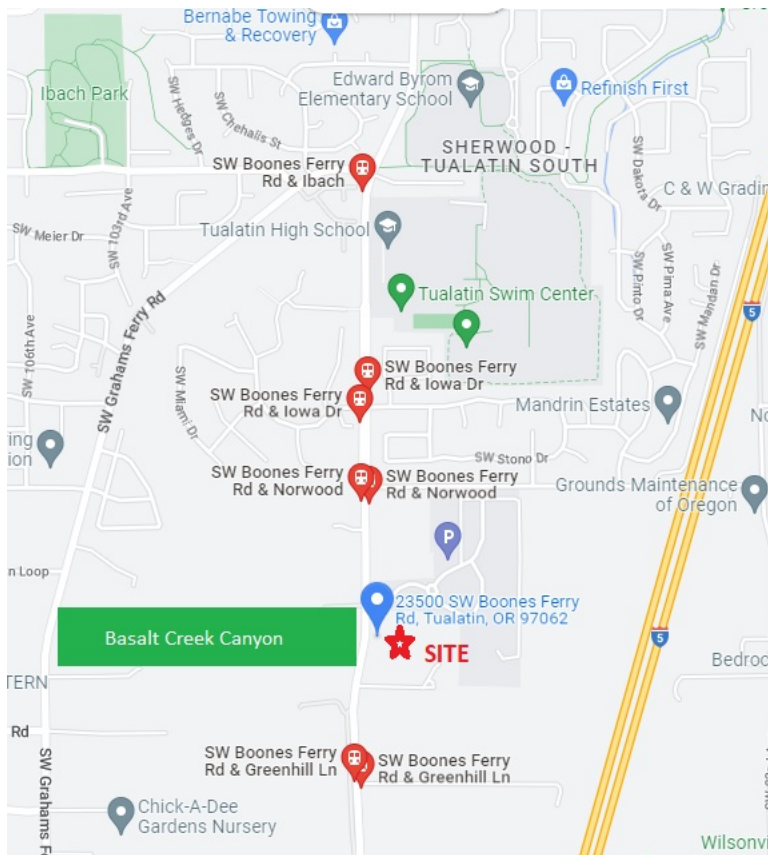
- Environmental Phase I, Phase II Reports
- A Hazardous Building Materials Survey
- Geotechnical Investigations
- Site Survey - ALTA survey is expected in the next two weeks
- Utility Will-Serve letters

- Traffic Analysis

Location and Neighborhood

The 4.66-acre site (zoning: RH-High Density Residential) was annexed into the City of Tualatin and is in the Basalt Creek Concept Plan area. The site is adjacent to a church site zones IN-Institutional. Surrounding land to the East and South is owned by Lennar Northwest Inc. and zoned CN-Neighborhood Commercial along Boones Ferry Road and RML-Residential Medium Low. There is RL-Low Density Residential land to the northwest and southwest, as well as the approximately 14 acres of Basalt Creek parkland directly west across Boones Ferry Road.

Bus line 96 serves SW Boones Ferry with stops to the north and south with each 1100 feet away. Bus line 96 goes into Tualatin (2.5 miles) where many services such as grocery stores, restaurants, and coffee shops are located; across the street (700 feet), the City of Tualatin purchased a new 6.7-acre park. Sherwood schools (6-7 miles) will require a bus ride from the Sherwood School District. Tigard High School (0.6 miles) and Edward Byrom Elementary School (0.9 miles), if a transfer is granted, are to the North.



Site

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

The Property (tax lot R1136023), purchased by CPAH in March 2020, consists of one 4.66-acre lot zoned High Density Residential. The cost of acquisition was determined by appraisal, and in

alignment with HUD requirements. Two residences are on the property, one constructed in the 1920s and the other in the 1940s. There is also a shop/garage building, construction date unknown. Historically, the property was used for residential and agricultural purposes. Crops and orchards were present in the property starting in the late 1930s through the 1970s, and then used as a plant nursery from the 1990s through the early 2000s (*Phase I Environmental Site Assessment: 23500 and 23550 SW Boones Ferry Road, Tualatin, Oregon*, Maul Foster & Alongi, Inc.: Portland, Oregon, January 30, 2020 and Feb. 2, 2023).

An underground heating oil tank (HOT) was discovered on the site and was the only recognized environmental condition (REC) noted. The Phase II Focused Site Investigation Results report dated March 16, 2020, reported no evidence of soil contamination. A Hazardous Building Materials Survey was conducted by Maul Foster & Alongi in November 2022. The buildings were tested for lead-based paint and asbestos. No asbestos was found in the 32 samples collected; low levels of lead-based paint were found in two of nine samples taken at the 23500 Scholls Ferry Road residence. In summary, remediation and abatement on the site consists of:

- Decommissioning the HOT in accordance with DEQ regulations
- During demolition, collect additional samples for asbestos
- General contractor will take appropriate cautions for lead-based paint during demolition.

The two existing homes and the shop/garage building will be demolished upon construction start. The Environmental Assessment conducted for the Housing and Urban Development Subsidy Layering Review (SLR) was granted a FONSI or Finding of No Significant Impact which means the project will not result in a significant impact on the quality of the human environment, which includes no effect” on federally listed endangered species or candidate species.

Project Financing

Total development cost is approximately \$67.1 million. Total development cost per unit is roughly \$578,000, which is \$529.90 per gross square foot. Metro bond public subsidy breaks down to \$14,700,000 total, \$71,359/bedroom, and an average of \$126,724/unit which is below Washington County’s ~\$143,000 subsidy per unit in the approved Local Implementation Strategy. To maximize the financial efficiency of Washington County’s Bond allocation, the project will utilize 4% Bond financing for construction debt issued by OHCS.

	Plambeck Gardens Total Cost	Metro Bond Total Subsidy
Total	\$67,050,697	\$14,700,000
Cost per Unit (116 units)	\$578,023	\$126,724
Cost per Bedroom (206 bedrooms)	\$325,489	\$71,359
Cost per Residential Sq. Foot (126,534 sq ft)	\$529.90	\$116.17

<u>Funding Source</u>	<u>Amount</u>
<i>OHCS Programs</i>	
4% LIHTC (Equity)	\$29,379,545
OHCS MCOF-HTF	\$3,245,783
Total OHCS Grants and Equity	\$32,625,783
<i>NON-OHCS Grants</i>	
HPOF	\$500,000
City of Tualatin ARPA	\$1,000,000
Total Non-OHCS Grants	\$1,500,000
<i>Loans</i>	
Permanent Loan	\$9,600,000
Seller Carry Note	\$1,500,000
Metro Bond	\$14,700,000
Washington County HOME	\$1,200,000
Total Non OHCS Loans	\$27,000,000
<i>Applicant Contributions</i>	
Deferred Developer Fee	\$2,398,416
Contributed Developer Fee	\$3,083,529
Solar Tax Credit	\$178,324
45 L tax credit	\$55,100
Total Applicant Contribution	\$5,715,369
Total Fund Sources	\$67,050,697

<u>Uses of Funds</u>	<u>Amount</u>
Acquisition Costs	\$5,060,000
Construction Costs	\$42,546,367
Total Development Cost	\$19,444,330
Total Project Cost	\$67,050,697

Development Team

Community Partners for Affordable Housing (CPAH) builds quality affordable housing, developing nine affordable housing projects in its 30-year history. Their growing portfolio includes 10 apartment communities with 460 units. CPAH has added expertise to its development team by hiring a housing program manager Rachel Loftin, and two associate housing developers Geoffrey Taylor and Mac Cunningham, who join CPAH's Executive Director, Rachael Duke, and Housing Director Jilian Saurage Felton, as the in-house development team. Rachael joined CPAH after fifteen years at Home Forward and the Housing Authority of Multnomah County, gaining varied experience in planning, program, and policy work. Jilian Saurage Felton has over twelve years of

experience in nonprofit and affordable housing finance, analysis, and project team management with projects of varying size and scope including residential construction, land development, and commercial real estate projects. Ms. Duke and Ms. Saurage Felton have secured funding for six new projects with a combined budget of over \$232.8MM since joining CPAH and three rehabilitation projects for buildings in CPAH's current portfolio. Two new projects were completed in 2020, and a third a major historical renovation and seismic retrofit in downtown Portland with 66 units of permanent supportive housing, will be completed in April 2023. The first of three rehabs was completed in 2021, with the second one underway in early 2023 and the third planned for the end of 2023 or early 2024.

Carleton Hart Architecture (CHA) has completed more than 50 affordable-housing developments in its 26-year history, five of which were designed for CPAH, including The Knoll at Tigard, Barcelona, and Oleson Woods, Red Rock Creek Commons and Cedar Grove and they are the project architect for The Joyce. The project's general contractor, LMC Construction, has completed over 25 similar buildings to date, including CPAH's The Knoll at Tigard, The Barcelona at Beaverton, Red Rock Creek Commons and Cedar Grove.

Community Engagement

CPAH facilitated a community engagement focus group of nine participants in May 2022. The event was hosted by one of their partners, Unite Oregon, as part of a contract, with a diverse group of community members. Community members were given an overview of the project, a look at the community space, outdoor space, and given the opportunity to respond to the projects design, lease up questions, and the opportunity to add their own insights into this project. The questions posed included: What do you think the priorities for outdoor space should be? What do your children like to do when they play outside? What advice do you have for CPAH regarding space and its programing? What amenities would you like to see offered? Do you have any concerns about the space?

CPAH listened to the feedback of the participants, much of which reinforced concepts that they already employ in their developments. They found that people want trees, and that providing shade is important to some of the potential residents. Some felt that a playground would be an important element of the development. Community members felt that children would use the parking lot for playing if a playground or play space was not available. They also requested a specific place for pets that is separate from the area where the kids play outdoors. Bike parking was identified as a desirable addition, as well as outdoor amenities that will help to facilitate active outdoor activities and transportation options. A couple of the participants also wondered if a splash pad might be possible at Plambeck, and another person asked about the viability of adding charging stations with an eye on future needs for electric cars. CPAH incorporated many of suggestions from the participants of the various engagement sessions into the design features for Plambeck Gardens. CPAH included the addition of trees in some areas of this community along and around the buildings as well as around the periphery of the property. Plambeck Gardens will also include a playfield, sports court, picnic tables, and a community garden. Four-bedroom units were included as a response to the community engagement. The outdoor space will be well lighted to provided safe use at night and BBQs, covered seating areas, and a pet wash and water bottle refilling station. CPAH also utilized the information gathered from the listening sessions hosted by Washington County and included that feedback into the design.

For the community building they received feedback that residents would like to have the possibility of childcare, opportunities for cultural celebrations, ESL classes, wellness classes and workshops. In response, the community building is designed to offer ample flexibility of

programming to meet the needs of the residents. The community building has accommodations for children to play and a flexible classroom configuration that opens from two classroom to a large space for community events. The space also will have a large kitchen with a movable partition in response to the community engagement to accommodate differing religious beliefs.

Advancing Racial Equity

Location: The site is in Tualatin's Basalt Creek Concept Plan Area and is the only site within the plan area designated for high density development.

Transit access: The Property is in close proximity to the proposed light rail, the WES, and new bus lines as the Basalt Creek area develops.

Diversity in contracting/hiring: The majority of CPAH's properties have been developed in Washington County, which historically has not required MWESB reporting. Their commitment to diversity, equity, and inclusion spurred CPAH to begin tracking MWESB participation rates nearly ten years ago, despite no requirement to do so. What was discovered is that CPAH was falling short of their values, and it was at that time that they set an internal goal of 25% participation. Over the course of the last seven years, CPAH has steadily improved participation through close collaboration with general contractors, building relationships with diverse communities, evaluating their results, and implementing systemic change. As a result, CPAH's 2015 project, the Barcelona, had 20% MWESB participation, Red Rock Creek Commons achieved 25% participation, and Cedar Grove 31%. The Joyce, currently under construction, is on track to exceed 30% MWESB participation.

For Plambeck Gardens, the team is not only on track to achieve 25% MWESB participation in hard costs, but also soft costs, with over 20% MWESB participation so far, and contracting with non-certified minority and women owned businesses. The project goal is to meet 25% of combined hard and soft costs for MWESB/COBID, and is slated to reach 30% of hard costs. These include ABHT Engineers for structural, Samata for Electrical engineering, Vega for Civil, MZLA as landscape architect, and Global Transportation for street lighting.

To achieve CPAH's goal of reaching a diverse team on all projects, they ask their partners to engage with MWESB/SDVBE subcontractors and suppliers where possible. As a part of CPAH's commitment to MWESB participation goals, CPAH hired the Wenaha Group, a Native American-owned Construction Management Firm, as one of their consultants. Carleton Hart Architects are also committed to advancing equity in its projects and business practices. Carleton Hart has thus far committed 20.2% of the soft cost fees for this project to MWESB firms.

As the project moves to the construction bidding phase, LMC's approach is to engage MWESB subcontractors as early as possible by: coordinating with the Portland Business Alliance to identify local MWESB-SDVBE companies interested in working on the project; reviewing MWESB subcontractors from LMC's database and through MWESB directories for the City of Portland and nearby areas; working closely with NAMC, PBDG, and OAME to identify MWESB-SDVBE firms to bid on project components and use local workers and subcontractors; conduct community events to encourage participation in the bid process with local and minority-owned organizations; and, network with established trade organizations, including LatinoBuilt, NAMC, PBDG, OAME and others to present the project to their members and encourage participation in the bid process. Furthermore, LMC creates bid packages appropriate in scale and scope that will encourage interest by COBID-certified organizations, provide mentoring, and encouraging subcontractors to use local

resources and sub-tier subcontractors through bidding requirements. LMC also provides options for enhancing MWESB participation such as MWESB-only bid packages, mandatory sub-tier participation, and qualitative scoring for subcontracting RFPs. To encourage participation of smaller firms, LMC allows for on-the-job training in order to include persons with minimal previous work experience.

Access for historically marginalized communities: The Plambeck Gardens project will offer a variety of apartment types including 54 one-bedroom units, 40 two-bedroom units, 16 three-bedroom units and six (6) four-bedroom units, for a total of 116 units. The project will provide 16 units of permanent supportive housing of which eight are support by project-based vouchers and eight supportive housing vouchers from OHCS. The mixture of unit types will allow it to effectively serve both baby boomers who are downsizing and millennial families. The property will also include design features such as extra storage, education space, and a space for large family gatherings, and the other amenities already listed in direct response to the community's expressed needs.

Culturally appropriate services: CPAH will be partnering with Centro Cultural to be sure that employment related services are available as well as staying connected to WorkSystems Inc. and the programs that they offer community wide. Centro Cultural is a culturally specific community organization and will assist us in ensuring that employment services are culturally specific as well. Centro Cultural proposes to meet with residents on-site in the community center to provide career coaching for adults, along with business development and start up technical assistance. CPAH will be working to be sure that the community center is reflective of the needs of this program, including flexible classroom space and a large kitchen.

CPAH will also work with culturally specific health providers such as Virginia Garcia and Native American Rehabilitation Association to ensure that health and wellness activities are available onsite. Additional wellness programs include a new partnership with Neighborhood Health Center, which is providing services at Tualatin High School. CPAH currently has a partnership with the Naturopathic University of Oregon, which provides clinics at two of CPAH's communities. CPAH has partnered with the Native American Rehabilitation Association (NARA) and Community Action (CA) to provide Permanent Supportive Housing services on-site. All three organizations completed the Supportive Housing Institute in 2021 along with the property management company.

Fair Housing Strategies: CPAH's Executive Director, Rachael Duke, has been planning for housing in the SW Corridor, which is adjacent to this site, for five years. This includes participation in the SW Equitable Development Strategy Committee, the SW Equity Coalition, and a SW Corridor anti-displacement work group. All planning work has covered in great detail the housing needs for BIPOC and immigrant communities.

CPAH received a grant from Metro in 2018 to directly explore community housing needs in this area. During community meetings in 2019 at the Muslim Education Trust and the Tigard Library, diverse community members discussed a fear of displacement, their strong community connections, and the need for community organizing. There was a consistent request for multiple bedrooms in units, flexible interiors, and ample outdoor space.

CPAH is working directly with culturally specific agencies to market to residents who are living in the area. Because they have developed relationships through their planning work, they are able to partner with multiple culturally specific agencies, including UniteOregon, APANO, Centro Cultural, and HAKI. CPAH also partners with Virginia Garcia and the Urban League, as well as the Native

American Rehabilitation Association, to provide equitable access to PSH. Applications will be translated into multiple languages and use a lottery process, with online access, in person and via mail, as part of the lease up process. The lottery process creates a more equitable opportunity for housing as it does not favor those households who have the privilege of being able to be in person and first in line. CPAH will reduce barriers through relaxed screening criteria and a clearly articulated hearing process for appeals. CPAH's RSC will also be on-site to learn and respond to the needs of diverse residents. The work we do, including the demographics of who we serve, will be tracked in our web-based data system. This allows us to evaluate and improve our services, ensuring that they are culturally responsive. CPAH works hard to hire culturally diverse staff. Currently, 35% of our staff are people of color and 25% speak another language.

Partnerships and Services

CPAH has a well-developed resident services program that provides eviction prevention for vulnerable households, Thriving in Place activities for our seniors, workforce support for those with their working lives ahead of them, services for young people to support learning and positive social engagement, and connections to service partners for residents who need temporary intermittent support or those who need permanent supportive housing. Sixteen apartments will be set aside for people coming from the Washington County Coordinated Access List and CPAH will partner closely with Community Action (CA), Native American Rehabilitation Association (NARA) Cascade AIDS Project, and Lifeworks NW, to ensure that PSH residents have access to supportive services, and that the team is working together to provide a platform for success. CPAH will have a full-time (1.0 FTE) Resident Services Coordinator (RSC) who provides eviction prevention and housing stabilization resources for the apartment community.

Supportive services will be voluntary and will be offered in multiple ways by the RSC and services staff. The RSC will work with the whole community to ensure that residents understand their rights and responsibilities and have meaningful leadership opportunities supported not just by the RSC, but also by our portfolio-wide Resident Advisory Committee. Once families who meet prioritization criteria for PSH are identified and engaged through county-wide Coordinated Access, CA will assist them through the housing application process in concert with the RSC. All apartments identified as PSH will have rent assistance and will be affordable to very low-income households. RSCs will also assist applicants with the appeals process who, despite relaxed screening criteria, are denied during the application process.

CA will develop a family-centered service plan that meets the specific needs of each member of the household. Families will be assisted to select health, mental health, and/or substance abuse treatment providers that meets their needs, as well as parenting supports, financial education, nutrition supports, career coaching, educational supports, and other basic needs assistance. Roles and responsibilities of the RSC, CA, and primary/behavioral health providers will be clearly established, and the RSC will maintain connections with the landlord.

Community connections with the entire apartment community, as well as the neighborhood, are central to the work that CPAH does throughout their portfolio. PSH residents will have the choice and support to participate in all community events, including programs for youth and seniors, and additional partnerships with agencies like Centro Cultural and NARA, who will provide on-site culturally specific employment services.

Plambeck Gardens, both the housing and services, are sustainably funded, and CPAH will maintain this beautiful asset over time. CPAH staff will work with partners to evaluate and ensure that *services are of high quality and relevant.*

CPAH also works hard to hire culturally diverse staff. Currently, 35% of their staff are people of color and 25% speak another language.

Pinehurst Management has over 65 years of affordable housing experience and is comprised of Terry Wilson, Phil Hedrick, and Paul Johnson. Cascade Housing Group, LLC was formed in 1995 and its two members, Phil Hedrick and Paul Johnson, have substantial experience in affordable housing. Terry Wilson is the managing member of Pinehurst Management and has over 20 years of experience in commercial real estate.

Livability and Accessibility

CPAH sought innovation with Plambeck Gardens. Starting with project conception, CPAH worked to allow the community to voice what is needed from this affordable housing project. From the very beginning, the team centered the values of Universal Design and Trauma Informed Design. These design concepts speak directly to the team's focus on equity and inclusion. Accessible solutions such as grab bars, door assist, and keyless entry, are necessary and provided throughout the property. Building design also impact residents, therefore the colors and textures, how the building controls light and sound, and how people navigate the building, are all important elements which have been considered and addressed in the design. The color palate reflects the colors of the forest in deep greens of Evergreens and yellows of changing leaves in the fall, as colors that connect people to nature; natural materials calm the "fight or flight" response residents experiencing trauma or those recovering from trauma can feel. Each lobby has natural wood and living plants. Research shows that a thoughtful trauma informed approach to the environment can have a positive impact on mental health and stability. Both buildings have an elevator to accommodate access to every unit, and all six ADA units have been placed on the ground floor so those residents do not need to rely upon the elevator in case of emergency.

An early MOU was structured with UniteOregon to help facilitate community input. The team heard very loudly that a community that is inclusive to immigrants and Latinx people, both through design and services, was needed in the area. This project strives to fill that need. The need for access to job training rose to the top, so an MOU was struck with Centro Cultural to provide culturally specific employment services. The Community Center has been designed with this need in mind and will feature classrooms that create multiple sized flexible space, and a large kitchen so residents can have gatherings and events. The need for thoughtfully designed storage solutions was also requested and each unit has additional exterior storage and either a patio or balcony. Within the home, cabinets are designed so that they can accommodate the larger pots often used by large families to make family meals. Plambeck Gardens has as many family sized units as could feasibly be included to meet the need for larger homes. In order to incorporate all of these needs, CPAH worked closely with its architecture and construction teams to design the site in a way that would allow the project to take advantage of the site's existing attributes and maximize the interior and exterior space for the residents.

The community building and lobbies will have shared Wi-Fi. Ample parking will be available for residents who may have more than one vehicle. All areas of the site are accessible and at least one planting box in the community garden will be raised to be accessible to those in wheelchairs. The community building was designed to provide a space that would be flexible, beautiful, and an amenity that makes Plambeck Gardens residents proud of where they live. It will be used by residents for personal gatherings and relaxation space, and staff will use the space to host events,

youth programming, CPAH's Thriving in Place senior program, and will also be available to service provider partners.

Climate Resilience and Sustainability

Sustainability is a core value that CPAH applies to all of its projects, and climate justice is critical to that work. All of CPAH's projects have included air conditioning in every unit since 2013. CPAH worked to provide portable air conditioning units to any resident to needs them and cooling stations in community spaces during the hottest days. When cost escalations put the air conditioning for Plambeck Gardens at risk, the team was relieved to have the opportunity to apply to Metro and be awarded additional funding for that purpose. Each unit will have at least one heating/cooling through-wall unit, with the largest units having two. The Packaged Terminal Heat Pumps (PTHPs) are an economical approach to providing heating and cooling to residents. The total estimated cost of the proposed system is \$380,000.

Since 2007 CPAHs buildings have earned sustainability certifications, with its two most recent buildings achieving Earth Advantage Platinum. Red Rock Creek Commons was awarded the 2021 Earth Advantage Multifamily Project team of the year. Plambeck Gardens is set to exceed the Platinum standard and will include a large solar voltaic array on the roofs of all three buildings. The energy produced by the solar panels will completely offset the house meter, reducing operating costs to the project and allowing the project to leverage more debt to cover cost increases. Since water heating is included on the house meter, residents will also benefit from the renewable energy produced onsite with reduced individual energy costs.

Other sustainable features include no-VOC flooring and paint, lighting and plumbing controls that allow residents control over their environment while being efficient and reducing residents' energy costs. Ventilation systems utilizing energy recovery will provide a high level of indoor air quality. Centralized hot water heating will provide on-demand hot water and save energy.

Construction techniques will focus on resource efficiencies. This is an important approach for sustainability but also in response to the high cost of building materials, including employing framing systems that use less wood, standard windows and doors that limit customization, and an efficient "mirrored" site configuration which reduced design costs.

The exterior of the building will provide non-combustible durable weather protection, beauty, and a sense of permanence while paying homage to the Basalt Columns for which the area is named. Street trees, canopies, and terraced landscapes create a layering effect of the space which feels pleasant to sit within and walk along.

Anticipated Timeline

The full application for 4% tax credits and conduit bond was accepted by Oregon Housing and Community Services (OHCS) on December 8, 2021. The development team anticipates receiving building permits in early April 2023 and closing on April 20, 2023. The 18-month construction process will begin shortly after closing with the first building completed and ready to begin lease up in August of 2024 and an estimated full completion date of November 2024. Project lease-up activities will commence ahead of construction completion, and lease-up is scheduled to be completed December 2024.

Final approval by the Washington County Board of Commissioners (BOCC) occurred on March 7, 2023, and included a request for approval of the additional Metro bond A/C funds.

Metro Affordable Housing Bond Program Concept Endorsement

Project Name: Portland Value Inn
Implementing Jurisdiction: Portland Housing Bureau
Metro IGA Contract Number: 937016
Anticipated construction start: June 2025
Anticipated construction completion: August 2026

Action:

Metro hereby provides the Portland Housing Bureau with Concept Endorsement of \$13,491,980 in Metro Affordable Housing Bond funds, of which \$7,336,006 will be Metro Site Acquisition Program funds and \$6,155,974 from the Portland Housing Bureau's eligible share allocation, for the development of Portland Value Inn, a regulated affordable housing project located at 10450 SW Barbur Boulevard, 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
2	Studio	30%	2
15	Studio	60%	0
10	One-bedroom	30%	10
13	One-bedroom	60%	0
11	Two-bedroom	30%	11
29	Two-bedroom	60%	0
8	Three-bedroom	30%	8
2	Three-bedroom	60%	0
8	Four-bedroom	30%	8

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



Metro

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

the Project before Final Approval.

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

Marissa Madrigal

Chief Operating Officer

6/15/2023

Date

Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Portland Value Inn



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

Date: June 15, 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 Portland Value Inn. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

Contribution to unit production targets

The immediate Metro funding request for the Portland Value Inn project, is in the amount of \$13,491,980 of which \$7,336,006 will be Metro Site Acquisition Program funds and \$6,155,974 from the City of Portland's eligible share allocation. The project will deliver 98 units that meet the following unit production outcomes:

- 7% of Portland's overall unit production target;
- 6% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 8% of Portland's family sized unit target; and

When combining this project with Portland's existing development portfolio, this puts the City on a path to have utilized 83% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 110% of Portland's overall unit production target;
- 98% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 109% 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 11/4/2022
- Metro Purchase and Sale Agreement dated 1/8/2021
- Metro Site Acquisition Approval letter dated 6/22/2021
- Evidence of development capacity
- Information about development teams

- Supportive Housing Services Plan
- The net cash developer fee is 5%, which is within the range of 3% to 7% for a project of this size under Metro's developer fee policy.
- Access to the project will be from SW Barbur Blvd, which is under ODOT's jurisdiction. The City of Portland's Bureau of Development Services will not begin the land use approval process until after ODOT approves an access and ROW dedication plan. This will impact the development schedule, and the exact timeframe will be better understood after additional conversations take place in the summer. Changes to the project timeline will be addressed when the project returns to Metro for Final Approval.

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

Advancing racial equity

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

- **Location:** The Portland Value Inn is currently being used as a temporary homeless shelter, operated by the Multnomah County Joint Office of Homeless Services. The site is located along the planned Southwest Corridor Light Rail route and adjacent to TriMet's Frequent Service route 12, which links Downtown Tigard with Downtown and Northeast Portland. A Fred Meyer grocery store is approximately 1.5 miles to the southwest and is accessible by an 11-minute trip via bus. The Markham Elementary School is adjacent to the Site along the property's southern border.
- **Transit access:** The project site is along the planned Southwest Corridor Light Rail route and adjacent to TriMet's Frequent Service route 12, which links Downtown Tigard with Downtown and Northeast Portland.
- **Diversity in contracting/hiring:** The project's COBID contracting goals include 30% hard cost and 30% soft cost participation by COBID-certified firms. Walsh Construction has partnered with O'Neill construction, a COBID certified minority owned business, to form Walsh O'Neill Community Builders, which will serve as general contractor for this project. LRS Architects, a certified woman owned firm will provide design/architecture work at Portland Value Inn. The project will be tracking workforce participation and project specific goals of apprentice, women and BIPOC worker participation will be confirmed when the project submits for Metro Final Approval.
- **Access for historically marginalized communities:** The Portland Value Inn will implement low barrier screening criteria and pursue a more equitable strategy to increase the percentage of BIPOC residents. This will be accomplished by opening rental applications for a set period of time and after close of the application period, randomizing the list of applicants, thereby ensuring that folks who were not able to act rapidly or apply in person are not at a disadvantage. The developer, CPAH, has noted that BIPOC people are least likely to appeal an application denial. For this reason, a resident services coordinator will be tasked with helping denied applicants navigate the appeals process. To increase marketing of the project to communities of color, HAKI will work with CPAH to conduct outreach within the East African community and the larger West Portland Town Center community, with a particular focus on the immigrant and refugee families of Markham Elementary School, Jackson Middle School, the Islamic School of Portland, and the Masjid As-Saber Mosque.

- **Culturally appropriate services:** HAKI Community Services will provide resident services at the project. Haki means “rights” in Kiswahili and the organization assists its clients, who are mostly East African refugees and immigrants, with their individual rights to food, clothing, and shelter. Resident services will include eviction prevention, job training, community building, and both after school and summer youth programs. Fifteen units are set aside for permanent supportive housing (PSH) and the Urban League of Portland will provide supportive services for these units. The Urban League will provide culturally specific on-site case management and connect residents with the services they need. The project will have a part-time resident services coordinator to support the community with eviction prevention and housing stabilization, as well as work closely with staff from Urban League and HAKI to ensure residents receive the assistance and opportunities they need to be successful.

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:**

HAKI, a culturally specific and community-based organization, will assist the project in ongoing community outreach to gain insight into design and building layout of the project. HAKI will conduct outreach within the East African community and the larger West Portland Town Center community, with a particular focus on the immigrant and refugee families of Markham Elementary School, Jackson Middle School, the Islamic School of Portland, and the Masjid As-Saber Mosque. CPAH and HAKI will work together with LRS Architecture to continue gathering feedback from the community and neighbors on design through workshops and design charrettes and targeted listening sessions which will enable the team to meet community members where they are and provide opportunities for small group feedback.

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

CPAH’s partnerships with HAKI and Urban League of Portland bodes well for future comprehensive community engagement. As an organization, HAKI shows incredible depth of community knowledge and connections that will help facilitate reaching communities of color, including the East African Immigrant communities of the Portland Metro area.

Sustainability and climate resilience

The Portland Value Inn will pursue LEED Multifamily Midrise certification that fully aligns with PHB’s Green Building Requirements. To comply with Metro and PHB’s cooling policy, the project will evaluate the life cycle costs of PTAC AC systems versus other energy efficient systems such as ductless mini splits or heats pumps.

EXHIBIT B: Project summary submitted by the City of Portland | Metro bond concept endorsement for Portland Value Inn

Submitted by: Megan Grillo, Bond Housing Program Coordinator
Portland Housing Bureau, megan.grillo@portlandoregon.gov
Submitted on: 2/23/2023

Project Overview

The Portland Housing Bureau (PHB) is requesting Metro Concept Endorsement to award up to \$6,155,974 in Metro Bond Funds and up to \$7,336,006 in Site Acquisition Program funds to Community Partners for Affordable Housing (CPAH) for the Portland Value Inn project located at 10450 SW Barbur Blvd.

Preliminary Development Program

The Portland Value Inn (PVI) project will consist of (17) studio, (23) 1-bedroom, (40) 2-bedroom, (10) 3-bedroom, and (8) 4-bedroom units, providing much needed family-sized apartments and a bedroom density of 1.81. The PVI redevelopment will be a new construction apartment building in the SW Metro Transit Corridor. It will be a hybrid five story wood frame building with some concrete support columns podium construction with a FAR of 1.95 and a height of 60 feet. The building will be a total of 94,810 square feet.

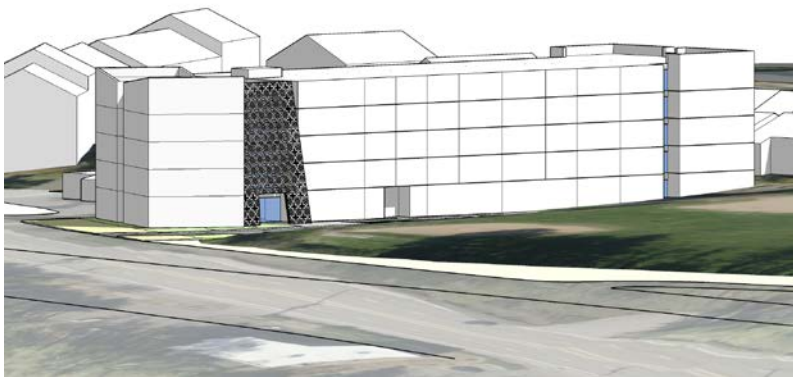
The former Value Inn will be a place for families, including intergenerational families, to thrive and grow. Our target population includes the community that currently lives in the SW Corridor, with an emphasis on BIPOC community members who are at risk of displacement because of gentrification.

Unit size (no. of bedrooms)	No. of units	AMI %	PSH ¹	PBVs	Square feet/unit	Gross monthly rent/unit
Studio	11	60%	0	0	364	\$1,057
Studio	4	45%	0	0	364	\$777
Studio	2	30%	0	2	364	\$497
1-bedroom	8	60%	0	0	572	\$1,104
1-bedroom	5	45%	0	0	572	\$804
1-bedroom	10	30%	0	10	572	\$505
2-bedroom	19	60%	0	0	780	\$1,337
2-bedroom	10	45%	0	0	780	\$997
2-bedroom	11	30%	11	11	780	\$618
3-bedroom	2	60%	0	0	988	\$1,541
3-bedroom	8	30%	4	8	988	\$710

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

4-bedroom	8	30%	0	8	1088	\$876
Total	98		15	39		

Project Image



Background

On June 30, 2021, Metro purchased an approximately 1.12-acre parcel of real property at 10450 SW Barbur Blvd, known as the Portland Value Inn (Inn), for purposes of redevelopment into affordable housing as part of Metro's Site Acquisition Program for the Metro Regional Affordable Housing Bond. The site is currently zoned CM2 and contains a 42-room motel built in 1973. The site is located within Metro's designated West Portland Town Center area as part of the Metro 2040 growth concept and reaffirmed in the City of Portland's 2035 Comprehensive Plan process in 2016.

Location and Neighborhood

The Portland Value Inn is in a busy, thriving area that is home to a community rich in its diversity. Less than a mile away is a major transit center and high frequency bus line. A short distance away are several grocery stores. Located next to Markham Elementary School and a short walk to Capitol Hill Library. There are several parks a short distance away from the property including Holly Farm Park within walking distance and Dickinson Park and Tryon Creek a short drive away. The property is also close to Oregon Health and Sciences University Hospital.



Site

Metro is currently leasing the Inn to Multnomah County for use as a short-term emergency shelter operated by Transition Projects, Inc. The lease will expire on June 1, 2024, and Multnomah County will be responsible for relocation and vacating the buildings.

The Value Inn site is a 41-room motel constructed in 1973 that will be demolished. The site consists of a single tax lot of 1.10 acres and is currently zoned CM2d. However, the site was recently rezoned to CM3d (MU-U) effective March 31, 2023 as part of the West Portland Town Center plan, which allows for a significant increase in units if the property is rebuilt. Demolition would commence shortly after partnership closing when property ownership is transferred in December of 2024 and after the Transition Projects lease with Metro expires.

Three separate permits are anticipated: Demolition Permit, Building Permit, and Public Works Permit. Demolition will be timed so that the property is shovel ready once the building permit is in hand. Current estimated building permit timeline is 180 days. A Public Works Permit (PWP) is required for the anticipated public right of way improvements. The proposed schedule demonstrates that the PWP will be in hand prior to Building Permit issuance.

This property has a requirement for discretionary design review (e.g. "d" overlay). A Type II Design review is required. This is an administrative process (design commission review not required). The proposed project size and height (73,400 sf and four stories) exceeds the maximum limits for use of DOZA (Title 33.420 Design Overlay Zone Table 420-1). We intend to follow the objective (design plan check) outlined in Title 33.218 Community Design Standard.

This intent will be confirmed with Portland Bureau of Development Services (BDS) at an early assistance meeting.

Project Financing

Sources		Uses	
4% LIHTC	\$24,834,241	Acquisition	\$0
PHB Metro Housing Bonds	\$6,155,974	Hard Costs	\$33,453,639
Metro Site Acquisition Program funds	\$7,336,006	Contingency and Escalation	\$5,700,546
HOME Funds	\$1,346,836	SDCs	\$2,894,660
Debt	\$8,250,000	Soft Costs	\$6,895,554
Deferred Developer Fee	\$2,250,000	Developer Fee	\$7,700,000
Contributed Developer Fee	\$3,215,132		
SDC Waiver	\$2,826,210		
Grants	\$430,000		
Total Sources	\$56,644,399	Total Uses	\$56,644,399

CPAH is requesting \$137,673 per unit, or \$65 per square foot, in subsidy from the Metro Affordable Housing Bond. The estimated total development cost for this project is \$56,644,399. The project team is requesting the maximum subsidy based upon the criteria laid out in the NOFA which include: a mix of three and four bedroom units, resulting in an average bedroom count higher than the requirement of 1.6 at 1.82 delivering more than the minimum required number of units, and delivering units below 60% AMI without voucher. Other sources include HOME funds, grants, and sharing the project's developer fee with a culturally specific organization (HAKI) to foster capacity building within that community.

The project team has assumed a 4% LIHTC and availability of Private Activity Bonds (PABs) for the project. Recently, the 2023 HUD Difficult to Develop areas (DDA) were released and the site is now in a DDA, which gives all projects within the same zip code, 97219,1 an automatic basis boost of 30%. The additional LIHTC basis generates approximately \$5.7 million in additional tax credit equity, and provides the necessary funding, paired with Metro Affordable Housing Bond dollars and debt, to fully fund the development as proposed.

The team is fully aware of the competitive nature of the 4% LIHTC and the critical need to pair Metro Bond funds with this resource. The team has successfully secured 4% tax credits and PABs for other bond projects closing in 2023 and have confidence in the ability to do so for 2024. Cat Vielma from Redstone Equity, a longtime partner of CPAH in multiple projects, has provided a Letter of Interest indicating that Redstone is interested in purchasing the tax credits at \$0.92 per \$1.00 of tax credit. Based on CPAH's past partnerships with Redstone and Ms. Vielma's commitment, we have high confidence in their ability to deliver on this pricing, creating \$24.8 million in project equity. Kathy Swift from Heritage Bank has also provided a Letter of Interest for a Construction and Perm loan with tax exempt financing; the perm loan rate is estimated at 5.25%,

however due to volatile interest rates, modeled at 6.5%, with a perm loan amount of \$8.25 million over a 30-year term.

CPAH is contributing \$5.6 million in deferred and contributed developer fee to the sources budget to ensure the project's success and to create a balanced budget for the project. In all, the project is leveraging \$45.01 million for its \$11.55 million Metro Bond Request, leveraging over three times the requested Metro Bond dollars and bringing investment in affordable housing to a location that is prone to gentrification, displacement, and rent burden.

The project's uses budget was developed based on a combination of known and actual costs, quotes from third-party vendors, cost estimates from OWCB Construction, a MWESB and COBID certified firm, and comparisons with other affordable housing development projects of similar construction type using similar financing tools. In addition, CPAH has retained BC Group as a consultant for third-party construction management services. Construction costs were determined through a process involving the expertise of LRS Architects, OWCB Construction, and CPAH. The development team has discussed and evaluated the best design options for efficient building construction and for community and family driven programming to meet the needs of the SW Corridor community and residents. The final cost estimates from OWCB are the result of thoughtful consideration and modification of building and design elements to fit within the project's budget and financing sources.

The owner's construction contingency is budgeted at 5% per OHCS and PHB underwriting guidelines. Due to a difference in how PHB and OHCS calculate owner's contingency, it is listed as 5% in the Uses tab, but 4.5% in the PHB tab. Per the CBRE 2022 US Construction Cost Trend Report, construction costs are projected to escalate 14% for the 12 months of 2022, however, this same report demonstrates a slowing of cost escalation in the third and fourth quarters and indicates construction cost inflation as stabilizing, projected at 2 - 4% for 2023 and 2024. The suggested contingency in the attached schedule of values is 6%, however, the hard cost estimating contingency is set per PHB guidelines at 10%, as the project is expected to break ground in early 2025.

The CPAH team, including Developer, Architect, and Contractor, benefits from years of collaboration and continued efforts to contain the costs of building and operating affordable housing. The Value Inn redevelopment development will be CPAH's ninth construction project, and with each new development greater knowledge and experience in cost effective design and construction is gained. The project draws from a full palette of material options, continually informed through research of products which are sustainable, healthy, tested, affordable, and familiar to CPAH's asset management and operations staff.

The overall design will maximize space while reducing building square footage. Panelized wall framing saves significantly on labor costs and advanced framing systems greatly reduce the amount of materials used in construction. Kitchen and bathroom layouts will be standardized for economization, yet adaptable to meet a variety of resident needs. Systems, equipment, and materials will be selected through the lens of durability, cost efficiency, and ease of maintenance. Simple approaches, like standardization of efficient lighting and plumbing fixtures, hardware, and finishes will also reduce long-term maintenance expenditures. Building design will be finalized through holistic community engagement. We all commit to an approach that will focus on efficient building organization and space allocation. We continually strive to achieve thoughtful design centered around the concept of community, that integrates well with our neighbors, and promotes

the dignity of our residents. We've been successful in achieving these goals while keeping building forms simple and structurally efficient, utilizing cost effective yet durable building materials.

The project has requested 39 project-based vouchers, which will trigger Davis Bacon prevailing wages, and OWCB has included prevailing wages in the estimate. While there is no commercial space, the building is five stories with no basement, therefore Commercial BOLI wages would be applicable.

Development Team

Community Partners for Affordable Housing (CPAH) has developed eight affordable housing projects in its near 30-year history. CPAH has added expertise to its development team by contracting with BC Group, Inc. to provide construction management services. CPAH's Executive Director, Rachael Duke, joined CPAH after 15 years at Home Forward, gaining varied experience in planning, program, and policy work. She is joined by Jilian Saurage Felton, CPAH's Housing Director, who has over 13 years of experience in nonprofit and affordable housing finance, analysis, and project team management with projects of varying size and scope including residential construction, land development, and commercial real estate projects.

Design is being coordinated by LRS Architects. The LRS team is led by Calista Fitzgerald, Senior Associate, and Trish Nixon, Managing Principal. LRS is a majority women-owned firm and brings more than 25 years of project experience, including feasibility studies, agency reviews, permitting, code analysis, and construction administration. Ms. Fitzgerald has served on CPAH's Housing Committee and is deeply engaged in the work CPAH does. Spencer Deinard will round out the architectural team as the Project Architect. Mr. Deinard's work at LRS is specific to multifamily design. LRS's work includes Grant Park Village, the Erickson-Fritz Apartments, and Magnolia II. All projects are similar in size and scope to the Value Inn redevelopment.

The project will be constructed by O'Neill Walsh Community Builders (OWCB). Leading the construction team is Project Executive, Dan Snow. Dan brings over 30 years of experience and significant success with affordable housing and mixed-use projects. He has led OWCB teams through the pre-construction and construction of over 1.5 million square feet of affordable and supportive housing. He is joined by Senior Project Manager, Ali O'Neill. Ali has developed exceptional communication and project management skills in her 23 years of co-managing O'Neill Construction Group and 10 years co-managing OWCB.

BC Group has worked with CPAH on several past and current projects as the owner's representative and construction management on-site. The CPAH/BC Group team successfully led the completion of Cedar Grove, a 9% LIHTC project in Beaverton and is currently providing construction management on The Joyce. The team for the Value Inn redevelopment includes Bob Beauchemin, BC Group's President and Founder. Timon Manongi will be Project Manager, and Amy Noell will provide financial expertise and contract management.

Pinehurst Management led by Terry Wilson has been selected to provide property management for the site. Pinehurst Management brings over 75 years of combined experience in affordable housing to the project and has a history of working and collaborating with service providers, both on- and off-site. They manage properties with a diverse set of supportive services programs including Permanent Supportive Housing, Rent Well, Bridges-To-Housing, Shelter Plus Care, and others.

Community Engagement

CPAH has been deeply involved in affordable housing development in Southwest Portland for several years, through the formation of and membership in the Southwest Corridor Equity Coalition, which reached out to community groups to gather insight into the design and programming most needed by communities of color along the Southwest Corridor.

As CPAH was searching along the Southwest corridor for properties to develop, we added to our search criteria information from various communities of color that came out of our own engagement with residents, the Listening Sessions led by various jurisdictions, and engagement with culturally specific nonprofits along the Southwest Corridor such as HAKI. We repeatedly heard similar feedback: There is not enough housing for families, especially three- and four-bedroom units. We heard the need for ample laundry facilities within those larger units. Another repeated need was outdoor and community space, or as some participants phrased it, “An outdoor space we can have a children’s birthday party.” This continued engagement reinforced what we heard in the community and provided additional direction. CPAH’s understanding was further informed by research for the SW Corridor Inclusive Communities Project and the Preserving Housing Choice Study completed by Portland State University that also called out the need for large bedroom sizes.

CPAH and HAKI will work together with LRS Architecture to continue gathering feedback from the community and neighbors on design through workshops and design charrettes, which will allow the opportunity to give direct design feedback, targeted listening sessions which will enable the team to meet community members where they are and provide opportunities for small group feedback.

HAKI is committed to work with CPAH and continue to conduct outreach with the HAKI community and the larger WPTC community, with a particular focus on the immigrant and refugee families of Markham Elementary School, Jackson Middle School, the Islamic School of Portland, and the Masjid As-Saber Mosque. HAKI staff and volunteers will work with CPAH so that the community members who live in the area and will have access to the new housing at the Value Inn redevelopment have their voices heard during the design and build process. HAKI will work with the community to ensure they are aware of the new housing as it becomes available, and assist residents with leasing, particularly through translation assistance. HAKI is committed to working with CPAH to hire a new staff person to be located on-site to ensure easy and effective access for new residents to services. HAKI’s office is walking distance from the Value Inn redevelopment.

CPAH believes that outreach and Community Engagement don’t end with lease-up. The CPAH team and its partners are committed to continuing to refine programs, policies, and procedures to best meet the needs of residents and potential residents, especially those who are BIPOC or another disadvantaged group. CPAH prides itself on building housing that centers the needs of the people who live there. This is achieved through annual resident surveys, focus groups, and listening sessions, by staying connected to our partner agencies with well thought-out programming, by meeting residents where they are, and building trust and community.

Advancing Racial Equity

CPAH’s commitment to diversity, equity, and inclusion spurred us to begin tracking our MWESB participation rates nearly ten years ago, despite no requirement to do so from Oregon Housing and Community Services or local jurisdictions, as most of our developments are in Washington County. What we discovered is that we were falling short of our values, with MWESB participation rate

below 20% for some projects. CPAH set an internal goal of 20% participation. CPAH has steadily improved participation through close collaboration with general contractors, building relationships with diverse communities, evaluating, and reevaluating our results, and implementing systemic change. As a result, CPAH's 2015 project, the Barcelona (Beaverton), had 20% MWESB participation, and for our next development we increased our goal to 25%. In 2020, Red Rock Creek Commons (Tigard) achieved 25% participation and Cedar Grove (Beaverton) achieved 31%. Our project in construction, The Joyce, is on track to exceed 30% also. Building on our success, our internal goal has been increased to 30%.

Walsh Construction has partnered with O'Neill construction, a COBID certified minority owned business, to form Walsh O'Neill Community Builders which will serve as general contractor for this project. This partnership received a Building Diversity Award from the DJC

CPAH developed a more equitable strategy to increase the percentage of BIPOC residents, which was to open the rental applications for a set period of time, and after the close of the application period to randomize the list, thereby ensuring that folks who were not able to act rapidly or apply in person are not at a disadvantage. These changes to our procedures have had a positive impact on the diversity of our portfolio. Our two most recent properties to lease-up in Washington County are more diverse than the communities in which they reside with 31% of residents at Red Rock Creek Commons located in Tigard identifying as BIPOC (compared to 20% of the Tigard population identifying as BIPOC according to 2021 ACS data) and 55% of Cedar Grove residents identifying as BIPOC (compared to 28% of Beaverton residents identifying as BIPOC according to 2021 ACS data). Upon analyzing the improved data, CPAH observed that BIPOC people were least likely to appeal a denial. As part of the commitment to Housing Justice, it became CPAH's practice to have a resident services coordinator help anyone whose application is denied with an appeal. Even with low-barrier screening criteria, some applicants are denied as HUD has screening requirements attached to section 8 vouchers.

CPAH has been active and involved in the Equity goals of the Southwest SW Corridor for more than five years, and its dedication to the goals of anti-displacement, equity, housing justice, environmental justice, and serving the BIPOC community will continue before, during, and after lease-up. CPAH continues to partner with culturally specific organizations, provide grant writing and capacity building support, and focus on housing communities of color, especially those who have been adversely impacted by historic housing policies and practices. Through its partnerships with culturally specific providers, the library, the local school district and by being in touch with the residents, CPAH continue to provide the services and activities at the property to increase housing access for BIPOC communities.

Partnerships and Services

CPAH is delighted to partner with HAKI Community Services at this project. Haki means "Rights" in Kiswahili, and the organization assists its clients, who are mostly East African refugees and immigrants, with their individual right to food, clothing, and shelter. They are a culturally specific organization which has been operating in the SW Corridor for some time.

CPAH will serve not only as the developer and owner of the project but also provide Resident Services to the building in partnership with HAKI. Leading our resident services team is Liz Hearn. Liz has been working in social services since 2008 and holds a Master's in Social Work from PSU. Her work includes child welfare, serving in the Peace Corps in Uganda, and providing

in-home services for vulnerable families. She has been managing CPAH's resident services department since 2019 and is currently the Associate Director of Program.

HAKI will assist the project in ongoing community outreach, and CPAH worked with HAKI to gain insight into design and building layout which would benefit its clients. They will also assist in marketing the project for lease-up to their clients and the East African immigrant community in the area. For this work, CPAH has committed to share 5% of its developer fee with HAKI, in addition to paying HAKI \$30,000 per year for its ongoing work at the property.

HAKI as a small organization, they are not able to take on the risk of being a co-owner at this time. Owners and sponsors take on significant financial risk with each development, from funding predevelopment costs with loans to providing guarantees. Risks such as a construction loan guarantee or even the operating deficit guarantee, which would typically exist for the first five years, exceed the current capacity of HAKI's balance sheet.

The shared amount of developer fee will fund capacity building for HAKI while providing resident services alongside CPAH's resident services coordinator will open new revenue opportunities for HAKI's future. CPAH is deeply committed to its partnership with HAKI and will continue to partner

Fifteen units are set aside for permanent supportive housing (PSH) and the Urban League of Portland will provide support services for these units. The Urban League will provide culturally specific on-site case management and connect residents with the services they need. The detail for this work is included in the Supportive Housing Services Plan. The project will have a part-time resident services coordinator to support the whole community with eviction prevention and housing stabilization, as well as work closely with staff from Urban League and HAKI to ensure residents receive the assistance and opportunities, they need to be successful.

At the Portland Value Inn, CPAH and HAKI will share a resident services office, working side by side to serve the needs of the residents, in partnership with the Permanent Supportive Housing provider, Urban League. HAKI and Urban League, both culturally specific organizations serving primarily Black Portlanders, will continue to refer their clients upon unit turnover. CPAH has established relationships with both HAKI and Urban League, having worked with each organization on various projects and through community engagement work. Urban League will be providing one on-site FTE for the Value Inn redevelopment to provide Supportive Housing Services and will have a dedicated office to do so. Urban League will be compensated \$150,000 per year from the Supportive Services budget.

HAKI will work with CPAH to conduct outreach within the East African community and the larger WPTC community, with a particular focus on the immigrant and refugee families of Markham Elementary School, Jackson Middle School, the Islamic School of Portland, and the Masjid As-Saber Mosque through the development process. HAKI will also be providing on-site services to ensure easy and effective access for new residents to services. HAKI will be compensated 5% of the developer fee for its community engagement work and \$30,000 per year from the operations budget for its on-going services work at the property.

One additional partnership CPAH has is with Portland Community College. For residents who would like to work toward a degree or certificate program, the property is close to the Portland Community College Sylvania campus and CPAH has a scholarship program for CPAH residents to attend PCC, sponsored by a CPAH donor.

Lastly, Pinehurst and CPAH will work together to screen vendors and professional services to ensure the project achieves its diversity equity and inclusion goals. In addition to low barrier screening criteria, Pinehurst is committed to working with CPAH and improving its property management capabilities, completing the PSH Institute with CPAH in 2021.

Livability and Accessibility

Amenities at the Portland Value Inn redevelopment include a community room with kitchen, a second flexible community space, lending library, computer stations and 55 on-site parking spaces will be available to residents. The Value Inn will have ample open space, with flexibility to serve as a community garden space for growing food, play area for children to play outdoors safely, or a space dedicated to family activities and entertaining outdoors depending on feedback from continued community engagement. In response to community feedback, the proposed project has nearly 20% of its 77 units as three bedrooms or larger, and 60% are two or more bedrooms.

Resident services will be provided by CPAH and HAKI, and include eviction prevention, job training, community building, and both after school and summer youth programs. Urban League of Portland will be providing culturally specific supportive services for the property. The design of the property is trauma-informed, universally accessible, and sustainable. CPAH's two most recently constructed projects both received Earth Advantage Platinum certification, and one received the Earth Advantage Multifamily Project Team of the Year award. This project will strive for the same.

Climate Resilience and Sustainability

The Value Inn redevelopment is targeting LEED Multifamily Midrise.

Energy Consumption:

- **Net EUI:** With an estimated completion in 2026, the project will be designed to meet 23 Net Energy Use Intensity (EUI). To achieve this, LED lighting will be used inside and outside the building. We'll also look closely at each component of the HVAC system to make energy efficient selections that match the sustainability cost and budget of the project. This may include mini splits, discussed further in the Air Conditioning section below.
- **Solar Energy:** The conceptual design will maximize the south facing roof so that solar panels have the maximum possible time to collect sunlight and convert to energy. This project is scoped to be Solar Ready. A Solar Feasibility Study will be completed to assist in the final determination.
- **Electric Vehicle (EV) Charging:** Fifty-five parking spaces will be provided. Of these, 6 spaces will be EV ready, meeting PHB Affordable Housing Green Policy quantity of 10%. Electrical service will be sized to ensure that 1 EV ready parking space can provide a simultaneous Level 2 charge without increasing the size of the transformer required for the project.
- **Multifamily Program Registration:** CPAH will register the Value Inn redevelopment in the Market Solutions incentives program for multifamily buildings that is administrated by the Energy Trust of Oregon.

Water Consumption: Value Inn redevelopment will target 35% Net Water Consumption Reduction (based on goals for 2025). Indoor water usage will be minimized by using toilets that are ≤ 1.30 gpm, lavatory faucets ≤ 1.50 gpm, and shower heads with ≤ 1.70 gpm. All dishwashers will be ENERGY STAR that use ≤ 6.0 gallons per cycle. Three- and four-bedroom units will have water efficient clothes washers.

Indoor Air Quality/Health: A passive Radon System will be installed. The Oregon Health Authority has identified the Value Inn redevelopment zip code as a “moderate” risk of elevated radon. This preventive planning will reduce any future impacts to residents.

- **Clean Air:** Materials will be selected to reduce contaminants and pollutants, including: interior paints, sealants coatings, insulation, and flooring. All composite wood products will be formaldehyde free. All properties managed by CPAH are smoke, vape, and e-cigarette free. Our standard policy will be incorporated into the project’s property management requirements.
- **Ventilation and Fresh Air:** Exhaust from bathroom and kitchen will exhaust directly to the outdoors. Each unit will have the supply and exhaust balanced as part of commissioning systems.

During schematic design, an Eco-Charrette will be held to assure the development team, design team, and general contractor are aligned with sustainable goals. Energy Trust will be included at the Eco-Charrette to help guide the team to applicable fiscal incentives. An initial cost/benefit analysis for LEED Multifamily Midrise will be completed to establish a baseline. During the design development phase, the design team will adjust systems in LEED’s rating system to incorporate sustainable goals and building system decisions. At the end of each phase, we will meet with the PHB Asset Manager to review proposed design strategies. All green building measures will be incorporated into the contract documents. This includes the drawings, specifications, and contractors’ scope of work.

At construction kick off, there will be a preconstruction meeting with the general contractor, their key subcontractors, and the design team to assure alignment of the green building requirements for Value Inn redevelopment. Walsh Construction will schedule the required periodic inspections with the LEED Multifamily midrise certifier. Prior to occupancy, the building will be commissioned by a third party. Any adjustments needed will occur prior to submitting the commissioning report to PHB.

Providing air conditioning to our residents is a CPAH priority. All properties opened since 2015 have air conditioning. For the Value Inn redevelopment, we will evaluate the life cycle costs of PTACs versus other energy efficient systems such as ductless mini splits or heat pumps. The selected system will be easily operated by tenants and take advantage of incentives provided by the Energy Trust, while meeting the LEED Multifamily Midrise.

Sustainability is one of CPAH’s core values, and we strive to exceed the green building requirements in every project we do. For example, our two most recent projects were Earth Advantage Platinum, far exceeding the OHCS standard of Silver. We will similarly strive to make the former Value Inn exceed the standards set by OHCS while maintaining reasonable costs. Some of the ways we will seek to do this is by utilizing materials that increase the building’s efficiency, are healthy for residents, and create an environment that is both healthy for, and a good steward of, the earth. Total additional construction costs associated with the LEED for Multifamily Midrise building path are included in the contractor’s estimate and include: Packaged Terminal Heat Pumps in each unit, permeable pavers, advanced framing techniques, wood and cardboard recycling for 95% of project waste, a waste management reduction plan, and formaldehyde-free cabinets and insulation, along with several other green building upgrades that go over and beyond typical specifications needed to meet code.

Anticipated Timeline

Metro Concept Endorsement	4/1/2023
Plans Completed	6/1/2024
Financial Commitments	5/1/2025
PHB Housing Investment Committee Approval	TBD
Building Permits/Fees	6/1/2025
Financial Closing	6/1/2025
Construction Start	6/1/2025
Construction Completed	8/1/2026
Lease-Up Completed	4/1/2027

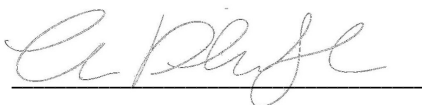
**Metro Affordable Housing Bond Program
Concept Endorsement****Project Name:** Strong Site**Implementing Jurisdiction:** Portland Housing Bureau**Metro IGA Contract Number:** 937016**Anticipated construction start:** April 2024**Anticipated construction completion:** August 2025**Action:**

Metro hereby provides the Portland Housing Bureau with Concept Endorsement of \$11,250,000.00 in Metro Affordable Housing Bond funds for the development of Strong Site, a regulated affordable housing project located at 4931 N Williams Avenue, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by 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
3	One-bedroom	30%	0
18	One-bedroom	60%	0
5	Two-bedroom	30%	0
27	Two-bedroom	60%	0
3	Three-bedroom	30%	0
19	Three-bedroom	60%	0

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



Marissa Madrigal

Chief Operating Officer

6/5/2023

Date

Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Strong Site



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

Date: June 1, 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 Strong Site. 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

The Strong site will utilize 6% (\$11,250,000) of Portland's total allocation of bond funds while delivering 75 units of affordable housing that meet the following unit production outcomes:

- 5% of Portland's overall unit production target;
- 2% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 7% of Portland's family sized unit target; and

When combining this project with Portland's existing development portfolio, this puts the City on a path to have utilized 82% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 110% of Portland's overall unit production target;
- 98% of Portland's target of units affordable to households making 30% or less of area median income (AMI);
- 109% 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:

- Strong site OHCS 4% LIHTC Pre Application dated 11/4/2022
- Preliminary title report dated 5/8/2019
- Statutory bargain and sale deed dated 2/12/2019 as evidence of developer site control
- Information about development teams
- The net cash developer fee is 8%, which is within the range of 6% to 10% for a project of this size under Metro's developer fee policy. This fee is warranted to support the growth of

SEI, Inc., a culturally specific organization, and developer with expertise serving the African American community of Northeast Portland.

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

Advancing racial equity

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

- **Location:** The Strong site is located at the intersection of N. Williams and N. Alberta Street in the Humboldt neighborhood. Humboldt is one of several neighborhoods in Northeast Portland that are historically home to the City's African American population, which has been displaced over the last 30 years due to discrimination and rising housing costs. The Strong site is well located due to its proximity to many essential services and amenities. The neighborhood schools are Boise-Eliot Elementary (1 mi), Harriet Tubman Middle School (1.6 mi) and Jefferson High School (0.3 mi). KairosPDX (0.2 mi), Albina Head Start (0.1 mi) and MLK Jr. Elementary (0.4 mi) are all very close alternatives as additional educational options. SEI's campus on N. Kerby (0.8 mi) is a longstanding center for youth afterschool and summer programs, family support and solidarity for the Black community. In addition to SNAP and child welfare assistance programs, the DHS building just north of the Strong property also houses a WorkSource Portland Metro site, which offers job search and training opportunities.
- **Transit access:** The project is served by the 44 TriMet bus, with a stop across the street from the site. The 72 and 6 bus lines are also within a half mile of the project site.
- **Diversity in contracting/hiring:** The Strong site, co-developed by Self-Enhancement Inc (SEI) and Community Development Partners (CDP) selected COLAS, a minority owned firm, as the general contractor of the project, along with Holst, a woman-owned firm, as project architect. 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. Similar goals have been applied to those working in journey level positions. The project will be required to meet Portland's 30% hard cost and 20% soft cost DMWESB-SDV requirements for contracting.
- **Access for historically marginalized communities:** As a result of gentrification and other public policies, many SEI families, including many African American families were displaced from North Portland neighborhoods and pushed out of the inner city to east Multnomah County. Through these projects, CDP and SEI's marketing and lease-up teams will work closely with PHB to advance the N/NE Preference Policy and help those with generational ties to North Portland return to their previous neighborhoods.
- **Culturally appropriate services:** Resident services will be led by SEI, Inc. and include services rooted in self-actualization and trauma-informed practices with the goal of overcoming persistent race-based disparities. SEI is Oregon's largest African American-led nonprofit multi-service organization and second-largest minority-operated employer. SEI's Relationship Model and comprehensive service continuum are culturally specific for African Americans and culturally responsive for other populations. Over 5,500 families are currently enrolled in SEI programs, including Schools Uniting Neighbors (SUN), afterschool programming, housing, and energy assistance programs.

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:**

Coordination between SEI and PHB's N/NE Oversight Committee bodes well for future engagement of historically marginalized and BIPOC communities. As Co-Developer, SEI has strong connections to BIPOC communities and specifically the Black Community of North Portland. These connections extend to local schools, faith-based organizations, advocacy groups and other culturally specific service providers. SEI is Oregon's largest African American led nonprofit multi-service organization, and second-largest minority-operated employer. There are over 5,500 families enrolled in SEI's school, domestic violence, housing, and energy assistance programs. SEI intends to reach out to these families and inform them of the rental opportunities the Strong site will provide.

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

Due to rapid gentrification, SEI has expanded its services to East Multnomah County and Gresham, where many of their former N/NE clients/families now reside. With staff working in 23 schools across 5 school districts, SEI engages directly with hundreds of families in need of affordable housing. These strong connections to both N/NE Portland, as well as outer east Portland and Gresham, make SEI well positioned to seek community member feedback on topics including building design, amenities, service needs, and service partners. Community feedback on the design and services of the project will be revisited and confirmed when the project returns to Metro for Final Approval.

Sustainability and climate resilience

The Strong site will pursue Earth Advantage certification that fully aligns with PHB's Green Building Requirements. The project will pursue solar tax credits and explore solar photovoltaic installation by completing a solar feasibility study. To comply with Metro and PHB's cooling policy, the project's cooling plan will be confirmed when the project returns to Metro for Final Approval.

EXHIBIT B: Project summary submitted by The Portland Housing Bureau | Metro bond concept endorsement for Strong Site

Submitted by: Megan Grillo, Bond Housing Program Coordinator
Portland Housing Bureau, megan.grillo@portlandoregon.gov
Submitted on: 4/24/2023 (initial submission 3/21/2023)

Project Overview

Collectively, Self Enhancement Inc. (SEI) and Community Development Partners (CDP) are referring to the Strong Project as Alberta Alive Phase III (Phase III). Neighboring project Abbey Lot Townhomes is part of Phase III also. Phase I and Phase II are currently under construction. Alberta Alive Phase I is a two-building development (NE Grand Ave, NE 8th Ave) with a combined 52 units designed for families and veterans. Phase II is a 63-unit building designed for families (5020 Interstate).

Co-owned and co-developed by SEI and CDP, the Alberta Alive development initiative aims to celebrate and strengthen Portland's historically Black N/NE neighborhoods by providing culturally specific affordable housing, supportive services, and a shared sense of community for underserved individuals and families.

Located at the prominent intersection of N. Alberta and N. Williams Avenue, the Strong property embodies visual and historical significance for long-time residents of North and Northeast Portland. The address of the site is 4931-4947 N. Williams Avenue and 20-114 N. Alberta Street. The site is 42,253 SF and is currently comprised of six tax lots. Our proposed design aims to balance PHB's goals to achieve more than 50 units on the site while also maintaining a cost-efficient building type and the desire to create a community that is welcomed by residents and neighbors alike.

SEI and CDP are requesting \$11,250,000 to develop 75 units of new construction rental housing and community space for households between 30% and 60% of AMI. We will pair the M-BOS funds with 4% LIHTC and tax-exempt bonds to finance the project. Multiple members of the development team have relationships with the Strong family and look forward to working with them on the naming of the final development.

SEI and CDP do not plan to apply for any Section 8 Vouchers.

Preliminary Development Program

Complete the below table summarizing unit breakdown for **Rental ONLY**. Add/delete rows as needed.

	Unit size (no. of bedrooms)	No. of units	AMI %	PSH	PBVs	Square feet/unit	Gross monthly rent/unit
	1	3	30%	0	0	640	\$599
	1	18	60%	0	0	640	\$1,198
	2	5	30%	0	0	833	\$719
	2	27	60%	0	0	833	\$1,438
	3	3	30%	0	0	110	\$831
	3	19	60%	0	0	110	\$1,662
Totals		75					

Project Image



Background

In July 2019, PHB purchased an approximately .97-acre parcel of real property at 4931-4947 N. Williams Avenue and 20-114 N. Alberta Street, to meet the N/NE Neighborhood Housing Strategy to address the community's strong desire to preserve property within the Interstate Corridor Urban Renewal Area (ICURA) for the development of affordable housing. The site currently contains a 1,288 square foot, single family house and detached garage built in 1906 and is zoned CM2.

Location and Neighborhood

The Strong property is located at the intersection of N. Williams and N. Alberta Street in the Humboldt neighborhood. The Humboldt neighborhood is one of several neighborhoods in North/Northeast Portland that are historically home to the City's African American population, which has been displaced over the last 30 years due to

discrimination and rising housing costs. The Humboldt neighborhood is typical of many inner Portland neighborhoods containing a variety of different land uses and property types.

Strong Site has close proximity to many essential services and amenities. The neighborhood schools are Boise-Eliot Elementary (1 mi), Harriet Tubman Middle School (1.6 mi) and Jefferson High School (0.3 mi). In addition, KairosPDX (0.2 mi), Albina Head Start (0.1 mi) and MLK Jr. Elementary (0.4 mi) are all very close alternatives/additional educational options. SEI's campus on N. Kerby (0.8 mi) is a longstanding center for youth afterschool and summer programs, family support and solidarity for the Black community.

The site is served by the 44 TriMet bus, with a stop across the street from the Strong property and are within a half mile of the 72 and 6 bus routes. In addition to SNAP and child welfare assistance programs, the DHS building just north of the Strong property also houses a WorkSource Portland Metro site, which offers job search and training opportunities.

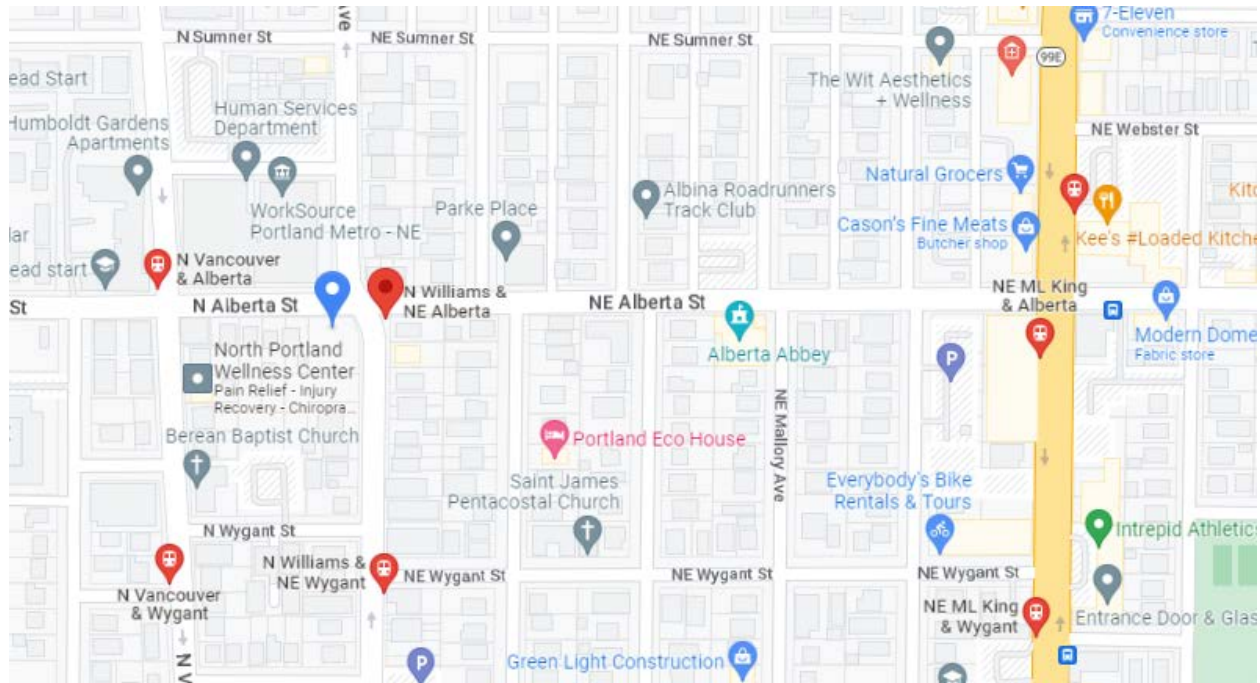
The sites are near ample retail businesses and services on major commercial streets including MLK Jr. Blvd., Alberta Street, Killingsworth Street, and Interstate Avenue. Legacy Emanuel and Kaiser Interstate medical campuses are 1.2 and 1.4 miles from the sites, respectively.

In addition to these essential services, the area is home to many places of cultural and community importance to the African American community, including many churches along the Williams/Vancouver corridor, Dawson Park, SEI's campus, Urban League of Portland, and Matt Dishman Community Center.

Site

The Strong property is zoned CM2d, a mixed use zone with a design review overlay. Properties to the west and north are also CM2d - these consist of a mix of single family, multi-family and commercial uses. The Oregon Department of Human Services (DHS) building is directly to the north of the property. Properties to the east and south are zoned CM1 and RM2, respectively, and are mostly single family homes.

The Strong property is located within a design overlay zone, which will require the project to go through Design Review or to utilize the City's Design Standards. We have reviewed the project against the Design Standards scorecard and believe that option will be the most cost and time efficient pathway. We will request a Pre-Application Conference with the BDS staff prior to finalizing our land use and permitting strategies to ensure we understand all the requirements of the site.



Project Financing

Source of funds	Total Amount
4% LIHTC Equity	\$16,757,909
PHB Loan- Metro and ICURA	\$11,250,000
Deferred Developer Fee	\$1,521,096
Perm Loan	\$6,750,000
SDC Waiver	\$937,500
Contributed Dev Fee or Sponsor Loan	\$799,996
Energy Efficiency 45L & Solar Tax Credits	\$200,000
Total Permanent Sources	\$38,216,501

Uses	Total Amount
Acquisition	\$0
Site Work	\$1,815,255
Construction/Hard Costs	\$23,232,984
Owner Hard Costs Contingency	\$1,207,412
Development/ Soft Costs	\$8,742,500
Finance Fees	\$1,843,000
Professional Fees (legal, Acct, Cost Cert)	\$435,000
OHCS Charges	\$440,350
Reserves	\$500,000
Total Uses	\$38,216,501

The Strong project budget includes hard costs estimated by COLAS based on current market material and labor pricing. COLAS' estimate includes a 3% estimating contingency, a 3% contractor contingency, and a 5% inflation contingency. We have added another 3% owner held inflation contingency (on top of the typical 5% owner hard cost contingency) to ensure we have a sufficient buffer built in to mitigate against rapidly rising material and labor costs.

Operating expenses are projected at \$7,021 per unit per year. Operating expenses are based on CDP's current portfolio expense data. Operating expenses include resident services at \$63,750 per year. Management staffing assumes 1 FTE Manager and 1 FTE Maintenance staff.

Debt terms include a 6.5% permanent loan interest rate, and 40-year amortization schedule. Construction debt is currently priced at 5.5%. These terms are stated in the attached Citibank term sheet; Citibank is one of CDP's strongest lending partners. LIHTCs are priced at \$0.92 on the dollar. LIHTC pricing is an estimate based on current market conditions and feedback from CDP's regular equity investors.

The budget includes \$200,000 in uncommitted funds (\$100,000 solar tax credit equity, \$100,000 ETO solar grant), which we feel confident we can attain based on our success rate with these or like funds on previous projects.

Cost-efficient design, construction, and operations:

The apartment building will include stacked units for ease in construction and to minimize mechanical, electrical, and plumbing stacks and runs. The simple building massing keeps costs down and reduces the opportunities for weak points in the envelope.

To keep operating costs down and tenant utility bills low we will specify building and unit systems that are energy efficient and user-friendly. Systems we've installed in recent projects that have resulted in significant savings have been heat pump hot water heaters and in-unit Energy Recovery Ventilators (ERVs).

We also anticipate the project will include a PV array on the roof to help offset common area electrical costs (like corridor lighting, elevator, offices, etc). This cost is not currently included in the estimate (though solar-ready infrastructure and 2 EV charging stations are), however solar infrastructure has become a typical fixture on most CDP projects. The continuing decline in PV costs combined with new incentives in the recently passed Inflation Reduction Act make adding solar to buildings a much more affordable proposition.

Development Team

CDP and SEI have formed a co-developer and co-sponsor partnership to address the Black, Indigenous, and Person of Color (BIPOC) housing disparity crisis currently prevalent throughout Portland. CDP and SEI have been working together since 2019 on a shared vision called Alberta Alive, which aims to bring Black families back to N/NE Portland. Alberta Alive is culturally specific, affordable housing at the historical heart of N/NE Portland's African American community that serves families, veterans, and displaced/long-term residents with a strong focus on the neighborhood, community, and resident homes.

CDP and SEI have two development projects currently under construction. Alberta Alive Phase I is a two-building development, NE Grand Ave and NE 8th Ave, with a combined 52 units designed for families and Veterans located along NE Alberta Street. Phase II is a 63 unit building for families (also known as 5020 Interstate). The SEI/CDP Partnership stakes out a different model for the African American community and puts a Black-led organization in an ownership role.

Working together on the Strong Property provides an opportunity to further build real estate capacity for SEI, one of the longest running and most effective organizations serving Portland's Black community, giving them an entry into real estate development and long-term asset building in the heart of the City's historic African American neighborhoods. For the Strong property, the developer fee and cash flow split will be 80% CDP, 20% SEI. This represents an increase over Alberta Alive Phase I (where the split was 85%/15%). SEI also has a right of first refusal to purchase the property at Year 15 in Alberta Alive Phase II and the Strong property, if awarded.

- **Self-Enhancement Inc.** (Co-Developer & Co-Sponsor/Resident Service Provider)
SEI is Oregon's largest African American-led nonprofit multi-service organization, and second-largest minority-operated employer. In 2018-19, SEI's comprehensive services benefited over 16,300 K-12 students, youth ages 18-25, families, and individuals across the City of Portland and Multnomah County. SEI's organizational philosophy and service delivery model are rooted in self-actualization and trauma-informed practices with the goal of overcoming persistent race-based disparities. SEI's Relationship Model and comprehensive service continuum are culturally specific for African Americans and culturally responsive for other populations.

With 150 full-time and 46 part-time staff members; 75% African American and 89% from communities of color, SEI partners with 23 public schools in five districts across Multnomah County: Portland, Reynolds, Parkrose, David Douglas, Centennial. SEI's network throughout the Portland Black community is unrivaled and will be at the center of the project's success in attracting the BIPOC community to apply for units within the development. Alongside CDP, SEI will also lead all community engagement activities and represent the development team when meeting with community stakeholders such as the N/NE Oversight Committee.

The project lead for SEI is Sahaan McKelvey. Sahaan is the Director of Community and Family Programs at SEI. Sahaan is also the SEI lead for Alberta Alive Phases I and II.

- **Community Development Partners** (Co-Developer & Co-Sponsor/Asset Manager)
CDP's mission is to create life-enhancing housing that transcends the fundamental goal of providing high quality homes by building innovative and sustainable developments with a focus on long-term community engagement.
As a mission-driven, for-profit organization, CDP is focused exclusively on creating vibrant affordable housing communities that incorporate art, public parks, gardens, fresh food, and cultural and social programming. CDP was formed in 2011 and in the relatively short time since, has successfully built or preserved over 2,000 affordable housing units throughout Oregon, California, Nevada, and Arizona, and has done so in partnership with many jurisdictions, Housing Authorities and non-profit organizations. CDP prioritizes impact over profit and as a Certified B-Corporation, is dedicated to the highest standards of social and environmental stewardship, public transparency, and legal accountability. The company's executive leadership team has over 60 years of combined experience working with cities and public agencies to bring new investment into existing neighborhoods.

The project lead for the Strong Property Housing Development is Jessica Woodruff. Jessica is the Director of Development for CDP and leads CDP Oregon's efforts across all spectrums of the development cycle. With over 18 years of affordable housing experience, Jessica is dedicated to the creation and preservation of affordable housing. CDP has a robust, capable and experienced development team. We have developed 10 affordable housing projects in Oregon, 4 of which are in the City of Portland. Additionally, we have 3 projects currently under development in Portland.

- **Holst** (Architect)
Now entering its 30th year, Holst is an award winning, certified women-owned architecture firm based in Portland, Oregon, and led by partners Dave Otte, Renée Strand, Kevin Valk, and Kim Wilson. Holst's reputation in the community and among its peers is founded on their design acumen, as well as their team's ability to consistently deliver projects on time and on budget. They create innovative buildings tailored to each client's needs, while expressing the highest environmental, social, and aesthetic ideals. Holst works with its clients' budgets without compromising craft, each project reflecting a pursuit of clarity, balance, and authenticity. From conception to completion, they oversee all aspects of the planning, design, and construction processes to ensure that their projects are functional, efficient, financially responsible, and a source of creative inspiration for their client, end user, and the communities in which they reside.

Holst has been a leader in creating the most innovative multi-family housing in Portland for the past fifteen years. From groundbreaking condominium projects to permanent supportive housing that has raised the bar, they know how to balance the typically narrow margins of housing projects to ensure that they meet the budget and schedule while squeezing every inch of design out of each opportunity. The firm has designed

and built over 400 new units of affordable housing in the Portland metro region over the past ten years, with more than 400 more currently in design or under construction. Because Holst works with both market-rate and affordable housing developers on a regular basis, they leverage their varied experience to bring together the best of both worlds.

- **COLAS (General Contractor)**

COLAS Construction is one of the largest Black-owned construction firms on the West Coast and brings sizable project experience with a proven track record of exceeding expectations in construction. As a 2nd generation, family-owned and operated BIPOC Prime Contractor (BPC), COLAS constructs value-based projects that create jobs and advance careers that reflect our community. COLAS Construction centers the highest standards by providing a commitment to hard work and the inherent value of equity, inclusion for diversity in every aspect.

Founder, Hermann COLAS, Jr., arrived with his American dream from Port-Au-Prince, Haiti. He settled in Portland, after serving six years in the U.S. military. Hermann established COLAS to build legacies and strengthen communities. As a BIPOC Prime Contractor (BPC), COLAS is a pioneer in building quality projects that directly impact marginalized communities; for each project they build, diverse and inclusive vantage points strengthen an unparalleled approach, adding value in tangible ways for the local community.

- **Partnership Structure.**

- a. The Project will be developed and owned by a limited partnership contemplated to be known as TBD Limited Partnership (the “Partnership”) pursuant to an Agreement of Limited Partnership of the Partnership (the “Partnership Agreement”), in which SEI will own a .0049% interest and will act as the Co-General Partner. CDP will own a .0051% interest and will act as the Administrative General Partner. An investment limited partner not affiliated with or related to SEI or CDP will also be admitted to the Partnership (the “Investment Limited Partner”) as the tax credit investor. SEI will also be credited with being the Co-Developer of the Project in all funding applications.

- **Financial Participation.**

- a. **Developer Fee.** The Partnership will pay CDP, as the Developer, a fee for services in the form of a Developer Fee from which SEI will receive a fee in the amount equal to 20% of the amount of Developer Fee paid to CDP. SEI’s portion of the Developer Fee will be paid within 5 days of CDP receiving the Developer Fee payment. For the portion of Developer Fee that is deferred, SEI will also receive their portion at the time that CDP is paid which is anticipated to occur on an annual basis based on available cash flow from the operating properties.
- b. **Partnership Fee.** Commencing in the first full year of property operations after the conversion from the construction to the permanent loan and continuing

every January 1st thereafter, in consideration for acting as the Co-General Partner of the Partnership and preparing the annual property tax exemption filing, SEI shall receive a partnership fee of \$5,000 per year, unless SEI makes a 168(h) election in which case SEI shall receive a partnership fee of \$10,000 per years (the "Co-GP Fee"), which shall be payable in whole or in part from net cash flow from operations of the Project and which is payable annually and will be increased each January 1st by 3%.

- c. Net Cash Flow and Sale or Refinancing Proceeds. Net cash flow and sale or refinancing proceeds available for distribution shall be distributed to the partners of the Partnership as described in the Partnership Agreement in effect at the time of distributions. SEI will receive 20% of the annual cash flow that is distributable and distributed to the general partners on an annual basis once the construction loan has converted to the permanent loan.
- Option Agreement.
 - a. Pursuant to the terms of the Partnership Agreement, the General Partners have been given an option to acquire either the Limited Partner's partnership interests or the Project, and the Managing General Partner has been given a right of first refusal ("RFR") to purchase the Project. No later than ninety (90) days prior to commencement of the period during which the Option can be exercised (the "Option Period"), the parties shall confer as to how they wish to participate in exercising the Option or in the alternative the Right of First Refusal. CDP will confer with SEI with respect to the negotiations. Neither party shall have the right to exercise the Option without the consent of the other except as stated below.

In the event both parties desire to participate in the ongoing ownership and operation of the Project, they shall mutually exercise the Option or ROFR and the parties shall mutually agree upon allocation of ownership interests and purchase price. In the event that the Parties cannot agree upon allocation of ownership and purchase price, SEI shall have the rights under section 3(3) below.
- Guaranties.
 - a. CDP or another entity specified by CDP will provide all guaranties required in connection with the Project. SEI shall have no responsibility or obligation to provide guaranties or to fund any amounts in connection with the Project.
- Limited Liability.
 - a. SEI and its partners, directors, officers, agents and employees shall have no personal liability with regard to any debt or obligation of the Partnership.
- Reimbursements.
 - a. CDP will be responsible for payment of all pre-development expenses; provided, that all pre-development expenses incurred by CDP shall be reimbursed by the

Partnership. SEI shall have no responsibility or obligation to fund pre-development expenses.

- Roles and Responsibilities.
 - a. CDP will be primarily responsible for management of the development and construction of the Project.

Community Engagement

For housing projects to be accessible to everyone, outreach and marketing must be both wide-ranging and able to be tailored to specific populations. Coordination between SEI, PHB, The N/NE Oversight Committee, Proud Ground, and community organizations is crucial to ensure that historically marginalized populations who are often least likely to apply are aware of these housing opportunities.

The backbone of SEI's involvement as a co-owner/co-developer in the Alberta Alive properties is their connection to BIPOC communities and specifically the Black community in Portland. SEI has deep and wide connections within this historically African American neighborhood, including local schools, faith-based organizations, advocacy groups, and other culturally specific service providers with whom we communicate about Alberta Alive to build trust and interest in the projects. This reputation affords SEI the ability to interact with its community to receive ongoing feedback that informs our service delivery approach and has informed our design across all Alberta Alive phases.

SEI and CDP have organized focus groups where we have consulted with community members about what they as prospective residents would like to see in their Alberta Alive community and their home. These community members were compensated for their time and provided food and childcare. Our team places a high value on the input of our community members regarding our housing development projects, including this one. That is why we will always provide a stipend to pay the participants of our focus groups for their time and the invaluable information they provide.

SEI's Community + Family Programs (CFP) department served over 6,000 individuals in FY 2022. This included 680 families in our Homeless Housing Programs and 873 families who received some form of housing assistance. SEI staff will be able to work specifically with these program participants to identify community members who are ready to move towards a goal of home ownership. SEI will work closely with identified families, walking them through the process of preparing for a homeownership opportunity by completing a Preference Policy application and maximizing their potential points in the Preference Policy application process.

There are over 5,500 SEI families that are enrolled in our programs, including Schools Uniting Neighbors (SUN), afterschool programming, domestic violence participants, and housing and energy assistance programs. 70% of these participants are people of color. We intend to reach out to these families to inform them of the opportunities this project

will provide. This outreach will include a targeted effort to inform these families of the rental and homeownership opportunities, criteria, and resources available to assist them. All program participants will receive marketing materials and have the opportunity to meet with staff to discuss how they may participate.

Advancing Racial Equity

One way we approach serving BIPOC households is by securing sites for affordable housing and offering co-development and co-ownership opportunities for organizations led by communities of color. To date in Oregon, CDP has created co-ownership structures with the Native American Youth & Family Center (NAYA) on three developments, Hacienda CDC on two developments, and SEI on two developments. These partnerships offer organizations led by communities of color a meaningful stake in the project, support long-term stewardship for the BIPOC population served, and provide long-term financial benefits for each organization involved. CDP is a partner with NAMC-Oregon to broaden efforts to reach minority contractors and increase diversity on each of our projects.

SEI is Oregon's largest African American led nonprofit multi-service organization, and second-largest minority-operated employer. In 2018-19, SEI's comprehensive services benefited over 16,300 K-12 students, youth ages 18- 25, families, and individuals across the City of Portland and Multnomah County. SEI's organizational philosophy and service delivery model are rooted in self-actualization, providing trauma-informed practices with the goal of overcoming persistent race-based disparities. SEI's Relationship Model and comprehensive service continuum are culturally specific for African Americans and culturally responsive for other populations.

With 150 full-time and 46 part-time staff members; 75% African American and 89% from communities of color, SEI partners with 23 public schools in five districts across Multnomah County: Portland, Reynolds, Parkrose, David Douglas, and Centennial. SEI's network throughout the Black community in Portland is unrivaled and will be at the center of the project's success in attracting the BIPOC community to apply for rental and homeownership opportunities.

The Strong Site (along with Abbey Townhomes) project is the next step in SEI and CDP's shared Alberta Alive development initiative that aims to celebrate and strengthen Portland's historically Black N/NE neighborhoods by providing affordable housing, supportive services, and a shared sense of community for underserved individuals and families. Phase I and II of the Alberta Alive development initiative are currently under construction along Alberta St., totaling over 100 units. They include housing choices from permanent supportive housing (PSH) for veterans to family-sized units available to households earning between 30% - 60% AMI.

Like Alberta Alive Phases I and II, SEI will serve as the lead Resident Services provider for Phase III (the Strong and Abbey Lot projects). SEI's Housing and Community + Family Program (CFP) staff members are well connected to numerous public/private stakeholders and have well-established community outreach and engagement mechanisms that will

greatly bolster the project team's advertising efforts to minority and marginalized communities.

CDP and SEI's marketing and lease-up team will work closely with PHB to advance the N/NE Preference Policy. Alberta Alive Phase II (5020 N. Interstate) is also subject to the Preference Policy and that development will provide CDP and SEI staff to gain familiarity with the Policy, eligibility criteria for applicants, timelines, and processes.

- **N/NE Preference Policy and Rentals:**

Guardian will be managing Alberta Alive Phase II for CDP and SEI. That 63-unit property will be Guardian's first that is participating in the Preference Policy. It has already begun pre-leasing and will come online prior to the Strong property. Through that lease up, Guardian, CDP and SEI will receive training, gain experience, and work closely with PHB on the Preference Policy, all of which will be able to be applied to this site.

Guardian also has significant experience with other formalized preferences at multiple CDP properties as well as other properties throughout their portfolio. Guardian staff is very familiar with the processes involved in setting up and implementing preferences, including writing Tenant Selection Plans (TSP) that meet OHCS and HUD compliance requirements, conducting marketing and lease up practices that comply with stated preferences and Fair Housing laws, and maintaining applicable waitlists for properties' stated preferences.

Partnerships and Services

Guardian Management (Guardian) will act as our on-site property manager. Guardian is an Oregon-based firm doing business in the Pacific Northwest. The company has evolved into a leading management, development, and investment firm. Defined by their deep commitment to the communities in which they invest, Guardian continues to advocate for housing across the entire spectrum.

Guardian has extensive experience in providing resident services and collaborating with service providers to deliver targeted services that meet the needs of the resident populations they serve. Guardian has piloted a multitude of prominent real estate projects including, mixed use and mixed income projects, historic preservation projects, affordable housing, senior housing, and conventional apartments and condominiums. Currently the company's portfolio is comprised of over 130 communities throughout 90 cities in four states. Guardian currently provides Property Management services across 80% of CDP's Oregon portfolio and is working with CDP and SEI at Alberta Alive Phase I and Phase II.

Livability and Accessibility

The recommended scheme is a 4-story elevator building, built with Type 5A construction. The building is 86,252 SF with a floor area ratio (FAR) of 2.05:1 and 34 parking spaces (a 0.45:1 parking ratio). The height is 45'-0" and 49'-0" with the roof parapet. We also analyzed a 5-

story version of the building, however due to the BOLI commercial wage premium triggered by a 5-story building, as well as the desire to naturally coexist within the neighborhood context, we believe the 4-story option is the superior design response.

Building and site amenities include a 3,500 SF outdoor courtyard, a 2,000 SF private play area, shared laundry facilities to foster community, an indoor community room, as well as a generous lobby and front porch area at the intersection of N. Williams Avenue and Alberta Street. These amenities and gathering spaces are targeted at families and children, who will make up the majority of the building's occupants. They are intended to provide indoor and outdoor spaces outside of one's apartment where residents can gather for community events, classes, informal get-togethers, and recreation at the onsite play structures.

Unit amenities will include energy efficient heating and cooling systems, direct ducted, continuous ventilation to ensure healthy indoor air quality, LVT flooring, and efficient operable windows.

The concept plan for the apartments includes a 3,500 SF courtyard, which will be landscaped and programmed based on community input, and a 2,000 SF play area for children. The plan includes 34 onsite parking spaces. All units will be served by an elevator, and units will include a mix of Type A and Type B ADA units. The design of the play area will take all abilities into consideration so that all families and children have the ability to interact together.

Climate Resilience and Sustainability

Environmental efficiency and resiliency are critically important to CDP and SEI. As the Portland region continues to see increasing effects of the climate crisis we need to ensure that our new buildings are built to withstand impacts like heat waves and smoke events. We place special emphasis on measures that directly benefit residents through lower utility bills, healthy indoor air quality, and respect culturally specific lifestyle preferences and practices.

We are meeting the following criteria of the PHB Green Building Policy:

- We will be pursuing Earth Advantage and will be targeting a Platinum rating
- The projects will be solar-ready at a minimum. We will complete a solar feasibility study and pursue solar tax credits from our LIHTC investor, as well as other grants to support a solar PV installation
- The projects will be EV Ready at a minimum and include charging stations if the budget allows
- The Strong project will be registered with the multifamily market solutions offering program administered by the ETO

We intend to employ the following features and strategies in order to reduce energy and provide a healthy and resilient building for residents:

- Bicycle parking and storage provided
- A reflective surfaced roof to reduce the heat-island effect

- Enhanced insulation installation practices
- Double-pane, insulated windows
- Highly efficient mechanical and lighting systems
- A tight building envelope (i.e., special attention to seal air leaks)
- Direct ducted intake and exhaust from unit bathrooms and kitchens
- Third-party performance testing will be conducted to confirm compliance with Earth Advantage criteria and to improve energy performance, reduce draftiness and ensure enhanced indoor air-quality

The sites are highly walkable community with amenities located a short walk from public transportation, bike routes, and other community resources.

Having worked on many PHB and OHCS funded projects, Holst and COLAS are also very experienced with PHB requirements, including the PHB Green Building Policy, accessibility standards, Air Conditioning Policy, as well as the Equity in Contracting, Section 3 and workforce requirements and reporting. While they have not yet worked on a N/NE Preference Policy project, Guardian has ample experience managing PHB funded properties and their staff is very familiar with the ongoing compliance and reporting requirements that accompany PHB funding.

Anticipated Timeline

Metro Concept Endorsement	3/2023
Plans Completed	8/2023
Financial Commitments	1/2024
PHB Housing Investment Committee Approval	TBD
Building Permits/Fees	3/2024
Financial Closing	3/2024
Construction Start	4/2024
Construction Completed	8/2025
Lease-Up Completed	2/2026

Metro Affordable Housing Bond Program Concept Endorsement

Project Name: The Dolores

Implementing Jurisdiction: City of Hillsboro

Metro IGA Contract Number: 936670

Anticipated construction start: September 2024

Anticipated construction completion: December 2025

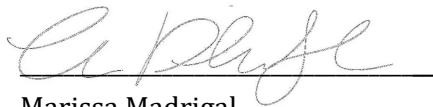
Action:

Metro hereby provides the City of Hillsboro with Concept Endorsement of \$10,500,000.00 Metro Affordable Housing Bond funds for the development of The Dolores, a regulated affordable housing project located at 9985 NE Walker Road, Hillsboro. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the City of Hillsboro, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by the City of Hillsboro, 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
15	One-bedroom	30%	1
5	One-bedroom	60%	0
4	Two-bedroom	30%	2
13	Two-bedroom	60%	0
8	Three-bedroom	30%	2
18	Three-bedroom	60%	0
3	Four-bedroom	30%	3

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



Marissa Madrigal
Chief Operating Officer

5/11/2023

Date

Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for The Dolores



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

Date: May 10, 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 The Dolores. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the City of Hillsboro.

Contribution to unit production targets

The Dolores will utilize 39% (\$10,500,000) of Hillsboro's total allocation of bond funds while delivering 66 units that meet the following unit production outcomes:

- 35% of Hillsboro's overall unit production target
- 39% of Hillsboro's target of units affordable to households making 30% or less of area median income (AMI);
- 49% of Hillsboro's family sized unit target

When combining this project with the City of Hillsboro's existing development portfolio, this puts the City on a path to have utilized 81% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 88% of Hillsboro's overall unit production target
- 90% of Hillsboro's target of units affordable to households making 30% or less of area median income (AMI)
- 123% of Hillsboro's family sized unit target

Eligibility and readiness to proceed

The City of Hillsboro 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 Application dated 4/17/2023
- Preliminary OHCS pro forma dated 4/17/2023
- Phase I ESA report dated 2/21/2022, Phase II ESA report dated 6/6/2022
- Walker Road Affordable Housing Feasibility Memo dated 3/25/2022 as evidence of development capacity
- Metro Site Acquisition Program approval letter, dated 6/9/2022 as evidence of developer site control

- Development team resumes and developer schedule of real estate owned demonstrating a track record with housing development in Oregon
- The net cash developer fee is 8.4%, which is within the range of 6% to 10% for a project of this size under Metro's developer fee policy. This fee is warranted to support the growth of Hacienda CDC, a culturally specific organization and developer with expertise and focus on serving the Latino community. The development team also set an aspirational 75% goal and minimum 50% goal for COBID professional services participation

Staff have not identified any unusual risks to project feasibility and readiness and will continue to request updates from the City of Hillsboro 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 Hillsboro's approved local implementation strategy (LIS). Key findings include:

- **Location:** The Dolores is in a residential, commercial, and mixed-used neighborhood within the Tanasbourne area of Hillsboro. The site is near Magnolia Park, three grocery stores (Safeway, Trader Joes, Whole Foods Market), McKinley Elementary school, and public transit.
- **Transit access:** The project is served by the Cornell Road #48 bus line to the north, which is within walking distance of the site.
- **Diversity in contracting/hiring:** Hillsboro's Local Implementation Strategy calls for 20% of total project costs to be awarded to COBID-certified firms. Hacienda also set an aspirational 75% goal and minimum 50% goal for COBID professional services participation. Access Architecture is a minority-owned firm and consistently seeks out and contracts with certified firms in all areas of design and engineering. The project will be tracking workforce participation and will strive to meet or exceed the aspirational goal of awarding 25% of workforce jobs to women and minority workers.
- **Access for historically marginalized communities:** Hacienda will partner with IRCO (Immigrant & Refugee Community Organization) and Lifeworks NW to engage communities with diverse language and cultural needs throughout the marketing and lease-up process. Social media posts, flyers, television and radio ads will be designed and distributed in various languages across Washington County. Prior to the application release date, Hacienda will invite community members to attend three info sessions on the lease up process and hear questions from future applicants. Within one week of the application release date, Hacienda will host an in-person event to provide technical assistance to future applicants and collect completed applications. Hacienda will also work with Cascade Management to ensure screening criteria are low barrier and consistent with Hillsboro's Local Implementation Strategy to increase access for historically marginalized communities.
- **Culturally appropriate services:** Hacienda will be providing culturally responsive, on-site services to support housing stability and promote the safety and wellbeing of residents. The Resident Services team is part of Hacienda's Youth and Family Services Department and will work to connect residents with local resources and programs in the community, as well as Hacienda's programs and services. Case management and wrap around services for the 10 PSH units will be provided by New Narrative. Wrap around services will include behavioral health counseling, skills training, employment assistance, medication consultation, medical coordination and connection to social supports and community resources.

- **Cooling plans:** The Project will be designed to Earth Advantage Multi-Family Gold level certification. Air conditioning will be provided through mini-split HVAC systems in all units and community spaces.

Community engagement to inform project implementation

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

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

Community outreach will be led by Hacienda, a culturally specific organization with expertise and focus in serving the Latino community. Future outreach activities will include compensation for participating community members and both in-person and virtual engagement sessions held in multiple languages. Hacienda will work to identify partnerships with other culturally specific providers, local churches and schools to help spread the word about upcoming opportunities for members of the community to attend and participate in community engagement events.

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

Community needs will be identified, and responsive designs will be created through open and consistent dialogue with community members. The development and architecture teams will provide engaging and inclusive outreach through focus groups, where community members and prospective residents can learn more about the project's proposed design and provide input on what works for their needs. Community input collected through engagement will be reviewed when the project returns to Metro for Final Approval.

EXHIBIT B: Project summary submitted by City of Hillsboro | Metro bond concept endorsement for “Dolores” by Hacienda CDC

Submitted by: Chris Hartye, Senior Project Manager
City of Hillsboro, chris.hartye@hillsboro-oregon.gov
Submitted on: April 19, 2023

Project Overview

The Dolores is a 3-story, elevator-served affordable housing development proposed on two parcels at 9985 NE Walker Rd. and 10085 NE Walker Rd. in Hillsboro. Named after labor activist Dolores Huerta, it provides 67 total units ranging from 1-bedrooms to 4-bedrooms, of which 66 affordable units will serve households making between 30% AMI and 60% AMI. The development dedicates 10 units to Permanent Supportive Housing, which will receive case management services through New Narrative. Hacienda CDC will be developer, owner, and resident services provider.

The site is approximately 2.33 acres total gross / 1.95 acres net developable and includes two single family homes to be demolished prior to development. The two parcels comprising the site are currently owned by Metro.

Total project cost is estimated at \$34.6 million and includes the following sources:

- \$10.50 million in requested Metro Bond Funding
- \$14.33 million in 4% LIHTC Equity,
- \$7.58 million in permanent debt, inclusive of OAHTC interest subsidy financing
- \$250,000 in GP equity,
- \$1.44 million in Deferred Developer Fee
- \$257,171 in Sponsor Loan
- \$154,000 in energy credits
- \$50,000 in Public Utility Incentives

Preliminary Development Program

The development program of the Dolores includes 66 affordable units, with a total of 30 units provided at 30% of Area Median Income (AMI). The project features 46 family-size units of two-bedrooms or more, comprising nearly 70% of the project, and includes 26 three-bedroom units and 3 four-bedroom units. Ten units will be dedicated to Permanent Supportive Housing (PSH). The single 3-story building will total 77,721 square feet.

Project amenities include a community room, bike room, laundry rooms on each floor, exterior courtyard with covered seating, playground, community garden and property management and resident services offices. The Dolores will provide 74 stalls of off-street parking, at a ratio of over one space per unit.

The preliminary development program unit mix and income table follows below:

Unit size (no. of bedrooms)	No. of units	AMI %	PSH ¹	PBVs	Square feet/unit	Gross monthly rent/unit
1 -bed	15	30	5	1	600	\$599*
1-bed	5	60	-	-	600	\$1,198
2-bed	4	30	4	2	800	\$719*
2-bed	13	60	-		800	\$1,438
2-bed (Manager)	1	-	-	-	800	-
3-bed	8	30	1	2	1000	\$831*
3-bed	18	60	-	-	1000	\$1,662
4-bed	3	30		3	1200	\$927*
Total	67					

**Refer to Project Budget/Proforma for proposed assisted PBV rents*

Project Image



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

Background

The City of Hillsboro, in partnership with Metro, issued a Request for Proposals (RFP) for affordable housing in late September 2022 to competitively bid disposition and development of the Metro-owned 2-acre property on NE Walker Rd. in Tanasbourne. The RFP resources also included up to \$11 Million of Regional Housing Bond funds available for the project.

The following minimum requirements were identified in the RFP for the Walker Rd. site:

- 60 affordable housing units minimum
- Minimum 40% of total units regulated at or below 30% AMI
- Minimum 40% of total units at two bedrooms or more
- Racial Equity, Resident Services and Community Engagement plans
- Cooling plan providing for A/C in each unit

In addition, the following preferences were included in the RFP:

- Proposals with more than the minimum-required units
- Proposals that included dedicated Permanent Supportive Housing (PSH) units
- Diversity contracting utilization greater than 20% of total project costs
- Voluntary workforce tracking and reporting

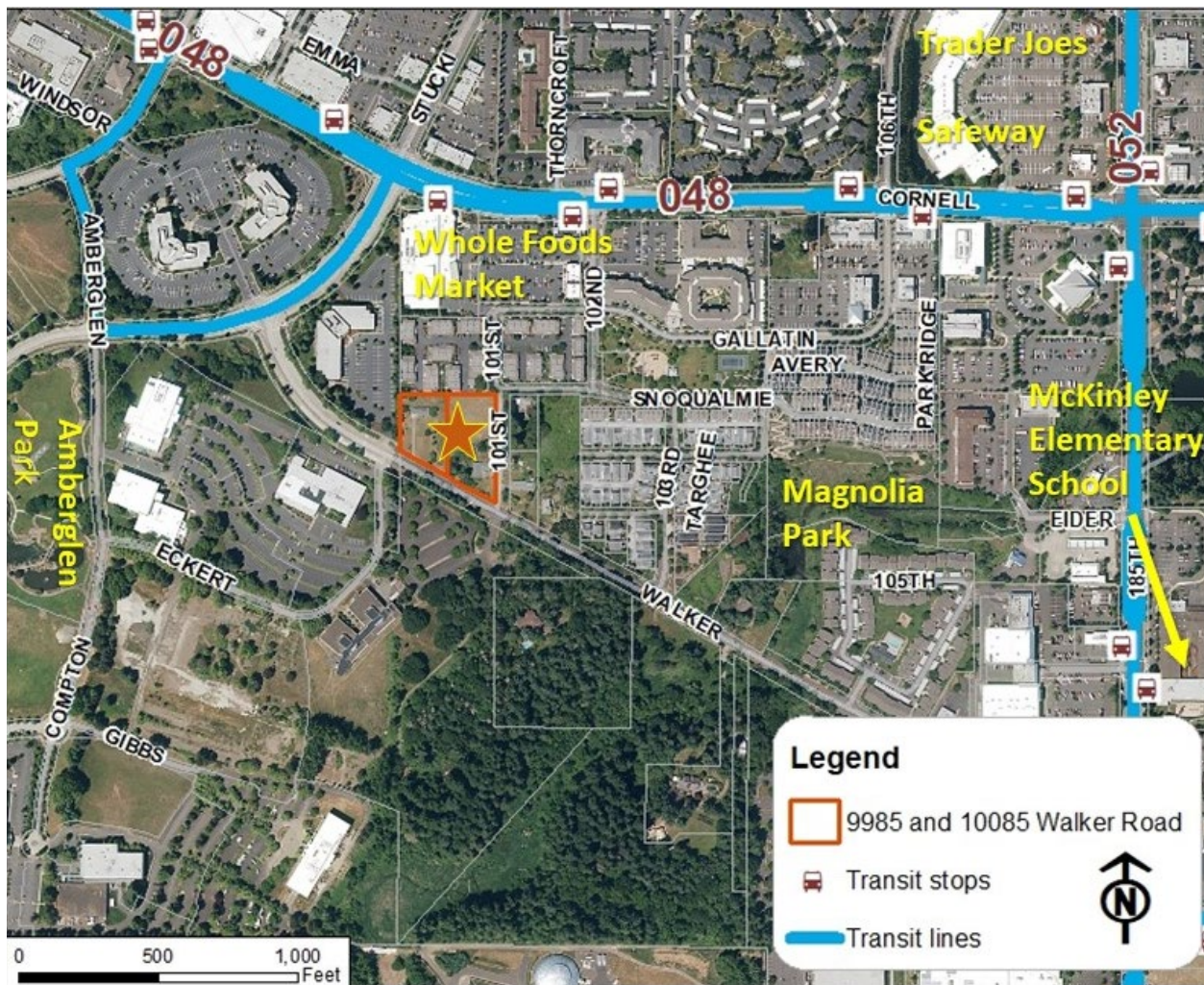
At the December 2022 deadline, the City received three project proposals from affordable housing developers. The City and Metro formed an evaluation committee to review and score the proposals, informing the City Staff-recommended project. The committee met three times throughout the project evaluation period and submitted scores evaluating each proposal. The committee scored the Hacienda CDC proposal highest amongst the three proposals. After an interview with the Hacienda CDC development team and further project vetting, City Staff recommended selection of the Dolores project in accordance with the recommendation of the evaluation committee. Hillsboro City Council approved the selection and granted Concept Endorsement of Dolores on March 21, 2023.

The Metro Site Acquisition Program purchased the NE Walker Rd. properties in late June and early July 2022 working closely with the City. Due diligence conducted to-date includes Phase I and II Environmental Site Assessment (ESA) reports, a Contaminated Media Management Plan and a Geotech report. Metro also contracted with 3J Consultants for site development feasibility analysis and concept planning.

Location and Neighborhood

[word limit: 100]

The Dolores project site is in a residential, commercial and mixed-use neighborhood proximate to a wide range of amenities, shopping, and services. Magnolia Park is a short walk away, the site is proximate to three grocery stores (directly abutting Whole Foods parking lot), McKinley Elementary school is a short distance to the south; the #48 bus line and stop on Cornell is walking distance and there are new market rate apartments being built directly south of the site. The addition of affordable housing at this location will help to create a vibrant mixed-income neighborhood within the Tanasbourne area of Hillsboro.



Site

[word limit: 300]

The site is comprised of two abutting tax lots totaling 2.33 acres, with approximately 1.95 acres estimated as net developable after the required right-of-way dedications for 101st Ave and NE Walker Rd. As previously mentioned, the site is owned by Metro with disposition to Hacienda CDC anticipated through a future Disposition and Development Agreement (DDA). A single-family home on the western parcel has already been demolished and the home on the east lot has a tenant who will rent from Metro until July of this year. After relocation, that home will also be demoed to make way for the affordable housing project.

The Phase I and II Environmental Site Assessment (ESA) reports and a Contaminated Media Management Plan had the following findings:

- Decommissioned heating oil tank at 9985 Walker
 - DEQ closure letter issued June 2022
 - Contaminated Media Management Plan prepared by Maul Foster
- Electromagnetic scan found no other heating oil tanks
- Surface soil sampling found pesticides below levels of concern for human well being

- HazMat studies to be conducted on residential properties before demo by Metro/consultant
- No further action recommended.

A Geotech report was also completed. Analysis noted:

- Moisture sensitive soils
- Unconsolidated silts
- Unknown groundwater depth
- Site deemed suitable for shallow foundation construction with no underground parking
- Further pre-construction borings recommended

Metro also contracted with 3J Consultants on a site development feasibility analysis with the following findings:

- The sites contain a mix of Multi-Unit Residential (MR-2) and Mixed-Use Neighborhood (MU-N) zones
- Maximum allowed density with SB 8 bonus applied is 67 units
- A conceptual site study achieved 60 units with 60 parking spaces (1:1 parking ratio)
- An expired Planned Unit Development (PUD) approval defines re-alignment of 101st Avenue desired by City
- Required off-site improvements were estimated at \$1 million

Project Financing

Total development costs for the Dolores are estimated at \$34,557,577, or \$515,785 per unit, and \$236,695 per bedroom. The requested Metro bond funding amount for gap financing is \$10.5 Million, equaling a subsidy of \$159,091 per unit or \$72,917 per bedroom.

Sources of proposed financing include:

- Metro Bond financing in the amount of \$10,500,000
- Total LIHTC equity of \$14,327,537, based on pricing of \$0.88 per available credit.
- Permanent mortgage of \$7,575,562, based on terms provided by Umpqua Bank.
- The permanent mortgage will be subsidized by a \$6,000,000 OAHTC allocation from OHCS. A request for the OAHTC will be made with the 4% LIHTC/bond application to OHCS.
- Federal Energy Tax credits of \$154,347, based on 30% of solar facility installation costs of \$584,649. Energy credits will be purchased by the equity investor at the same pricing as the LIHTC.
- General Partner equity contribution of \$250,000.
- Sponsor cash loan of \$257,171
- Deferred developer fee of \$1,442,960. This is the maximum amount that can be repaid from available cash flow in 13 years, per investor underwriting guidelines.
- Energy Trust of Oregon rebates of \$50,000 for installation of the solar facility.

Umpqua Bank will make a direct purchase of the OHCS-issued private activity bonds (PABs) in an amount not to exceed \$17,221,718, depending upon project underwriting.

The project is expected to apply and qualify for Hillsboro's Nonprofit-Owned Low-Income Housing Property Tax Exemption program.

A sources and uses table follows below:

Sources	Total	per Unit
LIHTC Equity	\$14,327,537	\$213,844
Federal Energy Credits	\$154,347	\$2,304
Permanent Loan	\$7,575,562	\$113,068
Metro Bond	\$10,500,000	\$156,716
Public Utility Energy Incentives	\$50,000	\$746
Sponsor Loan	\$257,171	\$3,838
GP Equity	\$250,000	\$3,731
Deferred Developer Fee	\$1,442,960	\$21,536
TOTAL SOURCES	\$34,557,577	\$515,785

Uses	Total	per Unit
Acquisition	\$1	\$0
Construction	\$24,315,590	\$362,919
Soft Costs	\$3,377,419	\$50,409
Financing Costs	\$1,967,841	\$29,371
Reserves	\$453,766	\$6,773
Developer Fee	\$4,442,960	\$66,313
TOTAL USES	\$34,557,577	\$515,785

Gross developer fee is \$4,442,960, or 14.98% of total development costs less developer fee, per City of Hillsboro underwriting guidelines. Taking into account deferred fees, contributed fees, and limited partner equity and general partner note contributions, the net cash fee to Hacienda CDC will be \$2,492,829 or 8.40% of development costs.

In November 2022, Hacienda submitted an RFI response to Washington County SHS requesting rent assistance contingency funding for rent assistance beyond the availability of SHS funding in June 2032 for the 10 dedicated PSH Units. Washington County SHS has agreed to fund a minimum of \$1,540,673 (\$154,067 per unit) for 15-year rent subsidy, with an option for reapplication for additional funding. Hacienda is currently coordinating reapplication efforts to obtain this additional funding.

The Dolores will contain 10 PSH units with services provided by New Narrative. The project is sponsored and will be owned solely by Hacienda CDC, a culturally specific developer with an exceptional track record of serving communities of color.

Development Team

Developer – Hacienda Community Development Corporation

Hacienda CDC (Hacienda) is the project sponsor, developer, owner, and resident services provider. Hacienda is a Latino Community Development Corporation that strengthens families by

providing affordable housing, homeownership support, economic advancement, and educational opportunities. Since inception in 1986, Hacienda has worked to promote the wellbeing of low-income individuals and families, with expertise and focus on the Latino community. With a combination of affordable housing and services for residents and the community at-large, Hacienda has worked to improve the lives of residents, helping children stay in school and families thrive, and continues to strategically transform the neighborhoods in which they operate.

Hacienda Real Estate Development builds quality, affordable housing where families can live and thrive in safe, supportive, community-centered environments. Hacienda has rehabilitated or built 381 units of affordable housing in some of the most depressed areas of North and Northeast Portland and Molalla. In addition, Hacienda and Community Development Partners (CDP) co-developed Rockwood Village, 224 new units of affordable housing in Gresham, which opened this past summer, and are in construction on a new co-development venture, Maple in Oregon City (171 units). Both developments include Metro Bond funding. Hacienda has also completed construction on Las Adelitas, 142 new affordable homes in Portland's Cully neighborhood. Hacienda has also developed three community benefit commercial properties, the Ortiz Center, Hacienda CDC Administrative headquarters; and the Portland Mercado.

Hacienda Resident Services provides culturally responsive, on-site services for residents to support their housing stability, to build community, and to promote safety and wellbeing of residents. The Resident Services team is part of the Youth and Family Services Department and works to connect residents with resources and programs in the community and to Hacienda's programs and services.

Architect – Access Architecture

Using informed design and community engagement to foster meaningful connections. Access Architecture will facilitate the design of the project rooted in their commitment to quality housing for all and culturally responsive community engagement. Founded in 2018, Access Architecture, LLC is a mission-driven, minority owned, full service architectural and planning firm. Access Architecture provides professional services ranging from feasibility studies and funding packages to construction contract administration and post-occupancy evaluations.

Through an innovative Outcome-Based Design process, community engagement is paired with academic research to create designs that are better informed and more effective. Access Architecture is also committed to community involvement, utilizing its 5+ Project to devote time towards volunteer efforts.

With a combined 30+ years of experience working in affordable housing design, Access Architecture is well versed in projects obtaining local, state, and federal funding. They are intimately knowledgeable with public funding streams and understand the often-complex framework of requirements that apply to a project based on building typology, local jurisdictions, and project funding sources.

General Contactor – LMC Construction

LMC Construction will be the General Contractor on the Project. Founded in 2004, LMC Construction (LMC) is one of the leading General Contractors in Oregon & SW Washington. At LMC, they believe in building relationships, a commitment to quality, and developing communities that foster connections and enrich the lives of the residents who call the communities they build home.

Over the past 18 years, LMC's focus has been on projects that include affordable & market-rate housing, commercial buildings, expansions, ground-up, multi-family housing, renovations, and tenant improvements. Their extensive range of services begins well before a design has been conceived and continues long after construction is complete. At LMC, they pair the capacity and experience of a prominent, established builder with the accessibility and connectivity of a smaller, local company.

Property Manager – Cascade Management

Founded in 1974, Cascade Management has been managing multi-family housing for over 45 years, emerging as one of the leading providers of affordable housing property management in Oregon and Washington. With nearly 250 employees, over 180 properties, and more than 7,300 units under management, Cascade Management has been recognized as a leader in the affordable housing marketplace for decades. Over 40% of the Cascade Management portfolio is made up of non-profit or housing authority owned properties. Vital to their success in managing this housing stock is their core belief that all residents and applicants deserve a high level of customer service and care, regardless of their condition in life or the nature of the housing -- whether it be fully or partially subsidized, public or private, work-force affordable, special needs, or market rate. Cascade has a proven track record both in maximizing financial performance and in long-term preservation of the physical asset for their clients.

PSH Case Management Provider – New Narrative

New Narrative is a licensed provider of mental health, alcohol and drug, and dual diagnosis services governed by contracts with city, county, State and Federal government. The strong, collaborative relationships with these entities is the foundation of their successful program development. New Narrative has consistently held contracts with Washington County since 1978 and Multnomah County since 2002 for services including outpatient and rehab-level mental health treatment, homeless outreach, peer services, and many other mental health related needs.

New Narrative employs a multi-disciplinary team including medical staff (M.D. and Psychiatric Nurse Practitioner), Mental Health Clinicians (QMHA & QMHP) trained in a variety of treatment methods, Residential Counselors, Skill Trainers, Peer Support Specialists, Housing Specialists, Nurses, Pharmacist and Pharmacy Technician, and a Representative Payee.

Their services are designed to meet the wide-ranging needs of individuals with varying types of mental health diagnoses and traumatic life experiences. New Narrative strongly believes in supporting each participant's overall well-being and quality of life. A full continuum of care at multiple levels provides individualized, holistic support. They endorse a trauma-informed organizational model that strives to protect the physical, psychological, social, cultural and medical safety of all participants and staff. Comprehensive delivery of services can involve multiple elements based on individual need including behavioral health counseling in both group and one-on-one settings, skills training, case management, employment assistance, obtaining benefits, prescriber services, medication consultation and management, medical coordination, connection to social supports and community resources. Services are delivered in the least-restrictive environment that is clinically appropriate.

Community Engagement

Hacienda will engage community members around final design elements and amenities as well as future programming. Hacienda will be working closely with the City, Metro, New Narrative and

Lifeworks NW from design, to outreach, to future programming with the goal of enhancing the health and well-being of future residents. All Hacienda community engagement includes the following main principles that they believe reduce barriers and allow for authentic engagement:

Compensation: Hacienda CDC compensates all community members who participate in community engagement activities as if they were consultants.

Language needs: Hacienda assesses interpretation and translation needs before engagement activities. They work frequently with IRCO's Language Bank or Linguava to provide these services, and are committed to hosting both virtual and in-person engagement sessions in multiple languages.

Meeting format: Hacienda acknowledges that meeting in person is the best way to build relationships and community. If meeting in person, they provide meals to engagement participants.

Partnerships: When working with a new community, Hacienda staff first reaches out to other culturally specific partners, local churches, organizations, and schools to help spread the word about new affordable housing and opportunities for engagement.

Community needs will be identified and responsive designs will be created through open and consistent dialogue with community members. Communities understand their strengths and challenges and it is the development team's responsibility and privilege to listen, collaborate, and foster empowerment. Nurturing open dialogue, and communication creates successful and meaningful projects that strengthen community resiliency.

Access Architecture has experience providing engaging and inclusive outreach during the design of the project through post-occupancy. They believe that the process of community engagement does not end with the project's design. In order to measure the effectiveness that the built environment has on creating community, fostering equity, and enhancing quality of life; it's imperative that Access and Hacienda continue to engage the community and project stakeholders post-occupancy.

Other Hacienda engagement work during pre-development has included focus groups where community members and prospective residents can learn more about the proposed design and provide invaluable input on what works for their needs.

Advancing Racial Equity

Hillsboro is home to a racially and ethnically diverse population, with two in five people identifying as communities of color and a quarter of residents identifying as Hispanic or Latinx. A majority of those living below the poverty line in Washington County are people of color, and more than half of Black, Latino, Filipino, Middle Eastern, and North African residents are considered rent burdened.

As described previously under site considerations, the location of the Dolores in the Tanasbourne area of Hillsboro provides an amenity-rich, well-served and well-connected location with ample access to employment, healthcare, retail, and educational services and opportunities. The addition of the Dolores provides much needed regulated affordable housing in the Tanasbourne

area and will help create a more racially diverse, mixed-income community in the immediate neighborhood.

The Dolores contains many features that advance racial equity, starting with Hacienda CDC as a culturally specific owner and resident services provider, the Latinx-inspired building design, trauma-informed building features and many other components.

When working with communities with diverse language and cultural needs, Hacienda engages interpretation and service delivery partners like IRCO, and Lifeworks NW. Nearly 30 years of experience with outreach to low income and BIPOC communities has informed their practices for the lease-up process, which can be daunting for applicants. Hacienda's affirmative marketing and lease up plan contains three main elements:

- Marketing - Social media posts, flyers, television and radio ads will be designed and distributed in various languages across Washington County and beyond once construction timelines are clear. Marketing will be primarily targeted to low income and BIPOC communities and will continue throughout the lease-up process.
- Community Info Sessions - Hacienda will invite community members, prospective tenants and community organizations to attend three info sessions presented in various languages three months before the application release date. These sessions will be a mix of virtual and in-person. There will be a brief presentation on the new development and lease up process. The remainder of the time will be reserved for questions and answers.
- Lease-up Event - After the Interested Parties List is opened and within the first week of the application release date, Hacienda will host an in-person event to provide technical assistance and collect completed applications. Again, Hacienda will decrease barriers by providing access to interpretation and provide support for those who have challenges with reading or writing.

Hacienda works collaboratively with Cascade Management to ensure that all applicants receive a fair, low-barrier screening process. Cascade Management's screening criteria are low-barrier consistent with the City of Hillsboro Local Implementation Strategy guidelines and are designed to directly respond to the inequities that have historically been tied to screening processes.

Hacienda's work is intentionally designed to mitigate the systemic barriers facing people of color, that prevent equal access to housing, education, economic success and asset-building opportunities. Hacienda has a zero-tolerance policy for discrimination based on protected classes, including race, color, sex, religion, national origin, familial status, disability, source of income, marital status, age, sexual orientation, and gender identity. All applicants of Hacienda properties receive a fair, low-barrier screening process which includes income verification of disability, passing a criminal background check, and passing a landlord reference check. If an applicant is denied housing based upon screening criteria, they can request an appeal meeting to discuss the reason(s) for the denial. In most cases, property management staff are able to overturn the denial, at times in consultation and planning with Resident Services staff.

Hillsboro's Local Implementation Strategy calls for 20% of total project costs to be awarded to COBID-certified firms. The Dolores project will meet or exceed this goal with the following approaches taken by Hacienda and the development team:

Professional Services Contracting. Hacienda's team has set an aspirational 75% goal and minimum 50% goal for COBID professional services participation. Access Architecture is minority-owned and consistently seeks out and contracts with certified firms in all areas of design and engineering. Hacienda will regularly monitor the State's list of COBID certified firms to look for potential new partners.

As standard practice, Hacienda requires that 25% of workforce jobs created are completed by women or minorities on all development projects. They require that the general contractors provide updates regarding their equity progress prior to executing subcontract awards, midway through construction, and at project completion. These efforts allow the contractors to improve outreach and monitor progress regarding equity efforts in real time.

This same commitment will be implemented in the Dolores project and Hacienda's plan to achieve this goal includes: holding pre-bid outreach meetings allowing bidders to plan for the bid period and respond in a timely fashion; encouraging larger firms to utilize DMWESB-SDV firms as second-tier subcontractor and suppliers; conducting an exhaustive process of outreach to target businesses and the community; and encouraging prospective bidders to schedule one-on-one meetings with the team to review the requirements of the project to gain a full understanding of its scope.

Hacienda is committed to achieving a minimum 20% of operations contract awards to qualified DMWESB/SDV firms. Further, Cascade Management is equipped to track MWESB goals for operational suppliers and vendors through an automated vendor management system, allowing outcomes to be reported periodically for refinement.

Partnerships and Services

Hacienda has over 29 years of experience providing culturally specific services related to language, health navigation, food access, transportation, and basic resident stability. They work 1:1 with residents to maintain their housing stability, understand their needs, and work directly with partner organizations to enhance on-site services and connection to off-site services. Hacienda tracks success in resident services programming through social-emotional indicators. They recently launched a new survey to affordable housing residents that ask questions around: residents' feelings of safety in their home and neighborhood, financial security, health and wellness, and access to resources. These questions help Hacienda assess overall resident satisfaction and the changes they can make to program offerings. For the Dolores, Hacienda plans to do this survey annually.

Hacienda CDC's bilingual Resident Services Coordinator is continuously engaged in educating and collaborating with the third-party management staff about its mission driven services and methods of implementation, including assertive engagement and trauma responsive communication. The coordinator meets almost daily with management staff, conducts site visits and ensures residents have their contact information and they regularly share information about various programs, along with community resources. Regular documentation of housing stability services provided also helps inform resident services needs.

The Coordinator is notified about any lease violation matter and will receive all adverse notices/ actions and review them with property management to ensure all actions are unbiased, appropriately documented and meet legal requirements. In addition, the Coordinator engages

residents individually or together with property management staff and /or other residents, as appropriate to ensure all actions are culturally appropriate and meet procedural and legal requirements. The Coordinator will also connect the household with any needed resources that will stabilize their housing. These resources may include emergency rental assistance, food pantry, utility assistance, financial fitness class, or a medical or behavioral healthcare referral.

The Director of Youth and Family services working closely with the Resident Services Manager, Coordinator, and other support staff continuously review and evaluate the effectiveness of Hacienda programs and services. The Director also evaluates the collaboration between property management staff and the Resident Services Program staff to ensure residents needs are being met in a culturally appropriate manner.

Dolores' PSH units will serve Population A in the Metro/Washington County Supportive Housing Services (SHS) program definition: extremely low-income (30% or below as defined by HUD or by local definitions), have one or more disabling conditions, and who are experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness. The project intends to use Washington County's coordinated access system for resident referrals.

Livability and Accessibility

Accessibility, equity, and their intersection will be central to the design of the Dolores. Some of the ways these principles will manifest include:

Building Design:

- Regular widening of corridors at unit entries and common area nodes for easier maneuvering.
- Generous clearances and turning space throughout the facility.
- Increased amounts of natural light throughout the building compared to traditional multifamily housing, with a specific focus on circulation space.
- Multi-purpose spaces with flexible seating for a wide variety of body types and abilities.
- Comprehensive, clear and consistent wayfinding system to guide residents and visitors throughout the building.
- Integration of acoustic ceiling treatments to absorb sound and eliminate reverberation in large, open spaces.
- All-gender restrooms that accommodate all, regardless of their gender-identity or expression.
- Two elevators to increase access and minimize wait times.
- Designing with a trauma-informed lens - which includes:
 - Designing spaces with clear sight lines, multiple exits, and minimal barriers, which can help people feel safe and secure.
 - Using wood and nature-inspired colors at eye-level, which can be very calming and grounding.

Unit Design:

- Generous maneuvering clearances for all units, not just those designated as accessible.
- All unit types designed for ease of use.
- More audio/visual units than required by Code.
- Integration of unit storage at all reach ranges, including full-height pantries wherever possible.
- All electric appliances (no gas).
- Stoves will have smart burners that automatically turn off when not used.

As previously mentioned, the Dolores project amenities will also include a courtyard with playground, covered outdoor seating and gathering spaces.

Climate Resilience and Sustainability

Certification: This project will be designed to meet or exceed Earth Advantage Gold certification through specific strategies for the building envelope, energy, water, and indoor air quality.

Energy Modeling: Working with both Earth Advantage and MEP consultants, the project team will utilize advanced energy modeling through all phases of the project to assist with intentional decisions around building systems and initial costs vs long term savings

Energy Efficiency: Passive design strategies for Dolores include massing, orientation, strategic use of windows, daylighting, natural ventilation, and a well-insulated air-tight building enclosure. A highly efficient building envelope with a continuous air barrier will reduce energy loss and cut both heating and cooling costs. Compact and efficient unit layouts minimize the energy needed to heat and ventilate dwelling unit's spaces. The team will use highly efficient systems, including LED lighting, occupancy sensor controls, in-unit energy recovery ventilation, mini-splits, and energy efficient appliances. HVAC zoning and programmable thermostats will help optimize efficiency.

Water Efficiency: Low flow water-saving fixtures are incorporated to save water and energy through a reduced need for hot water. To achieve additional energy savings, the project will include a highly efficient central hot water production system. Hacienda will use water saving irrigation systems and plant selection in the Dolores's landscape design.

Managing Stormwater: The project will be designed to meet or exceed city standards by first looking to infiltrate all stormwater on site.

Renewable Energy & Resilience Strategies: Dolores will house a robust roof-top solar array and 10% of the on-site parking spaces will be EV ready. In addition, the team will explore the potential and available incentives for on-site renewable energy and seek incentives, grants, or third-party financing to support the implementation of renewable energy.

Indoor Air Quality: The project will include 100% outside air heat recovery ventilation, use interior materials that do not contain added urea-formaldehyde, and finishes, adhesives, and other materials will have zero or low VOCs (Volatile Organic Compounds).

With Oregon's summer temperatures breaking records for multiple years and heat crises disproportionately affecting low-income individuals and families of color, the Dolores will include mini-split HVAC systems in all units and community spaces. These systems were selected to provide programmable heating and cooling and air circulation without exposing residents to outside noise and pollutants. System costs are to-be-determined.

Anticipated Timeline

Proposed Project Schedule

Action	Proposed Date (Month/Year)
Design	
Complete Schematic Design	June 2023
Complete Design Development	September 2023
Complete Construction Drawings	December 2023
Land Use Approvals and Permits	
Submit Land Use Application (if applicable)	August 2023
Submit Site Development Permit Application	November 2023
Submit Building Permit Application	January 2024
Obtain Land Use Approval	February 2024
Obtain Site Development Permits	June 2024
Obtain Building Permits	June 2024
Financing	
Submittal of LIHTC Pre-application to OHCS (if applicable)	January 2024
Issue Solicitations for Financing (LIHTC, Construction Loan, and Permanent Loan)	May 2023
Select Financing Providers	July 2023
Obtain Financing Commitments	September 2024
Negotiate Substantially Final Form of LIHTC Syndication/Partnership Agreement	September 2024
Construction Agreement	
Select General Contractor	December 2022
Obtain All Needed Bids for Construction	July 2024
Finalize Construction Agreement with Guaranteed Maximum Price	September 2024
Disposition and Development Agreement and Financing Agreements with City	
Finalize Disposition and Development Agreement (DDA) and Financing Agreements	August 2024
Development	
Closing of Property Conveyance	September 2024
Closing of Financing	September 2024
Begin Construction	September 2024
Complete Construction	December 2025
Obtain Certificate of Occupancy	January 2026
Lease-up and Operations	
Begin Lease-up	October 2025
Complete Lease-up	April 2026
Conversion to Permanent Financing	September 2026