

METRO HOUSING BOND QUARTERLY REPORT | JANUARY – MARCH 2024

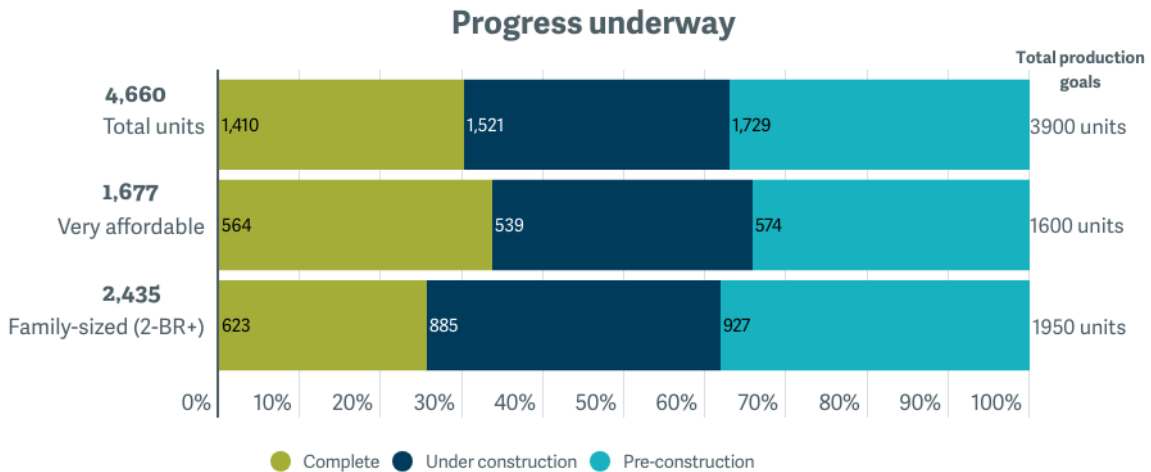
May 6, 2024

This is the first quarterly progress report for the Metro Affordable Housing Bond of 2024. Similar reports are produced quarterly with the goal of keeping the Housing Bond Community Oversight Committee, Metro Council, and other stakeholders and partners informed about ongoing implementation progress. A more detailed report will be provided annually for each calendar year, following submission of local progress reports by each participating implementation jurisdiction.

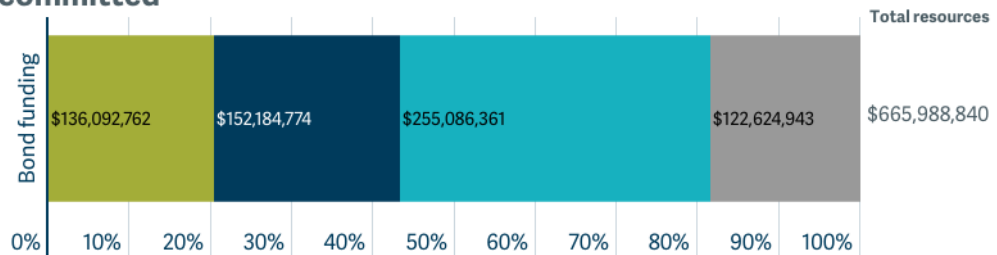
REGIONAL PRODUCTION PROGRESS

As of the end of March 2024, the Affordable Housing Bond program has 56 projects representing 4,660 new affordable homes in the pipeline, including 23 projects (1,729 units) that are in pre-construction. Thirty-seven projects have received final approval, of which seventeen (1,521 units) are under construction, and sixteen projects (1,410 units) have completed construction and are accepting residents. Of these homes, 2,435 will have two or more bedrooms, representing 125% of the program’s production goal of 1,950 family-sized homes; and 1,677 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 105% of the program’s production goal of 1,600 deeply affordable homes. Collectively, the 56 projects in the pipeline represent 4,660 new affordable homes, or 120% of the total production target for the Housing Bond, while utilizing approximately 82% of allocated project funding.

Production and funding dashboard



Resources committed



REGIONAL PRODUCTION PROGRESS

	Eligible units	30% AMI units	2+ BR units	PSH units
Total units in pipeline	4,660	1,677	2,435	777
Total unit production targets	3,900	1,600	1,950	N/A
% of unit progress underway	120%	105%	125%	N/A
Total funding committed or underway	\$543,363,897			
% of funding committed	82%			
Total funding remaining	\$122,624,943			

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>	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
Aldea at Glisan Lnading	\$3,685,679	Construction	96	15	63	0	Jun-2023	Sep-2024
Beacon at Glisan Landing	\$5,822,000	Construction	41	41	0	41	Jun-2023	Sep-2024
Dr. Darrell Milner Building	\$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	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	Apr-2024	Dec-2025
Tistilal Village	\$4,632,538	Construction	24	24	22	16	Mar-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
M 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
Carey Blvd. (Homeownership)	\$6,087,267	Pre-construction	53	0	53	0	Jul-2025	Feb-2029
Abbey Townhomes	\$1,200,000	Pre-construction	8	0	8	0	Apr-2024	Feb-2025
PCC Southeast	\$2,649,254	Pre-construction	124	20	63	0	Jul-2024	Jan-2026
73 rd and Foster	\$2,832,340	Pre-construction	64	22	29	22	Jan-2024	Feb-2025
Gooseberry Trails (Homeownership)	\$5,451,773	Pre-construction	52	0	52	0	Apr-2024	May-2026
Total units in pipeline			1,781	586	901	311		
Total unit production targets			1,475	605	737	300		
% of commitment complete			121%	97%	122%	104%		
Total committed or underway			\$161,331,720					
Total LIS funding			\$208,740,992					
% of funding committed			77%					
Remaining LIS funding			\$47,409,272					

*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
Cedar Rising	\$10,230,000	Complete	81	33	50	0	Apr-2022	Oct-2023
Heartwood Commons	\$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
Opal Apartments	\$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
Alongside Senior Housing	\$6,270,000	Complete	57	23	0	23	Jul-2022	Aug-2023
Viewfinder	\$11,583,000	Complete	81	34	56	27	Jun-2020	Dec-2021
Woodland Hearth	\$9,450,000	Pre-construction	63	24	40	22	Oct-2024	Oct-2025
Total units in pipeline			872	342	438	185		
Total unit production targets			814	334	407	100		
% of commitment complete			107%	102%	108%	N/A		
Total committed or underway							\$114,611,611	
Total LIS funding							\$118,135,532	
% of funding committed							97%	
Remaining LIS funding							\$3,523,921	

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	Complete	142	58	79	58	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
Hillside Park – A & B	\$25,454,545	Pre-construction	143	40	14	13	Septr-2024	Apr-2026
Hillside Park – C	\$14,545,455	Pre-construction	78	68	53	8	Jun-2024	Apr-2026
Lake Grove	\$10,000,000	Pre-construction	54	20	28	10	May-2025	Oct-2025
Wilsonville TOD	\$8,000,000	Pre-construction	120	40	79	20	Sep-2024	Nov-2025
Shortstack Milwaukie	\$700,000	Pre-construction	15	0	15	0	Jun-2024	Jun-2025

<i>Total units in pipeline</i>	970	414	562	231
<i>Total unit production targets</i>	812	333	406	0
<i>% of commitment complete</i>	119%	124%	138%	N/A
<i>Total committed or underway</i>	\$100,051,542			
<i>Total LIS funding</i>	\$122,018,094			
<i>% of funding committed</i>	82%			
<i>Remaining LIS funding</i>	\$21,966,552			

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	Complete	149	60	105	0	Mar-2022	Oct-2023
The Dolores	\$10,500,000	Pre-construction	66	30	46	10	Sep-2024	Dec-2025
<i>Total units in pipeline</i>			215	90	151	10		
<i>Total unit production targets</i>			284	117	142	0		
<i>% of commitment complete</i>			76%	77%	106%	N/A		
<i>Total committed or underway</i>			\$27,440,731					
<i>Total LIS funding</i>			\$41,240,081					
<i>% of funding committed</i>			67%					
<i>Remaining LIS funding</i>			\$13,799,350					

Gresham

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Wynne Watts Commons	\$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
Oak Row at Rockwood	\$2,200,000	Pre-construction	11	0	11	0	Apr-2024	Dec-2024
Terracina Vista	\$2,500,000	Construction	91	0	56	0	Dec-2023	Mar-2025
Civic Drive Family Housing	\$5,050,000	Pre-construction	59	0	59	0	Feb-2025	May-2026
<i>Total units in pipeline</i>			355	77	196	30		
<i>Total unit production targets</i>			187	77	93	0		
<i>% of commitment complete</i>			190%	100%	211%	N/A		
<i>Total committed or underway</i>			\$23,330,261					
<i>Total LIS funding</i>			\$27,140,995					
<i>% of funding committed</i>			86%					
<i>Remaining LIS funding</i>			\$3,810,734					

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
Senior Housing on 5th	\$10,500,000	Pre-construction	104	68	0	30	Jan-2025	Jun-2026
Total units in pipeline			373	129	140	30		
Total unit production targets			218	89	109	N/A		
% of commitment complete			100%	69%	100%	N/A		
Total committed or underway							\$30,939,934	
Total LIS funding							\$31,587,595	
% of funding committed							98%	
Remaining LIS funding							\$647,661	

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	Construction	<i>Counts toward PHB's unit production goals</i>				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 first quarter of 2024. Staff reports for these approvals are included in the Quarterly Report Project Approvals Addendum**

Project	Endorsement/Approval
73 rd and Foster	Final Approval
Civic Drive Family Housing	Concept Endorsement
Gooseberry Trails (Homeownership)	Final Approval
Oak Row at Rockwood	Final Approval
PCC Southeast	Concept Endorsement

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

METRO AFFORDABLE HOUSING BOND

Financial Report Through March 2024

FINANCIAL SUMMARY

TOTAL REVENUE	\$701,040,884
TOTAL EXPENSES and DISBURSEMENTS	\$340,084,494
TOTAL COMMITTED	\$223,879,775
TOTAL FUNDING REMAINING	\$137,076,614

REVENUE

	FY 2018 - 2023	FY 2023 - 2024	TOTAL REVENUE
Bond Proceeds	\$652,800,000		\$652,800,000
Premiums on Bonds	\$2,630,335		\$2,630,335
Interest Earnings	\$35,973,700	\$9,636,849	\$45,610,549
TOTAL REVENUE:	\$691,404,035	\$9,636,849	\$701,040,884

EXPENSES

PROJECTS	Prior Years Expended or Disbursed	FY2023-24 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	\$18,939,934	\$30,939,934	\$31,587,595	98%
Clackamas County	\$51,351,542	\$0	\$48,700,000	\$100,051,542	\$122,018,094	82%
Gresham	\$16,530,261	\$2,500,000	\$4,300,000	\$23,330,261	\$27,140,995	86%
Hillsboro	\$16,940,731	\$0	\$10,500,000	\$27,440,731	\$41,240,081	67%
Home Forward (East Multnomah Co.)	\$21,034,083	\$0	\$13,449,238	\$34,483,321	\$37,141,206	93%
Portland	\$65,763,299	\$2,538,237	\$93,030,184	\$161,331,720	\$208,740,992	77%
Washington County	\$105,161,611	\$0	\$9,450,000	\$114,611,611	\$118,135,532	97%
Metro Site Acquisition Program	\$22,154,319	\$3,265,030	\$25,510,419	\$50,929,768	\$62,016,000	82%
Other Metro Direct Project Costs	\$161,824	\$83,185	\$0	\$245,009	\$0	N/A
PSH IGA in progress (Wash Co)					\$6,746,000	N/A
Funding to be allocated (Interest Earnings)					\$11,222,345	N/A
TOTAL:	\$311,097,670	\$8,386,452	\$223,879,775	\$543,363,897	\$ 665,988,840	82%

ADMINISTRATIVE	Prior Years Expended or Disbursed	FY2023-24 Expended or Disbursed	TOTAL EXPENDED or DISBURSED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended or Disbursed
Jurisdiction:					
Beaverton	\$569,252	\$376,583	\$945,835	\$974,615	97%
Clackamas County	\$1,712,246	\$641,376	\$2,353,622	\$3,636,371	65%
Gresham	\$450,643	\$147,702	\$598,345	\$837,421	71%
Hillsboro	\$684,752	\$310,027	\$994,779	\$1,272,457	78%
Home Forward (East Multnomah Co.)	\$334,297	\$162,676	\$496,973	\$496,973	100%
Portland ¹	\$0	\$0	\$0	\$0	N/A
Washington County	\$1,759,590	\$627,716	\$2,387,306	\$3,645,054	65%
Metro Site Acquisition Program ²	\$0	\$0	\$0	\$1,940,932	N/A
Metro Accountability and Financial Transaction Costs	\$11,226,696	\$1,596,816	\$12,823,512	\$19,409,319	66%
Funding to be allocated (Interest Earnings)				\$2,838,902	N/A
TOTAL:	\$16,737,476	\$3,862,896	\$20,600,372	\$35,052,044	59%

¹ PHB uses a Program Delivery Fee, not paid for by Metro's Affordable Housing Bond, to cover administrative expenses.

² 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 COSTS ANNUAL BASIS³	FY2023-24 YTD Actuals	FY2023-24 Metro Budget	YTD % Spent
		1,848,188	3,068,547

³ In addition to Metro's Administrative costs, these costs include certain Metro Direct Costs reported under the "Project" Cost table above (e.g. personnel costs for the Metro Site Acquisition Program as well as Other Metro Direct costs). These costs were not provided a Work Plan Funding allocation, and therefore must be covered by Metro's Administrative Funding allocation.

Metro Affordable Housing Bond Program Concept Endorsement and Final Approval

Project Name: 73Foster

Implementing Jurisdiction: Portland Housing Bureau

Metro IGA Contract Number: 937016

Anticipated construction start: January 2024

Anticipated construction completion: February 2025

Action:

Metro hereby provides Portland Housing Bureau with Concept Endorsement and Final Approval of \$2,282,340.00 in Metro Permanent Supportive Housing Pilot funds and \$550,000.00 in Metro Affordable Housing Bond funds for the development of 73Foster, a regulated affordable housing project located at 7330 SE Foster Road, 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	PSH
10	Studio	30%	10
7	Studio	60%	0
8	One-bedroom	30%	8
10	One-bedroom	60%	0
4	Two-bedroom	30%	4
10	Two-bedroom	60%	0
15	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



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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.

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

Marissa Madrigal

Chief Operating Officer

A handwritten date "2/16/24" in black ink, written over a horizontal line.

Date

Exhibit A: Metro staff findings and recommendations | Metro bond funding Concept Endorsement and Final Approval for 73Foster



Drafted by: Jimmy Oporta, Senior Housing Program Coordinator and
Alison Wicks, Housing Program Supervisor
Date: January 16, 2024

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.

In addition, Metro will issue PSH Pilot Concept Endorsement and Final Approval upon Metro's determination that:

1)PSH Units produced by the PSH Pilot Project will serve Population A (as defined in the SHS IGA's) and utilize County coordinated access systems to serve the most vulnerable; 2)The PSH Pilot Project maximizes PSH unit production as appropriate to the specifications of the site, PSH best practices, and population needs; 3)The PSH Pilot Project has firmly committed to align ongoing County SHS or other PSH funding for project-based rental assistance and wraparound services for the residents of the PSH Pilot Project;4)For acquisition and rehab Projects to be occupied as a shelter or other approved supportive housing and/or clinical beds for homeless, on an interim basis during rehab, LIP must have a preliminary plan and capital funding to support the project's completion within 4 years of Concept Endorsement; 5)For all other PSH Pilot Project LIP must have a preliminary plan and capital funding to support the project's completion within 2 years from PSH Pilot Project Final Approval, timeline may be unilaterally extended at the discretion of the Metro Chief Operating Officer in writing; 6)The Project is otherwise consistent with the LIP's Local Implementation Strategy the Work Plan and the Housing Bond Measure.

Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Final Approval of funding for 73rd and Foster. Findings from Metro's staff review is summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

Combined Concept Endorsement and Final Approval

In 2021, REACH CDC identified an opportunity to further their place-based investment along the Foster Road corridor with the acquisition of the 73Foster site. In 2022 the project was awarded 9% LIHTC funding from OHCS, along with 22 OHCS Project Based Vouchers (PBV's) and \$10,000 per unit, per year in PSH (Permanent Supportive Housing) services funding. In December 2023, PHB was notified that the Joint Office of Homeless Services will award \$5,000 per PSH unit, per year in operating subsidy to 73rd and Foster. The project is now fully funded and preparing for a financial close, and construction start in February 2024.

The 73rd and Foster project requests \$2,282,340.00 Metro Supportive Housing Pilot Funds and \$550,000.00 Metro Affordable Housing Bond Funds, for a total combined Metro funding commitment of \$2,832,340. Of the 66 proposed units, 22 (34%) will be Permanent Supportive Housing (PSH) units and the development team is seeking an additional \$10,000 per unit, per year in services funding from the Joint Office of Homeless Services to further support PSH programming at the project. 73rd and Foster will be a 4-story, wood-framed building with ground floor

community programming. The project will serve 22 households at 30% AMI and 42 households at 60% AMI. Bedroom sizes range from studio units to 3-BR units to support multi-generational families.

Key project highlights include:

- Total development costs are \$32.9 million and Metro Housing Bond funding is \$2.8 million.
- Net cash developer fee is 6% of developer fee basis. This amount is less than the Metro Developer Fee Guidelines maximum of 10% for projects with 31-75 units.
- Construction start date in January 2024 with completion anticipated in February 2025.

Contribution to unit production targets

73rd and Foster will utilize 1% of Portland's eligible share of bond funds (\$2,832,340) while delivering 66 units, including 22 PSH 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
- 4% of Portland's family sized unit target

When combining this project with Portland's existing development portfolio, this puts the city on a path to have utilized 89% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 109% 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
- 121% of Portland's family sized unit target.
- 99% of Portland's PSH 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:

- Project pro forma dated 9/5/2023
- OHCS Affirmative Fair Housing Marketing Plan
- OHCS Resident Services Plan
- Letters of Intent from Enterprise Housing Credit Investments, Network for Oregon Affordable Housing, Heritage Bank, OHCS 9% LIHTC,
- Information about development teams
- GMP Drawings Set dated 9/1/2023
- Phase I Environmental Site Assessment (ESA), dated 3/22/2021
- OHCS Site Review checklist, dated 3/11/2022
- Zoning Approval from City of Portland, dated 4/23/2021
- Warranty Deed, dated 8/30/2021, provided as evidence of site control
- 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:** 73Foster is located on the SE Foster corridor, connecting diverse neighborhoods and centers of cultural commerce. The site is near retailers and grocery stores, parks, Mt. Scott community Center, schools within walking distance, jobs, healthcare, and social services. The adjacent Hacienda CDC Portland Mercado expands the community benefits with access to job training and workforce development, a commissary kitchen, Latinx grocer, and ethnic food carts. 73Foster is well connected to the Jade District along 82nd Avenue for cultural ties to the Asian and Pacific Islander communities, with significant future investment.
- **Transit access:** 73Foster is located on SE Foster Road, a main thoroughfare in Portland, allowing for easy access to various Portland neighborhoods. TriMet serves the 73Foster site with the #14 and the #10 bus line. The #14 and #10 lines connect SE and East Portland to downtown Portland. The nearby #17 line connects SE and East Portland to Downtown, The Pearl District, and up to inner NE Portland. The site is walkable for residents with parks, schools, social services and many other resources close by. SE Foster Road has several signalized pedestrian crossings allowing for residents to access the nearby resources safely.
- **Diversity in contracting/hiring:** The selected contractor, Walsh Construction, has significant experience developing and executing MWESB strategies on several affordable housing projects. The project has a 30% COBID hard cost goal and is currently tracking at 62% for professional services.
- **Access for historically marginalized communities:** APANO (Asian Pacific American Network of Oregon) will assist during lease-up with referrals, outreach, and connections to their participants, particularly with the opportunity to house extended families interested in multigenerational living. The 73Foster development budget includes lease-up funds, which are available to compensate APANO as the lease-up strategy advances. The project will also implement low-barrier screening criteria in alignment with Portland's FAIR (Fair Access in Renting) Ordinance, that removes discriminatory barriers and increases access to housing. REACH will minimize denials based on lack of rental history, credit history, income insufficiency, criminal backgrounds for low-level offenses, and drug possession charges that are no longer illegal under State Law. As part of the application process, REACH will accept supporting documentation to help tenants find paths to housing. 10% of REACH's property management staff are also multilingual, and REACH engages with Immigrant and Refugee Community Organizations to assist with translation and interpretation to help increase access for historically marginalized communities.
- **Culturally responsive and appropriate services:** REACH CDC will lead resident services and permanent supportive housing services at the project. REACH's multifaceted programming approach will contribute to the overall well-being of residents by maintaining housing stability, promoting greater financial independence, and improving health and quality of life. REACH will work with the Joint Office of Homeless Services in Multnomah County for PSH referrals for the 22 PSH units through the Continuum of Care in the single adult system. In addition to the resident services provided to all residents at 73Foster, PSH households will have access and connections to their case manager for tenancy related support services. REACH's resident services team will partner with APANO and Community Vision to tailor services for the targeted

communities and adapt the resident services plan as the community evolves. Additional details regarding the scope of these services can be found in the proposed Resident Services Plan submitted to OHCS.

- **Climate resilience:** 73Foster is providing 78 mini-split air conditioning units: one per dwelling unit, and the remainder are for the common spaces. 73Foster is also proposing a Dedicated Outdoor Air System (DOAS) ventilation system with heat recovery, which will temper the air for further comfort and improve indoor air quality, particularly important for low-income people who disproportionately experience health conditions like respiratory illnesses.

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:

In December 2022, REACH and Holst hosted a community meeting and open house at 72Foster to introduce 73Foster to the broader community. The team presented the project to a total of thirteen residents which included residents of 72Foster and neighborhood association members. For the open house, REACH posted notices at 72Foster, and provided notices to residents in multiple languages. REACH also engaged with IRCO for translation services. The neighborhood community meeting and open house was held from 6:00 to 7:30 pm in the 72Foster community room, one block from the 73Foster property. This offered interested neighbors who live nearby a convenient location and time to attend the meeting. The presentation was well-received, and the team obtained valuable feedback from the community. Later that month, the team attended the Mt. Scott-Arleta Neighborhood Association meeting and received a positive reception with the success of 72Foster and enhanced accessibility options. REACH entered into a Memorandum of Understanding (MOU) with Community Vision to engage with and seek input from people with intellectual and development disabilities related to universal design and best practices for accessible units and access throughout the building. The design team met with Community Vision at key points in development of project plans.

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

Major themes heard from community engagement included:

- Security measures and access features to prevent break-ins and promote safety
- Support for generational living
- Accessibility for people with disabilities, including safety and extraction during emergencies
- Considerations of space for family gatherings

Major design feedback heard from community engagement included:

- Accessible features in units and throughout the building
- Inclusion of 2 and 3-bedroom units to support larger families
- Placement of studios adjacent to larger units as an opportunity to support extended families

- Robust security systems and cameras throughout the building
- Community rooms and gathering spaces

EXHIBIT B: Project summary submitted by The Portland Housing Bureau | Metro bond concept endorsement and final approval for 73Foster

Submitted by: Megan Grillo, Bond Housing Program Coordinator and Lindsay Brown, Finance Coordinator

Portland Housing Bureau, megan.grillo@portlandoregon.gov; Lindsay.brown@portlandoregon.gov

Submitted on: 12/29/2023

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.

PHB requests \$2,832,340 in Metro funding for the development of 73rd and Foster (\$2,282,340 in Metro Permanent Supportive Housing Pilot funds and \$550,000 in PHB Metro Affordable Housing Bond funds). 73Foster was awarded 9% LIHTC from OHCS in the 2022 application cycle along with 22 OHCS Project Based Vouchers (PBVs) and \$10,000/unit/year in services funding for the PSH programming. As construction costs and interest rates have increased, REACH is submitting this application to secure the last capital sources needed to balance the budget. With the final funds secured, 73Foster will be able to close construction financing and start construction as early as December 2023 with completion in February 2025.

The REACH 73Foster team has requested \$10,000 unit/year in additional funding from JOHS to supplement the costs of providing PSH programming. 34% of 73Foster's units are PSH, and the team believes that additional supports are important, including a Peer Support Specialist, Overnight staffing, and additional client assistance funds, to ensure PSH residents needs are truly met, and the project can operate sustainably. On December 20th, PHB was notified that the Joint Office of Homeless Services will award \$5,000 per PSH unit per year in operating subsidy to 73Foster. An initial meeting between REACH, JOHS, and PHB is scheduled for January 11th, 2024, where we'll discuss how to divide billable expenses between the two funders and whose shared risk pool to tap into for extraordinary physical damages, operating costs, and rental losses associated with the PSH units.

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.

73Foster is a new construction project with 64 affordable units in Portland's Mt. Scott-Arleta neighborhood (7340 SE Foster Road). The unit mix and income set-asides are described further in the table below. 22 of the 64 units (34%) are Permanent Supportive Housing through OHCS' PSH program with project-based vouchers and services funding. Under current regulations, OHCS will regulate the 22 PSH units at 60% AMI, however, REACH is proposing to regulate them at 30% AMI to align with Portland's LIS goals.

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/unit	Gross monthly rent/unit
Studio	10	30%	10	Has OHCS Voucher	409	\$1,185
Studio	7	60%	0	N/A	409	\$1,123
1 BR	8	30%	8	Has OHCS Voucher	547	\$1,269
1 BR	10	60%	0	N/A	547	\$1,188
2 BR	4	30%	4	Has OHCS Voucher	746	\$1,524
2 BR	10	60%	0	N/A	746	\$1,423
3 BR	15	60%	0	N/A	1046	\$1,639
Total	64		22			

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.



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.

In 2021, REACH saw an opportunity to further their place-based investment along the Foster Road corridor with the acquisition of the 73Foster site.

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.

Pressed with increasing investment, these neighborhoods are becoming less affordable. As a point of reference, the 72Foster project is serving the area with residents earning an average yearly income of just over \$24,400 per household and a current population that is 50% BIPOC, demonstrating the need for culturally responsive affordable housing in the community. 73Foster will help maintain the character and community of these neighborhoods.

Location and Neighborhood

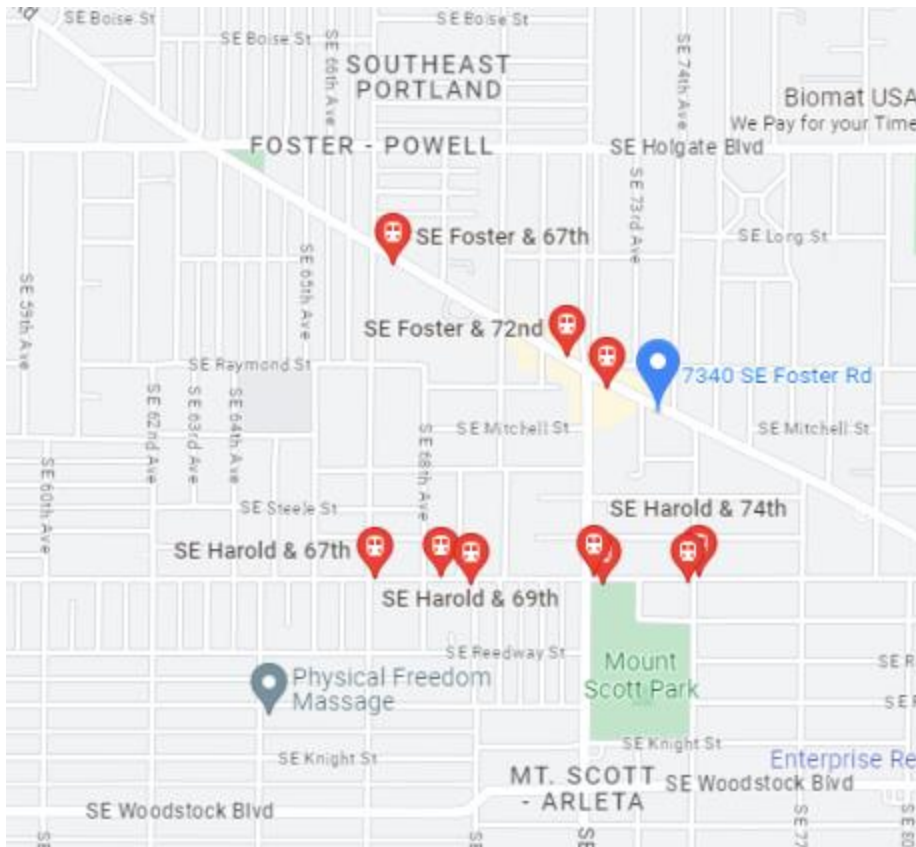
[word limit: 100]

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.

REACH's 72Foster project, a mixed-use affordable housing project, completed in 2018, was transformational in the revitalization of the outer Foster corridor. When 7340 SE Foster, an underutilized used car lot, became available one block away, there was an exciting opportunity for holistic investment. The Portland Mercado is located between the two sites, creating a vibrant energy. The Mt. Scott-Arleta and Foster-Powell neighborhoods have been traditionally working-class and are more racially diverse than the average Portland neighborhood.

A canopy wraps at the first level along SE Foster Road and 73rd Avenue for protection from the elements and sense of pedestrian scale. The west side of the façade also steps back into the neighborhood along 73rd Avenue for a thoughtful transition. An outdoor landscaped courtyard will provide space for residents to gather and recreate, with zones for quiet contemplation in the natural landscaped path, seating, or more active play. The path is fully-accessible, and seating areas are included for residents who prefer rest. No on-site parking is provided, consistent with local zoning regulations.



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.

Site control is demonstrated by the Deed uploaded with the submission, and evidence of developer capacity is demonstrated via the set of drawings currently being bid for contract.

REACH purchased the site .48 acre site in August 2021. The site is located at 7330 SE Foster Road in Portland, Oregon. The site is comprised of tax parcel number R208873 totaling approximately 0.45 acres. The regulatory jurisdictional agency is the City of Portland, Oregon. The approximate latitude and longitude are N 45° 29' 08" and W 122° 35' 15", and the legal description is a portion the NE ¼ of Section 17, T1S, R2E, Willamette Meridian.

The existing building—an approximately 900 SF office for a used car lot—will be demolished at the start of construction. The current tenant has been on a month-to-month lease since REACH acquired the property in 2021 and has been aware of the redevelopment timeline since then. REACH provided a notice to vacate by November 2023, ensuring additional cushion before the

start of construction. The demo permit for the building has also been approved, and the fee has been paid (23-022795-000-00-CO). REACH engaged a hazardous materials building survey, and no hazardous materials were identified.

Phase I ESA: This assessment revealed that the project site has historically been used as an automotive fueling and repair facility. Automotive service and repair facilities are representative of a recognized environmental condition. Subsurface soil conditions at the project site were evaluated in 2008, during which time none of the soil samples analyzed contained contaminants at concentrations exceeding corresponding Urban Residential Oregon Department of Environmental Quality (DEQ) Risk-Based Concentration (RBC) screening values. SEC was informed by the current site occupant that the project site is still used for automotive repair.

In 2010, the DEQ published technical guidance for soil gas evaluations of properties that present potential vapor intrusion risks in Oregon. Based on the continued use of the project site for automotive service and the increased importance of soil-vapor evaluations in Oregon, the following was recommend: the collection of soil vapor samples at the project site to further evaluate subsurface conditions at the project site.

Vapor Testing Results: Succeed Environmental Consulting LLC (SEC) performed supplemental testing in conformance with the scope and limitations of ASTM Practice E 1527-13 and all appropriate inquiries specified in 40 CFR Part 312 for the property located at 7330 SE Foster Road in Portland, Oregon. Contractual terms for services are contained in the proposal dated March 22, 2021. This assessment has revealed the following:

- No VOCs were detected in the vapor samples collected by SEC at concentrations greater than corresponding regulatory screening levels.

Based on the foregoing, no adverse vapor intrusion condition has been identified at the project site. No further assessment is required at this time.

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.

73Foster’s total development costs are estimated to be \$30,738,645, and the budget will be complete with the award of funds from this NOFA, as described further below. The total cost per unit is \$480,291; the construction cost per unit is \$321,807. The total cost per SF is \$540; the construction cost per SF is \$362. To evaluate the value of housing created, the total cost per bedroom is \$308,931; and the construction cost per bedroom is \$206,991. These costs are consistent with current/recent comparable projects in the Portland metro area. Note that these metrics do not include the SDC fees and corresponding waiver. REACH’s tax accountants and investor will not allow SDC fees to be shown as a cost, if they are waived.

Local funding contributions include PHB’s approval of SDC fee waivers in the estimated amount of \$1,030,825, though this is not reflected in the construction costs above or in the pro forma. The City of Portland and Metro have also approved the Construction Excise Tax waiver. Owned by a non-profit GP, 73Foster is also exempt from property taxes and received the affordable housing density bonus.

73Foster was awarded \$2M in annual 9% allocation in 2022; however, OHCS made additional 9% LIHTC available to projects awarded in the 2022 cycle from a terminated project through a non-competitive request process. The additional LIHTC amount available to the four applicable projects was \$2M, and 73Foster requested its pro-rata share of \$500,000 in additional credits in mid-September. OHCS awarded the project up to \$2,350,000 in annual tax credits. The \$2.35M annual allocation is reflected in the proforma, generating \$20,795,420 in equity at \$0.885. A LOI from Enterprise reflects this amount, and the Carryover LIHTC Allocation Agreement was executed on December 29, 2023. \$500,000 in OHCS GHAP was awarded in 2022.

NOAH is the permanent lender and differs in one notable underwriting criteria from the PHB Underwriting Guidelines. NOAH is requiring 73Foster to use a 7% vacancy rate, not 5%, which is reflected in the proforma. NOAH is requiring a 1.20 DSCR and 30-year amortization. The interest rate is based on the 10-Year Treasury plus a 2.75% spread and underwriting cushion of 0.5%. Heritage Bank is serving as the construction lender and is offering a fixed-rate construction loan to lessen interest exposure, assumed at 8%. REACH is deferring \$625,000 of its developer fee as a source, which is paid off in year 11. 73Foster has been committed

\$325,000 in Metro TOD funds, \$40,425 in Energy Trust of Oregon funds for the solar installation, and REACH secured \$541,000 in grants (Neighborworks NW) and donations.

REACH worked with Holst and Walsh to evaluate the eligible PCEF scopes and develop a tentative eligible cost estimate of \$1,242,075 (less the ETO solar award). The requested \$2,832,340 in Metro Bonds/Multnomah County funds (including PDF of \$350,000) balances the budget.

Construction costs are based on Permit Set pricing by Walsh from June 2023, with a 5.5% annual escalation for 6 months to get to closing in December 2023. The pricing was updated in October, and now shows the escalation contingency spent, as to be expected 3 weeks prior to closing.

REACH is budgeting an overall hard cost contingency of 5%, consistent with OHCS standards. A capitalized replacement reserve of \$2,000/unit and capitalized operating reserve of 6 months of operating expenses are included. REACH’s total developer fee is within the limits at 11% of TDC, and cash fee is within limit at 8.6% of TDC.

	Original	Adjusted TDC	Fee as % of Adj TDC	PHB Max %
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Total Project Costs (TDC)	\$30,738,645	\$25,925,993		
Total Developer Fee (Cash + Deferred) plus Construction Management	\$2,625,000 + \$220,000 = \$2,845,000		11%	15%
Deferred Developer Fee	\$625,000			
Cash/Capitalized Developer Fee	\$2,220,000		8.6%	9%

REACH is requesting a waiver of a budget assumption that does not align with PHB Underwriting criteria, given the intent of the Last Gap NOFA to fund projects very close to closing. This assumption has been part of the project for some time and complies with applicable OHCS underwriting standards. The Uses tab shows a \$220,000 payment for third party construction management; this amount has been added to the calculation of developer fee.

OHCS and IRS regulations allow a third-party construction manager as an eligible cost to the project, because it is not expected to be provided by the developer, unless it is in-house staff (confirmed by CohnReznick and Novogradac).

The 22 PSH units produced by the PSH Pilot Project funding will serve Population A (as defined in the SHS IGA's) and utilize Multnomah County's coordinated housing access (CHA) system to serve the community's most vulnerable residents. Multnomah County and the Portland Housing Bureau are firmly committed to aligning ongoing Multnomah County SHS funding to provide project-based rental assistance and wraparound services to serve residents residing in these PSH units.

Regarding the Operating Budget, 73Foster is receiving 22 Project Based Vouchers from OHCS for the PSH units, which will pay 60% LIHTC contract rents. \$10,000 PUPY for service delivery to the 22 PSH units has been awarded by OHCS, and \$5,000 PUPY PSH operating subsidy has been awarded by JOHS. The 73Foster operating budget will pay for the PSH units' utilities, so no Utility Allowance is deducted from those rents. 2023 LIHTC rents are assumed for the non-PSH units and contract rents for the PBVs, and the April 2023 Utility Allowances are used for non-PBV units. Rental income is assumed to escalate at 2% annually with 7% vacancy (required by NOAH). Including the Replacement Reserve Deposit (\$475/unit) and Resident Services (41,600 annually), Op Ex are \$9,839/unit, which is typical of an integrated PSH project. The PHB compliance fee of \$25/unit is included. The operating budget was informed by portfolio comps, REACH staffing/budgeting, research with peer organizations, and quotes for contracts and insurance. Op Ex are budgeted to increase at 3% annually.

Source	Amount	Use	Amount
9% LIHTC equity (Enterprise)	\$20,795,420	Land/Acquisition	\$2,370,277
Permanent Loan – (NOAH Non-OAHTC)	\$1,314,515	Construction Costs	\$20,595,645
Permanent Loan – (NOAH OAHTC)	\$2,522,770	Soft Costs (excl. Developer Fee & Program Delivery Fee)	\$4,797,723
PHB Metro Bonds, PSH Pilot	\$2,832,340	Developer Fee *excludes \$220,000 cash fee for construction management	\$2,625,000

GHAP	\$500,000	Program Delivery Fee	\$350,000
REACH GP Equity	\$100		
Deferred Developer Fee	\$625,000		
PCEF	\$1,242,075		
GP Note (NeighborWorks)	\$480,000		
GP Note (Personal Donations)	\$61,000		
Metro TOD Grant	\$325,000		
Energy Trust of Oregon Grant	\$40,425		
Total	\$30,738,645	Total	\$30,738,645

Cost-efficient design, construction, and operations are shared goals for the 73Foster team. REACH and Walsh piloted the Cost-Efficient Design and Construction (CEDC) model at the Wy’East building, establishing a foundational experience between REACH and Walsh for cost efficiency, and informing early strategic choices to detailed selections. Holst, with deep experience in affordable housing and strategic decision-making, has rounded out the team to design a building that avoids unnecessary complexity and cost, while designing for humanity.

At 73 Foster, there are minimized dwelling unit types that stack up the building for replicability. As a result, the plumbing waste and vent stacks are minimized and there is consistency to avoid expensive structural transitions; 73Foster’s structure does not include any steel and was able to use glulam beams for reduced cost. 73Foster is avoiding more stairs and elevators than needed, while locating the central stair with lobby access for user choice. 73Foster is intentionally including more accessible units than required but was able to simplify the kitchen types and layouts to avoid added cost, while increasing ease for operations with standardized casework when replacements are needed. Material types are also simplified for consistency—for example, the same flooring will be used in the units and the residential corridors for cost effective and easy replacements over time. Where possible, 73Foster is using the exposed concrete finished floor to avoid added cost and increase durability.

On the exterior, 73Foster will be using simplified exterior material types with cementitious siding, which will avoid complexity during installation. The windows are also standardized and strategically sized and located for light and air, while avoiding excess cost. The team has proposed an access solution during construction that will reduce cost and time by avoiding expensive crane-hauled materials to the central courtyard area during construction. Walsh is negotiating a temporary access agreement with the neighboring property owner to use their parking lot for access. This technique is estimated to save hundreds of thousands of dollars in hauling and several weeks to the schedule.

Knowing the conflicts between MEP and fire suppression systems are common, resulting in costly and time-consuming redesign, 73Foster opted for fully designed MEP and early engagement of the fire sprinkler sub. Also, recent delays in electrical gear and other long-lead time items have caused delays and cost increases to projects. The 73Foster team is getting ahead of these risks by engaging early design-assist subcontractors to order items early to mitigate exposure. Walsh has identified a potential to prefabricate the wood walls to gain time. 73Foster’s construction duration is an efficient 14-months, that will deliver units quickly.

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.

REACH is the primary developer and owner/operator for 73Foster and led community engagement for the project. REACH will also lead the lease-up and marketing roles and responsibilities, ultimately serving as the property manager, resident services provider, and Permanent Supportive Housing services provider. REACH will serve as the General Partner in the Limited Partnership LIHTC structure along with investor/syndicator, Enterprise.

REACH is one of the Portland Metro region's largest affordable housing developers and operators, and a national leader in affordable green building. Established in 1982, REACH believes strongly that innovative community partnerships are essential to accomplishing REACH's mission and stewards over 2,727 affordable homes across the Portland metropolitan region and Southwest Washington. In addition to 73Foster, REACH has 286 units under construction or in active predevelopment. Between 2015 and 2019, REACH completed almost 900 units of new construction and 162 preservation units. For all of these projects, REACH served as the lead Developer and as the General Partner in the associated tax credit partnerships. Based on this track record, REACH has a proven ability to leverage financing for multiple projects per year from sources such as LIHTC), U.S. Department of Housing and Urban Development, Community Development Block Grants, HOME grants, Washington State Department of Commerce, and numerous other private and public resources.

The REACH development team is very experienced with managing the construction of projects of this size and scope. Peter Clements, REACH Housing Development Interim Director. Peter has forty years of experience in the affordable housing industry and led construction development at REACH of projects of similar size and scope, including the Mary Ann in Beaverton, Wy'East Plaza in outer Southeast Portland, and substantial rehabilitation of the Rose Apartments in inner Southeast. These projects have total development costs of over \$67 million, with hard construction costs of over \$46 million. Peter is a licensed architect and is NCARB certified. Prior to joining REACH, Peter served for 14 years as Director of Design and Construction for the PRC Group of Companies in New York where he was responsible for the design and rehabilitation of over 2,500 units of affordable housing with development costs of over \$300 million.

Walsh Construction

Walsh is 73Foster's general contractor. Jay Nees and Ali LaManna are serving as project leads, bringing decades of combined experience and personal project experience with REACH. Walsh has over 60 years of experience as technical builders, delivering high quality, low maintenance buildings, on time and on budget with the utmost attention to safety. They are known for their open and creative manner of exploration to find new and innovative solutions—in preconstruction and construction services and in the processes that can best engage stakeholders, community members, clients, and users. Walsh is passionate about affordable family housing and has successfully built and revitalized over 52,000 units of affordable housing throughout the Northwest.

The REACH team made the decision to forgo an envelope consultant with Walsh as GC, and wants to daylight that as a typical PHB requirement. Walsh's well-established Quality Program is led by Quality Director Sharon Libby Eyerly, AIA, LEED AP, and includes a staff of licensed architects and highly trained field personnel dedicated to quality control activities. During preconstruction, the Quality team engaged at multiple points in time Holst and REACH to determine the most

appropriate cladding systems and materials that provide value, ensuring the system details are correct. For example, Walsh engaged multiple times on selection of roof materials and integration with the solar install for longevity. During construction, Walsh's Quality team diligently oversees installation to ensure these complex systems will function as desired.

Holst Architecture

Holst is 73Foster's architect, a 56-person, award-winning, certified women-owned architecture firm. Holst is JUST and B Corp certified with strong commitments to social and environmental justice. Cory Hawbecker is serving as project principal for 73Foster. Holst oversees all aspects of the planning, design, and construction processes to ensure that projects are functional, efficient, financially responsible, and a source of creative inspiration for the client, end user, and the communities in which they reside. In 2020, Holst was named the American Institute of Architects (AIA) Northwest and Pacific Region's Firm of the Year for outstanding contributions to the profession of architecture through their commitment to excellence in design and elevating the quality of the built environment. Holst has completed 18 affordable housing projects, with 970 units in progress and 863 complete.

Partners

Asian Pacific American Network of Oregon and Community Vision 73Foster has been informed throughout design by Community Vision and Asian Pacific American Network of Oregon (APANO), and these partnerships will translate into lease-up and potential service partnerships. REACH's nearby 72Foster project (completed in 2018) was developed with a partnership with the Asian Health and Service Center (AHSC), who provided referrals, outreach, and assisted with translation services. A thriving, diverse Asian and Pacific Islander community exists at 72Foster, and 73Foster is partnering with APANO to create pathways for their participants and community to become residents at 73Foster (more details provided below).

Community Vision, as described earlier in the Project Description, has informed design and access strategies for 73Foster to meet the needs of all mobilities. Knowing that their participants struggle to find suitable, affordable housing, Community Vision will provide referrals and leasing support for their participants. Community Vision is also a service provider or Personal Agent to adults with disabilities, ranging in intensity and level of in-home care in an accessible and safe space.

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.

Community engagement is most effective when conducted early and often without specific projects in mind, so that initial decisions can be informed by community and resident

preferences. REACH conducts annual resident satisfaction surveys and uses this information to inform their big picture housing strategy and investments. In 2021, REACH also partnered with Immigrant and Refugee Community Organization (IRCO) to reach the Vietnamese community, EPHC to reach the Spanish-speaking community, and the NAYA Family Center to reach the Indigenous community for broad community engagement around housing type, design, location, amenity, and programming preferences. Online surveys and focus groups revealed a preference for access to transit, international stores and markets, multigenerational housing options, two and three-bedroom units, secure outdoor space, laundry on all floors with card/phone payment, indoor community/lounge space. The decision to purchase the 73Foster site, unit mix, and programming was informed by all these preferences, centering the values of those who are marginalized from housing decision-making and access to create a space that is welcoming to people of all backgrounds and abilities.

December 2022, REACH and Holst hosted a community meeting and open house at 72Foster to introduce 73Foster to the broader community. The team presented the project and had attendance from both residents of 72Foster and the five neighborhood members. It was well-received, and the team got valuable feedback from the community. Later in December, the team attended the Mt. Scott-Arleta Neighborhood Association meeting and received a positive reception with the success of 72Foster and enhanced accessibility options.

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)*

REACH is committed to ensuring to continually lead with racial equity in the roles and responsibilities of their holistic internal team, including: development, resident services, property management, and supportive services. Decisions big and small are informed by the needs and preferences of marginalized communities.

- REACH's development role shapes the project concept, program, unit mix, set-asides, and rents to ensure that it foundationally meets the needs of priority communities. For example, family-sized units with opportunities for multigenerational living, enhanced accessibility, on-site services for low-barrier, reduced stigma access, and rents lowered through the OAHTC passthrough all create intentional opportunities for BIPOC people and those with disabilities.
- REACH's resident services and supportive services teams approach service delivery through a culturally responsive lens, working with partner organizations and resources to meet the full needs of every person. With delivery rooted in Assertive Engagement and Trauma Informed Care, REACH's reservices teams approach services with cultural humility. Both teams support housing access and retention and know that BIPOC communities and those with disabilities experience disproportionate barriers and challenges to housing stability.

- REACH's property management team is expert in the application of fair housing laws, regulations, and screening based on low barrier criteria consistent with the FAIR Ordinance. REACH minimizes denials based on lack of rental history, credit history, income insufficiency, criminal backgrounds for low-level offenses, and drug possession charges that are no longer illegal under State Law. REACH considers the entirety of the application and accepts reasonable accommodation requests and supporting documentation to help tenants find paths to housing. 10% of REACH's property management staff are multilingual, and REACH engages with Immigrant and Refugee Community Organization to assist with translation and interpretation.

REACH is partnering with APANO in various ways at 73Foster, and the partnership will continue to evolve and adapt as the community is occupied. APANO development staff attend REACH's Owner Architect Contractor meetings and Internal Project Advisory Committee meetings to gain a participant insight into housing development and operations, as they also grow their capacity in housing development. This openness also allows for the fluid sharing of ideas, rather than a developer who shares limited information with a culturally specific partner. APANO will assist during lease-up with referrals, outreach, and connections to their participants, particularly with the opportunity to house extended families interested in multigenerational living. The 73Foster development budget includes lease-up funds, which are available to compensate APANO as the lease-up strategy advances.

The opportunities for shared events and programming at the two 72/72Foster REACH communities makes this an exciting opportunity to preserve cultural diversity in the community. The relationship with APANO may evolve into on-site programming and events at 73Foster's community room as the building is occupied and resident needs and desires are known. The significant Asian and Pacific Islander community at 72Foster can also participate in these events, or co-programming at both sites. The unit mix at 73Foster, ranging from studios to three-bedroom units also supports multigenerational living, and the partnership with APANO can facilitate leasing opportunities for families looking for close connections.

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.

With a focus on equity and cultural responsiveness, REACH is committed to creating a thriving resident-centered program and service delivery for all residents. REACH's resident services team is excited to partner with APANO and Community Vision to tailor services for the specific targeted communities and adapt to their needs as the community evolves, though the majority of resident services will be provided by REACH. Working with partners, REACH staff will bring a capacity to respond to the diverse, culturally specific needs of 73Foster residents and celebrate diversity.

REACH will work with the Joint Office of Homeless Services in Multnomah County for PSH referrals for the 22 PSH units through the Continuum of Care in the single adult system. In addition to the resident services provided to all residents at 73Foster, PSH households will have access and connections to their case manager (two positions, with 11 household cases each) for tenancy related support services, including:

- Assistance and support in submitting applications and obtaining necessary documents
- Supportive move-in package of supplies and resources
- Working with households to increase income through benefits acquisition, employment, supported employment
- Connections to peer mentors, recovery services, and physical/mental health providers
- Criminal record expungement, credit counseling and financial empowerment to reduce debt, improve credit score, and maintain a monthly budget with support

REACH's Resident Services program assists residents to remain stable in their homes, access community services, and build personal capacities to achieve their goals. REACH supports residents' right to self-determination and community-driven solutions. REACH has long recognized resident services as an integral part of the ongoing success of affordable housing developments and has an extensive in-house capacity to provide services that enhance physical and emotional health, known collectively as Social Determinants of Health.

REACH's multifaceted programming approach uniquely contributes to the overall well-being of communities and helps residents maintain housing stability, achieve greater financial independence, and improve health and quality of life. This work includes asset-building services that include financial education, credit building through rent reporting, homeownership counseling, job training, and \$3 to \$1 matched savings accounts via Individual Development Accounts (IDAs). REACH resident services staff are well versed in other partner resources to meet culturally specific needs and can leverage additional services and resources. REACH will tailor events, programming, and additional specific service opportunities and partnerships around the population at full occupancy.

REACH has managed and provided resident services to Supportive Housing (SH) communities for over twenty years – the Rose Apartments, 12th Avenue Terrace, and Ritzdorf Court serve people impacted by houselessness, domestic violence, and/or mental and behavioral health conditions. REACH also manages buildings with integrated SH, including the Westshore Apartments and Walnut Park Apartments. Most recently, REACH is partnering with the Urban League of Portland to provide 30 units of PSH at the Renaissance Commons development in Kenton. REACH's on-site management teams have capacity to complement the PSH caseworkers in the successful operation of Supportive Housing and include a Community Manager, Resident Services Coordinator, and Maintenance Technician that meet weekly to maintain a holistic perspective of resident and community needs. REACH's current Directors of Property Management and Programs both have direct experience managing Supportive Housing prior to working at REACH. REACH's commitment to creating a thriving resident-centered program and service delivery model directly aligns with the OHCS and JOHS SHS Delivery Approaches.

Community Vision has experience providing person-centered supports to people with disabilities, one of the most underserved populations in affordable housing. CV will offer support services, employment services, tenant education, assistive technology consultations, and trainings to participants with disabilities living in this project. The food bank operated in partnership with the Oregon Food Bank for residents of both 73Foster and 72Foster will help meet the need for accessible, healthy food.

Livability and Accessibility

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

73Foster will be a four-story wood-framed building with ground floor community programming, totaling 56,915 SF. The ground floor includes an office suite with offices for property management, resident services, and two case managers for on-site services. A community room, meeting room, waiting lobby, resident lounge, and food pantry in partnership with the Oregon Food Bank provide resident amenities on the ground floor. Laundry rooms and bike parking are provided on every floor. The first floor also includes residential units on the east side of the building, set above the street level for additional privacy, and units with courtyard views. The upper three floors are all residential. All residential units include mini-split air conditioning coupled with a DOAS ventilation system to provide cooling and fresh air for vulnerable populations.

REACH is working with Community Vision, a non-profit, supporting individuals with physical and intellectual disabilities, to inform the design and leasing at 73Foster. For example, Community Vision's participants struggle most to find affordable, accessible housing that meets their needs. In the US, more than 28% of adults who experience disability live in poverty. In response, 10 of the 64 units are Type A (ADA accessible units), more than double the required number. In shared areas, wide corridors and enhanced ADA clearances, ramp access on the main level, as well as a centralized elevator and stair core ensure ease of access. The team used contrast and created a universal wayfinding strategy, and used contrast, color, texture, and change in ceiling heights to delineate spaces and zones. Each space has various seating options and configurations in contrasting colors, with carpet signaling locations with loose furniture, so that low vision users will know to be cautious.

The building is designed for secure waiting areas in the lobby and double-entrance vestibule for transit-dependent riders or those waiting for a pickup. A loading space along SE Foster will make mobility easier for disabled residents, and a marked crosswalk with a concrete center island provides enhanced access for all. 73Foster also used the Kelsey Design Standards for universal design and will be seeking the Kelsey Certification for enhanced accessibility and mobility. While these techniques meet the needs of disabled residents, they also support multi-generational living and universal access. Holst is also an expert in Trauma Informed Design, and the team has integrated multiple elements into 73Foster, anticipating the needs of PSH residents and that low-income and BIPOC people disproportionately experience trauma. Access to light and air, choice in navigating space, visibility, outdoor space, and control of temperature are some examples of Trauma Informed Design at 73Foster.

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.

REACH knows that energy efficiency and strategic sustainability interventions meet various objectives: environmental sustainability, climate justice for populations who disproportionately experience the ill effects of a harsh climate, resident health, lower operating expenses, and lower tenant utility bills to support affordability. 73Foster is targeting Earth Advantage Gold and may be able to reach Platinum. While 73Foster has not been expressly designing to the PHB Green Building policy, as it was not applicable at the time of design, there are many alignments. However, to meet the Policy's EUI consumption targets, significant changes to design and budget would need to be made, which are not feasible with 73Foster being fully designed and permit ready. 73Foster is proposing a well-insulated, thoughtfully detailed envelope, electric-resistance water heating system, and LED lighting with occupancy sensors; the building is fully electrified without any natural gas systems.

73Foster is including a solar panel installation that will support the house load of the building. No on-site parking is being provided, so no EV charging stations are included. 73Foster is enrolled in the Energy Trust of Oregon Market Solutions incentives program. 73Foster is proposing low-flow fixtures and will meet the 30% water consumption reduction target for the 2020 standard. For clean air targets, specifications for paints, coatings, and sealants match the requirements; compliance with the formaldehyde limitations are currently unknown but could be aligned with further investigation. REACH also has a no-smoking policy, and all ventilation and fresh air standards are met and exceed code.

Regarding baseline requirements, 73Foster has completed an Eco-Charrette, but has not completed a cost/benefit analysis using the LCCA Tool. Asset Management and Property Management have been involved in 73Foster's design from the beginning, to ensure design strategies can be maintained and understood. Green building measures are also documented and incorporated into the contract documents. A preconstruction meeting will be held prior to the start of construction, and the periodic inspections and testing will be completed by Earth Advantage consistent with their certification protocols, or by QED for certain envelope measures. Interface will provide the commissioning services, and REACH will develop a plan for third-party commissioning at year seven. REACH will also coordinate with Walsh for Operations and Maintenance training and documentation.

Regarding the PHB Air Conditioning Requirements, 73Foster is providing 78 mini-split air conditioning units: one per dwelling unit, and the remainder are for the common spaces. REACH is excited to be able to provide full air conditioning to provide not only comfort, but safety for vulnerable people against an increasingly harsh climate. 73Foster is also proposing a Dedicated Outdoor Air System (DOAS) ventilation system with heat recovery, which will temper the air for further comfort and improve indoor air quality, particularly important for low-income people who disproportionately experience health conditions like respiratory illnesses.

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.

Activity	Proposed Dates (2023 M-BOS Proposal)	Revised Date (HIC)
Site		
Option/Contract executed	3/5/21	3/5/21
Site Acquisition	8/30/21	8/30/21
Zoning Approval	12/15/23 (permit ready in Sept, fees paid at closing)	1/30/24 (permit ready, fees paid at closing)
Site Analysis	1/20/23 (permit submitted)	1/20/23 (permit submitted)
HUD Environmental Review (if needed)	N/A	N/A
Building Permits & Fees	12/15/23 (permit ready in Sept, fees paid at closing)	1/30/24 (permit ready, fees paid at closing)
Off-Site Improvements	Start 12/18/23	1/31/24
Pre-Development		
Plans Completed	1/20/23 (permit submitted)	1/20/23 (permit submitted)
Final Bids	10/12/23	10/12/23
Contractor Selected	April 2022	April 2022
Financing		
Construction Loan:		
Proposal	10/21/22	10/21/22
Firm Commitment	10/2023	10/2023
Closing/Funding of Loan	12/15/23	1/30/24
Permanent Loan:		
Proposal	3/24/23	3/24/23
Firm Commitment	11/2023	11/2023
Closing/Funding of Loan	12/15/23 (funding at conversion 12/25)	1/30/24 (funding at conversion 12/25)
Development		
Syndication/Partnership Agreement (LIHTC)	12/15/23	1/30/24
Construction Begins	12/18/23	1/31/24
Construction Completed	2/22/25	3/24/25
Certificate of Occupancy	2/22/25	4/7/25
Marketing		
Lease Up Begins	9/1/24	2/1/25
Lease Up Completed	8/1/25	9/1/25
Absorption (units per month)	10	10

Metro Affordable Housing Bond Program
Concept Endorsement

Project Name: Civic Drive Family Housing
Implementing Jurisdiction: City of Gresham
Metro IGA Contract Number: 936778
Anticipated construction start: February 2025
Anticipated construction completion: May 2026

Action:

Metro hereby provides the City of Gresham with Concept Endorsement of \$5,050,000.00 in Metro Affordable Housing Bond funds, of which \$2,100,000 will be from Gresham’s eligible share allocation and \$2,950,000 will be Site Acquisition Program funds, for the development of Civic Drive Family Housing, a regulated affordable housing project located between NW 15th and NW 16th Streets and NW Civic Drive and NW Sleret Avenue in Gresham. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by City of Gresham, 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 Gresham, including Project cost pro formas and statements of sources and uses of funding needed to generate a Project with the following mix:

Number of Units	Bedroom Type	AMI Level	Project Based Vouchers*
12	Two-bedroom	60%	12
42	Three-bedroom	60%	42
5	Four-bedroom	60%	5

**Rent assistance enabling deep affordability comes via HUD Faircloth to RAD program. Tenants will pay 30% of their income toward rent, regardless of income level.*

Changes to the information contained in the concept endorsement request provided by the City of Gresham could result in a 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

3/5/2024
Date

Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Civic Drive Family Housing



Drafted by: Jimmy Oporta, Senior Housing Bond Program Coordinator
and Mercedes Evangelista, Housing Bond Data and Evaluation
Coordinator

Date: February 27, 2024

Criteria for funding approval

Metro will issue Concept Endorsement 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 that the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Civic Drive. 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 Gresham.

Contribution to unit production targets

Civic Drive will utilize \$5,050,000.00 in Metro Affordable Housing Bond funds, of which \$2,100,000 (8%) will be from Gresham's eligible share allocation and \$2,950,000 will be Site Acquisition Program funds while delivering 59 units that meet the following production outcomes:

- 32% of Gresham's unit production target;
- 0% of Gresham's 30% unit target
- 63% of Gresham's family-sized unit target.

When combined with Gresham's other pipeline projects, Civic Drive puts the City on a path to have utilized 79% of Gresham's total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 190% of Gresham's overall unit production target;
- 100% of Gresham's overall 30% unit target
- 211% of Gresham's family-sized unit target

Eligibility and readiness to proceed

The City of Gresham has submitted, and Metro staff have reviewed and evaluated submitted materials for evidence of project feasibility and readiness to proceed. These include:

- Metro acknowledgement of proposal on Metro-owned site at NE Civic Drive letter, dated 2/15/2023 as evidence of site control
- Project pro forma dated 3/22/2023
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon and nationally
- City of Gresham Local Government Verification, dated 3/3/2022, confirming that development is consistent with zoning and land use regulations

Staff has not identified any unusual risks to project feasibility and readiness and will continue to request updates from the City of Gresham regarding how work is proceeding. Project will be requesting funds from OHCS LIFT or GHAP in early 2024.

Advancing racial equity

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

- **Location:** The project site is adjacent to the Civic Drive MAX station, providing excellent transit options for future residents. The project is less than a mile from Gresham High School, North Gresham Elementary School and Highland Elementary. Medical services, including Providence Medical Group and Adventist Health Primary Care are located within a mile of the project. Local residents have access to Natural Grocers, located less than half a mile away and a Safeway, located 1.3 miles from the project site.
- **Transit access:** The site is adjacent to the Civic Drive MAX station light rail stop.
- **Diversity in contracting/hiring:** The project team seeks an aspirational goal of 30% MWESB participation for construction hard and soft costs. Home Forward’s workforce goals are a minimum of 20% of construction hours performed by apprentices, with BIPOC and women apprentice and journey-level workers, respectively, comprising 20% and 9% of total construction labor hours.
- **Access for historically marginalized communities:** To ensure equitable housing access for communities of color and other underrepresented groups, Home Forward and IRCO will provide priority access for up to one-half of Civic Drive’s apartments to IRCO participants. Home Forward has long had a policy of reduced-barrier screening, including allowing multiple forms of identification, disregarding adverse credit histories, and they have instituted a policy to closely examine any criminal record, whether misdemeanor or felony and consider whether the act is likely to impact the property or residents. This added consideration of applicants with conviction records increases access to housing for historically marginalized communities who may be subject to more frequent encounters with the justice system.
- **Culturally appropriate services:** IRCO will provide resident services to all Civic Drive residents per a contract with Home Forward. The proposed resident services plan will include a variety of culturally specific programming with the intent of ensuring housing stability, fostering economic stability and self-reliance, promoting quality of life and early learning opportunities for children. When the project returns to Metro for Final Approval, the resident services plan will be revisited for additional details.
- **Cooling plan:** The Project will be designed to incorporate an expansive solar array on the roof and cooling strategies, including Vertical Terminal Air Conditioning (VTAC) systems in all residential units. Additionally, the Project will be energy efficient and pursue either an Earth Advantage gold or platinum level certification.

Community engagement to inform project implementation

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

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

Outreach will be led by Home Forward and include a community engagement process of at least four meetings. These meetings will take place during the schematic design phase, when site planning and building programming options are being considered. Potential residents participating in the first two meetings will be a combination of participants in IRCO programs and existing residents of other Home Forward projects. Through community engagement, the development team seeks to understand the needs and aspirations of the community, gather feedback for design changes, establish communication between Home Forward and the Civic neighborhood and share project design changes stemming from initial engagement meetings. Progress on community engagement and feedback from community members will be reevaluated when the project returns to Metro for Final Approval.

EXHIBIT B: Project summary submitted by City of Gresham | Metro bond concept endorsement for Civic Drive

Revised and resubmitted by: Nikolai Ursin, Affordable Housing Developer, Home Forward
nikolai.ursin@homeforward.org
Submitted on: January 19, 2024

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

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

Project Overview

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

Civic Drive will bring deeply affordable housing, early learning classroom space and culturally specific resident services to the Metro-owned parcels offered through Gresham’s recent Bond Opportunity Solicitation. These parcels do not currently include any structures.

Civic Station highlights include:

- 59 new affordable home for families, all with project-based rental assistance from Home Forward. The proposed unit mix is
 - Five (5) 4-bedroom homes
 - Forty two (42) 3-bedroom homes
 - Twelve (12) 2-bedroom homes
- An agreement with the Immigrant and Refugee Coalition of Oregon (IRCO), as documented in the attached Memorandum of Understanding, to
 - Offer priority access for IRCO-referrals for half of Civic Drive’s homes.
 - Deliver general and culturally specific resident services on – site.
 - Create affordable early learning space, serving the general public and immigrant and refugee populations, funded by Multnomah County’s Preschool for All program.
- Potential future affordable homeownership opportunities via land banking.

Civic Station’s financing will include:

- Low-Income Housing Tax Credits (LIHTC)
- A mortgage

- A land donation from Metro
- The City of Gresham requests \$5,050,000 for the development of Civic Drive, of which \$2,100,000 will be from Gresham’s eligible share of Metro Bond funds and \$2,950,000 will be from Gresham’s share of Site Acquisition Program funds.
- OHCS Local Innovation Fast Track (LIFT) funds
- Pre-School for All and other grant funding, secured by IRCO, to fund the construction of the building’s Early Learning Spaces.

The LIFT funds are not yet secured. Home Forward will apply for them in 2024. Home Forward will issue a Request for Proposals for an LIHTC investor and construction and permanent lenders approximately eight months in advance of Civic Station’s construction start.

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.

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/unit	Gross monthly rent/unit**
2BR	12	60%		12	TBD	\$1,438
3BR	42	60%		42	TBD	\$1,662
4BR	5	60%		5	TBD	\$1,854
Total	59			59		

* Rent assistance enabling deep affordability comes via HUD’s new Faircloth to RAD program. Faircloth to RAD creates new public housing units, which come with rental subsidy.

**Tenants will pay 30% of their income towards rent, regardless of income level.

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.

Key elements of Civic Drive development program include:

- A mix of townhome and flats.
- An extremely efficient configuration that maximizes the amount of natural daylight apartments receive.
- A ground floor that provides significant space for IRCO to develop an early learning space with a family education workshop and a community kitchen.
- An internal courtyard brings light that down into the building and provides a secure play space for IRCO's early learning space.
- Ample Resident Services, Property Management and Community Spaces on the ground floor.
- Views from upper floors include Mt Hood to the east and Gresham Butte to the South.
- Thirty-eight parking spaces.

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.

Imagery not yet available.

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.

Civic Station was selected for funding via Gresham's Bond Opportunity Solicitation (BOS). The BOS was published on January 25, 2023. It made the Metro parcels that will ultimately house Civic Drive available for development. Home Forward reviewed all the due diligence materials Metro provided in conjunction with those parcels.

Predevelopment work completed to date includes the following items that informed Home Forward's BOS response:

- Iterative site planning and building massing work completed by Hacker Architects
- A cost estimate from Bremik Construction, based on Hacker Architects' work

Now that City Council has approved staff's funding recommendation, Home Forward will enter into design and preconstruction contracts with Hacker and Bremik to continue the predevelopment process. Similarly, Home Forward will begin the process of completing a survey, conducting geotechnical studies, and updating environmental reports.

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.).

Civic Drive is an ideal location for affordable housing. The adjacent Civic Drive MAX station offers excellent transit options. Nearby shopping, schools, parks and medical services include:

- Natural Grocers - 0.4 miles
- Safeway - 1.3 miles
- Center for Advanced Learning- immediately adjacent to site
- Gresham High - 0.8 miles
- North Gresham Elementary- 0.6 miles (serves west side of NW Civic Drive)²
- Highland Elementary - 1 mile (serves east side of NW Civic Drive)
- Clear Creek Middle School - 1.6 miles
- North Gresham Park - 0.5 miles
- Providence Medical Group - 0.5 miles
- Adventist Health Primary Care - 0.2 miles

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

Site

[word limit: 300]

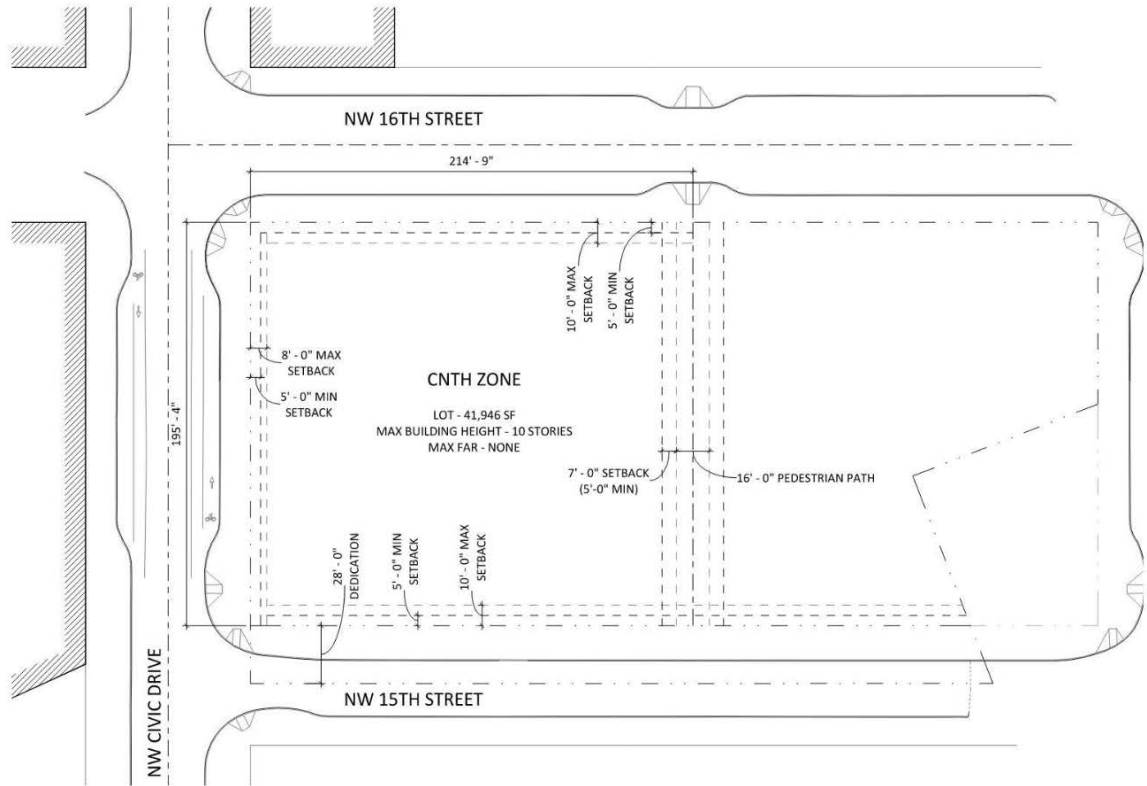
Describe key elements of the site including size, number of tax lots, site control/ownership, appraisal, and zoning. If the site includes existing buildings, provide an overview of the year they were built, past/current use, and future plans as part of the project.

The site consists of two vacant parcels owned by Metro. They are tax lots 649852140 and 649852150. Together, they comprise approximately two acres.

The zoning, as depicted in the following site plan, allows for the development of the project as proposed, and contains additional zoned capacity if increased density is financially and programmatically feasible.

² The center of NW Civic Drive is the boundary between North Gresham and Highland Elementary Schools, both of which feed Clear Creek Middle School and Gresham High. If selected for funding, Home Forward will contact the Gresham – Barlow School District to plan for increased number of children living right on this boundary line.

Zoning Analysis



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.

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.).

Sources	
LIHTC Equity	\$ 21,407,915
Permanent Loan	\$ 12,542,394
Metro Site Acquisition Funds	\$ 2,950,000
Metro Bond Funds	\$ 2,100,000
OHCS LIFT or GHAP	\$ 3,700,000
Deferred Developer Fee	\$ 2,800,000
Total	\$ 45,500,309

Uses

Construction Costs	\$	30,976,394
Owner's Construction Contingency	\$	1,407,174
Architecture	\$	1,350,000
SDCs	\$	1,180,000
Land Use Approvals / Building Permits	\$	857,351
Construction Loan Interest	\$	1,330,766
Construction Lender Fees	\$	241,185
Permanent Lender Fees	\$	56,356
OHCS Charges	\$	582,142
Title, Builder's Risk, Liability Insurance	\$	645,093
LIHTC and HUD Legal Fees	\$	200,000
OHCS Bond Counsel	\$	90,000
Miscellaneous Soft Costs	\$	218,955
Developer Fee	\$	5,800,000
Soft Cost Contingency	\$	323,900
Operating Reserves	\$	241,993
Total	\$	45,500,309

Total Development Cost	\$	45,495,977
Cost Per Unit	\$	771,118
Subsidy Per Unit		
Gresham's GO Bond Funds	\$	35,593
Metro Regional Site Acquisition		
Funding	\$	50,000
2024 LIFT or GHAP Application	\$	62,712
Total Subsidy Per Unit	\$	148,305
Cost Per BR	\$	267,623
Subsidy Per BR		
Gresham's GO Bond Funds	\$	12,353
Metro Regional Site Acquisition		
Funding	\$	17,353
2024 LIFT or GHAP Application	\$	21,765
Total Subsidy Per BR	\$	51,471

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.

Based on Civic Drive's size (59 homes) and Metro's Developer Fee guidelines, Civic Drive is eligible for a cash developer fee equal to the lesser of \$3 million or 6 – 10% of its developer fee basis. This leads to an eligible net cash developer fee of approximately \$2.4 million to \$3.9 million before the application of the \$3 million cash developer fee limit. (See calculations below.)

Total Cost	\$45,500,309
- acquisition costs	\$0
- total developer fee	(\$5,800,000)
- consultant fees	\$0
- construction management fees	\$0
- capitalized reserves	(\$241,993)
Developer Fee Basis	\$39,458,316
6% of Developer Fee Basis	\$2,367,499
10% of Developer Fee Basis	\$3,945,832

The net cash developer fee in the budget equals \$3 million, which is 7.6% of Developer Fee Basis. Civic Drive merits a developer fee higher than the 6% minimum because of a variety of factors that drive the project’s complexity—e.g.

- The creation of a commercial condominium that will include Early Learning Spaces run by the Immigrant and Refugee Coalition of Oregon (IRCO).
- A resident services and housing referral partnership with IRCO, which will advance housing opportunities for BIPOC communities.
- A commitment to, and history of achieving, ambitious contracting and workforce goals.
 - Home Forward aims to achieve a COBID participation rate of at least 30% for hard and soft costs.
 - Home Forward’s workforce goals are a minimum of 20% of construction labor hours performed by apprentices, with BIPOC and women apprentice and journey-level workers, respectively, comprising 20% and 9% of total construction labor hours.

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

HUD’s new Faircloth-to-RAD program will provide on-going project-based rental assistance for all 59 homes. The annual rental subsidy per unit from the Faircloth to RAD program will ultimately depend on the income levels of the households who move in. Based on current projections:

- If all initial occupants earn 60% of area median upon initial lease-up, the rental subsidy in the first year of operations would equal \$526,932 (\$8,931 per unit per year.)
- If all initial occupants earn 30% of area median upon initial lease-up, the rental subsidy in the first year of operations would equal \$1,053,864 (\$17,862 per unit per year.)

From decades of experience operating affordable housing with rental assistance, Home Forward expects the average income levels of Civic Drive residents to be much closer to 30% AMI than 60% AMI.

The resident services budget for Civic Drive will begin at \$104,000 per year (\$1,763 per unit per year.) The funding source for the resident services budget is the on-going combination of tenant payments and rent assistance furnished via Faircloth to RAD.

Development Team

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

The development team consists of Home Forward, Hacker Architects and Bremik Construction.

HOME FORWARD

Home Forward will serve as Civic Drive’s developer and general and managing partner of the Low Income Housing Tax Credit (LIHTC) partnership that owns the property. Such ownership arrangements are standard operating procedure for LIHTC - funded projects, where the developer serves as the managing general partner and the tax credit purchaser serves as limited partner. Home Forward owns and operates approximately 6,700 affordable homes in Multnomah County, the vast majority of which were developed or preserved utilizing LIHTCs. Home Forward’s twenty-person development department has an excellent track record of managing the complex interplay of architects, general contractors, public funders and financing partners necessary for successful projects. Metro GO Bond funded projects sponsored by Home Forward include:

- **Dekum Court:** the redevelopment of a 5.5 acre parcel in Portland’s Concordia neighborhood. It creates 147 new affordable homes in five buildings. The first of these buildings is slated to open in July of 2023.
- **Hattie Redmond:** a 60-unit permanent supportive housing project developed in partnership with the Urban League. Home Forward serves as the building’s developer and owner; Urban League provides culturally-specific supportive services to individuals experiencing homelessness. The building completed construction in February 2023 and is approximately three quarters leased up as of June 2023. Team member Bremik Construction built the Hattie Redmond.
- **Killingsworth Housing:** an 84-unit development adjacent to Portland Community College’s new workforce development center in NE Portland. Killingsworth Housing has an early learning space arrangement similar to Civic Drive, with the Native American Family Services Center acting as the early learning provider. Team member Hacker designed Killingsworth Housing. It breaks ground this October.
- **Troutdale:** an 84-unit development adjacent to downtown Troutdale currently finalizing its land use approvals and slated for a construction start, by Bremik Construction, in the first quarter of 2024.

HACKER ARCHITECTS

Hacker’s mission is to create modern, meaningful, and enduring environments where occupants thrive. Hacker believes that design is best when approached from every scale, and when it emerges from a rigorous creative process. They are known for a deep sensitivity to place and people, and we draw inspiration from

Hacker worked with the City of Gresham on two studies in recent years. In 2015, Hacker collaborated with the City (including the City Manager, Community Development Director,

and the Director of Urban Design and Planning) to conduct the Gresham City Hall Urban Design Study, which sought to identify and analyze potential sites for a new City Hall building. Hacker studied multiple sites and presented an analysis of conditions and opportunities for these potential locations, and provided conceptual urban design and massing and character-setting renderings. This project also allowed the City to give voice to an early interest in creating a new community center in the heart of Gresham, and in 2016, the City engaged Hacker to conduct the Gresham Community Center Feasibility Study for the preferred location. Hacker worked with the City departments and staff who had been part of the Urban Design Study, and conducted several workshops with a community task force to establish goals and priorities, develop a program, weigh options, and reach an agreement on a conceptual design with perspective images. These were presented to and approved by City Council, and the project was referred to voters for the November 2022 election.

BREMIK CONSTRUCTION

Bremik Construction was founded in 2004 by Brent Parry, CEO, and Mike Greenslade, COO, with the vision to be the best contractor in the Northwest. Bremik has completed over 20 projects in the Gresham area and seven affordable housing developments within Oregon in recent years.

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.

Multnomah County delegated its LIP responsibilities to Home Forward, which led to the Troutdale effort described above. Home Forward created a Local Implementation Strategy in conjunction with this delegation. (See attached document.) While the community engagement associated with Home Forward's Local Implementation Plan technically focused on geographies east of Gresham, many of its findings are equally germane within Gresham.

Now that Home Forward has been awarded funding, it will begin a community engagement process consisting of four meetings. All of these meetings will take place during Civic Drive's schematic design phase, when site planning and building programming options are considered and decided. The order, audiences and purpose of these meeting will be as follows:

Mtg	Audience	Purpose
1	Potential Residents	Understand needs and aspirations; share initial design thinking; begin building “interested parties” list for marketing.
2	Potential Residents	Share how information from meeting #1 influenced design; gather feedback for additional design changes; continue building “interested parties” list for marketing.
3	Local Residents and Businesses	Introduce the project and answer questions; gather feedback on design emerging from first two meetings; establish a communication channel between Home Forward and the Civic Neighborhood.
4	Local Residents and Businesses	Share changes (if any) stemming from Meeting #3. Continue building communication channel between Home Forward and the Civic Neighborhood.

The potential residents participating in the first two meetings will be a combination of participants in IRCO programs and current Home Forward residents.

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.

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)

When comparing Portland and Gresham’s recent American Community Survey data, Home Forward found that, between 2010 and 2019:

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

Census data also demonstrate that Gresham’s increasing racial and ethnic diversity is not distributed uniformly throughout the city. The vast majority of Gresham’s growing BIPOC community is concentrated in the Rockwood neighborhood. Census tract 100.01 – the location of Civic Drive — and its immediately adjacent census tracts have significantly

lower percentages of Gresham's BIPOC population than census tracts farther west.

IRCO and Home Forward's participation in Civic Drive will mitigate this trend and bring more racial and ethnic diversity to the Civic Neighborhood. By definition, many of residents referred by IRCO and the children / families enrolled in the building's early learning programming will utilize the agency's 200+ culturally and linguistically specific services. Home Forward's experience housing under-served communities of color runs deep. BIPOC-headed households account for half of our 6,700 unit affordable housing portfolio. We work with a notably diverse population that speaks 45 languages precisely and strive to make our communities welcoming to people of color. For over 20 years, Home Forward has intentionally recruited and hired a staff that is culturally competent and frequently bi-lingual/bi-cultural. Over sixty Home Forward staff members are bilingual (and often bicultural) in 28 languages and dialects.

- *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.)*

A partnership between Home Forward and IRCO forms the core of the Civic Drive development effort. This partnership is memorialized in a Memorandum of Understanding, which provides priority access for up to one-half of Civic Drive's apartments to IRCO participants. This agreement ensures equitable housing access for communities of color and other historically marginalized groups.

Civic Drive's equitable housing access for communities of color and other historically marginalized groups is reinforced by Home Forward's commitment to reduced – barrier screening criteria. Portland's Fair Access in Renting (FAIR) Ordinance established such criteria in 2020. However, Home Forward had established reduced barrier criteria county-wide long before FAIR's passage. Examples of such pre-FAIR efforts include eliminating requirements for previous landlord references, security deposits equal to one month's rent, allowing multiple forms of identification and disregarding adverse credit histories for units, like all apartments at Civic Drive, with rental assistance.

FAIR's passage prompted Home Forward to look more closely at our screening criteria, especially regarding criminal convictions. A core element of FAIR's reduced barrier screening criteria is a reduced focus on any criminal history. FAIR prohibits criminal history "look-backs" of more than three and seven years for all misdemeanors and felonies, respectively. Blanket denials within those three and seven year periods, however, are permitted. Home Forward's updated criminal history policy looks beyond the misdemeanor/felony categorization and focuses instead on the actual act. We take this closer look because we believe that a large numbers of felonies, and even larger numbers of misdemeanors, would have no impact on our properties or neighbors even if they reoccurred.

Leasing Practices, Management Practices and On-Going Engagement

Home Forward will property manage Civic Drive via a competitively selected management

company. A key selection criterion for Civic Drive’s property management company will be a commitment to actively support applicants at our properties. This commitment will be memorialized in the property management contract we sign with the company we select. The supports expected will take many forms—everything from help obtaining birth certificates and proof of income to encouraging applicants to appeal screening denials.

The selected firm will answer to Home Forward’s Asset Management Department, which exists within a culture striving to embed equity into our daily work. For the Home Forward Asset Manager assigned to Civic Drive, this will mean:

- Attending required, cohort-based classes focused on structural racism and Home Forward’s role within it. These classes provide the context necessary to advance equity, anti-racist and inclusion efforts.
- Applying an Equity Lens to marketing and operational policies.
- Analyzing data regularly to ensure Civic Drive continually provides housing access to BIPOC communities.

On this last point, on-going data analysis will be a key element of Civic Drive’s Affirmative Fair Housing Marketing Plan. Our evaluation methods regularly track a number of performance indicators “upstream” of our communities’ resident demographics. At Civic Drive, as at all of our properties, Home Forward will annually ask and answer:

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

For the selected management company, Home Forward will pair data-driven accountability with a series of required trainings. Specifically, Home Forward will supplement the standard, contractually-required Fair Housing compliance trainings with materials provided by our Talent and Organizational Development Department. These trainings, created for our own in-house property management team of approximately 90 staff, will go deeper than Fair Housing compliance to help foster an environment in which BIPOC households truly feel welcome at Civic Drive. Examples of such trainings include trauma-informed communication and conflict resolution practices and continual application of an equity lens to marketing efforts.

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

MWESB EFFORTS

Home Forward's development pipeline regularly has over \$100 million of construction work underway, leading us to ask ourselves:

"How is that spending advancing racial and social justice for historically disadvantaged groups? As we steward public resources, how are we leaning into our values that 'Housing is the core of what we do and people are the reason it matters' and 'We do our work in support of systemic change for racial and social justice?'"

The answers to these questions underpin Civic Drive's MWSEB and workforce goals:

- 30% MWESB participation for both hard and soft costs
- A minimum of 20% of construction labor hours performed by apprentices
- BIPOC and women apprentice and journey-level workers, respectively, comprise 20% and 9% of total construction labor hours

Bremik Construction's thorough approach to achieving equity in contracting and workforce development played a major role in its selection as general contractor. To achieve a 30% MWESB participation goal, Bremik will:

- Conduct an "Early Awareness Campaign" to increase participation from MWESB certified firms, putting Civic Drive on the "radar" of MWESB firms early, allowing them more time to prepare for the project.
- Perform extensive outreach during the pre-bid phase. Bremik's Diversity Outreach Coordinator, Dulce Weston, will arrange several public outreach events, including qualification workshops, estimating assistance, and scope review mentorship.
- Create a list of MWESB certified subcontractors and send personal invitations, advertise in local business trade journals and minority focused periodicals, and post bid opportunities with local diversity organizations such as OAME and NAMC.
- Work with smaller subcontractors to match scope size and capabilities. Bremik is willing and able to help smaller firms push to capacity within their limits and develop bid packages for small firms that are looking to get their foot in the door.
- Look for opportunities to pair up a smaller firm with a larger, more experienced trade partner for additional scope- specific mentoring.
- Thoroughly review bidders' proposals and capabilities so that target businesses are afforded the best possible chance for success.
- Provide mentoring guidance and instruction in a respectful manner. Specific training includes estimating, contract review, safety expectations, change management, accounting/payment terms, schedule/ sequencing, etc.
- Give feedback to all bidders and answer post-bid questions.

- Establish, disaggregate and track the progress of goals, and communicate progress to Home Forward.

WORKFORCE DEVELOPMENT

Civic Drive will be subject to Home Forward’s Workforce Training and Hiring Program. (WTHP). This program requires that state-registered apprentices work a minimum of 20% of the labor hours on construction-related subcontracts greater than \$100,000. It also includes aspirational goals that BIPOC and women apprentice and journey-level workers, respectively, work at least 20% and 9% of total job hours.

To ensure the workforce development outcomes that advance equity, Home Forward will require Bremik to

- Collaborate with the region’s pre-apprenticeship programs such as Constructing Hope, POIC+RAHS, Oregon Tradeswomen Inc., and Portland Youth Builders to create a pipeline into apprentice-level jobs.
- Utilize its affiliations with electricians, cement masons, carpenters and laborers unions to promote apprenticeship opportunities for women and people of color.
 - Bremik is signatory to the Carpenter and Laborer Unions and a registered training agent with BOLI. These unions provide a structured, proven program for developing people into journey-level carpenters and laborers and provide momentum towards reaching Home Forward’s workforce goals.
- Require bidders to commit to apprenticeship utilization with the submission of their bid, allowing Bremik to weigh this contribution along with scope and price. The commitment of apprenticeship hours is documented and tracked following contract award.
- Establish training procedures for new hires that focus on work readiness, trade-specific information, and mentoring / feedback from more experienced workers.

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.

Core to Home Forward and IRCO’s joint vision of Civic Drive is affordable, convenient early learning. The building’s combination of large bedroom sizes and early learning space will make this vision a reality. Its residents will be able to meet the educational needs of their 3 – 5 year olds on-site. This support will prove invaluable in preparing cohorts of children primed for educational success.

IRCO will provide resident services to all Civic Drive residents per a contract with Home Forward. These services will mix generally applicable programming – e.g. eviction

prevention and asset building – with culturally-specific programming and approaches as needed. Funding for these services will come from the combination of Civic Drive’s unrestricted cash flow and other unrestricted funds available to Home Forward. Home Forward will guarantee funding via a contract with IRCO.

The core components of Civic Drive’s Resident Services programming, available to all Civic Drive residents, include:

Ensuring Housing Stability

IRCO will maintain an onsite office for a Resident Services Coordinator (RSC) to provide ongoing supportive services for residents, removing barriers to access and promoting housing stability. The IRCO RSC will serve as a resource and advocate for residents, sharing information about supportive services and helping with food, healthcare, rent and energy assistance, transportation, and legal assistance. The RSC will provide Rent Well, a 15-hour tenant education program, and provide onsite support before property management concerns have risen to the level of eviction notice. They will also serve as a point of contact in the event of an eviction notice, informing the individual or family of their options and working with them to avoid an eviction through other interventions such as payment plan or linkages with housing support services.

Fostering Economic Stability and Self-Reliance

IRCO’s RSC will connect residents with asset building, education, and employment supports as needed. Fundamentals include job training, GED/high school completion, credit repair, expungement of criminal history, and removing barriers to greater economic stability.

Promoting Quality of Life

IRCO’s RSC will enhance residents’ quality of life by linking them with affordable nutritious food, fostering access to wellness programs, and organizing social activities such as cultural celebrations, potlucks, and other events to foster a sense of community and peer support among residents. Events will be tailored to the needs of the residents.

Early Learning / Parenting

Residents will have the opportunity to enroll their children in Civic Drive’s early learning classes and engage in a wide array of supports ranging from parent education, kindergarten transition, and parent child development.

Advancing Young People

Dozens of children and teens will live at Civic Drive because of its deliberate emphasis on family-sized units. IRCO staff will connect youth to educational and leadership opportunities in order to foster greater economic stability in their adult lives. Examples could include homework clubs for youth, native language literacy and cultural connection, life skills support groups, and access to Home Forward-run youth leadership academies.

For immigrant and refugee households placed at Civic Drive by IRCO, culturally- specific resident services offerings will also focus broadly on:

- Removing barriers to economic self-sufficiency.

- Obtaining vocational training.
- Gaining English language skills.
- Refugee Resettlement Services.
- Accessing early learning, kindergarten readiness and parenting education.

Supporting youth academic and social achievement.

Livability and Accessibility

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

Key elements of the Civic Drive building include:

- A mix of townhome and flats.
- An extremely efficient configuration that maximizes the amount of natural daylight apartments receive.
- A ground floor that provides significant space for IRCO to develop an early learning space with a family education workshop and a community kitchen.
- Ample resident services and community space.
- An internal courtyard brings light that down into the building and provides a secure play space for IRCO's early learning space.
- Low-Cost Wi-Fi for all residents to reduce the digital divide.

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.

Home Forward plans to pursue either Earth Advantage gold or platinum level certification for Civic Drive. Anticipated sustainability attributes of Civic Drive include:

- Building orientation that supports an expansive solar array on the roof and participation in the Oregon Community Solar program.
- A thermally robust building envelope that minimizes heating and cooling needs.
- Vertical terminal air conditioning (VTAC) in all residential units.³ Our initial estimate of the associated costs is \$885,000 (\$15,000 per unit)
- Energy recovery ventilation (ERV) in all housing units that tempers fresh (incoming) air and captures the heat from stale (exhausting) air.

³ VTACs are consistent with Metro's Cooling Policy.

- VOC-free building materials that minimize allergens and health triggers.

Anticipated Timeline

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

Home Forward is serving as the project developer and has already selected the architect and general contractor. Now that Gresham City Council approved the funding award, Home Forward is beginning the process of getting the architect and general contractor under contract to begin design and pre-construction efforts.

Our current schedule anticipates:

- Concept endorsement in winter of 2024.
- Community and future resident engagement efforts that occur in early winter and into spring of 2024.
- A design, due diligence and financing process that leads to a building permit and construction start in April 2025.
- Construction that completes in Summer 2026
- Lease-up completion by Fall 2026.

Metro Affordable Housing Bond Program Concept Endorsement and Final Approval

Project Name: Capitol Hill

Implementing Jurisdiction: Portland Housing Bureau

Metro IGA Contract Number: 937016

Anticipated construction start: April 2024

Anticipated construction completion: May 2026

Action:

Metro hereby provides the Portland Housing Bureau with Concept Endorsement and Final Approval of \$5,451,773.00 in Metro Affordable Housing Bond funds for the development of Capitol Hill, a regulated affordable homeownership project located at 2374 SW Vermont 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 combined Concept Endorsement and Final Approval is based upon the information contained in the concept endorsement and 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 Type	AMI Level
5	Two-bedroom	60%
2	Two-bedroom	80%
14	Three-bedroom	60%
6	Three-bedroom	80%
14	Four-bedroom	60%
6	Four-bedroom	80%
3	Five-bedroom	60%
2	Five-bedroom	80%

Changes to the information contained in the concept endorsement and 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



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

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.

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

Marissa Madrigal

Chief Operating Officer

2/16/24

Date

Exhibit A: Metro staff findings and recommendations | Metro bond Concept Endorsement and Final Approval request for Capitol Hill



Drafted by: Jimmy Oporta, Sr. Housing Program Coordinator and Alison Wicks, Housing Program Supervisor

Date: February 8, 2024

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 and Final Approval of funding for Capitol Hill. 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

Capitol Hill will utilize 3% (\$5,451,773) of Portland's total allocation of bond funds while delivering 52 units that meet the following unit production outcomes:

- 4% of Portland's overall unit production target;
- 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 91% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 113% of Portland's overall unit production target;
- 128% of Portland's family-sized unit target
- Capitol Hill will create 36 units for households earning 35-60% AMI and 16 units for households earning 61-80% AMI. This is in accordance with Metro and PHB's IGA, which establishes a cap of 132 units for households earning between 61% to 80% 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 pro forma dated 9/23/2023
- OHCS LIFT reservation letter 5/22/2023, Habitat Mortgage Solutions Term Sheet, ARPA grant agreement, Meyer Memorial Trust commitment letter
- 100% Design development drawings 12/22/2023
- Phase 1 environmental site assessment and geotechnical report 11/11/2022
- Land valuation and appraisal 2/14/2023
- Multnomah County property deed, dated 11/30/2021 as evidence of site control

- Development team resumes and developer schedule of real estate owned demonstrating a track record with housing development in Oregon

Staff has identified this project as an affordable homeownership pilot project. Legal compliance of regulatory agreement and monitoring plan will need to be confirmed and staff will continue to request updates from the city of Portland regarding how work is proceeding. Approval is on the condition of AFHMP and documentation of SDC Waivers are submitted before Metro disbursement.

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:** Capitol Hill is sited in an area with a PHB Opportunity Mapping score of 4 out of 5, meaning families living here can expect medium to high opportunities to access transportation, childhood education, employment and family-wage jobs, and healthy eating/active living options. The public-school catchment area includes both Rieke Elementary School and Ida B. Wells-Barnett High School in walking distance from the development site, and Robert Gray Middle School less than one mile. It is located very near a library and arts center; and about one mile to Fred Meyer and Hillsdale Farmers Market. The neighborhood has abundant recreational opportunities, including neighboring Stephens Creek Nature Park, and five other nearby parks.
- **Transit access:** A path will connect the development to Capitol Hill Road, just 0.2 mile to frequent Trimet bus lines (1, 43 and 39).
- **Diversity in contracting/hiring:** Habitat for Humanity Portland Region (HFHPR) will set a target of 30% of construction hard costs paid to DMWESB-SDV contractors and at least 20% for professional services for the development of Capitol Hill. When feasible HFHPR will: (i) award contracts to MWSBE and/or Section 3 certified businesses; and (ii) provide job training and employment opportunities to low- and very low-income people in HFHPR's service area.
- **Access for historically marginalized communities:** The target community for the Capitol Hill development includes low-income Oregon residents, with a goal to reach family households most underrepresented as homeowners, including Black, Indigenous, Latinx and other people of color. In each HFHPR community the goal is to sell 70% of the homes to households between 35-60% AMI the remaining 30% are to be sold to households between 60-80% AMI. Twenty-five of the homes (nearly half) in the Capitol Hill development will have four or five bedrooms, and will be well-suited to larger, blended, and multigenerational families. All of the homes in HFHPR's Capitol Hill development will be visitable to someone with a mobility impairment, most will include a ground floor accessible bedroom, and five homes will be single story and fully ADA accessible. Before applications open for a particular development, HFHPR holds informational meetings, both in-person and online, to notify prospective buyers about the opportunity to apply. HFHPR employs specific measures to ensure accessibility and expand participation at all community meetings. Locations are selected to ensure ADA accessibility and simultaneous language interpretation is provided upon request, including in American Sign Language. Flyers and brochures are placed in diverse businesses, community associations, libraries, schools, and markets. Information sessions are accessible in a variety of languages, either through an interpreter or multilingual staff.

- **Culturally appropriate services:** HFHPR will provide its future homebuyers with pre-purchase mortgage readiness and post-purchase support. Homeownership readiness classes will be offered through several partner organizations, including DevNW, African American Alliance for Homeownership (AAAH), Portland Housing Center, Native American Youth and Family Center (NAYA), Immigrant and Refugee Community Organization (IRCO), Hacienda CDC, PCRI, or OpenDoor HousingWorks. Courses offered through these organizations include home ownership, money management, homeowner associations, and mortgages. Once moved in, HFHPR offers a range of classes to support new homebuyers in understanding basic home repair and maintenance. From basic plumbing skills to fire safety, mold prevention, taxes, and emergency preparedness, HFHPR offers a full range of free classes to ensure that homeowners have the skills and tools they need to make the most of their new asset.
- **Cooling plan:** A multitude of energy efficiency features are included in the design to achieve Earth Advantages Net-Zero Energy Ready design standard. Some of these features include Energy Star appliances, energy efficient heat pump hot water heaters, energy efficient electric heat pump heating and cooling HVAC systems.

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:**

HFHPR has formalized the process of incorporating feedback from current and prospective homeowners into the initial development design process. For example, HFHPR has learned that there's great demand for 3, 4, and 5-bedroom homes to accommodate larger and/or multigenerational families, demand for ADA accessible homes with at least one bedroom and bathroom on the ground floor, and demand for yards and greenspaces. The homeowners have also expressed a need for adequate parking. HFHPR partners with Bienestar, NAYA (Native American Youth and Family Center), AAAH (African American Alliance for Homeownership), Hacienda CDC (Latino Community Development Corporation), and APANO (Asian Pacific American Network of Oregon) to ensure effective, culturally competent outreach to the communities of color who are those in greatest need of affordable housing. Habitat’s Faith Relations Committee works directly with hundreds of churches in their local counties to make sure their congregations are aware of their homeownership opportunities. Additionally, HFHPR has a Memorandum of Understanding with Proud Ground, a well-established local non-profit that creates affordable homebuying opportunities, who helps identify eligible homebuyers and secure affordable mortgages for Habitat homebuyers.

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

Submitted by: Megan Grillo, Bond Housing Program Coordinator
Portland Housing Bureau, megan.grillo@portlandoregon.gov
Submitted on: 1/11/2024

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 Capitol Hill Townhomes project will create 52 homes ranging in size from 2- to 5-bedroom units. Forty-five of these homes (more than 85%) will have three or more bedrooms, which is well-suited for larger and/or multigenerational families. HFHPR homes are built with high quality materials and a state-of-the-art energy efficient design, which helps ensure affordable utilities and low maintenance/repair costs.

Capitol Hill will consist of 52 attached townhomes, each between 1,000 to 1,700 square feet, depending on the number of bedrooms. The homes will be built in clusters of two to four each, which will include: (i) 5 single story, fully ADA accessible homes (three 2-bedroom and two 3-bedroom); (ii) 47 two- and three-story homes, including seven 2-bedroom, twenty 3-bedroom, twenty 4-bedroom, and five 5-bedroom; and (iii) 31 homes will be located where the grade of the site facilitates a tuck-under garage.

HFHPR is seeking **\$5,451,773** for the Capitol Hill development from the 2023 M-BOS Last Gap available funding for capital expenses for new construction of previously unregulated housing units.

As this proposal will show, HFHPR has already reached key milestones in gaining site acquisition and control, securing project financing, advancing due diligence and permit applications, and developing overall project plans and staffing. The first public meeting for Capitol Hill will be held on September 27, 2023. HFHPR intends to start construction by March 31, 2024.

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.

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. Units	% AMI	Sq Ft/ Unit	Est.* Principal + Interest	Est. Insurance	Est. Property Taxes	Est. HOA & Other	Total All-in Cost/ Month	Est. Selling Price
2 BR	5	35-60%	1,000	\$894.55	\$40.00	\$150.00	\$200.00	\$1,284.55	\$252,000
2 BR	2	60-80%	1,000	\$1,634.47	\$40.00	\$150.00	\$225.00	\$2,049.47	\$252,000
3 BR	14	35-60%	1,200	\$1,012.27	\$40.00	\$150.00	\$225.00	\$1,427.27	\$285,000
3 BR	6	60-80%	1,200	\$1,848.50	\$40.00	\$150.00	\$250.00	\$2,288.50	\$285,000
4 BR	14	35-60%	1,400	\$1,101.46	\$40.00	\$150.00	\$250.00	\$1,541.46	\$309,000
4 BR	6	60-80%	1,400	\$2,004.17	\$40.00	\$150.00	\$275.00	\$2,469.17	\$309,000
5 BR	3	35-60%	1,700	\$1,190.64	\$40.00	\$150.00	\$275.00	\$1,655.64	\$334,000
5 BR	2	60-80%	1,700	\$2,166.32	\$40.00	\$150.00	\$300.00	\$2,656.32	\$334,000
TOTAL	52								

* Assumptions for interest rate and term for estimated principal and interest: Assumes 6.75% interest which is the current Bond rate, over a 30-year mortgage term.

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.



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.

Through a partnership with Proud Ground, the land on which this development sits will be held in a community land trust. The homes will be sold at a below-market, affordable base price. Buyers will agree to a shared equity formula, which allows families to build wealth while preserving each

home's affordability for future buyers. Through this model, the Capitol Hill Townhomes will remain a permanent asset to the community. As housing costs skyrocket, affordable developments in relatively affluent neighborhoods like Hillsdale must be an urgent priority; there is a limited window of opportunity to create permanently affordable homes which will ensure a slice of Hillsdale for lower-income, diverse households into the future.

The Capitol Hill development has \$9,202,297 committed in LIFT funding from Oregon Housing and Community Services (OHCS) but has not closed on the financing. LIFT financing is on track to close by December 2023.

Since the LIFT application was submitted, HFHPR has secured more developed and accurate estimates related to site work and utilities. Based on current estimated information, the site preparation and improvement costs increased by 30.9%, and utilities costs increased 41.9%. The grade of the site and its distance from roads contribute require higher costs for sitework and utilities, costs which have increased since HFHPR's LIFT application. Compounding these increased costs, rising interest rates substantially impact all HFHPR homes in the current pipeline. Higher rates increase the obligation (through private fundraising and Habitat ReStore revenue) to close the gap between what households between 35-80% AMI can afford, and the price to build and sell an affordable home. The widening of this gap in turn puts pressure on the program's ability to self-finance a portion of each home development.

Currently, throughout the Portland Metro Region, HFHPR is actively building 146 homes at seven sites, and is in pre-development at seven additional sites for a planned 184 homes. With a plan to build 52 homes on a nearly 5-acre site in SW Portland, the Capitol Hill Townhomes development is one of the two largest projects in the future build pipeline, and HFHPR's largest build to date.

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.

Capitol Hill is sited in an area with a PHB Opportunity Mapping score of 4 out of 5, meaning families living here can expect medium to high opportunities to access transportation, childhood education, employment and family-wage jobs, and healthy eating/active living options. The public school catchment area includes both Rieke Elementary School and Ida B. Wells-Barnett High School in walking distance from the development site, and Robert Gray Middle School less than one mile. In supporting Capitol Hill, PHB will balance its investments throughout the city by investing in an area with limited affordable housing resources – of the 21 Metro Bond-funded developments in Portland, only one other (Barbur Apartments) is located in this area of the city.

The site scores 4 of 5 on PHB's opportunity index. It's a residential/mixed-use area, adjacent lots zoned R7, RM1, and RM2. It is located very near the public elementary and high schools; close to the

middle school, library, and arts center; and about one mile to Fred Meyer and Hillsdale Farmers Market. The neighborhood has abundant recreational opportunities, including neighboring Stephens Creek Nature Park, and five other nearby parks. A path will connect the development to Capitol Hill Road, just 0.2 mile to frequent Trimet bus lines (1, 43 and 39). A crossing signal grants access to two nearest schools.

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.

Capitol Hill's 52 affordable homes will occupy 4.97 acres located at 2374 SW Vermont Street in Portland. The site is currently dedicated to an overflow parking lot for the Greater Portland Bible Church. HFHPR purchased the land for this development in November 2021 through \$1 million in federal ARPA funds, along with \$300,000 from Meyer Memorial Trust, and \$400,000 in private fundraising dollars. HFHPR had cultivated a relationship with Greater Portland Bible Church over a period of years, and the church also contributed to site acquisition by selling the land to Habitat at approximately half its appraised value. It is a large plot, with no existing structures, in a desirable location with great schools, greenspaces, recreation and community centers. The architect on this project is Brett Schulz, an Emerging Small Business in Portland specializing in multi-family design. Habitat for Humanity affiliates are unique in that HFHPR acts as general contractor.

The site is currently a paved parking lot, surrounded by an area of grass and trees. There are no existing structures. It is a single tax lot of 4.97 acres, is owned by HFHPR, and is zoned RM1 (Residential Multi-Dwelling). The land is categorized as a steep slope area (20%). Relevant environmental studies and surveys have been completed, including the Preliminary Geotechnical Engineering Report (completed January 2023) and the Phase I Environmental Site Assessment (completed November 2022).

The HUD Environmental Review is underway, and completion is expected by February 2024.

HFHPR has submitted the land use application to the City of Portland for this site. HFHPR has submitted the public works and site development plans and are at the 30% approved stage: [2023-078732-000-00-LU](#) (pending status; updated 08/29/23). In addition, early assistance and zoning verification were completed in January and February of 2023: [2022-204591-000-00-EA](#) (early assistance completed 01/24/23); [2023-005503-000-00-PR](#) (zoning verification completed 02/07/23).

With the public works and site development approvals this far along, HFHPR is ready to submit building permits. This property does not require land use approval. HFHPR requested a minor density adjustment allowing to build 52 instead of 55 units, which will preserve trees on the site.

The lot has already been subdivided to separate from the land retained by the Greater Portland Bible Church. The development will be a condominium and will not require any further lot partitions.

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.

Total project cost is estimated at \$32,179,332; \$618,833 per unit, or roughly \$476.73 per square foot. This cost, while higher than HFHPR’s typical build, can be attributed to the particularities of the site (the relatively steep grade, required public improvements and roads, and the cost of utilities given the challenges around access to the site).

SOURCES		USES	
Committed Sources	\$12,902,297	Land/Site Acquisition	\$1,760,000
Interim Financing*	\$10,538,770	Construction Costs	\$23,542,767
Waivers/Deferrals	\$3,286,492	Development Costs	\$5,804,403
2023 M-BOS Last Gap	\$5,451,773	Other Costs	\$1,072,162
TOTAL SOURCES	\$32,179,332	TOTAL USES	\$32,179,332

* Total interim financing is equal to the expected revenue from home sales following the completion of this project.

Local incentives that will benefit this development include: (i) the City of Portland SDC Waiver, an anticipated savings of \$1.5 million, and (ii) HOLTE (Homebuyer Opportunity Limited Tax Exemption), a 10-year exemption on most property taxes.

The development has \$9,202,297 committed in LIFT funding from OHCS, and this financing is on track to close by December 2023 (please note this total includes the \$9 million LIFT funding awarded to HFHPR in May 2023, as well as \$202,297 in leftover LIFT funding expected before December 2023). The two interim loans that have been secured for this development (one for \$6 million through Habitat for Humanity International (HFHI), and one self-financed in-house for approximately \$4.5 million) add up to the same amount as the total amount of revenue (\$10.5 million) which is expected to generate through home sales at completion of the project. As the homes are sold, HFHPR will repay the loans. The internal loan acts as a HFHPR-revolving capital fund, which will again be used to help finance another of the future developments.

HFHPR contracts directly for services provided in soft costs like architectural, engineering, geotechnical and traffic engineering, selecting subcontractor bids that provide the best value. By contracting directly, HFHPR is able to avoid a markup. HFHPR engages these professionals in a phased approach as HFHPR moves through pre-development, land use evaluation, and eventually construction document phase, and HFHPR has been successful negotiating reasonable rates. To mitigate the increasing costs of materials, HFHPR relies in part on donations from local and national suppliers (a service facilitated through HFHI). For this and other HFHPR developments, HFHPR has secured some donations for kitchen cabinets, electrical supplies, paint, and other essentials, all of which help to manage project costs. Finally, the support of volunteer labor is a foundational component of the Habitat for Humanity model.

HFHPR has a dedicated, three-person volunteer program team led by a director in the central office, additional volunteer coordinators staffing the ReStores and build sites, and teams of many dozens of volunteers, which include community groups, individuals, and the core of regulars on job sites every day of the week. From framing to painting, volunteers are an active presence on every build site.

HFHPR brings the necessary financing to the project to ensure that the homes are affordable to buyers between 35-80% AMI. HFHPR models its financing with an aim to sell 70% of the homes in each development to buyers between 35-60% AMI.

Home Price Calculation: The initial affordable sales price sets the baseline for current and future affordability of the home. For the initial sale of the home, the base price is established according to a methodology incorporating the community's AMI levels; property specifics including estimated taxes, insurance, HOA fees, and Proud Ground lease fees; and per-unit specifics such as the number of bedrooms. The sales price calculation includes the current market interest rate to set a price that is affordable for the current buyer, and for future income-qualified buyers. The sales price calculation for the homes in this development used a 6.75% interest rate, which is the current Oregon Bond Residential Loan Program rate. The calculation also assumes a 2% increase in area AMIs for 2024 and 2025.

The following per-month costs were assumed to calculate escrow on the basis of a two-bedroom unit at 35-60% AMI: (i) \$150 for property taxes (deeply reduced thanks to the City of Portland's HOLTE program); (ii) \$40 for homeowners insurance; (iii) \$175 for homeowner's association (HOA) dues; and (iv) \$25 for lease fee to Proud Ground. Using the affordable base price calculator with the numbers above, HFHPR ensures that the initial sales price is affordable to an applicant with a household size of bed # +1 at approximately 65% AMI. Front end ratio is 30% for buyers at 35-60% AMI, and 34% for buyers at 60-80% AMI. The sales prices of these homes will be between \$252,000 (2-bedroom unit) up to \$334,000 (5-bedroom unit).

Title fees and a portion of the HOA fees are paid at closing. Currently title fees at a similar project are approximately \$1,150 per unit. HOA fees, including pro-rated current monthly dues, a processing fee, and demand fee average a total of \$200, depending on the number of bedrooms in the unit.

An affordable, below-market rate mortgage: HFHPR partners with mortgage lenders for third party financing, allowing us to offer more loans to more varied income groups who may not otherwise meet traditional lender requirements. This strategy relieves us from being the first mortgage lender and allows us to recycle those mortgages immediately into building more homes and serving more families. HFHPR has negotiated relationships with lenders to guarantee a mortgage at a below-market fixed rate over 30 years. Buyers below 60% AMI access a second

mortgage through HFHPR, or – if available – down payment assistance, to bring their total monthly payment under 30% of their household income. The “second mortgage” through HFHPR is a forgivable, 0% mortgage that closes the gap between what the household can afford (with a fixed monthly payment of 30% household income) and the price of the home.

Individual Development Accounts (IDAs): Habitat for Humanity of Oregon continues statewide to administer IDAs, which are matched savings plans for home repairs and homeownership, through an ongoing partnership with DevNW and their own in-house program. Most of the homebuyers use IDAs to save for their closing costs.

Down Payment Assistance: For the growing number of severely rent-burdened households, the inability to save for a down payment is one of the leading obstacles to homeownership. HFHPR is currently making available \$1.1 million in down payment assistance from the state of Oregon, which will be prioritized for first-time and first-generation homebuyers below 60% AMI.

Community Land Trust model: HFHPR partners with Proud Ground, a non-profit community land trust, to ensure the permanent affordability of developments for current and future homebuyers. This model ensures long term affordability for a minimum of 99 years through a shared equity or land trust model. To keep homes affordable, Habitat homeowners agree to a shared-appreciation resale provision that provides for a fair return on their investment while maintaining the home’s affordability for the next buyer. This is determined through a fixed rate resale formula: the homeowner receives 2% per year of the original sales price, plus 100% of any qualified improvements made. With down payment assistance and loan forgiveness, the original homeowner can still accrue significant equity (on average, \$97,500 in equity after 10 years). Homeowners also agree to offer HFHPR the first option to purchase at resale, whereupon the home would be sold to another low-income buyer with the same shared-equity agreement, thus maintaining the affordability for future generations of homebuyers. The community land trust model serves the community-wide need for long-term affordable, stable housing while providing an opportunity for families to build equity.

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.

Capitol Hill will be HFHPR’s largest development to date, and the team and program have ample experience with developments of nearly the same scale. HFHPR recently completed Cherry Blossom, a development of 31 townhomes, and is close to completing Phase 1 of Foster, which is 40 townhomes. HFHPR employs a highly experienced in-house development and construction team:

Becky White, Vice President of Construction, has been working in construction in the Portland area for more than 20 years. She provides long-term relationships with local industry professionals and a command of local policies and regulations in both commercial and residential construction, including multi- and single-family homes. Becky brings expertise in high-performance and sustainability in new construction and understands facets across the construction industry. She has direct, applied experience as a project estimator and as a construction litigation project manager. More recently and prior to joining HFHPR, she worked as a project manager and supervisor with B&G Builders, Green Hammer Design Build, Hammer & Hand, Pete Fowler Construction Services, and Don Tankersley Construction.

Fernando Morales, Director of Construction, is a trained and licensed architect with more than 13 years of experience with various Habitat for Humanity affiliates, where he gained valuable knowledge in cost control, construction management, energy star certification, and project management. He has worked with Habitat across the world in countries such as China, Mexico, and Brazil as well as in the United States from Texas to Oregon. This project will benefit directly from Fernando's design background, knowledge of building assemblies, and team development.

Leigh Armstrong, Project Manager, has more than 20 years of experience in managing projects and specializing in residential construction. She has knowledge of all aspects of the project lifecycle, having worked as first point of contact for homeowners, and assisting with demolition, painting, carpentry, and tile work. Leigh has expertise in documenting project scope, build estimates, proposal writing, and procurement of materials and subcontractor bids. She is skillful in dispute resolution, able to manage multiple projects simultaneously, and has demonstrated success in timely project completion.

HFHPR has partnered with PHB on several developments, including two recently completed in North Portland: Kenton Commons (31 units) and Olin (12 units). The 53-unit Carey Boulevard development has been approved for Metro Bond funding through PHB and is in the predevelopment phase. HFHPR also has two planned developments with the City of Gresham, also using Metro Bond funds. Those awards were approved by Gresham City Council in June 2023 and are in the final approval process with Metro.

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.

Input from HFHPR homeowner communities: HFHPR has formalized the process of incorporating feedback from current and prospective homeowners into the initial development design process. For example, HFHPR has learned that there's great demand for 3-, 4, and 5-bedroom homes to accommodate larger and/or multigenerational families, demand for ADA accessible homes with at least one bedroom and bathroom on the ground floor, and demand for yards and greenspaces. The homeowners have also expressed a need for adequate parking. HFHPR has heard a widespread preference for a separate ground-floor entrance and differentiation in the façade to mark separate homes. These features contribute to a single-family home feel, even if there is a shared wall. The program is in the initial stages of bringing together a Homeowner Leadership Council consisting of HFHPR homeowners who are compensated to provide input on the program, designs, and build plans, and to engage in advocacy.

Neighborhood meetings: The first public meeting for the Capitol Hill development, as part of the land use and permit review process, was held on Wednesday, September 27, 2023 at 6:30pm at the Greater Portland Bible Church.

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)*

In order to serve communities who have been most impacted by the region's history of racist housing practices, HFHPR prioritizes applicants who are working with one of the community partner organizations, many of which are culturally specific organizations. HFHPR's homeowner communities represent the diversity of the region - over 80% are households of color and over one-third of households include a family member with a disability.

The homeowner communities include households speaking 24 languages. HFHPR communities represent many ways of creating family units, including multigenerational families and single parents. HFHPR household homebuyers have incomes between 35-80% of Area Median Income (AMI), and the median income of a Habitat homebuyer in the service area is \$45,000. The program provides intense preparation and education prior to purchase and support post-purchase. By serving as a resource for homebuyers for the life of the loan and assuming the servicer role for any loans where the homeowners are falling behind, HFHPR has achieved a default rate of less than 1%. That is far lower than the national average, providing long-term stability to the communities and homebuyers.

Over one-third of HFHPR households include a family member with a disability. All of the Capitol Hill homes will be visitable to someone with a mobility impairment, most will include a ground floor accessible bedroom, and five homes will be single-story and fully ADA accessible.

As part of HFHPR's 5-year strategic plan, HFHPR has several initiatives underway to facilitate continued growth and improvement around the services to BIPOC Households. Tiffany Coleman, HFHPR's Homeownership Program Manager, has deep ties to Portland's Black community as a Black homeowner herself. She has prior experience working as assistant director at a care facility, and brings invaluable perspective, credibility, and lived experience to her role as team lead for the strategic plan initiatives described below.

ITIN Lending Initiative and Advancing Black Homeownership Initiative: HFHPR has launched and committed \$1 million to fund two new initiatives, the ITIN Lending Initiative, and the Advancing Black Homeownership Initiative. These initiatives are laid out in the organizational strategic plan, with dedicated in-house staff implementation teams.

Non-citizen prospective homebuyers have been particularly hamstrung by interest rates on mortgages through traditional lenders. One of the key advocacy priorities is to secure an affordable ITIN loan product. HFHPR is currently both negotiating with lenders and modeling scenarios

through which would use the \$1 million referenced above to buy down interest rates for ITIN borrowers.

HFHPR is prioritizing serving Black families who have been closed out of generational wealth-building due to the legacy of slavery, Jim Crow, redlining, urban renewal, predatory and discriminatory lending, and gentrification. Over the next year, HFHPR will be working with a consultant to better understand barriers to homeownership in Portland's Black community, and home-buying priorities in the Black community (size, style, neighborhood, priority amenities). This initiative involves critically examining all aspects of the program to better serve foundational Black Portland households. Among the possible uses of the \$1 million set-aside may be to help pay off debt where that is a barrier to mortgage approval for Black households.

Habitat for Humanity's housing justice story began fifty years ago, on an obscure, community-based plot of land called Koinonia Farms in the Jim Crow stronghold of Southern Georgia. What started as an integrated, working farm with equitable spaces, simple living, and a devotion to fair-housing principles now delivers affordable homeownership opportunities around the world. Habitat's vision remains steadfast: HFHPR brings people together to build homes, communities, and hope. Today, the work empowers volunteers, donors, and homebuyers to build on the belief that everyone deserves a safe and affordable place to call home. In 1981, Portland welcomed Habitat to the region, and since that time, HFHPR has built or repaired more than 1,000 homes, each sold with an affordable mortgage, and with over 80% of those homeowners being people of color. Homeownership is the country's most established path to stability and generational wealth-building, which means that the racial homeownership gap is tied to broader disparities in wealth, health, and education. Building household stability and prosperity in diverse communities across Multnomah, Washington, and Clackamas counties is the heart of HFHPR's mission, programs, and action.

HFHPR organization's Equity Plan lays out a three-pronged personal, cultural, and institutional approach to dismantling white supremacy culture from the inside. Publicly, HFHPR is opening difficult dialogues; individually, HFHPR is deepening personal investments in DEI; organizationally, HFHPR is developing systems that help dismantle discrimination; and programmatically, HFHPR is serving more diverse populations with greater input from communities where HFHPR builds. Liv Parks, HFHPR's first DEI Director, started their position in July 2022, and is continuing to lead the organization's engagement and growth. Investing in an internal culture that reflects the values and needs of the community ensures that those most affected by racism and oppression are centered, prioritized, and involved in the decision-making processes. Through the inclusion and centering of diverse perspectives, people, and cultures, HFHPR will become a stronger, more impactful, and resilient organization.

Portland's history of racist housing policies and practices (including redlining, Vanport, predatory lending, urban renewal) have resulted in a 2 to 1 homeownership disparity between White and Black households. HFHPR furthers fair housing goals by prioritizing applications referred by the community partners, many of which are culturally specific organizations directly serving BIPOC individuals and families. HFHPR's homeowner communities represent the diversity of the region. HFHPR sold 76 homes from January 1, 2020 through December 31, 2022. Close to 30% of the homebuyers in that period have a household member with a long-term illness or disability. Twenty-one percent of the households are led by a single parent. Just over 84% of the homebuyers represent households of color: Black (48.7%), Hispanic (7.9%), Asian (15.5%), Middle Eastern (2.6%), and Native American, Alaska Native, or Pacific Islander (5.3%), with close to 4% identifying as 'other multiple race'. The Habitat Portland homeowner community includes households

speaking 24 languages and many ways of defining a family, including multigenerational families and single parents.

An example of a development comparable to Capitol Hill is Cherry Blossom, a nearly-completed HFHPR development of 31 townhomes in East Portland's Gateway neighborhood. The Cherry Blossom households are 36% Asian, 3% American Indian/Alaska Native, 25% Black/African American, and 31% White. Additionally, 6% of those households identify as Hispanic/Latinx.

HFHPR will set a target of 30% of construction hard costs paid to MWESB-SDV contractors, along with 20% of professional services. HFHPR is committed to a good faith effort to achieve PHB's Apprentice and Workforce Diversity goals. HFHPR is continually reassessing strategies to increase MWESB participation. HFHPR's commitment to MWESB/SDVBE participation (both COBID and non-COBID certified) is an institutional standard with goals articulated in HFHPR's procurement policy: "Positive efforts shall be made to award a fair share of contracts to small, minority, and women's business firms and/or Section 3 certified businesses. Affirmative steps must be taken to assure that small, minority, and women's businesses and/or Section 3 businesses are utilized where possible as a source of supplies, equipment, construction, and services."

When feasible HFHPR will: (i) award contracts to MWSBE and/or Section 3 certified businesses; and (ii) provide job training and employment opportunities to low- and very low-income people in HFHPR's service area. *HFHPR uses a variety of strategies to ensure the MWESB/SDBVE participation goals are met for subcontractors and suppliers, including:* (i) HFHPR uses the COBID online directory to research firms; (ii) HFHPR maintains an inhouse directory of MWESB/SDBVE firms HFHPR works with, and they are notified when Request for Proposals (RFPs) become available; (iii) RFPs are sent to COBID firms, advertised in local publications, and available on Habitat's website; (iv) Habitat will consider COBID certification as a factor in the evaluation of sub bids and selection of subcontractors; (v) when economically feasible, HFHPR divides total requirements into smaller chapters or quantities to permit maximum participation by MWESB/SDBVE firms; (vi) where the requirement permits, HFHPR establishes delivery schedules and adjust project timelines in order to accommodate participation by the above businesses; (vii) using the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce and the Community Services Administration as required; and (viii) HFHPR monitors the progress on hiring MWESB/SDBVE firms by tracking the percentage of contracts going to MWESB/SDBVE throughout the project.

Director of Construction, Fernando Morales, regularly attends meetings of the Oregon Association of Minority Entrepreneurs to make connections and facilitate partnerships. Mr. Morales is also deeply involved with Latinobuilt.org, an association for Latino contractors in Oregon, a partnership which is expected to yield additional construction partners. HFHPR is a member of the non-profit Partners for Diversity, an affiliate of the Portland Business Alliance Charitable Institute, whose mission is to support professionals of color and develop local workforce diversity.

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.

HFHPR partners with culturally specific organizations throughout the Portland area including the African American Alliance for Homeownership (AAAH), Asian Pacific American Network of Oregon (APANO), Bienestar, Hacienda CDC, Immigration and Refugee Community Organization (IRCO), and Native American Youth and Family Center (NAYA). These partnerships ensure effective, culturally competent outreach to the communities of color who are those in greatest need of affordable and stable housing. Beyond these core partnerships, the outreach efforts include contacting an extensive list of local nonprofits, faith groups, schools, and community leaders prior to opening applications in a particular neighborhood. The aim is to facilitate housing choice across the Metro area, while also creating opportunities for homeownership in the local neighborhoods where existing residents may have deep community ties.

The homebuyers can choose to take their homeownership readiness classes through HFHPR or through several partner organizations, including AAAH, DevNW, Hacienda CDC, IRCO, NAYA, OpenDoor HousingWorks, Portland Community Reinvestment Initiatives, or Portland Housing Center. These partnerships allow the homebuyers to access culturally specific programming that is community-based. If the participant chooses a partner organization that charges a fee for the classes, HFHPR will pay the fee. It's the priority to ensure these relationships are mutual, collaborative, and lasting. HFHPR has partnered with many of these organizations for more than ten years and has entered into formal MOUs with several.

The target community for the Capitol Hill development includes low-income Oregon residents, with a goal to reach family households most underrepresented as homeowners, including Black, Indigenous, Latinx and other people of color. In each HFHPR community the goal is to sell 70% of the homes to households between 35-60% AMI the remaining 30% are sold to households between 60-80% AMI. Habitat homebuyers are selected based on three criteria: (i) the applicant's level of need; (ii) their willingness to partner with HFHPR; and (iii) their ability to repay a mortgage through an affordable payment plan. Twenty-five of the homes (nearly half) in the Capitol Hill development will have four or five bedrooms, and will be well-suited to larger, blended, and multigenerational families. All of the homes in HFHPR's Capitol Hill development will be visitable to someone with a mobility impairment, most will include a ground floor accessible bedroom, and five homes will be single story and fully ADA accessible.

Initial Outreach: In addition to the collaboration described above with culturally specific organizations and other community partners, HFHPR conducts robust outreach activities. Tiffany Coleman, HFHPR's homeownership program manager, began hosting monthly virtual meetings this summer to provide general information to prospective Habitat homeowners. Before applications open for a particular development, HFHPR holds informational meetings, both in-person and online, to notify prospective buyers about the opportunity to apply. HFHPR employs specific measures to ensure accessibility and expand participation at all community meetings. Locations are selected to ensure ADA accessibility and simultaneous language interpretation is provided upon request, including in American Sign Language. HFHPR outreach staff also work to alleviate other frequent barriers to access for community members including siting meetings within easy access to public transportation and providing snacks and/or beverages. HFHPR also does the utmost to hold community meetings at times that are outside of typical working hours, or at times HFHPR knows it will be more convenient for community members based on ongoing engagement.

Homeownership readiness classes: As described above, the homebuyers can choose to take their homeownership readiness classes through HFHPR or through a variety of partner organizations. Courses include homeownership, money management, homeowner associations, and mortgages.

Community building and resource mapping: HFHPR offers a range of programming prior to move-in, such as neighborhood walks, resource-mapping, community events and celebrations (such as movie nights and holiday parties). These activities foster a sense of belonging and community, allowing future neighbors to get to know one another, as well as an orientation to practical resources (transportation, community centers, schools, childcare, groceries, and other services). Both aspects are critical to supporting successful homeownership among historically underserved communities.

Post-purchase support: HFHPR offers a range of classes to support new homebuyers in understanding basic home repair and maintenance. From basic plumbing skills to fire safety, to mold prevention, taxes, wills and end-of-life planning, and emergency preparedness, HFHPR offers a full range of free classes to ensure that homeowners have the skills and tools they need to make the most of their new asset. Maintenance of the grounds and the exterior of the homes is handled through the HOA. Because HOA dues are calculated into the affordable monthly payment (totaling about 1/3 of household income), the HOA is a practical vehicle for lower-income homeowners to plan for repairs and maintenance years or decades down the road. HFHPR offers staff dedicated to facilitating the HOA transition, completing warranty requests, assisting with resources, and community-building activities for current homeowners.

By serving as a resource for homebuyers for the life of the loan and assuming the servicer role for any loans where the homeowners are falling behind, HFHPR has achieved a default rate of less than 1%. That is far lower than the national average, providing long-term stability to both community and homebuyers.

Livability and Accessibility

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

In addition to the five, single-story, fully ADA accessible homes, all homes in the development will be visitable to someone with physical mobility limitations. This means that a child who uses a wheelchair can attend a birthday party, or a relative with limited mobility can attend a family gathering. As many homes as possible, given the site's slope, will include a ground floor bedroom and bathroom, which can accommodate a live-in household member with a disability. Thirty-one homes will include tuck-under garages, with an entrance to the main living space at the ground floor on the South side to ensure accessibility. A planned 40 parking pads, and 29 street parking spaces (on newly developed streets within the development) are clustered throughout, resulting in a total of 100 parking spaces throughout the development.

Approximately 40% of the nearly 5-acre development will remain as shared greenspace. The center of the development will include a playground and potentially, a community garden. The adjacent property, retained by the Church, is 15.6 acres and includes a significant portion of open green space and trees.

Over one-third of HFHPR households include a family member with a disability. All of the Capitol Hill homes will be visitable to someone with a mobility impairment, most will include a ground floor accessible bedroom, and five homes will be single-story and fully ADA accessible.

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.

For homeownership developments, the purchase price is only part of the housing affordability equation. Equally important is the long-term affordability of the homeowner's 30-year+ residency in the home, including utilities and maintenance. To achieve long-term affordability, Habitat homes are built using high quality materials and the most energy-efficient design. HFHPR homes have a "tight envelope" design standard that incorporates weather-resistant barriers on the exterior of the building, providing superior air sealing, coupled with above code underfloor insulation to create a tight seal in the home. To complete this energy efficiency package, all Habitat homes have ENERGY-STAR certified appliances.

The Capitol Hill Townhomes development will meet or exceed the Earth Advantage Platinum certification. The design for this site will mirror the Foster development in SE Portland, which earned the Habitat for Humanity 2020 Design Contest award for energy efficiency in multi-family design.

A multitude of energy efficiency features are included in the design to achieve Earth Advantages Net-Zero Energy Ready design standard: energy efficient heat pump heating and cooling (this system meets the air conditioner requirement, per Appendix F); energy efficient heat pump hot water heater; Energy Star appliances; window glazing U-factor 0.24; window glazing SHGC 0.22; exterior walls advanced framing; air tightness 1.5 ACH50; R- 28 wall insulation, comprising -R-23 blown-in cellulose insulation in 2x6 walls cavities (intermediate framing) - 1" exterior rigid foam board insulation which provides a thermal break along the entire surface of the exterior walls; R-60 ceiling insulation on flat ceilings, R-38 on vaulted ceilings; and R-15 underslab and foundation perimeter rigid foam board insulation.

Ventilation and/or dehumidification equipment used: no OSB used in the floor or exterior wall assemblies to eliminate out-gassing from glue resins from sub-floor or wall sheathing; low VOC paint; radon gas mitigation using passive pipes under the concrete first floor slab on grade and running through the roof – prior to closing on the finished home, radon testing will be conducted in each unit; fresh air intake systems will use a Panasonic WhisperFresh Select™ Fresh Air Supply Fan, 50-150 CFM, providing moisture management and filtering outside air coming into the home with a MERV 13 air filter from the fresh air intake pipe; ceilings act as an air barrier and Habitat will seal all perimeter edges to wall plates and exterior; and sheathing/fluid applied WRB (this includes all penetrating elements such as ducts, j-boxes, light fixtures, electrical wires, and interior wall tope plates, improving indoor air quality by keeping outdoor impurities out of the home).

Solar: Each structure has a South facing roof. HFHPR is optimistic about securing additional funding to install solar panels. At a minimum, the electrical plans include pre-wiring of each home for future solar panel installation if the homeowner desires to add solar in the future. The roof is designed so that no roof penetrations or roof venting conflict with the location for future solar panels.

Plumbing: All plumbing fixtures are water sense certified to reduce water use.

EV readiness: Parking areas will be ready for installation of electric vehicle (EV) charging stations, with wiring conduit and panel space installed. Pending the availability of funding, HFHPR is planning for the installation of fully ready EV charging stations.

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.

	Proposed Date (Month /Year)*
1. Option/Contract executed	N/A
2. Site Acquisition	11/01/21
3. Zoning Approval	11/30/23
4. Building Permit & Fees	12/31/23
5. Offsite Improvements	06/30/24
6. Plans Completed	12/31/23
Bond Sale/Construction Loan	
7. Proposal	09/01/23
8. Firm Commitment	10/01/23
9. Closing/Funding of Loan	11/01/23
Permanant Loan	
10. Proposal	03/02/23
11. Firm Commitment	05/22/23
12. Closing/Funding of Loan	11/30/23
Development	
13. Syndication/Partnership Agreement	N/A
14. Construction Begins	03/31/24
15. Construction Completed	05/01/26
16. Certificate of Occupancy	07/01/26
Marketing	
17. Lease Up Begins	07/01/26
18. Lease Up Completed	12/31/26
19. Absorption (units per month)	N/A

	First Building
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Estimated Place in Service	07/01/26
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Metro Affordable Housing Bond Program Final Approval

Project Name: Oak Row at Rockwood
Implementing Jurisdiction: Gresham
Metro IGA Contract Number: 936778
Date of Concept Endorsement: November 27, 2023
Anticipated construction start: April 2024
Anticipated construction completion: December 2024

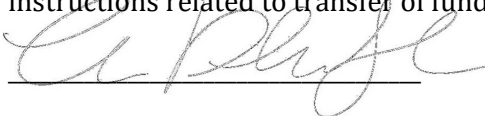
Action:

Metro hereby provides the City of Gresham with Final Approval of \$2,200,000.00 in Metro Affordable Housing Bond funds for the development of Oak Row at Rockwood a regulated affordable homeownership project located at 18329 SE Oak Street, Gresham. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the City of Gresham, is attached as Exhibit B.

This Final Approval is based upon the information contained in the final approval request provided to Metro by City of Gresham, 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
6	Two-bedroom	60%
5	Two-bedroom	80%

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

 2/16/2024

Marissa Madrigal
Chief Operating Officer
Date

Exhibit A: Metro staff findings and recommendations | Metro bond final approval for Oak Row at Rockwood



Drafted by Mercedes Evangelista, Program Coordinator and Alison Wicks, Housing Bond Program Supervisor
Date: February 15, 2024

Criteria for funding approval

Metro will issue Final Approval 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 Final Approval for Oak Row at Rockwood. 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 Gresham.

Changes since Concept Endorsement

Metro granted concept endorsement for this project on November 27, 2023. Subsequently, the developer secured a new construction lender, Level Capital, LLC, noted in the updated narrative in the Project Financing section.

Other notable developments in the project since the concept endorsement include:

- Habitat for Humanity Portland Region (HFHPR) provided Gresham/Metro with an updated third-party appraisal dated September 11, 2023, in response to the change in construction financing.
- HFHPR submitted an initial Community Engagement Outcomes Report to Gresham/Metro, dated December 19, 2023.
- The project is currently awaiting permits; WCHS has reported that a development engineering invoice was received from the City of Gresham on January 5, 2024, and is now being paid.

Contribution to unit production targets

Oak Row at Rockwood will utilize 8% (\$2,200,000) of Gresham's total allocation of bond funds while delivering 11 homeownership units that meet the following unit production outcomes:

- 6% of Gresham's overall unit production target;
- 0% of Gresham's target of units affordable to households making 30% or less of area median income (AMI); and
- 12% of Gresham's family-sized unit target.

When combined with Gresham's other pipeline projects, Oak Row at Rockwood puts the city on a path to have utilized 79% of Gresham's total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 190% of Gresham's overall unit production target;
- 100% of Gresham's target of units affordable to households making 30% or less of area median income (AMI); and

- 211% of Gresham’s family-sized unit target.

Readiness to proceed

The City of Gresham has submitted it, and Metro staff have reviewed and evaluated the submitted materials for evidence of project feasibility and readiness to proceed. These include:

- An updated project pro forma dated 1/17/2024
- Affirmative Fair Housing Marketing Plan 3/21/2023
- Letters of Intent from Level Capital, City of Gresham System Development Charge fee sheet, Habitat for Humanity balance sheet
- Permit Set 9/13/2021
- Phase I Environmental Site Assessment (ESA) dated 4/10/2023
- Land appraisal dated 9/11/2023
- Community Engagement Outcomes Report

Staff has identified this project as an affordable homeownership pilot project. Legal compliance of regulatory agreement and monitoring plan will need to be confirmed and staff will continue to request updates from the City of Gresham regarding how work is proceeding. Approval is on the condition of City of Gresham SDC Financing documentation is submitted before Metro disbursement.

Advancing racial equity

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

- **Location:** Oak Row at Rockwood will be located near the heart of Rockwood Town Center, with great access to educational, economic, and recreational opportunities and transit access. Amenities, including grocery stores, a pharmacy, and a drug store, are all within a half mile of Oak Row. The community center within Hacienda’s Village apartments is about a ten-minute walk. The site is just over half a mile from 13-acre Pat Pfeifer Park, the largest in Rockwood, and includes a baseball diamond, soccer field, playground, and forested paths. Nine schools are located within a mile of Oak Row.
- **Transit access:** The site is within a five-minute walk mile from Trimet Bus lines 20 and 25, on SE Stark and 182nd Avenue (the nearest stop is 0.2 miles away).
- **Diversity in contracting/hiring:** The development team aims to award a minimum of 20% of total development costs to MWESB/COBID contractors for this project. Habitat for Humanity Portland Region has selected West Coast Home Solutions as the project’s general contractor.
- **Access for historically marginalized communities:** HFHPR partners with culturally specific organizations throughout the Portland area, including Bienestar, African American Alliance for Homeownership (AAAH), Native American Youth and Family Center (NAYA), Hacienda CDC, Immigration and Refugee Community Organization (IRCO), and Asian Pacific American Network of Oregon (APANO). These partnerships ensure effective, culturally competent outreach to the communities of color disproportionately in the greatest need of affordable housing. Beyond these core partnerships, HFHPR outreach efforts include contacting an extensive list of nonprofits, faith groups, schools, and community leaders before opening applications in a particular neighborhood to improve housing choice across

the Metro area while also creating opportunities for homeownership in the local neighborhoods where existing residents may have deep community ties.

- **Culturally appropriate services:** HFHPR provides pre- and post-purchase support in-house and through referrals to culturally specific partners for financial education, including NAYA, Hacienda CDC, AAAH, and other HUD-certified housing agencies. HFHPR will partner with Proud Ground in selecting future homebuyers and collaborate on helping future homeowners become mortgage ready. Proud Ground aims to mitigate barriers to homeownership for communities historically denied access to homeownership, including lower-income households and households of color. Prospective homebuyers gain access to Proud Ground's Homeownership Education and Counseling programs, which help first-time homebuyers become mortgage ready. Proud Ground then administers down-payment assistance funds as buyers complete the purchasing process.
- **Climate Resilience:** HFHPR's Foster development in SE Portland earned the Habitat for Humanity 2020 Design Contest Award for energy efficiency in multi-family design. The Oak Row development will mirror Foster's model. A multitude of energy efficiency features are included in the design to achieve Earth Advantages Net-Zero Energy Ready design standard. Features include energy-efficient heat pump heating and cooling systems.

Community engagement to inform project implementation

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

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

HFHPR will utilize existing community connections in the Rockwood neighborhood to conduct outreach and seek community input for the development. HFHPR will partner with Hacienda CDC to host a minimum of two (2) information sessions in the accessible community room at Rockwood Village. The first meeting will provide Rockwood Village residents and other community members with information on homeownership opportunities and instructions towards becoming homeownership-ready (such as addressing credit history and debt). Another session, to be held approximately one month before applications are accepted for the development, will provide information specific to this development – how to apply, program eligibility, and timeline.

EXHIBIT B: Project summary submitted by City of Gresham Metro bond Final Approval for Oak Row at Rockwood Townhomes

Submitted by: Joseph Gavrilovich (he/him), Deputy Director of Government Grants
Habitat for Humanity Portland Region, joseph.gavrilovich@habitatportlandregion.org

Submitted on: 01/16/24 (revised for Final Approval)

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

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

Project Overview

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

The requested amount of bond funding from Metro for this project is \$2.2 million. The site is located at 18329 SE Oak Street and covers an area of 0.34 acres (14,600 square feet).

The deed to the property establishes ownership by West Coast Home Solutions (WCHS). It was purchased by WCHS in December 2012. Eleven housing units are proposed for the site, which is currently vacant with no existing structures.

The development was awarded \$2.2 million in Metro Bond funds from the City of Gresham (\$200,000 per unit for 11 units). This award will help significantly to finance the overall project, which will utilize an affordable home price calculation formula, a contingency and escalation strategy, and leverage other funding sources.

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.

Concept Endorsement for this project was granted by Metro on November 27, 2023. At that time, a new construction lender for the project (Level Capital, LLC) had been secured by the developer since the initial application; this narrative has been updated to reflect this change (see Project Financing section).

Other pertinent changes to the project since Concept Endorsement include:

- With the change in construction financing, Habitat for Humanity Portland Region (HFHPR) provided Gresham/Metro with an updated third-party appraisal, dated September 11, 2023.

- HFHPR submitted to Gresham/Metro an initial Community Engagement Outcomes Report, dated December 19, 2023.
- Permits are pending; WCHS reports that a development engineering invoice was received from the City of Gresham on January 5, 2024, and is being processed and paid.

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.

Eleven permanently affordable housing units are proposed for the site, which will consist of three buildings to include six, three, and two units respectively. All units will be 1,183 square feet, with two bedrooms and 1.5 baths. The units will be three stories, to include attached 1-car garages on the lower level. The site plan proposes an additional four shared surface parking spaces, for a total of 15.

The site plan features a common outdoor space, and children’s play area and structure. The site currently has no mature trees; additional landscaping and tree-planting will create greenery throughout the development and around the perimeter.

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/unit	Gross monthly rent/unit*
Two (2)	6	35-60%	n/a	n/a	1,183	\$1,139
Two (2)	5	60-80%	n/a	n/a	1,183	\$1,596
Total	11					

* Because these units are for homeownership, figure shown is estimate for monthly mortgage payment, which is inclusive of homeowners insurance and property taxes.

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.

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.



Above: Rendering of Oak Row at Rockwood Townhomes

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.

PROJECT SELECTION: Oak Row at Rockwood was selected for funding through Gresham’s RFP 23-16 Bond Opportunity Solicitation, which was published on January 25th, 2023. The site was selected for an affordable housing development by HFHPR through a partnership with WCHS, an entity which has owned the site since December 2012.

DUE DILIGENCE/PREDEVELOPMENT: WCHS has already submitted applications for building permits, and the City provided feedback on the unit configuration, navigation and access, fire department requirements and availability of utilities to serve the parcel. As a part of their submission, WCHS provided notice to the Rockwood Neighborhood Association for comments. Land use was approved for Oak Row on August 14, 2019. As of January 2024, WCHS reports permits are pending, site preparation is underway, and construction will begin as soon as the award is final and permit issuance is complete.

As Oak Row is in the Rockwood Town Center (RTC) District, consideration was given to both site and building design to conform with specific planning and zoning requirements of the district. Among these are a 52’ dedication along the West side of the property for a future street as identified by City planners, and a 20’ drive aisle at the center of the property, allowing vehicles to access garages at the rear of buildings. A removable asphalt driveway is proposed to connect Oak Street with the drive aisle through the dedicated area that may become a street in the future.

A significant amount of work has been completed to ensure the property is safe and ready for development and to prepare the land use application:

- Phase I Environmental Site Assessment has been commissioned;
- Geotechnical Engineering Report and Infiltration Testing is complete and a final Geotechnical Engineering Report has been commissioned;
- WCHS has engaged a condo attorney to start preparation of documents;

- Engineering team has been hired; and,
- Site work and vertical work are ready to commence.

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.).

Oak Row development will be located near the heart of Rockwood Town Center, a site which has great access to educational, economic, and recreational opportunities as well as transit. Amenities including grocery stores, a pharmacy, and drug store are all within a half mile of Oak Row. The community center located within Hacienda’s Village apartments is about a ten-minute walk. The site is just over half a mile from 13-acre Pat Pfeifer Park, which is the largest in Rockwood, and includes a baseball diamond, soccer field, playground, and forested paths. Nine schools are located within a mile of Oak Row.

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

Please find aerial map image attached at the end of this narrative.

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.

- SIZE: The site covers an area of 0.34 acres (14,600 square feet).
- TAX LOTS: One (1)
- SITE CONTROL/OWNERSHIP: The deed to the property establishes ownership by WCHS. It was purchased by WCHS in December 2012.
- APPRAISAL: Attached
- ZONING: The land is zoned RTC (Rockwood Town Center) under Code 4.0410. The development will comply with requirements for this zone.
- OTHER: Site does not include existing buildings or structures.

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.

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.).

The development was awarded \$2.2 million in Metro Bond funds (\$200,000 per unit for 11 units). This award will help significantly to finance the overall project, which will utilize an affordable home price calculation formula, a contingency and escalation strategy, and leverage other funding sources.

Please find project sources and uses tables attached to the end of this narrative.

Home Price Calculation: The initial affordable sales price sets the baseline for current and future affordability of each home. For the initial sale of each home, the base price is established according to a methodology incorporating the community's AMI levels, and property details including estimated taxes, insurance, lease fees, and HOA fees. The calculation considers the number of bedrooms in the unit, percentage of AMI, and interest rate. The sales price calculation includes the current market interest rate to set a sale price that is affordable for the current buyer, and future income-qualified buyers, whether or not HFHPR is able to subsidize the loan or provide a 0% interest loan. The sales prices calculation for the home units in this project used a 5.5% interest rate which is the current Oregon Bond Residential Loan Program rate.

The following was assumed to calculate escrow:

- Property taxes of \$183
- \$25-50 lease fee
- HOA dues of \$165
- \$40 for insurance

Using the affordable base price calculator with the numbers above, we ensure that the initial sales price is affordable to an applicant with a household size of bed # +1 at approximately 65% AMI. Front end ratio was 34% for all. The sales price of the homes will be \$222,000 (all 2-bedroom units). For 35-60% AMI buyers, the first mortgage will be tailored to match the household income, with an average mortgage of \$139,070. HFHPR will provide a second, forgivable 0% mortgage that bridges the gap between what those buyers can afford and the sales price of \$222,000. Buyers over 60% AMI will pay the full sales price. By setting an affordable base price, we ensure that front-end housing costs will be no more than 30% of the homebuyer's gross monthly income. Through the Community Land Trust's cap on the annual increase of the resale price, we also ensure the long-term affordability of the home for future buyers.

Closing costs are typically split between the homebuyer and seller. Title fees and a portion of the HOA fees are paid at this time. Currently title fees at a similar project are approximately \$1,150 per unit. In total, HOA fees, including pro-rated current monthly dues, a processing fee, and demand fee average \$200, depending on the number of bedrooms in the unit.

Contingency and Escalation: Since 2020 we all have experienced increased construction costs due to a confluence of events – including soaring construction demand, inflation, pandemic-related restrictions, supply chain disruptions, and labor shortages. Both WCHS and HFHPR have been the Owner, Developer, and General Contractor on many projects, for decades prior and through recent events. This allows them, together, to make very well-informed estimates on labor and material costs. Successful budgeting also relies on partnerships with local industry professionals who consistently provide accurate and reasonable cost estimations. To prepare for unforeseen costs, we

calculate a 5% contingency on hard and soft costs. We do not include escalation, as site work has already commenced and construction will commence directly upon project funding.

To ensure that the project budget and schedule stay on track if current economic conditions change, we prioritize regular and comprehensive analysis of the project status, identify any challenges or delays, and resolve issues as they arise during the life of the project. The budget is part of our project plan, acting as a baseline to measure performance as we collect actual costs once we begin the project.

Leverage: WCHS, a private builder, has secured a construction loan for Oak Row, and commencement of construction is not dependent on Gresham Regional Bond funds. Bond subsidy is required, however, to make Oak Row homes affordable to 35-80% AMI buyers. If funds are not secured, Oak Row homes will be sold at market value with no affordability mandate.

The partnership between nonprofit HFHPR and WCHS provides the financing strategy for Oak Row to deliver regulated affordable homes. Namely, HFHPR will underwrite zero-interest mortgages, and contribute \$36,000 to the project in gap financing. HFHPR's unique strategies have proven success for providing affordable homeownership for very low- and low-income families: HFHPR's model has been and continues to be practiced by numerous Habitat affiliates across the state, the nation, and globally.

Other Funding Sources/Mechanisms:

- *Construction Loan:* WCHS has received signed a term sheet from Level Capital, LLC dated November 17, 2023, which commits a construction loan of up to \$2.68 M for this project.
- *SDC Financing:* In partnership with HFHPR, WCHS plans to utilize the City's incentive to allow for deferral of SDC payments until final occupancy.

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.

WCHS has assessed an 8.3% developer fee, which can be deferred to the end of the project. (This does not include project partner Habitat for Humanity Portland Region's fee of \$22,000 which, if included, would bring developer fee to 8.8%.) The cost of the land and administrative costs (including the developer fee) were subtracted from the total before calculating the developer fee.

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

HFHPR will also apply for other government grants to help subsidize the first mortgages for very low-income buyers, to include state funding for down payment assistance. HFHPR recently received an award of \$1.1 million for down payment assistance from Oregon Housing and Community Services.

Development Team

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

The Oak Row at Rockwood is the first project combining the development expertise of WCHS and Habitat for Humanity Portland Region (HFHPR).

The WCHS team for this project includes the following staff:

- Eugene Labunsky, President, has over 20 years of real estate developer experience in the Portland Metro area. Eugene has established longstanding relationships with other local industry professionals. Eugene possesses a deep understanding of zoning ordinances, construction regulations and environmental restrictions, and leads WCHS's land acquisition and finance procurement. He is adept at assessing land potential based on population growth, traffic patterns, local taxes, and other factors to best position project success.
- Alex Labunsky, Chief Operating Officer, is the Construction Manager on Oak Row. He has over 20 years of building and construction management experience in multifamily, commercial, light industrial, governmental and land development projects. He is also well-versed in leading pre-development, working with local governments to ensure compliance with zoning ordinances and regulations. He leads WCHS's management of all contractors, including engineers, architects, site superintendents and construction trades.
- Angela Escoto, Project Manager and Assistant Coordinator, has over 6 years of professional experience in construction management and project life-cycle management, with a record of performing MAC services in commercial, federal, and tenant improvement projects. She is experienced in LEED programs and sustainability, and has worked for the Federal Highway Administration to support infrastructure projects for city, local, county, and national parks.
- Natasha Shevchenko, Controller and Finance Manager, has over 20 years of accounting, bookkeeping, cost control and financial management experience. She has experience in facilities management, familiarity with local city by-laws, HOAs and office management. She is a managing partner, and works closely with finance managers and lenders to secure and internally manage financing for land development and construction projects.

The HFHPR team for this project includes the following staff:

- Becky White, VP of Construction, has been working in construction in the Portland area for over 20 years, providing valuable long-term relationships with local industry professionals and a command of local policies and regulations in both commercial and residential construction, including multi- and single-family homes and commercial buildings. She brings expertise in high-performance and sustainability in new construction. Becky understands many facets of the construction industry, with experience as a Project Estimator, Construction Litigation Project Manager, and Project Manager and Supervisor. More recently and prior to joining HFHPR, she worked as a Project Manager and Supervisor with B&G Builders, Green Hammer Design Build, Hammer & Hand, Pete Fowler Construction Services, and Don Tankersley Construction.
- Erin Maxey, Director of Homeownership, has 12 years of experience working for Habitat for Humanity focusing on various aspects of homeownership. Since 2021, Erin has served as the homeownership department director, overseeing all aspects of the homeownership program including ensuring all program policy and procedures are in line with organizational goals and comply with state and federal law, as well as overseeing home

buyer applications, outreach, lending and lender relations, and homeowner support and education. Through her time with Habitat Erin has gained tremendous experience with affordable homeownership models including implementing permanent affordability in partnership with Proud Ground.

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.

HFHPR partners with culturally specific organizations throughout the Portland area including Bienestar, African American Alliance for Homeownership (AAAH), Native American Youth and Family Center (NAYA), Hacienda CDC, Immigration and Refugee Community Organization (IRCO), and Asian Pacific American Network of Oregon (APANO). These partnerships ensure effective, culturally competent outreach to the communities of color who are disproportionately in greatest need of affordable housing. Beyond these core partnerships, HFHPR outreach efforts include contacting an extensive list of nonprofits, faith groups, schools, and community leaders prior to opening applications in a particular neighborhood, with the aim of improving housing choice across the Metro area, while also creating opportunities for homeownership in the local neighborhoods where existing residents may have deep community ties. HFHPR Homeownership Manager, Tiffany Coleman, hosts monthly virtual meetings to provide information to prospective Habitat homeowners. As part of this work, Ms. Coleman leads efforts to continually expand and deepen relationships with partner organizations.

HFHPR employs specific measures to ensure accessibility and expand participation at community meetings. Locations are selected that comply with local jurisdictional public meeting standards, including but not limited to ADA Accessibility. Simultaneous language interpretation is available upon request, including American Sign Language. HFHPR outreach staff also work to alleviate other frequent barriers to access for community members including siting meetings within easy access to public transportation, and providing snacks and beverages. HFHPR does their utmost to hold community meetings at times that are outside of typical working hours, or at times known to be more convenient based on their ongoing engagement and community feedback.

Habitat for Humanity Portland Region (HFHPR) has utilized existing community connections in the Rockwood neighborhood to conduct outreach and seek community input for the development. Through our partnership with Hacienda CDC, we set out to host a minimum of two information sessions in the accessible community room at Rockwood Village. The first meeting provided Rockwood Village residents and other community members with information on home ownership opportunities and instructions towards becoming homeownership-ready (such as addressing credit history and debt). A second session held approximately one month before applications were accepted for the development, provided information specific to this development – how to apply, program eligibility, and timeline.

In addition to the two outreach events held in the Rockwood community, HFHPR recently attended the Rock the Block event which was held at the Rockwood Market Hall and the Rockwood National Night Out. HFHPR also conducted targeted outreach to the residents of Rockwood Village via an online Zoom information session.

HFHPR has a ReStore location in the neighborhood of the development, and uses this site for flyers and events to publicize the homeownership opportunity to immediate neighbors.

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)*

As the economy continues to recover from the pandemic, high housing costs and a shortage of affordable housing continues to cause hardship for Multnomah County renters with low incomes, raising their risks of housing instability and homelessness. Housing affordability challenges are disproportionately concentrated among lowest-income people and people of color, and housing costs and discrimination have created barriers to homeownership that result in many Oregon communities experiencing high levels of housing disparities.

HFHPR affirmatively furthers fair housing goals by prioritizing applications referred by community partners, many of which are culturally specific organizations. Furthermore, HFHPR is prioritizing serving Black families who have been closed out of generational wealth-building due to the legacy of slavery, Jim Crow, redlining, urban renewal, predatory and discriminatory lending, and gentrification.

HFHPR is also increasingly prioritizing geographic diversity in build plans, emphasizing bringing homeownership opportunities and household stability to underserved communities as well as opening up access for lower-income households in more affluent neighborhoods.

HFHPR's homeowner communities represent the rich diversity of our region - over 80% are households of color and over 1/3 of households include a family member with a disability. Habitat communities represent many languages and countries of origin. Our current homebuyer and homeowner community includes households speaking over 24 languages.

ECONOMIC OPPORTUNITIES: HFHPR will set a target of 20% of total development costs paid to MWESB/COBID contractors for this development. A comparable recent HFHPR project would be Cherry Blossom, which includes 31 homes close to completion in East Portland. On that project, HFHPR achieved a 12% MWESB/COBID contractor rate. In other recent projects, they exceeded targets. Their Kenton and Olin developments achieved an average Minority Apprenticeship rate of 51% while 46% of the contractors on these builds were MWESB-SDV businesses.

HFHPR continually reassesses strategies to increase MWESB participation. HFHPR’s commitment to MWESB/SDVBE participation (both COBID and non-COBID certified) is an institutional standard with goals articulated in HFHPR’s procurement policy: “Positive efforts shall be made to award a fair share of contracts to small, minority, and women’s business firms and/or Section 3 certified businesses. Affirmative steps must be taken to assure that small, minority, and women’s businesses and/or Section 3 businesses are utilized where possible as a source of supplies, equipment, construction, and services.”

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.

HFHPR’s program supports homeowners before and after their purchase to ensure generations of stability in the new home. HFHPR provides pre- and post-purchase support both in-house and through referrals to culturally specific partners for financial education. Our homebuyers can choose to take their homeownership readiness classes through several partner organizations, including DevNW, African American Alliance for Homeownership (AAAH), Portland Housing Center, Native American Youth and Family Center (NAYA), Immigrant and Refugee Community Organization (IRCO), Hacienda CDC, PCRI, or OpenDoor HousingWorks. These partnerships allow our homebuyers to access culturally specific programming.

If an applicant is denied to the Habitat program due to poor credit history, they will be referred to a HUD-certified housing counseling agency for support, and they may reapply to the program later.

Habitat for Humanity of Oregon continues to administer IDAs (state-matched savings plans) statewide through an ongoing partnership with DevNW, and recently, their own in-house program. Most HFHPR homebuyers use IDAs to save for their closing costs.

HFHPR offers a range of classes to support new homebuyers in understanding basic home repair and maintenance. By serving as a resource for homebuyers for the life of the loan and assuming the servicer role for any loans where the homeowners are falling behind, HFHPR has achieved a default rate of less than 1%. That is far lower than the national average, providing long-term stability to both community and homebuyers.

Livability and Accessibility

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

Units will include tuck-under garages and access to outdoor greenspaces and a common play area.

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.

To achieve long-term affordability, HFHPR homes are built using high quality materials and energy-efficient design. HFHPR homes have a “tight envelope” design standard that incorporates weather-resistant barriers on the exterior of the building, providing superior air sealing, coupled with above code underfloor insulation to create a tight seal in the home. All homes have ENERGY-STAR-certified appliances.

HFHPR’s Foster development in SE Portland earned the Habitat for Humanity 2020 Design Contest Award for energy efficiency in multi-family design. The Oak Row development will mirror Foster’s model. A multitude of energy efficiency features are included in the design to achieve Earth Advantages Net-Zero Energy Ready design standard. Features include energy efficient heat pump heating and cooling (this system meets the air conditioner requirement). The electrical plans include pre-wiring of each home for future solar panel installation, and HFHPR is hopeful about securing additional funding to install solar panels on each structure’s South-facing roof. All plumbing fixtures are water sense certified to reduce water use. Parking areas will be ready for installation of electric vehicle (EV) charging stations, with wiring conduit and panel space installed.

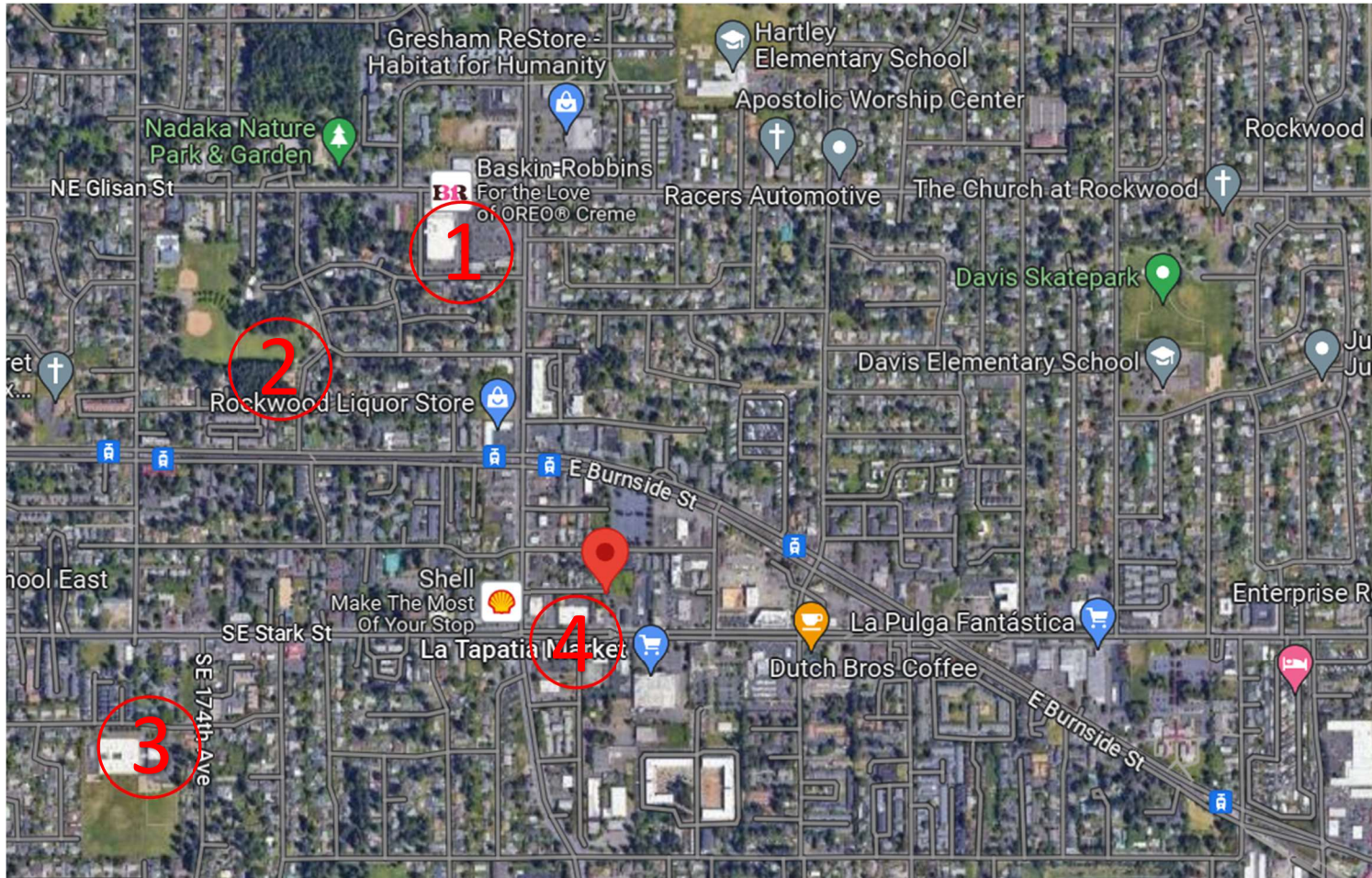
Anticipated Timeline

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.

Please find revised project schedule (application “Form H”) attached at the end of this narrative.

Narrative Attachments Follow:

1. Aerial map image of surrounding neighborhood.
2. a. Table of project budget sources
b. Table of project budget uses
3. Revised project schedule (“Form H”)



Oak Row at Rockwood Townhomes: 18329 SE Oak Street (red pin at center)

Nearest Amenities Include: (1) Safeway/Albertsons (grocery/drug store/pharmacy); (2) Pat Pfeifer Park (outdoor recreation); (3) Alder Elementary School (Reynolds School District); and (4) SE Stark and 182nd (transit/bus stop)

Sources

Section 101(c)(1) - 101(c)(2) - 101(c)(3) - 101(c)(4) - 101(c)(5) - 101(c)(6) - 101(c)(7) - 101(c)(8) - 101(c)(9) - 101(c)(10) - 101(c)(11) - 101(c)(12) - 101(c)(13) - 101(c)(14) - 101(c)(15) - 101(c)(16) - 101(c)(17) - 101(c)(18) - 101(c)(19) - 101(c)(20) - 101(c)(21) - 101(c)(22) - 101(c)(23) - 101(c)(24) - 101(c)(25) - 101(c)(26) - 101(c)(27) - 101(c)(28) - 101(c)(29) - 101(c)(30) - 101(c)(31) - 101(c)(32) - 101(c)(33) - 101(c)(34) - 101(c)(35) - 101(c)(36) - 101(c)(37) - 101(c)(38) - 101(c)(39) - 101(c)(40) - 101(c)(41) - 101(c)(42) - 101(c)(43) - 101(c)(44) - 101(c)(45) - 101(c)(46) - 101(c)(47) - 101(c)(48) - 101(c)(49) - 101(c)(50) - 101(c)(51) - 101(c)(52) - 101(c)(53) - 101(c)(54) - 101(c)(55) - 101(c)(56) - 101(c)(57) - 101(c)(58) - 101(c)(59) - 101(c)(60) - 101(c)(61) - 101(c)(62) - 101(c)(63) - 101(c)(64) - 101(c)(65) - 101(c)(66) - 101(c)(67) - 101(c)(68) - 101(c)(69) - 101(c)(70) - 101(c)(71) - 101(c)(72) - 101(c)(73) - 101(c)(74) - 101(c)(75) - 101(c)(76) - 101(c)(77) - 101(c)(78) - 101(c)(79) - 101(c)(80) - 101(c)(81) - 101(c)(82) - 101(c)(83) - 101(c)(84) - 101(c)(85) - 101(c)(86) - 101(c)(87) - 101(c)(88) - 101(c)(89) - 101(c)(90) - 101(c)(91) - 101(c)(92) - 101(c)(93) - 101(c)(94) - 101(c)(95) - 101(c)(96) - 101(c)(97) - 101(c)(98) - 101(c)(99) - 101(c)(100)

Complete the source table to show all sources of funding for project development and permanent subsidy on the home.

Completed capital campaigns are considered cash. Planned or ongoing capital campaigns are not allowed.

For all highly likely sources listed, please be sure to provide a letter of interest or evidence of a track record of receiving the funds.

	Source of funds	Total Amount	Year 1: Anticipated Amount	Year 2: Anticipated Amount	Year 3: Anticipated Amount	Type	Interest	Term (months)	Total Expected Finance Cost	Total repaid at occupancy (if applicable)	Status	Percent Likelihood of Receipt (%)	Other Details
	Example Source of funds	\$ 150,000	\$ 50,000	\$ 50,000	\$ 50,000	Loan	1%	36	\$ 3,200	\$ 153,200	Committed		Loan will start repayment upon house sales. Interest increases after 3 yrs.
Committed Sources (unhide cells for more rows)	Sales Revenue/Proceeds from Sales (populated from O55)	\$ 1,944,420				Cash					Conditional		
	Construction Loan	\$ 1,776,976	\$ 1,776,976			Loan	7.50%			\$ 1,776,976	Committed		
	Habitat contribution	\$ 36,000	\$ 36,000			Cash					Committed		
	SDC financing	\$ 167,500	\$ 167,500			Loan	0.00%			\$ 167,500	Conditional		
		\$ -											
Highly Likely Sources (unhide cells for more rows)	Development Subsidies	\$ 2,200,000	\$ 2,200,000			Grant	0.00%				Conditional		Gresham Regional Bond Funds
		\$ -											
		\$ -											
		\$ -											
		\$ -											
TOTAL PROJECT SOURCES		\$ 6,124,896	\$ 4,180,476	\$ -	\$ -				\$ -	\$ 1,944,476			

HOMEOWNERSHIP PROGRAM Summary

Budget Uses

Expected Spend Down of Funds Timing

Acquisition & Site Work	Per Unit	Total	Y1	Y2	Y3
Lot Acquisition	\$40,909	\$450,000	\$450,000		
Site/Exterior Preparation & Improvements	\$32,273	\$355,000	\$355,000		
Utilities	\$12,091	\$133,000	\$133,000		
Other (list below - unhide for more rows):	0				
	0				
	0				
Acquisition & Sitework Subtotal:	\$ 85,272.73	\$938,000	\$938,000	\$0	\$0

Pre-Development & Soft Costs	Per Unit	Total	Y1	Y2	Y3
Appraisals	\$ 291	\$3,200	\$3,200		
Architect	\$ 9,091	\$100,000	\$100,000		
Asbestos Report	\$ -	\$0	\$0		
Building Permits	\$ 11,818	\$130,000	\$130,000		
Engineer	\$ 2,727	\$30,000	\$30,000		
Environmental & Phase 1	\$ 227	\$2,500	\$2,500		
City Fees, Inspections & Approvals	\$ 5,355	\$58,900	\$58,900		
Lead Based Paint Report	\$ -	\$0	\$0		
Soils Report/Geotech	\$ 273	\$3,000	\$3,000		
Special Inspections/Testing	\$ -	\$0	\$0		
Survey Costs	\$ 3,091	\$34,000	\$34,000		
System Development Charges	\$ 15,227	\$167,500	\$167,500		
Wetland Mitigation	\$ -	\$0	\$0		
Soft Cost Contingency (max 5%)	\$ 2,405	\$26,455			
Other (list below - unhide for more rows):	\$ -				
	\$ -				
Pre-Development & Soft Costs Subtotal	\$ 50,505	\$555,555	\$529,100	\$0	\$0

Hard/Construction Costs	Per Unit	Total	Y1	Y2	Y3
Concrete	9545.454545	\$105,000	\$105,000		
Masonry	454.5454545	\$5,000	\$5,000		
Metals	1363.636364	\$15,000	\$15,000		
Wood, Plastics, and Composites	37272.72727	\$410,000	\$410,000		
Thermal and Moisture Protection	33409.09091	\$367,500	\$367,500		
Openings (doors & windows)	10077.27273	\$110,850	\$110,850		
Finishes	32240.90909	\$354,650	\$354,650		
Specialties	909.0909091	\$10,000	\$10,000		
Equipment and Appliances	6500	\$71,500	\$0	\$71,500	
Furnishings	1681.818182	\$18,500	\$15,000	\$3,500	
Conveying Equipment	0	\$0	\$0		
Fire Suppression	0	\$0	\$0		
Plumbing	11727.27273	\$129,000	\$100,000	\$29,000	
Heating, Ventilating, and Air Conditioning	14300	\$157,300	\$100,000	\$57,300	
Integrated Automation	0	\$0			
Electrical	11622.72727	\$127,850	\$100,000	\$27,850	
Communications	650	\$7,150	\$7,150		
Electronic Safety and Security	863.6363636	\$9,500	\$9,500		
Hard Cost Contingency (max 5%)	8630.909091	\$94,940			
Other (list below - unhide for more rows):	0				
	0				
	0				
	0				
Hard/Construction Costs Subtotal:	\$ 181,249.09	\$ 1,993,740.00	\$ 1,709,650.00	\$ 189,150.00	\$ -

Project Administration	Per Unit	Total	Y1	Y2	Y3
Bonding & Insurance	0				
Contractor Fee/Profit	0				
Contractor General Conditions	7909.090909	\$87,000	\$85,000		
Contractor Overhead	5331.363636	\$58,645	\$58,645		
Developer Fee	26185.09091	\$288,036	\$288,036		
Escalation	0				
Legal	2272.727273	\$25,000	\$25,000		
Marketing/Advertising	0				
Subsidy in the Home*	0				
Other (list below - unhide for more rows):	0				
	0				
	0				
Professional Fees & Administrative Costs Subtotal:	\$ 41,698.27	\$ 458,681.00	\$ 456,681.00	\$ -	\$ -

Closing, Carrying Costs & Other Project Fees	Per Unit	Total	Y1	Y2	Y3
DOJ Charges	0	\$0			
Interest Costs	7272.727273	\$80,000		\$80,000	
Loan Fees & Closing Costs	7727.272727	\$85,000		\$85,000	
OHCS Application Charge	0	\$0			
OHCS Recipient Charge	0	\$0			
OHCS Reservation Charge	0	\$0			

HOMEOWNERSHIP PROGRAM Summary

OHCS Document Preparation Charge	0	\$0			
Real Estate Taxes	318.1818182	\$3,500		\$3,500	
Sales Expense	500	\$5,500		\$5,500	
Title Insurance & Recording	2500	\$27,500		\$27,500	
Other (list below - unhide for more rows):					
Proud Ground Fee	1000	\$11,000			
Habitat for Humanity Fee	2000	\$22,000			
Carrying Costs & Other Project Fees Subtotal:	\$ 21,318.18	\$ 234,500.00	\$ -	\$ 201,500.00	\$ -
TOTAL PROJECT COST	\$380,043	\$4,180,476	#	\$3,633,431	\$390,650
					\$0

FORM H – PROJECT SCHEDULE
GRESHAM’S METRO HOUSING BOND

PROJECT/PROPERTY NAME: The Row at Rockwood

PROPOSED PROJECT SCHEDULE

Provide a preliminary schedule of development activity related to the proposed project. For the purpose of this application, use July 1, 2023 as the first date Housing Bond funds would be available.

ACTIVITY		NOTES:
SITE CONTROL	12/1/2012	Site acquired in 2012
SITE ANALYSIS	12/1/2012	
PROPERTY ACQUISITION	12/1/2012	
LAND USE APPROVAL	4/1/2023	Building permits pending approval
PERMIT APPROVAL	3/31/2023	
CONTRACTOR SELECTION/SOLICITATION	7/1/2023	Underway beginning March, 2023
CONSTRUCTION LOAN PROPOSAL	2/4/2023	
CONSTRUCTION LOAN COMMITMENT	2/4/2023	
CONSTRUCTION LOAN CLOSING	3/4/2023	Terms may be re-evaluated
PERMANENT LOAN PROPOSAL		N/A
PERMANENT LOAN COMMITMENT		N/A
PERMANENT LOAN CLOSING		N/A
SYNDICATION/PARTNERSHIP AGREEMENT (LIHTC)		N/A
GROUNDBREAKING	04/22/2024	Site work commenced 6/29/2023
CERTIFICATE OF OCCUPANCY	10/28/2024	
LEASING BEGINS	09/28/2024	
LEASING COMPLETED	12/28/2024	
FULL LEASE UP	12/28/2024	All units sold

Metro Affordable Housing Bond Program Concept Endorsement

Project Name: PCC Southeast
Implementing Jurisdiction: Portland Housing Bureau
Metro IGA Contract Number: 937016
Anticipated construction start: July 2024
Anticipated construction completion: January 2026

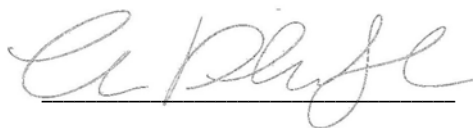
Action:

Metro hereby provides the Portland Housing Bureau with Concept Endorsement of \$2,649,254 in Metro Affordable Housing Bond funds for the development of PCC Southeast, a regulated affordable housing project located at 7705 SE Division 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 Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by the Portland Housing Bureau, including Project cost proformas and statements of sources and uses of funding needed to generate a Project with the following unit mix:

Number of Units	Bedroom type	AMI Level	Project Based Vouchers
6	Studio	30%	6
27	Studio	60%	0
7	One-bedroom	30%	7
21	One-bedroom	60%	0
5	Two-bedroom	30%	5
41	Two-bedroom	60%	0
2	Three-bedroom	30%	2
15	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

2/16/2024

Date

Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for PCC Southeast



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

Date: January 18, 2024

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 PCC Southeast. 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 PCC Southeast project, is in the amount of \$2,649,254 (1.3%). The project will deliver 124 units that meet the following unit production outcomes:

- 8% 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);
- 9% 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 92% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 121% 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);
- 137% 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 9/25/2023
- Ground lease MOU between PCC and HIS, dated 10/11/2021 as evidence of site control
- Evidence of development capacity
- Information about development teams
- City of Portland zoning verification, dated 4/14/2022
- Phase I ESA report, dated 1/6/2022

- The net cash developer fee is 6%, within the range of 2% to 6% for a project of this size under Metro's developer fee policy.

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 PCC Southeast project is in the Montavilla neighborhood of Portland near the Jade District, a Neighborhood Prosperity Initiative district, and the 82nd Avenue corridor. The site is 0.5 miles away from Bridger Elementary School and 0.6 miles away from Harrison Park Middle School. There are many grocery stores and restaurants along 82nd Street accessible by bus or foot, including culturally specific grocery stores. The site is within walking distance of Mt. Tabor Park which provides outdoor recreation space and frequent community events.
- **Transit access:** The project site sits two blocks away from a frequent service bus stop serving line FX2, connecting Gresham to downtown Portland, and is two blocks away from 82nd street with bus stops serving line 72 connecting Clackamas to North Portland. A MAX Green Line station is less than a mile away.
- **Diversity in contracting/hiring:** The project's COBID contracting goals include 30% hard cost and 20% soft cost participation by COBID-certified firms. LMC Construction will serve as general contractor for this project. The project will be tracking workforce participation and strive to meet or exceed the aspirational diversity goals of 20% of hours worked by state-registered 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:** OJF will work with APANO on the project's marketing and lease up strategies. The development team will be relying on APANO's existing community network to ensure that historically marginalized communities are aware of this new housing opportunity. Specific strategies include reaching out to cultural-specific organizations, translating materials into languages other than English, having multilingual staff to assist with marketing and lease up efforts and lowering barriers in the application process to make it less burdensome on future applicants.
- **Culturally appropriate services:** Our Just Future will lead resident services at the project through a full-time, on-site Resident Services Coordinator (RSC). APANO will also collaborate with the OJF Resident Services team to provide culturally specific programming and services to residents. APANO has been assisting with the programming at the Orchards on 82nd affordable housing mixed use building and has deep experience serving the AAPI community in and around the areas where the Project is located. The Resident Services program will provide on-site eviction prevention, client assistance funds, community engagement opportunities, information and resource referrals, assistance with critical support applications, and LearnLinks programming for children. Resident Services will collaborate with community-based organizations to provide referrals for specific needs like mental, behavioral, and physical health, to meet specialized needs of residents, designing programming and outreach in cooperation. The community room at the Project and Resident Services office will provide dedicated space for these activities and building community.

- **Climate resilience:** The envelope design will utilize Passive House Institute US (PHIUS) strategies to reduce operational costs while prioritizing occupant comfort and safety and will be 100% electric. Air conditioning requirements will be met either with DOAS (dedicated outside air system) cooling and cove heaters or with ERVs (energy recovery ventilators) with mini-split heat pumps.

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:**

Prior to construction, OJF, APANO and Edlen & Co. will conduct community engagement to inform intentional design choices in partnership with the project architect, Bora. Community input will ensure the design of the building, individual units, and indoor and outdoor community space are accessible and culturally relevant to priority communities including BIPOC individuals and families. Design decisions from priority communities will affect how the building will meet diverse future residents' needs. The development team will be relying on APANO's existing network of community-based organizations and individuals to support engagement efforts. In addition to working with APANO's community network, a community contact list was developed by OJF, PCC and Bora Architects to conduct the initial focus group community engagement in early 2022. Additional community engagement sessions are scheduled throughout fall 2023 with this group.

In addition to speaking with community stakeholders representing surrounding communities and nearby community-based organizations, OJF engaged with its Resident Advisory Council (RAC) to provide an opportunity for tenant voices to influence the development design. The RAC is made up of residents in OJF's affordable housing portfolio, and their direct experience living in affordable housing developments is an invaluable resource of lived experience that will be accessible to the development team.

EXHIBIT B: Project summary submitted by City of Portland | Metro bond concept endorsement for PCC SE Affordable Housing

Submitted by: Megan Grillo
Portland Housing Bureau
Submitted on: 1/11/2024

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.

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.

Our Just Future will develop 124 units of affordable housing on 1.61 acres made available for development by Portland Community College. The project will include 63 family-sized units and 20 units at 30% AMI. The Project is seeking \$2,649,254 in PHB M-BOS Last Gap funding as well as \$2,320,826 in PCEF funds. The Project is seeking 20 PBS8 vouchers that will be affordable to households at or below 30% AMI. These units will be spread across unit types. The project unit mix includes 50% family sized units including 46 two bedroom and 17 three bedroom units. APANO, a culturally specific organization, will own the building along with OJF and participate in all aspects of the development and operations.

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 (without subsidy)	Project Based Section 8 requested	SH units	Square feet/unit	Gross monthly rent/unit
Studio	6	30%	6	0	335	\$1,185
Studio	27	60%	0	0	335	\$1,185
One Bedroom	7	30%	7	0	598	\$1,269
One Bedroom	21	60%	0	0	598	\$1,269
Two Bedroom	5	30%	5	0	758	\$1,524
Two Bedroom	41	60%	0	0	758	\$1,524
Three Bedroom	2	30%	2	0	1032	\$1,760
Three Bedroom	15	60%	0	0	1032	\$1,760
Total	124		20	0	647	\$1,409

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.



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.

The impetus for the project was Portland Community College's (PCC's) initiative to leverage underutilized property to develop affordable housing. The 1.61 acre parcel on PCC's SE campus off SE Division Street will be provided for \$1 per year via a long-term ground lease. In 2021 PCC engaged EcoNorthwest in a study to assess the housing needs of the student body. The study is included in the application package for reference. From this study PCC determined that providing land for affordable housing was one way the college could address the significant need of the population served by PCC as well as the broader community. The majority of PCC students are non-traditional and traditional student housing does not meet their needs. PCC hopes to create a new model of integrated live-learn for non-traditional students that qualify for LIHTC units as well as residents living on or near campus.

PCC approached OJF to discuss development opportunities given OJF's work in east Portland and history of affordable housing development and long-term ownership. OJF sought to partner with a community based BIPOC led organization to further collective community development goals. Given APANO's role in the neighborhood and their history of engagement and services to the AAPI community, OJF and APANO entered into a partnership to develop the project, furthering each organization's capacity and diversity, equity, and inclusion goals.

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.).

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

Describe how any nearby services or community amenities support the cultural and economic needs of the project's focus population(s), including schools or employment centers, grocery stores or farmer's markets, natural areas or parks, and medical facilities. 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 PCC SE Housing project is in the Montavilla neighborhood of Portland near the Jade District, a Neighborhood Prosperity Initiative district, and the 82nd Avenue corridor. The site is located on the edge of Portland Community College Southeast Campus. The site is zoned CI2. Surrounding land uses and zoning is a mix of lower density residential, the campus, and light commercial and mixed-use. The project site is level and benefits from having a robust and mature tree canopy on its edges; these trees will be projected and maintained where possible in the development.

The site sits two blocks away from a frequent service bus stop serving line FX2, connecting Gresham to downtown Portland, and is two blocks away from 82nd street with bus stops serving line 72 connecting Clackamas to North Portland. A MAX Green Line station is less than a mile away. The site is 0.5 miles away from Bridger Elementary School and 0.6 miles away from Harrison Park Middle School. There are many grocery stores and restaurants along 82nd Street accessible by bus or foot, including culturally specific grocery stores. The site is within walking distance of Mt. Tabor Park which provides outdoor recreation space and frequent community events. Adventist Portland is 1.6 miles away.

The Project is located in census tract 41-051-0016.01, which has a poverty rate of 11.6%. The Project is not proposing any commercial space.

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.

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.

The 1.61-acre site is located at the edge of the PCC SE campus in a separate tax lot (TL 3300) zoned Campus Institutional 2 (CIS). Please see the zoning letter included in the application package. There are no existing buildings on the site.

Targeted land use and permitting path, including considerations for the objective (design plan check) track versus the discretionary (design review) track if the proposed project falls within the design overlay zone and/or has historical review requirements or district standard requirements. Project teams are encouraged to consider the Design Overlay Zone Amendments (DOZA) project as they conceptualize their potential land use and permitting pathways. DOZA provides direction on development and urban design in Portland's highest-density places. Information regarding DOZA may be found at the link: <https://www.portland.gov/bps/doza>

The project does not fall within the design review or historic overlay zone. The anticipated land use and permitting path includes a Type II Adjustment Review (including Neighborhood Contact II), Transportation Demand Management Plan, and a *Transportation Impact Review*.

There is no lot line adjustment required for this property.

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.

SOURCES	
Low Income Housing Tax Credit (LIHTC) Equ	22,885,438
Metro Transit-Oriented Development Grar	250,000
GP Equity	200,000
LIFT Funds	11,426,364
PCEF	2,320,826
SDC Waivers	2,108,000
Deferred Developer Fee	2,947,740
45L Tax Credits	545,600
PHB M-BOS Last Gap	2,649,254
Permanent Loan	10,618,670
Total	55,951,891
USES	
Construction Contract	36,640,393
Other Hard Costs	215,000
Soft Costs	12,138,390
Financing Costs	4,803,193
Contingency	2,154,915
Total	55,951,891

PHB M-BOS Last Gap/PCEF: The Project is seeking \$2,649,254 in PHB M-BOS Last Gap funding as well as \$2,320,826 in PCEF funds.

PBS8 Vouchers: The Project is seeking 20 PBS8 vouchers. Income for the PBS8 units is assumed at 60% AMI.

Debt: Debt assumptions are based on lender Letters of Interest (LOI) (included as an attachment). Construction debt is assumed at approximately \$28,893,892. The construction loan interest rate per the lender LOI is the one-month Term SOFR (5.317 % on September 23, 2023) plus 165 basis points. The construction loan interest rate is modeled at 7%. The permanent loan of \$10,618,670 is based on a 1.20 debt service coverage ratio. The interest rate is based on the 10-Year SOFR Swap Rate (4.138% on September 23, 2023) plus 184 basis points. The permanent loan interest rate is modeled at 6.5%, which includes a .53% buffer. The loan term is eighteen (18) years with thirty-five (35) year amortization.

Developer Fee: The Project includes a cash developer fee of 6% and a deferred developer fee of 6%, for a total of 12%, meeting OHCS developer fee requirements. Per the projected cashflow, the deferred fee will be paid off at year 14.

Ground Lease: The Project will be developed through a long-term land lease in partnership with Portland Community College (PCC). Annual lease cost will be \$1. The initial lease term will be 50 years with an option to extend for another 50 years at the same terms.

Rents: The project consists of 124 units with 100% of the rents modeled at 60% Area Median Income (AMI) with 20 of the units utilizing PBS8 vouchers. AMI is modeled according to the 2023 Income Limits for LIHTC and Tax-Exempt Bonds document produced for Multnomah County by OHCS.

Operating Expenses: The operating expense estimate is based on accurate data from comparable property types from the OJF portfolio and takes into account resident services as well as enhanced services for 30% AMI units with PBS8 vouchers. Landlord will pay for all

utilities and therefore will not reduce rents by utility allowances for the Project. This will increase net operating income and the amount of permanent debt the Project can support. After adding all utilities, the estimated annual operating expense per unit is \$8,340. Replacement reserves of \$400/unit are included.

Vacancy Loss: Vacancy loss is assumed at 5%.

Construction & Architecture: Construction costs were provided by the Project's general contractor, LMC, on September 21, 2023 based on 100% Schematic Design (SD) documents dated September 8, 2023. The design documents were provided by the Project's Architect, Bora. Both the construction estimate and 100% SD set are included in the application materials.

Other hard cost and soft cost estimates are based on either proposals or recent experience with similar projects.

Indicators of cost-efficient design and construction include simple, efficient massing and unit layout, envelope with ideal window to wall ratio and exterior shading as necessary to optimize comfort and reduce utility costs. Exterior and interior materials selections are durable and cost conscious, including exterior cladding. Cost-effective materials that prioritize occupant health have been incorporated into project design. With the support of PCEF funds, the Project will incorporate extensive energy efficiency measures including: highly efficient electric heat pump hot watering heating, electric heating and air conditioning, enhanced envelope design including high value insulation, solar generation, and electric vehicle charging stations, all of which will reduce operating expenses. Additionally, the ground-floor amenity layout has been designed to facilitate resident use with available oversight by and sightlines to building management to streamline resident services offerings and ability to efficiently respond to resident's needs.

Davis Bacon wages are included in the construction estimate. The projected closing timeline takes into consideration the HUD Environmental Review and Subsidy Layering Review. The development team has proposals in-hand for the required archeological field study. Because there are no buildings or structures on the site, a historic inventory is not needed. Once the Project receives an award of vouchers, the archeological survey would be scheduled and the report completed by the end of October. Based on the expectation that no artifacts will be found, the survey report and Inadvertent Discovery Plan will be submitted to SHPO at the end of October. Assuming SHPO concurrence, the Subsidy Layering Review will be submitted in December 2023 and approved in July 2024.

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.

OJF and APANO selected Bora Architects as the design lead and LMC Construction as the general contractor through a competitive interview process. Both firms have deep expertise in designing and building quality affordable housing. Edlen & Co, another local leader in housing development, was brought on to provide additional development and construction management capacity. OJF and Edlen have partnered on several projects, including the Nick Fish and the Aurora.

Our Just Future (OJF) develops affordable rental housing and provides asset management and comprehensive resident services. Since 1994, OJF has developed housing in East Portland, Gresham and Fairview. OJF's portfolio includes 20 locations with just under 900 apartments. OJF has a long track record of developing similar wood frame construction projects and also has experience with more complicated wood frame with PT concrete deck. OJF has worked with Edlen & Co and LMC Construction on multiple projects including the Nick Fish which was a complex mixed-use project (see description below). OJF recently completed a five story wood frame building with Edlen & Co and Colas Construction (see description below). APANO's mission is to unite Asians and Pacific Islanders to build power, develop leaders, and advance equity. APANO has worked for social justice for over 15 years and continues to evolve as Oregon's leading Asian and Pacific Islander (APPI) grassroots advocacy organization. While APANO has participated in prior affordable housing projects providing outreach, design input, and resident services, this is APANO's first project as a Co-Sponsor, and meets the need and opportunity for culturally specific organizations to develop and own community benefitting real estate assets that serve the region's APPI community.

Edlen & Co is mission based real estate developer and asset manager focusing on affordable and middle income housing, community facilities, public private partnerships and projects that push the boundaries of sustainability. Edlen & Co's portfolio includes over 1,000 units of affordable housing at or below 60% area median income (AMI) completed, under construction and in predevelopment. These projects serve low-wage workers and families as well as populations with special needs such as individuals and families in recovery, individuals with persistent mental illness, individuals with intellectual and developmental disabilities, and underserved populations.

Since LMC Construction's inception in 2004, LMC has worked on 100+ projects varying in scale from small tenant improvements to construction of low and mid-rise new construction projects and everything in between. LMC has successfully built many wood frame affordable housing projects and has a tremendous track record in working with MWESB firms, helping them develop capacity.

Bora Architects is a national design practice with nearly 60 employees based in Portland, Oregon that has 20+ years of experience in housing and educational projects. Its burgeoning affordable housing studio and market focus has grown in the last few years and this shift follows the firm's emphasis on equity and environmental sustainability. Bora currently has two other affordable housing

Our Just Future (OJF) and Asian Pacific American Network of Oregon (APANO) are Co-Sponsors of the Project. OJF and Edlen & Co are Co-Developers of the Project. Portland Community College will maintain ownership of the land via a long-term ground lease. Roles and Responsibilities are outlined below.

Our Just Future: OJF will serve as Co-Developer and Lead Co-Sponsor on the project. OJF's roles for the project include working with Edlen & Co to manage predevelopment, preconstruction and construction, funding predevelopment expenses, serving as the financing and project completion guarantor, leading asset management including oversight of third party property management services, and leading outreach and resident services. This will be OJF's 22nd affordable housing project. Project Leads for OJF are Elsa Natal and Brian Shelton-Kelley. Our Just Future (OJF) and Asian Pacific American Network of Oregon (APANO) are Co-Sponsors of the Project. OJF and Edlen & Co are Co-Developers of the Project. Portland Community

College will maintain ownership of the land via a long-term ground lease. Roles and Responsibilities are outlined below.

Elsa Natal, Director of Affordable Housing: Elsa has more than 15 years of experience planning, developing, and financing affordable housing, as well as advancing affordable housing policy. Elsa has held roles in the public and private sector, including lending, private development, policy work at the City of Seattle Office of Housing, and most recently as the Housing Trust Fund Manager for a regional coalition for housing in the Seattle area.

Brian Shelton-Kelley, Senior Project Manager: Brian has nearly 20 years of experience in the affordable housing and community development field, having had roles in development finance, project management, asset management, community engagement, and homelessness response systems. His project finance and management background includes LIHTC, NMTC, HUD, and USDA financed projects, including homeownership, rental, and commercial.

Edlen & Co: Edlen & Co will serve as Co-Developer on the Project. Edlen & Co's roles on the Project include working with OJF on all aspects of development including design, entitlements, community outreach, budgeting, value engineering, and construction and change order management. Edlen & Co will develop and manage the project proforma and assist with selecting lenders and investors and managing the close of financing. Jill Sherman, Partner, will serve as the Project Lead for Edlen & Co, assisted by Ali Davis, Development Associate.

Jill Sherman, Co-Founder and Partner: Jill leads Edlen & Co.'s practice in public-private partnerships and affordable housing. Jill has over 20 years of development experience and is responsible for \$280 million of affordable housing developments completed, under development, and in predevelopment. These projects are diverse in terms of scale as well as populations served. In addition to affordable housing, Jill's projects include in-patient drug and alcohol treatment centers and mental health clinics. Jill also has extensive experience in sustainable projects and her portfolio includes over 10 LEED Platinum projects as well as a net zero affordable housing project and a Living Building.

Ali Davis, Development Associate: Ali assists with deal sourcing and development management including due diligence, contract management, design, entitlements, and financial modeling. Prior to joining Edlen & Co in May 2023, Ali worked in commercial real estate as a Broker with Apex Real Estate Partners focused on office and mixed-used leasing, acquisition, and disposition, including the representation of several nonprofit organizations.

OJF and Edlen & Co's Relevant Partnership Experience Examples:

The Nick Fish: Named after the well-respected Portland City Council member who passed away in early 2020, the Nick Fish mixed-use building is immediately adjacent to the Gateway Discovery Park which was completed in 2019. The 75-unit development, a partnership between OJF and Edlen & Co, includes 52 affordable units for households earning between 30% and 60% AMI, 23 middle income units, office space for OJF and ground floor retail funded, owned and operated by Prosper Portland. The retail space targets small local BIPOC businesses. Making this project a reality required a very complex structure, including a ground lease from Prosper Portland, four separate condominium units and two types of tax credits.

The Aurora: OJF and Edlen & Co partnered the Aurora, where construction was recently

completed on SE Stark Street. The Aurora serves those experiencing homelessness with on-site support, case management, employment resources, and clinical services. Of the 93 available units, 16 are Permanent Supportive Housing (PSH) units, 15 are set at 30% AMI, and 62 are set at 60% AMI. The Aurora includes 44 family-sized units. The location provides access to full-service grocery across the street and connects residents to the greater Portland area with the Blue MAX line stop less than 0.25 miles away.

Ownership will be in the form of a to-be-created single asset entity, either a limited partnership or limited liability company. The general partner/managing member will be a joint venture between OJF and APANO. Like OJF, APANO will be a service provider to the Project. Cash Developer Fee will be split Edlen & Co-50%, OJF-40%, APANO-10%. Deferred Developer Fee will be split OJF-90% and APANO-10%.

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.

Prior to construction, OJF, APANO, Edlen & Co. are responsible for community engagement to inform intentional design choices in partnership with the project architect, Bora. Community input will ensure the design of the building, individual units, and indoor and outdoor community space are accessible and culturally relevant to priority communities including BIPOC individuals and families. Design decisions include the prioritization of input from priority communities that will affect how the building will meet diverse future residents’ needs. At project completion and lease-up, OJF and APANO in partnership with Pinehurst Property Management will be responsible for ensuring equitable marketing and outreach strategies that reach priority populations as well as providing relevant resident services to serve the priority populations that will become future residents of the Project.

APANO is an organization that is deeply rooted in the Jade District neighborhood and whose mission is to unite Asians and Pacific Islanders to build power, develop leaders, and advance equity through organizing, advocacy, community development, and cultural work. As a leader in the surrounding neighborhoods, the development team will be relying on APANO’s existing thorough network of community-based organizations and individuals to ensure that these community members are aware of this housing opportunity. In addition to working with APANO’s community network, a community contact list was developed by OJF, PCC and Bora Architects to conduct the initial focus group community engagement in early 2022. Additional community engagement sessions are scheduled throughout fall 2023 with this group.

In addition to speaking with community stakeholders representing surrounding communities and nearby community-based organizations, OJF engaged with its Resident Advisory Council (RAC) to provide an opportunity for tenant voices to influence the development design. The RAC is made up of residents in OJF’s affordable housing portfolio, and their direct experience

living in affordable housing developments is an invaluable resource of lived experience that will be accessible to the development team. Their current thoughts on building design, programming and building operations have been incorporated into the current project proposal to the greatest degree possible, and their voices will be included in the regularly planned community engagement touchpoints throughout predevelopment.

PCC has provided and will continue to provide the development team with survey reports from its regular engagement with enrolled students. Survey data includes responses to questions about current housing situations, housing preferences, household makeup, and other relevant student demographics. The development team will be working with PCC and its housing committee to educate them on the LIHTC compliance process and how housing insecure students may qualify to live at the Project.

The Project program and design was shaped by stakeholder input (received via community outreach, engagement with OJF's Resident Advisory Committee and PCC student surveys) in the following ways:

- The unit mix balances the priority of surveyed PCC students, the majority of whom desire smaller units, with the desire of the broader neighborhood to create family sized units appropriate for intergenerational housing.
- The design balances the desire to provide as many possible affordable units as possible with generous outdoor space. Efficiently designed units achieve high density housing in a four-story building with shared indoor and outdoor areas.
- Outdoor socialization in spaces with southern exposure was highlighted several times in community meetings as a cultural priority and is included in the design.
- Interconnectivity between the broader campus community and proposed housing was also highlighted during community engagement. The design facilitates an open environment in which resident, student and broader community populations can interact and build a destigmatized community.
- Adequate parking was a concern of community stakeholders. The design balances what is required by zoning code and what is possible on the site. The development team and PCC will pursue a shared parking agreement to provide additional resident parking in existing PCC surface lots during off hours.

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)*

Pinehurst Property Management has twenty years of experience collaborating with affordable housing providers to manage and deliver low barrier housing. Pinehurst Management has

managed affordable housing projects that include LIHTC, HOME, HUD Section 8, Project- Based Vouchers, and other programs, while serving a diverse group of populations ranging from seniors and special needs to families. The ownership of Pinehurst Management has the combined experience of more than 75 years in affordable housing throughout Oregon. Pinehurst's portfolio includes properties with a specific focus on serving priority communities including Wiedemann Parkin in Wilsonville, in partnership with Accessible Living Inc., and Villa Esperanza in Woodburn, in partnership with Catholic Community Services.

Our Just Future (OJF) counters the forces that keep people and communities in poverty by building relationships and assets that create opportunity – today and for future generations. OJF is an inclusive, multi-racial and multicultural organization working to alleviate the impacts of poverty on people and communities. The organization's work counters many of the primary forces that make and keep people poor. OJF focuses its work in East Portland and East Multnomah County, one of the most diverse areas in Oregon. Co-Sponsor APANO's mission is to unite Asians and Pacific Islanders to build power, develop leaders, and advance equity through organizing, advocacy, community development and cultural work.

Edlen & Co.'s mission is to align sustainable urban growth with the preservation of diverse communities and the expansion of equitable economic opportunity for the most vulnerable to working class individuals. These goals are achieved through initiatives to acquire and preserve naturally occurring affordable housing, developing affordable and middle-income housing, and partnering with organizations that help to elevate underserved and BIPOC communities. Edlen & Co. is a certified B-Corporation, and is committed to the ever-evolving process of education and evolution to move the industry and the community to a more equitable place.

Carbon reduction, health, and equity are essential to Bora's pursuit of inspiring architecture. The firm recognizes design as a platform and responsibility—one in which architecture can play an active role in making the world more just and equitable. Since the racial justice demonstrations in the summer of 2020, Bora has redoubled the firm's efforts toward racial equity. Commitments include: the Application of Critical Race Theory to the design of all of our projects; financial sponsorship of education and arts organizations that promote understanding of the historic implications of race in our society; hiring BIPOC-owned businesses in consulting and operational expenditures; and education and dialogue with our staff around the history of racism and avenues in which we can be advocates for anti-racism.

Although LMC is not a certified DMWESB firm, 44% of LMC's full-time employees are female or minority, and the firm is committed to exceeding our client's utilization goals on each of our projects. Most projects exceed 25%, even when no stated goal exists. Many projects exceed 30 and 40%. Over the years, this commitment has involved much more than just awarding subcontracts to certified firms. LMC's president and staff have dedicated time, money and other resources to foster growth with DMWESB firms.

OJF leverages community connections and relationships with other housing and service providers to ensure priority communities are aware of housing opportunities and work with property management to ensure low-barrier screening and remove other barriers to access wherever possible.

OJF's resident population mirrors the diversity of the communities served. OJF has long been a leader in providing housing for extremely low-income families; its portfolio has many 50% AMI and below units and a high percentage of family-sized units, including 3, 4,

and 5-bedroom units. Several properties are home to meaningful numbers of Somali and other East African immigrants, Slavic language speakers, Latinx communities, single parents, and people and families exiting homelessness. OJF has over 100 PSH units integrated into its affordable housing communities.

Edlen & Co. has demonstrated success in reaching BIPOC communities via partnerships with nonprofits. Partners and projects include: The Center for Hope & Recovery with Lifeworks NW which provides culturally specific inpatient treatment to predominantly African American women and children; The Beatrice Morrow with PCRI, a culturally specific, Black-led organization; and Albina One with Albina Vision Trust, whose mission is to counter the intentional displacement of Black people from the Albina neighborhood due to urban renewal, freeway siting, and gentrification.

OJF has found the most successful strategies involve relationship and trust building and connecting with community-based organizations early in the process, as well as pursuing process and systems improvements to make them more human-centered and accessible. Specific strategies include reaching out to cultural-specific organizations, translating materials into languages other than English, having multilingual staff, lowering barriers and process requirements to make the application process less burdensome. OJF strives for a “no wrong door” approach so people can access housing in ways that are best for them. For example, these strategies were used at The Aurora, a 93-unit project that is similar in size and priority population to this project, and nearly 60% of current Aurora residents identify as BIPOC (*project is still in lease up*).

LMC will utilize bid packages as part of the procurement process to identify concise scopes of work, which assists COBID firms with engaging in the subcontracting process and ensuring the respective pricing covers a complete package. LMC also uses bid packages to separate different scopes of work into smaller packages, further promoting engagement by firms that would be turned away due to constraints associated with larger scopes of work. LMC will ensure that access to project information is readily available and easily understandable by all prospective bidders. Pre-bid outreach, job-specific presentations, online resources, plan rooms, social media, and traditional print media will ensure a broad base of qualified bidders. The preconstruction team will also rely on direct and targeted communications with prospective bidders from our database to raise awareness and interest in the project.

LMC excels at actively involving and supporting the minority subcontracting community, fostering local and expansive growth. The firm’s track record highlights significant accomplishments in attracting substantial participation from subcontractor bidders, even in fiercely competitive markets. The ultimate outcome is a project that genuinely mirrors the rich diversity of its surrounding community.

OJF intentionally partners and subcontracts with culturally specific organizations and contractors. Key parts of OJF’s Strategic and Equity Plan call for the aggressive investment in contracts, goods, services and community partnerships with small, local, minority- and women owned businesses (COBID certified or COBID eligible), and culturally-specific partners. OJF is assessing current investments in minority-owned businesses, establishing spending targets and planning for continuous improvement. OJF has an established purchasing preference for MWESB firms, and a purchasing list of qualified BIPOC-owned businesses that provide goods and services we regularly purchase.

The design team for the Project includes 14% of the total basic services contracted with COBID certified firms. Bora recently started construction on a project with Home Forward that includes over 31% COBID participation in the design team.

LMC is a Registered Training Agent with the Northwest College of Construction and currently has both carpenter and laborer apprentices enrolled in their program. LMC has completed over a dozen projects with apprenticeship goals or requirements and currently has six projects underway with Workforce Training or Apprenticeship requirements. In addition to LMC's experience with its own workforce and apprenticeship training, LMC also actively manages our subcontractors to ensure they are complying with the requirements. LMC has experience on PHB projects where the minimum percentage applies to each individual trade, working with PHB and each individual sub along the way to meet these goals, reviewing monthly where they are at and which subs may need help complying.

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.

OJF views resident services as an important and critical demonstration of the organization's mission, and to support housing stability. All OJF properties have a Resident Services Coordinator, at this project, OJF anticipates having 1 FTE coordinator on site (cost of this position is built into the operating proforma). The Resident Services staff takes a holistic approach to meeting the needs of the families by encouraging residents to acknowledge assets and simultaneously find the right path to housing stability. All Resident Services staff receive training in Assertive Engagement and Trauma Informed Care.

At all OJF properties, Property Management and Residents Services meet on a consistent basis to ensure a coordinated approach to supporting residents and to discuss notices sent and communication with the tenants. OJF prides itself on being a culturally-responsive organization, and Resident Services staff are both multilingual and multicultural with a capacity to meet the language and cultural needs of prevalent communities including Asian and Pacific Islander, African American/Black people, Somali refugees, East European immigrants and Hispanic households. OJF and APANO will strive to hire a Resident Services Coordinator that represents the dominant culture and speaks the dominant language; many Resident Services Coordinator also have lived experience with the communities they work with. OJF also works with other culturally-specific partner agencies with the abilities and experiences of working with individuals not represented by the Resident Services staff. OJF also provides culturally specific classes for residents, including food classes taught in Russian by the Oregon Food Bank and parenting classes taught by Africa House for the many Somali parents living at OJF properties. Specific activities and resources at OJF properties are programmed as Resident Services staff get to know the community.

Resident Services provides programming and services tailored to the needs and preferences of the community for each project. The Resident Services program will provide on-site eviction

prevention, client assistance funds, community engagement opportunities, information and resource referrals, assistance with critical support applications, and LearnLinks programming for children. Resident Services will collaborate with community-based organizations to provide referrals for specific needs like mental, behavioral, and physical health, to meet specialized needs of residents, designing programming and outreach in cooperation. The community room at the Project and Resident Services office will provide dedicated space for these activities and building community. As in all OJF properties, participation in services is voluntary and not a condition of residency.

APANO: APANO will be a Co-Sponsor on the Project. APANO will lead community engagement, and through active participation in the development phases of the project, will build the organization's capacity to engage with real estate development and advocate for projects that benefit the community. APANO will assist in marketing and lease-up, and work with OJF to develop its capacity in asset management, property management and ongoing operations.

APANO will also collaborate with the OJF Resident Services team to provide culturally specific programming and services to residents. APANO has been assisting with the programming at the Orchards on 82nd affordable housing mixed use building and has deep experience serving the AAPI community in and around the areas where the Project is located.

Bora: Bora is the project architect and is responsible for all design services for the Project.
LMC: LMC is the general contractor on the project and is responsible for construction as well as estimating and constructability reviews during predevelopment.

Pinehurst Property Management: Pinehurst will serve as the Project's property manager and is responsible for lease-up, maintenance, rent collection, operating expense management, and coordinating resident services in partnership with OJF, APANO, and other community-based partners.

Asian Pacific American Network of Oregon (APANO) is a Co-Sponsor of the project and a culturally specific organization. APANO has previously partnered with OJF on programming at the Orchards on 82nd affordable housing mixed use building where APANO's headquarters are located. Goals of the partnership include supporting the expansion of APANO's existing programming and services as well as positively impacting not only future residents of the PCC SE Housing project but also the greater community that makes up the four adjacent neighborhoods and the Jade District. Please see Development Team section above for description of compensation.

Our Just Future believes that maintaining housing stability can be challenging for people with few resources and institutional barriers, and the PCC SE Housing project's services team is designed to support vulnerable residents in the multitude of ways they may need it. With a clear intention to serve vulnerable BIPOC communities displaced and experiencing instability as a result of structural racism and economic inequities, the PCC SE Housing project will bring together a multifaceted team of supports to shift the trajectory for residents. In addition to services provided in partnership with APANO, residents will have access to low-barrier wraparound services provided by OJF's Resident Services, supported by programming decisions that acknowledge that residents have likely experienced trauma.

The onsite Property Manager will also be incorporated into the team and trained in Trauma Informed Care (TIC) by OJF. This team will utilize a collaborative approach to provide participant-

centered services to the residents. Trauma Informed Care and Assertive Engagement (described below) inform every aspect of how we plan to serve and interact with communities in a culturally responsive way. Resident Services' primary role is to support resident housing stability and retention through support staff, referrals, and programming. OJF's Resident Services Program hires staff and provides programs and services at our communities that reflect the population through lived experiences and can respond to the needs of each resident community with culturally responsive services. Our Resident Services staff proactively work with residents to maintain housing and financial stability and avoid loss of tenancy, building skills as responsible and informed tenants. Resident Services will work closely with our property management staff to provide proactive eviction prevention services and identify resident needs. Resident Services can help residents access other or specialized community-based services and resources through referrals, networks, and other agency-to-agency collaborations.

Livability and Accessibility

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

The Project includes a modest amount of surface parking, as well as entries, outdoor pathways and amenities that will be designed to meet or exceed accessibility requirements and ensure equitable access for all users. Additional focus groups and community engagement sessions are scheduled throughout fall 2023 to further understand and address unique challenges and opportunities to better serve the local community and future residents of the project.

The Project is a Type V-A 110,000 square foot four-story apartment building with indoor and outdoor amenity spaces and a 31-space surface parking lot. The building height is 45'; the floor area ratio is 1.58:1. Indoor amenities include: Community Room, Indoor Play, Laundry, Bike Storage, and Lounges. Outdoor amenities include Community Garden, Covered & Open Picnic Areas, Gathering Spaces, and Playground.

The Project's unit mix was intentionally designed for the target population with 50% family sized units. These units will serve families in the neighborhood with an emphasis on prioritizing communities of color, including the AAPI community in partnership with APANO, as well as serving the variety of housing needs of PCC's diverse student body.

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.

The envelope design will utilize Passive House Institute US (PHIUS) strategies to reduce operational costs while prioritizing occupant comfort and safety and will be 100% electric. Air conditioning requirements will be met either with DOAS (dedicated outside air system)

cooling and cove heaters or with ERVs (energy recovery ventilators) with mini-split heat pumps.

Compliance with PHB’s Green Building Policy requirements are listed below by line item:

- D.1.a - Certification planned through Earth Advantage (D.1.a.2).
- D.1.b.1 - Design EUI of 10, to be offset entirely with future solar.
- D.1.b.2 - Project to Solar Ready construction.
- D.1.b.3 - Latest city charging requirements exceed PHB requirements and will be met.
- D.1.b.4 - Project to be registered in the Market Solutions incentives program.
- D.1.c - Project is targeting net water consumption reduction in alignment with PHB goals.
- D.1.d.1.a - Paints, coatings, sealants, insulation, and flooring to meet CDPH requirements.
- D.1.d.1.b - Composite wood products will meet CARB requirements.
- D.1.d.1.c - Building interior to be smoke free.
- D.1.d.2 - Mechanical design to comply with ventilation and fresh air requirements.
- D.1.e.1.a - Eco-charrette has been held.
- D.1.e.1.b - LCCA to be created, as required
- D.1.e.1.c - Coordination with Asset Management is underway and will continue.
- D.1.e.1.d - All green building measures to be incorporated into the Contract Documents.
- D.1.e.2.a - Preconstruction meeting will be held prior to close and start of construction.
- D.1.e.2.b - Periodic testing and required inspections will be conducted throughout construction in partnership with Earth Advantage.
- D.1.e.3.a-f - Third Party Commissioning will be completed at completion per PHB requirements.
- D.1.e.4.a-c - Operation requirements including year seven third party commissioning, O&M trainings, O&M Manual, and trainings will be completed by ownership and contractor/design team per PHB requirements.

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.

	Proposed Date (Month /Year)*	Completed Date (Month /Year)*
1. Option/Contract executed		4/1/2023
2. Site Acquisition	7/1/2024	
3. Zoning Approval	1/1/2023	
4. Building Permit & Fees	7/1/2024	
5. Offsite Improvements	9/1/2025	
6. Plans Completed		9/1/2023
Bond Sale/Construction Loan		
7. Proposal		9/1/2023
8. Firm Commitment	2/1/2024	
9. Closing/Funding of Loan	7/1/2024	
Permanant Loan		

10. Proposal		9/1/2023
11. Firm Commitment	2/1/2024	
12. Closing/Funding of Loan	11/1/2026	
Development		
13. Syndication/Partnership Agreement	7/31/2024	
14. Construction Begins	7/31/2024	
15. Construction Completed	1/31/2026	
16. Certificate of Occupancy	2/28/2026	
Marketing		
17. Lease Up Begins	1/31/2026	
18. Lease Up Completed	8/31/2026	
19. Absorption (units per month)	Maximum of 20	