

METRO HOUSING BOND QUARTERLY REPORT | JULY-SEPTEMBER 2024

November 7, 2024

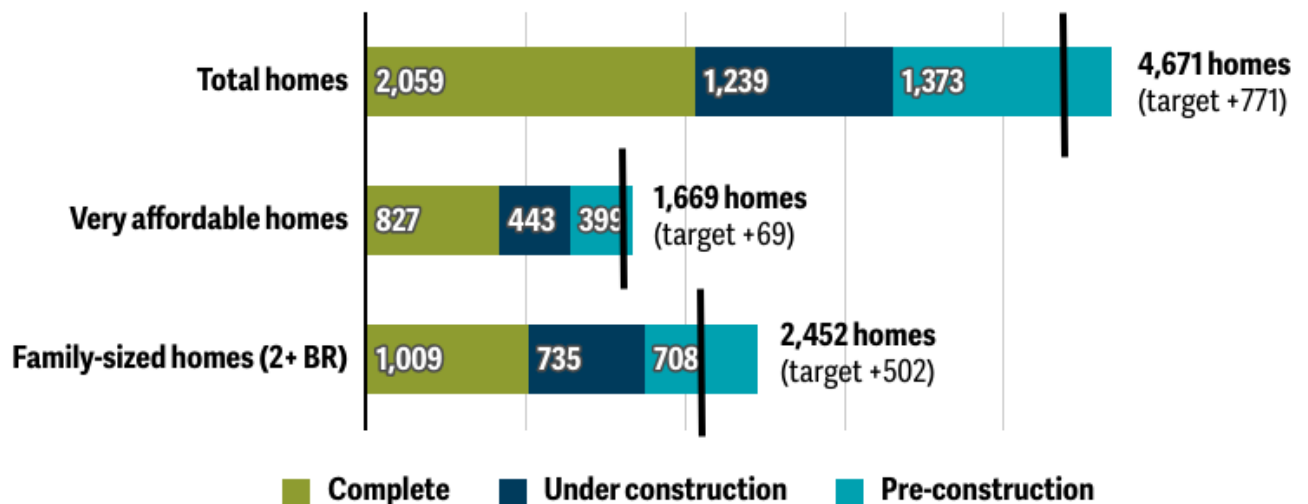
This is the third quarterly progress report for the Metro Affordable Housing Bond of 2024. Similar reports are produced quarterly with the goal of keeping the Housing Bond Community Oversight Committee, Metro Council, and other stakeholders and partners informed about ongoing implementation progress. 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 September 2024, the Affordable Housing Bond program has 57 projects representing 4,671 new affordable homes in the portfolio, including 20 projects (1,373 units) that are in pre-construction. Forty-five projects have received final approval, of which fourteen (1,239 units) are under construction, and twenty-three projects (2,059 units) have completed construction and are accepting residents. Of these homes, 2,452 will have two or more bedrooms, representing 126% of the program's production goal of 1,950 family-sized homes; and 1,669 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 104% of the program's production goal of 1,600 deeply affordable homes. Collectively, the 57 projects in the portfolio represent 4,671 new affordable homes, or 120% of the total production target for the Housing Bond, while utilizing approximately 81% of allocated project funding.

Production and funding dashboard

Affordable housing production: progress underway 2024 Q3



REGIONAL PRODUCTION PROGRESS

	Eligible units	30% AMI units	2+ BR units	PSH units
Total units in portfolio	4,671	1,669	2,452	763
Total unit production targets	3,900	1,600	1,950	N/A
% of unit progress underway	120%	104%	126%	N/A
Total funding committed or underway	\$545,714,222			
% of funding committed	81%			
Total funding remaining	\$128,876,963			

LOCAL PRODUCTION PROGRESS

Portland

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
73rd and Foster	\$3,032,340	Pre-construction	64	22	29	22	Jul-24	Feb-25
Abbey Townhomes	\$1,200,000	Pre-construction	8	0	8	0	Apr-24	Feb-25
Albina One	\$14,424,597	In Construction	94	32	55	0	Jun-23	Jun-25
Aldea at Glisan Landing	\$3,685,679	In Construction	96	15	63	0	May-23	Apr-25
Barbur Apartments	\$22,519,248	Pre-construction	149	32	102	0	Dec-24	Jun-26
Beacon at Glisan Landing	\$5,822,000	In Construction	41	41	0	41	Jun-23	Sep-25
Carey Blvd. (Homeownership)	\$6,087,267	Pre-construction	53	0	53	0	Jul-25	Feb-29
Dekum Court*	see Home Forward	In Construction	147	61	78	0	Mar-22	Jan-25
Dr. Darrell Millner Building	\$9,216,838	Complete	63	17	48	0	Jul-22	Jun-24
Findley Commons	\$1,945,175	Complete	35	0	0	35	Oct-20	Dec-21
Garden Park Estates	\$2,239,308	In Construction	54	25	40	25	Jun-23	Oct-25
Gooseberry Trails (Homeownership)	\$5,451,773	Pre-construction	52	0	52	0	Aug-24	May-26
Hattie Redmond	\$4,411,737	Complete	60	60	0	60	Oct-21	Feb-23
Hollywood Hub	\$10,256,344	Pre-construction	73	39	24	0	Sep-24	Mar-26
Jamii Court	\$6,155,974	Pre-construction	98	39	58	15	Apr-25	Aug-26
M Carter Commons	\$5,800,000	Pre-construction	62	21	0	0	Jun-24	Aug-25
Meridian Gardens	\$13,365,160	Complete	85	70	0	65	Jul-23	Sep-24
PCC Killingsworth	\$2,538,237	In Construction	84	28	60	0	Aug-24	Jun-25
PCC Southeast (Legin Commons)	\$2,649,254	Pre-construction	124	20	63	0	Jul-24	Jan-26
Powellhurst Place	\$4,091,048	Complete	64	12	45	12	Aug-22	Apr-24
Strong Site	\$3,150,000	Pre-construction	75	11	54	0	Aug-24	Aug-25
Tistilal Village	\$4,632,538	In Construction	24	24	22	16	Mar-23	Aug-24
Waterleaf	\$1,929,219	Complete	176	17	48	20	Dec-20	Dec-22
Total units in jurisdiction portfolio			1,781	586	902	311		
Total unit production targets			1,475	605	737	300		
% of commitment complete			121%	97%	122%	104%		
Total committed or underway				\$153,431,720				
Total LIS funding				\$208,740,992				
% of funding committed				74%				

Remaining LIS funding	\$55,309,272
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*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	
Alongside Senior Housing	\$6,270,000	Complete	57	23	0	24	Jul-22	Sep-23	
Cedar Rising	\$10,230,000	Complete	81	33	50	0	Apr-22	Dec-23	
Goldcrest	\$12,000,000	In Construction	74	14	45	0	Sep-22	Jun-24	
Heartwood Commons	\$9,283,000	Complete	54	54	0	54	Dec-21	Mar-23	
Opal Apartments	\$6,149,000	Complete	54	28	9	0	Jun-22	Mar-24	
Plambeck Gardens	\$14,700,000	In Construction	116	47	62	8	Apr-23	Oct-24	
Plaza Los Amigos	\$13,670,523	Complete	112	26	72	0	Jul-22	Aug-24	
Terrace Glen	\$17,484,000	Complete	144	51	74	3	Jan-21	May-23	
The Valfre at Avenida 26	\$3,792,088	Complete	36	8	30	8	Sep-21	Oct-22	
Viewfinder	\$11,583,000	Complete	81	34	56	30	Jul-20	Dec-21	
Woodland Hearth	\$9,450,000	Pre-construction	63	24	40	22	Oct-24	Apr-26	
Total units in jurisdiction portfolio			872	342	438	149			
Total unit production targets			814	334	407	100			
% of commitment complete			107%	102%	108%	N/A			
Total committed or underway				\$114,665,302					
Total LIS funding				\$118,135,532					
% of funding committed				97%					
Remaining LIS funding				\$3,470,230					

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	30	82	25	Apr-21	Sep-22
Good Shepherd Village	\$18,330,000	Complete	142	58	79	58	Mar-22	Sep-23
Hillside Park – A & B	\$25,454,545	Pre-construction	143	40	14	13	Sep-24	Apr-26
Hillside Park – C	\$18,190,692	In Construction	78	68	53	8	Jul-24	Sep-26
Lake Grove	\$10,000,000	Pre-construction	54	20	28	10	May-25	Oct-25
Las Flores (Maple Apts.)	\$15,903,000	Complete	171	70	129	9	Mar-22	May-24
Mercy Greenbrae (Marylhurst Commons)	\$3,000,000	Complete	100	40	83	40	Sep-22	Jun-24
Shortstack Milwaukie	\$700,000	Pre-construction	15	0	15	0	Jul-24	Jun-25
Tukwila Springs	\$5,548,542	Complete	48	48	0	48	Jun-21	Jun-22

Wilsonville TOD	\$8,000,000	In Construction	120	35	79	20	Jul-24	Jan-26
Total units in jurisdiction portfolio			970	409	562	231		
Total unit production targets			812	333	406	0		
% of commitment complete			119%	123%	138%	N/A		
Total committed or underway			\$103,696,780					
Total LIS funding			\$122,018,094					
% of funding committed			85%					
Remaining LIS funding			\$18,321,314					

Hillsboro

Name		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-22	Nov-23
The Dolores	\$10,500,000	Pre-construction	66	30	46	12	Sep-24	Mar-26
Total units in jurisdiction portfolio			215	90	151	12		
Total unit production targets			284	117	142	0		
% of commitment complete			76%	77%	106%	N/A		
Total committed or underway			\$25,690,731					
Total LIS funding			\$41,240,081					
% of funding committed			62%					
Remaining LIS funding			\$15,549,350					

Gresham

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Civic Drive	\$2,100,000	Pre-construction	59	0	59	0	Feb-25	May-26
Myrtlewood Way	\$3,800,000	Pre-construction	20	0	20	0	Nov-24	Aug-26
Oak Row at Rockwood	\$2,200,000	Pre-construction	11	0	11	0	Sep-24	Dec-24
Rockwood Village	\$5,237,814	Complete	47	47	39	0	Jan-20	Apr-22
Terracina Vista	\$2,500,000	In Construction	91	0	56	0	Dec-23	Mar-25
Wynne Watts Commons	\$11,292,447	Complete	147	30	31	30	Jan-21	Jun-22
Total units in jurisdiction portfolio			375	77	216	30		
Total unit production targets			187	77	93	0		
% of commitment complete			201%	100%	232%	N/A		
Total committed or underway			\$27,130,261					
Total LIS funding			\$27,140,995					
% of funding committed			100%					
Remaining LIS funding			\$10,734					

Beaverton

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Amity Orchards	\$9,000,000	In Construction	135	17	79	0	Jul-22	Jan-24
Elmonica	\$8,439,934	Pre-construction	80	33	32	0	Sep-24	Apr-26

Mary Ann	\$3,000,000	Complete	54	11	29	0	Jun-20	Sep-21	
Senior Housing on 5th	\$10,500,000	Pre-construction	104	68	0	30	Jan-25	Jun-26	
Total units in jurisdiction portfolio			373	129	140	30			
Total unit production targets			218	89	109	N/A			
% of commitment complete			171%	145%	128%	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	\$15,970,323	In Construction	85	36	43	0	Jul-24	Dec-25	
Dekum Court (PHB)*	\$21,034,083	In Construction	<i>Counts toward PHB's unit production goals</i>				Apr-22	Jan-25	
Total units in jurisdiction portfolio			85	36	43	0			
Total unit production targets			111	46	55	0			
% of commitment complete			77%	78%	78%	N/A			
Total committed or underway				\$37,004,406					
Total LIS funding				\$37,141,206					
% of funding committed				100%					
Remaining LIS funding				\$136,800					

*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 third quarter of 2024. Staff reports for these approvals are included in the Quarterly Report Project Approvals Addendum**

Project	Jurisdiction	Developer(s)	Endorsement/Approval
Vuela (Wilsonville TOD)	Clackamas	Palindrome	Final Approval
Shortstack Milwaukie	Clackamas	HomeWork/Sister City	Final Approval
Strong Family Housing	Portland	SEI/CDP	Final Approval
The Dolores	Hillsboro	Hacienda	Final Approval

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

METRO AFFORDABLE HOUSING BOND

Financial Report Through September 2024

FINANCIAL SUMMARY

TOTAL REVENUE	\$710,095,984
TOTAL EXPENSES and DISBURSEMENTS	\$401,416,897
TOTAL COMMITTED	\$167,670,735
TOTAL FUNDING REMAINING	\$141,008,352

REVENUE

	FY 2018 - 2024	FY 2024 - 2025	TOTAL REVENUE
Bond Proceeds	\$652,800,000		\$652,800,000
Premiums on Bonds	\$2,630,335		\$2,630,335
Interest Earnings	\$50,617,834	\$3,810,314	\$54,428,149
Metro General Fund	\$0	\$237,500	\$237,500
TOTAL REVENUE:	\$706,048,169	\$4,047,814	\$710,095,984

EXPENSES

PROJECTS	Prior Years Expended or Disbursed	FY2024-25 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	\$69,542,235	\$8,700,000	\$25,454,545	\$103,696,780	\$122,018,094	85%
Gresham	\$19,030,261	\$0	\$8,100,000	\$27,130,261	\$27,140,995	100%
Hillsboro	\$16,940,731	\$8,750,000	\$0	\$25,690,731	\$41,240,081	62%
Home Forward (East Multnomah Co.)	\$37,004,406	\$0	\$0	\$37,004,406	\$37,141,206	100%
Portland	\$68,301,536	\$3,150,000	\$81,980,184	\$153,431,720	\$208,740,992	74%
Washington County	\$105,215,302	\$0	\$9,450,000	\$114,665,302	\$118,135,532	97%
Metro Site Acquisition Program	\$27,324,043	\$1,800,320	\$23,746,072	\$52,870,435	\$62,016,000	85%
Other Metro Direct Project Costs	\$266,861	\$17,792	\$0	\$284,653	\$0	N/A
PSH IGA in progress (Wash Co)					\$6,746,000	N/A
Funding to be allocated (Interest Earnings)					\$19,824,690	N/A
TOTAL:	\$355,625,375	\$22,418,111	\$167,670,735	\$545,714,222	\$ 674,591,185	81%

ADMINISTRATIVE	Prior Years Expended or Disbursed	FY2024-25 Expended or Disbursed	TOTAL EXPENDED or DISBURSED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended or Disbursed
Jurisdiction:					
Beaverton	\$945,835	\$0	\$945,835	\$974,615	97%
Clackamas County	\$2,353,622	\$641,376	\$2,994,998	\$3,636,371	82%
Gresham	\$598,345	\$119,538	\$717,883	\$837,421	86%
Hillsboro	\$994,779	\$138,839	\$1,133,618	\$1,272,457	89%
Home Forward (East Multnomah Co.)	\$496,973	\$0	\$496,973	\$496,973	100%
Portland ¹	\$0	\$0	\$0	\$0	N/A
Washington County	\$2,387,306	\$627,716	\$3,015,022	\$3,645,054	83%
Metro Site Acquisition Program ²	\$0	\$0	\$0	\$1,940,932	N/A
Metro Accountability and Financial Transaction Costs	\$13,469,235	\$599,847	\$14,069,081	\$19,409,319	72%
Funding to be allocated (Interest Earnings)				\$3,291,657	N/A
TOTAL:	\$21,246,095	\$2,127,316	\$23,373,410	\$35,504,799	66%

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 BASIS ³	FY2024-25 YTD Actuals	FY2024-25 Metro Budget	YTD % Spent
	660,353	3,209,375	21%

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 Final Approval

Project Name: Wilsonville TOD

Implementing Jurisdiction: Housing Authority of Clackamas County

Metro IGA Contract Number: 936551

Anticipated construction start: July 2024

Anticipated construction completion: January 2026

Action:

Metro hereby provides the Housing Authority of Clackamas County (HACC) with Final Approval of \$4,164,000.00 Metro Permanent Supportive Housing Pilot funds and \$3,836,000.00 Metro Affordable Housing Bond funds for the development of Wilsonville TOD, a regulated affordable housing project located at 9699 SW Barber Street, Wilsonville. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Housing Authority of Clackamas County (HACC), is attached as Exhibit B.

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

Number of Units	Bedroom type	AMI Level	Project Based/RLRA Vouchers	PSH Units
4	Studio	30%	4	4
16	One-bedroom	30%	16	16
21	One-bedroom	80%	0	0
13	Two-bedroom	30%	0	0
35	Two-bedroom	60%	0	0
19	Two-bedroom	80%	0	0
2	Three-bedroom	30%	0	0
8	Three-bedroom	60%	0	0
2	Three-bedroom	80%	0	0

Changes to the information contained in the final approval request provided by the Housing Authority of Clackamas County could result in reevaluation of the Project's need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to



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

A handwritten signature in blue ink that reads "Andrew Scott".

Andrew Scott
Deputy Chief Operating Officer

Date

Exhibit A: Metro staff findings and recommendations | Metro Affordable Housing Bond Final Approval request for Wilsonville TOD



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

Date: July 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.

In addition, Metro will issue PSH Pilot 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 proposed PSH Pilot Project maximizes PSH unit production as appropriate to the specifications of the site, PSH best practices, and population needs; 3) LIP has firmly committed to align ongoing County SHS 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 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 Final approval; 5) For all other PSH Pilot Projects, LIP must have a preliminary plan and capital funding to support the project's completion within 2 years of Final approval; 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 Wilsonville TOD. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Clackamas County (HACC).

Changes since Concept Endorsement

The project is being reviewed for Final Approval and has undergone changes since Concept Endorsement on October 23, 2023. Total project costs have increased to \$58.86 million, up \$2.06 million (3.6%) from the prior \$56.8 million. The project's permanent loan has increased to \$20 million, up \$3.6 million (22%) from the prior \$16.4 million. While the unit count (121 units) and number of family-sized units (79 units) is unchanged since concept endorsement, the unit affordability has changed. At concept endorsement, 40 units were affordable at 30% of AMI, 48 units were affordable at 60% of AMI, and 32 units were affordable at 80% of AMI. Now, at Final Approval, 35 units are affordable at 30% of AMI, 43 units are affordable at 60% of AMI, and 43 units are affordable at 80% of AMI. The project will also support 20 Permanent Supportive Housing (PSH) units. The Metro Housing Bond funding amount remains unchanged at \$4,164,000 in Metro Permanent Supportive Housing Pilot funds and \$3,836,000.00 Metro Affordable Housing Bond funds, for a total Metro funding award of \$8,000,000.

- Total development costs are \$58.86 million and Metro Housing Bond funding is \$8,000,000.
- Net cash developer fee has been slightly reduced to 5.89% of developer fee basis. This amount is less than the Metro maximum of 6% for projects with 101 units or more.

- Construction start date in July 2024 with completion anticipated in January 2026.

Contribution to unit production targets

The Wilsonville TOD project requests \$4,164,000.00 Metro Permanent Supportive Housing Pilot funds and \$3,836,000.00 Metro Affordable Housing Bond funds. The project's combined funding will utilize 7% (\$8,000,000) of HACC's total allocation of bond funds while delivering 120 units and 20 PSH units that meet the following unit production outcomes:

- 15% of HACC's overall unit production target;
- 11% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 20% of HACC's family sized unit target.

When combined with HACC's other pipeline projects, Wilsonville TOD puts the County on a path to have utilized 95% of HACC's total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 119% of HACC's overall unit production target;
- 121% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 139% of HACC's family sized unit target.

Eligibility and readiness to proceed

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

- An executed memorandum of understanding between the City of Wilsonville and Palindrome Properties Group, LLC dated 5/31/2023 demonstrating evidence of site control
- Updated project pro forma dated 6/18/2024
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon and nationally
- The site is appropriately zoned for the proposed design: Current zoning is Planned Development Industrial (PDI), which has no height or density restrictions and contemplates housing, commercial space, and other uses
- Permit set construction drawings by YBA Architects, dated 2/8/2024
- Phase 1 and Phase 2 Environmental Site Assessment reports, completed by Reynolds Engineering in March and April 2024, respectively
- Appraisal report completed by CBRE, dated 5/8/2024
- Letters of intent from CREA, LLC, Piper Sandler & Co., City of Wilsonville Grant, Clackamas County Health and Human Services Department
- Final HUD AFHMP (Affirmative Fair Housing Marketing Plan), dated 4/1/2024
- Final Community Engagement Outcomes report

Staff has not identified any unusual risks to project feasibility and readiness and will continue to request updates from the HACC regarding how work is proceeding. Given that this project is receiving Permanent Supportive Housing Pilot funds staff will provide technical assistance regarding permanent supportive housing services best practices as needed.

Advancing racial equity

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

- **Location:** The project is located at 9699 SW Barber Street in Wilsonville and within a half-mile are employers, natural areas and parks, and the City's planned I-5 Pedestrian Bridge connecting Wilsonville's west and east sides. Major commercial amenities are within a one-mile radius, including grocery stores, pharmacies, numerous restaurants, financial services, health, and personal care, and fitness. East of I-5, Wilsonville Town Center and its surrounding area offers Safeway, Wilsonville City Hall, Clackamas Community College and Wilsonville Community Center and Memorial Park. Current zoning is Planned Development Industrial (PDI), which has no height or density restrictions and contemplates housing, commercial space, and other uses.
- **Transit access:** The site is adjacent to the Wilsonville Transit Center, which provides connections to commuter rail and transfer to all SMART (South Metro Area Regional Transit) routes.
- **Diversity in contracting/hiring:** The project's General Contractor, PacifiCap Construction, seeks an aspirational goal of 35% MWESB participation for construction hard costs and an aspirational 30% goal for soft costs. Currently, when a subcontractor is needed, the COBID system is searched for vendors to be contacted for a proposal. At this time, the Wilsonville TOD project is utilizing four (4) COBID certified vendors for pre-development activities. COBID. COBID-firm selection and contract amounts will be verified upon construction completion, when the project submits its post-construction COBID participation report to Metro.
- **Access for historically marginalized communities:** Racial and ethnic minorities make up 26.8% of Wilsonville residents and 20.9% of Clackamas County residents. The proposed development is located at and will be integrated with Wilsonville's transit center, which provides easy connections to the commuter rail and quick transfer to all SMART transit routes. The geographic location of the proposed development would appeal to Communities of Color that rely on public transportation. Palindrome has partnered with Latino Network to provide referrals to the affordable housing community and provide culturally responsive programming. The property manager will periodically generate a summary statistics report to determine if targeted groups are showing interest in the property. If it is determined that the marketing has been unsuccessful in attracting underrepresented groups or those least likely to apply, new organizations will be identified to enhance outreach efforts and targeted messaging will be developed that speaks directly to the concerns and motivations of the target audience.
- **Culturally appropriate services:** Resident services will be provided by PacifiCap Management Inc. (PMI), in partnership with the Latino Network. A contract has been executed with Latino Network to provide outreach and culturally appropriate services to the Latino population at the project. Latino Network will provide programming to residents, along with case management. Case management will address housing barriers and include services such as budgeting/credit repair, referrals for mental health counseling and employment training. For additional details, see Latino Network's May 2024 Resident Services Plan document. Clackamas Women's Services (CWS) has been secured as the service provider for the PSH units. CWS will provide services for the PSH units and work with PMI for referrals and outreach through coordinated access for the project's 20 Permanent Supportive Housing (PSH) units. The wrap-around services from CWS are designed to support each household in achieving individualized goals centered on healing

from trauma, promoting well-being, and addressing the social determinants of health. For additional information regarding resident services and PSH services at the Wilsonville TOD project, please see HACC's Exhibit B Project Summary, under the "Partnership and Services" section.

- **Permanent Supportive Housing:** The 20 PSH units produced by the PSH Pilot Project funding will serve Population A (as defined in the SHS IGA's) and utilize Clackamas County's coordinated housing access (CHA) system to serve the community's most vulnerable residents. Clackamas County and the Housing Authority of Clackamas County are firmly committed to aligning ongoing Clackamas County SHS funding to provide project-based rental assistance and wraparound services to serve residents residing in these PSH units. Wilsonville TOD has a conditional award of 20 project-based Regional Long-Term Rental Assistance (RLRA) vouchers and up to \$12,000 per unit per year for the provision of supportive services to support 20 units of Permanent Supportive Housing (PSH) with Supportive Housing Services (SHS) Funding. The term of the award will be through June 2031 and may be extended up to 20 years by mutual agreement if adequate resources are available.
- **Cooling plan:** The project will pursue an Earth Advantage sustainability certification and include a rooftop photovoltaic solar system to provide electricity for common areas. The project will also include enhanced insulation, high performance windows, LED lighting, energy star appliances and smart thermostats. Each residential unit will include through wall PTAC air-conditioning units, combined with ceiling fans in each bedroom. EV parking spaces will be provided on-site for residents and guests.

Community engagement to inform project implementation

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

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

The development team convened focus groups and interviews during the summer of 2019. Online forums and surveys on Wilsonville's "Let's Talk Wilsonville" online public forum were offered from August 2019 to December 2019. Although this early engagement pre-dates the official Final approval review period, Palindrome continued community outreach in 2023 in partnership with Latino Network. This was done through engaging the targeted community on building and unit design features, supportive services, and culturally responsive programming. Engagement participants also completed project-specific surveys, where they shared their preferences for design features and services programming at the project. Two public meetings were held (October 18, 2023 and November 13, 2023) with a total attendance of 30 community members. Over half of the participants (53%) self-identified as BIPOC (Black, Indigenous and People of Color), with a large majority of BIPOC participants self-identifying as Hispanic, Latino or of Spanish origin.

Major themes gathered from community engagement included:

- Engagement participants were interested in paying affordable rent
- Resident services available for both children and adults
- Bilingual signage around the property, along with bilingual staff
- Services programming that includes cultural events for the community

- Security cameras and on-site security
- Ample lighting throughout the project at night
- Communal work and study spaces.

Major design feedback heard from community engagement included:

- Engagement participants expressed a preference for extra storage
- Addition of study rooms and tables in shared community space
- Free Wi-Fi and larger refrigerators in family-sized units
- Native plants and trees to help units stay cool in the summer
- Safe play areas and playgrounds for children
- Covered outdoor spaces, community gardens and flowers throughout the property
- Small dog park area for those with physical limitations

EXHIBIT B: Project summary submitted by Housing Authority of Clackamas County | Metro bond concept endorsement for Wilsonville TOD (WTOD)

Submitted by: Robert Gibson, Vice President
Palindrome Wilsonville Limited Partnership, rgibson@palindromecreates.com
Submitted on: 06/18/2024

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.

Palindrome Properties Group (Palindrome or PPG) was awarded the development rights to the Wilsonville Transit Oriented Development (WTOD) by the City of Wilsonville in response to a competitive Request for Qualifications (RFQ) in 2022. WTOD will be a mixed-use development with 121 affordable housing units over an active ground floor space. 100% of the housing units will be restricted to households earning 30% and 80% or less of area median income. The units will be a mix of studio, one, two and three-bedroom units.

The site is roughly 1.51 acres of vacant land owned by the City of Wilsonville adjacent to the Wilsonville Transit Station at 9749 SW Barber Street. The land will be deeded to Palindrome Wilsonville Limited Partnership at the close of financing. WTOD will be financed with tax exempt bond financing, 4% Low Income Housing Tax Credits (LIHTCs), energy tax credit equity, State grant funding for the Wilsonville SMART transit welcome center, a METRO transit-oriented development grant, and deferred development fees, as well as the \$8,000,000 requested Metro gap funds. In order to complete this much needed development, the Wilsonville TOD project requests \$8,000,000 in Affordable Housing Bond funding, of which \$4,164,000.00 will be Metro Permanent Supportive Housing (PSH) Pilot funds and \$3,836,000.00 from the Housing Authority of Clackamas County’s eligible share of Metro Affordable Housing Bond funds.

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.

- Latino Network has been secured as the service provider for the residents; a Service Agreement and Resident Services Plan is provided.
- Clackamas Women’s Services has been secured as the service provider for the PSH Units. A signed MOU will be provided prior to lease-up activities; a draft MOU is provided.

- Level Field Community Development Corporation has been contacted to become our non-profit partner, providing coordination of all service providers, so that we can provide the broadest possible services to our residents without overlap. Board approval is expected on May 15, 2023.
- The Metro TOD grant will be \$250,000 (the maximum loan amount).
- The development will receive a partial SDC waiver. The SDC amount is reflected under the line item “Impact Fees/ Tap Fees/Taxes/SDC” under the “Budget Uses” tab with the amount waived removed from this line item.
- The permanent lender has been finalized and the “Permanent First Loan, Hard Debt (Non-OAHTC)” amount now reflects the Piper Sandler LOI.
- The 45L and ITC equity amount has been updated based on expected subcontractor costs.
- The LIHTC equity line item has been updated based on selection of the LIHTC syndicator and changes to overall costs.
- “Construction Cost SOV” tab line items have been updated to reflect contractor and subcontractor updates. These changes do not reflect material changes in the project.
- Close of financing/construction start is scheduled for July 31, 2024.

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.

The proposed building will be a single five-story elevator building with a landscaped plaza and a mix of on-site and shared parking on the adjacent Tri-Met parcel. In addition to providing affordable housing for 121 households, Palindrome proposes to activate the ground floor with community amenities, the SMART transit welcome center, Wilsonville Community Sharing food bank and a commercial space. For the commercial space, Palindrome proposes to create a coffee shop and craft beer tap room with a focus on commuters, area employees, and neighborhood residents within walking or biking distance.

Building amenities include on-site management offices, social service offices, parcel lockers, fitness room, multi-purpose community room, bike room and laundry room. The building will be fully accessible served by two elevators. Common areas will include complimentary Wi-Fi access.

Exterior amenities include, a children’s playground, sports court, covered picnic tables, outdoor patio spaces and EV charging stations.

The total gross building square footage is 128,950 of which 5,830 is ground level commercial space.

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	4	30%	4	4	470	\$619
1 BD/1 B	16	30%	16	16	630	\$663
1 BD/1 B	21	80%			630	\$1,770
2 BD/1 B	13	30%			870	\$796
2 BD/1 B	35	60%			870	\$1,593
2 BD/1 B	19	80%			870	\$2,124
3 BD/2 B	2	30%			1125	\$926
3 BD/2 B	8	60%			1125	\$1,847
3 BD/2 B	2	80%			1125	\$2,461
1 BD/1 B	1	MGR			630	MGR
Total	121		20	20		

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.

The project image is uploaded under separate cover (See WTOD - SD Renderings).

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 site was identified through the 2020 Wilsonville Equitable Housing Strategic Plan process. On March 18, 2020, the City of Wilsonville released an RFQ for the site. Palindrome responded to the RFQ on April 26, 2022. Subsequent Q&As and interviews were conducted, and Palindrome was ultimately awarded the development rights to the project on December 19, 2022. The City of Wilsonville and Palindrome are currently negotiating a Development and Disposition Agreement for the proposed project. Site due diligence, including a soil report, title review, *environmental* and survey, has been completed.

The site is appropriately zoned for the proposed design and Palindrome has received design review approval from the City design commission. Following design review approval, Palindrome completed design development drawings and construction pricing from the general contractor. In February 2024, Palindrome completed construction permit drawings and submitted for permit approval.

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.

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.).

The project is located at 9749 SW Barber Street in Wilsonville and is adjacent to the Wilsonville Transit Center, which provides connections to commuter rail and transfer to all SMART routes. Current zoning is Planned Development Industrial (PDI), which has no height or density restrictions and contemplates housing, commercial space, and other uses via reference to the PDC and PDR zones. No rezoning is required.

Within a half-mile are employers, natural areas and parks, and the City's planned I-5 Pedestrian Bridge connecting Wilsonville's west and east sides. Major commercial amenities are within a one-mile radius, including grocery, pharmacy, numerous restaurants, financial services, health, and personal care, and fitness. East of I-5, Wilsonville Town Center and its surrounding area offers Safeway, Wilsonville City Hall, Clackamas Community College and Wilsonville Community Center and Memorial Park (see Amenities Table & Map provided at Concept Endorsement).

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

The aerial map is uploaded under separate cover (see Amenities Table & Map).

Site

[word limit: 300]

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

Owner: City of Wilsonville

Primary Address: 9749 SW Barber St, Wilsonville, 97070

Estimated Acres: 3.45

Zoning: PDI

Jurisdiction: Wilsonville

Map Number: 31W14B

Taxlot Number: 31W14B 00703

Parcel Number: 05020822

Census Tract: 022707

Landclass: 300 (<https://www.ci.wilsonville.or.us>)

Current Year Assessed Value: \$436,117.00

Market Building Value: \$0.00 (No buildings onsite)

Market Land Value: \$730,515.00

The total land area is 3.45 acres, so the lot will need to be subdivided, carving out the housing portion of 1.51 acres. There are no existing buildings on-site.

The site is zoned Planned Development Industrial which allows for the proposed mixed-use project as proposed.

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

The Phase I Environmental Assessment dated 06/07/2024 shows no recognized environmental conditions.

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.

This section is not applicable.

Project Financing

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

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

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

The estimated total development cost, excluding the commercial component, is \$57,739,880 equating to \$477,189 per unit and \$274,951 per bedroom. The total requested Metro bond gap funds is \$8,000,000 equating to \$66,115 per unit and \$38,095 per bedroom.

The sources and uses are included in the OHCS 4% NOFA application form submitted as part of the concept endorsement summary.

In addition to the land contribution, the City of Wilsonville is providing a \$2,000,000 transit grant to support the Smart welcome center at the project and SDC waivers (see Section 4.1.3 of the provided DDA with the City of Wilsonville for specifics on the transit grant).. The project is benefiting from a shared parking agreement with Tri-met on the adjacent transit center park and ride parking lot. As part of the project's environmental sustainability measures, the proforma included energy tax credit equity from the photovoltaic solar credits. A letter of intent from the City for \$1.9M is provided. The

The total developer fee is \$7,106,011 of which \$3 million is the net cash developer fee, which is below the maximum as outlined by “Exhibit G: Regional Guidelines for Cash Developer Fee” and is within the new construction range of 2% to 6%. The cash fee is justified as the project includes complexity and risk due to the integration of the development into the Wilsonville Transit Center, the mix of uses, and the number of proposed permanent supportive housing units. Further, Palindrome plans to partner with Latino Network to successfully engage and serve BIPOC communities through outreach and culturally responsive programming.

The initial total annual residential operating expenses are \$675,872 or \$5,585 per unit.

The 20 PSH units produced by the PSH Pilot Project funding will serve Population A (as defined in the SHS IGA’s) and utilize Clackamas County’s coordinated housing access (CHA) system to serve the community’s most vulnerable residents. Clackamas County and the Housing Authority of Clackamas County are firmly committed to aligning ongoing Clackamas County SHS funding to provide project-based rental assistance and wraparound services to serve residents residing in these PSH units.

Wilsonville TOD has a conditional award of 20 project-based Regional Long-Term Rental Assistance (RLRA) vouchers and up to \$12,000 per unit per year for the provision of supportive services to support 20 units of Permanent Supportive Housing (PSH) with Supportive Housing Services (SHS) Funding. The term of the award will be through June 2031 and may be extended up to 20 years by mutual agreement if adequate resources are available. The conditional award is provided.

Development Team

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

Developer:

Palindrome Properties Group

Palindrome has been a developer of affordable housing throughout the American West since 1999. Through its subsidiaries PacifiCap Construction and PacifiCap Management, it also builds and manages the affordable housing communities it develops. SOMOS Destinations, its hospitality subsidiary, owns and operates hotels, restaurants, breweries and tap rooms, while also managing the operations of dozens of micro-retail and food pod tenants.

Partnerships are essential to Palindrome’s delivery of high-quality affordable housing. Palindrome has worked extensively with nonprofit partners, and city, state, and federal agencies, to produce a majority of its housing, retail and hospitality developments. Palindrome’s real estate portfolio includes stabilized rental and mixed-use communities located in urban and suburban markets in Oregon, Washington, Colorado, Nevada, New Mexico and Arizona. Palindrome’s approach to real estate investment focuses on initial success, as well as long-term feasibility. In its 25-year history, Palindrome has developed over 8,600 housing units, including 7,758 affordable units, and 389,000 square feet of commercial space.

General Contractor:

PacifiCap Construction

With over 20 years of general contracting experience, PacifiCap has become an expert in the niche of constructing affordable housing, with particular experience in public-private partnerships. The company employs highly experienced, technically qualified project managers and job superintendents who personally oversee and direct all aspects of every project. PacifiCap works with a team of loyal and reliable subcontractors who have had relationships with the company for many years.

Architect:

YBA Architects

YBA Architects is a full-service architecture, planning and interior design practice based in Portland, Oregon and engaged in projects worldwide. We forge enduring relationships with clients who share our passion for excellence, quality, and willingness to explore new approaches to craft vibrant places that delight, return exceptional value to investors, and can adapt well to change.

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.

As part of the Equitable Housing Plan process, the team conducted stakeholder and public engagement to understand housing challenges and possible solutions. The team conducted a process that included:

- One-on-one interviews with ten key stakeholders. Participants included community-based organizations, real estate professionals, and many others. Some of these organizations currently address the needs of underrepresented groups in Wilsonville.
- A survey of 15 community members who rent units in existing subsidized buildings.
- An online survey on Let’s Talk, Wilsonville! with 80 participants.
- Three focus groups with nonprofit affordable housing developers, local employers, and community-based organizations that serve Wilsonville residents, including underrepresented populations.
- A kiosk at the Wilsonville Public Library that featured an interactive poll available in English and Spanish that was available during December 2019.
- A survey of employers with nine responses that indicated workforce housing costs were a concern.

Palindrome continued community outreach in 2023 in partnership with Latino Network engaging with the targeted community on building and unit design features and supportive services and culturally responsive programming. Two public meetings were held (October 18, 2023 and November 13, 2023) with a total attendance of 30 community members. Meeting forms provided.

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)*
- *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)*

Racial Equity: Racial and ethnic minorities make up 26.8% of Wilsonville residents and 20.9% of Clackamas County residents. The proposed development is located at and will be integrated with Wilsonville’s transit center, which provides easy connections to the commuter rail and quick transfer to all SMART routes. According to the Pew Research Center, 23% of Black adults and 15% of Hispanic adults say they take public transportation on a daily, almost daily or weekly basis. Comparatively, this figure is 7% for White adults.² The geographic location of the proposed development would appeal to Communities of Color that rely on public transportation. Palindrome has a signed Service Agreement with Latino Network, including a Resident Services Plan which will provide referrals to the affordable housing community and culturally responsive programming. Please see the Partnerships and Services section for additional information.

Fair Housing: Palindrome’s aim is to ensure all residents receive and maintain the basic human right of an affordable, high-quality home, along with support to maximize their probability of achieving stability and success. The property manager will periodically generate a summary statistics report to determine if targeted groups are showing interest in the property. If it is determined that the marketing has been unsuccessful in attracting underrepresented groups or those least likely to apply, new organizations will be identified to enhance outreach efforts and targeted messaging will be developed that speaks directly to the concerns and motivations of the target audience. This could involve highlighting the benefits of the community, addressing common misconceptions, and using language and imagery that resonates with those least likely to apply. At this point, a variety of outreach methods that go beyond traditional advertising and marketing channels may be used to reach these populations. This could include community events, partnerships with local organizations, targeted social media campaigns, and word-of-mouth referrals.

Economic Opportunities for People of Color: When a subcontractor is needed, the COBID system is searched to see if there is a compatible vendor that can be contacted for a proposal. Currently, the following COBID certified vendors are under contract and being utilized for pre-development activities:

RQ4D (Surveying) ESB and SDVBE Oregon Cert ID 12264
 Emerio Design, LLC (Civil Engineering) DBE and MBE Oregon Cert ID 5611
 Shaprio Didway LLC (Landscape Design) ESB Oregon Cert ID 10705
 M.Thraikill.architect LLC (Specifications) ESB Oregon Cert ID 9859
 Valar (Structural Engineering) ESB and MBE Oregon Cert ID 9771

While Wilsonville TOD will utilize as many apprentices, women and people of color as possible, these statistics will not be tracked.

² <https://www.pewresearch.org/short-reads/2016/04/07/who-relies-on-public-transit-in-the-u-s/>

Wilsonville TOD has the following equitable contract goals for construction:

Hard Costs 35%

Soft Costs 30%

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.

PacifiCap Management Inc. (PMI) is a professional management company with 25 years of experience managing affordable multifamily housing communities. PMI uses a comprehensive strategy aimed at ensuring the efficient operation and maintenance of the property while fostering a vibrant community environment. PMI will provide a property management plan which encompasses various aspects including leasing and resident relations, financial management, maintenance and repairs, amenities management, and emergency preparedness. The plan will prioritize resident satisfaction through responsive communication channels, timely resolution of maintenance issues, and the provision of high-quality amenities and services.

Referrals into the apartment community will come from Clackamas Women's Services (CMS, through the Clackamas County's Coordinated Housing Access system) and Latino Network (LN). Palindrome Wilsonville Limited Partnership (Palindrome) through their affiliated management agent PacifiCap Management Inc. (PMI) will accept all referrals from RLRA referral partners and the coordinated access system and notify partners immediately when units are available or when management knows a PSH unit will become available in the future. Additionally, PMI will:

- Reduce screening barriers and/or accept applicants who have been pre-approved
- Limit application fees and security deposits to a reasonable limit
- Notify service partners when issues arise and work collaboratively to prevent damages or eviction
- Promote housing access and inclusion, and follow specific non-discrimination and anti-racism guidelines

PMI will work closely with both Clackamas Women's Services and Latino Network for referrals and resident services, based on their signed MOUs.

Case management services will be provided by Clackamas Women's Services onsite to the 20 PSH households supported by the voucher program. The Wrap-around services from Clackamas Women's Services are designed to support each household in achieving individualized goals centered on healing from trauma, promoting well-being, and addressing the social determinants of health. All Case Managers are state certified in domestic violence advocacy. CWS services work to enhance safety, mitigate isolation, and promote self-determination with individualized services. All services are voluntary and in the language of their choice, so participants are able to choose services that meet their needs and goals. Clackamas Women's Services will provide trauma-informed and culturally responsive wrap-around services such as mental health counseling (individual and family), parenting support groups, art-based therapy, mentoring, legal representation, and health services recognizes that simply increasing one's income does not address the many root causes of homelessness, community harm, and interpersonal violence. They also include community connection activities and wellness programming in their wrap-around services to support

incorporating well-being into individualized service plans and to mitigate the harm caused by the isolation of domestic and sexual violence. Please see draft MOU attached.

Latino Network has identified several broad categories of services and opportunities that will benefit residents including:

- Health & Wellness Education
- Financial Education
- Legal Planning & Services
- Arts & Culture Activities

Latino Network will provide programming to building residents, and case management services to qualifying families through available programs as capacity permits. Case management will address identified housing barriers, including but not limited to, budgeting/credit repair, referrals for mental health counseling, housing, education, employment/training workshops, and parenting.

The goal of the Latino Network is to provide services from within these categories to residents on a monthly basis. Each month, the Latino Network will offer an opportunity from one of these service areas to residents, provided by the Latino Network directly or through an area community provider.

On-site activities and workshops will take place monthly in community spaces and will be advertised in advance. Additionally, an informative and practical schedule of free and low cost community events and activities will be posted in common areas for residents on a monthly basis. Events will be culturally specific, family friendly, low-cost or free and easily accessible within the neighborhood.

Additionally, Latino Network's staff will notify Property Management staff if any resident makes known issues that would affect the resident's ability to maintain housing. Latino Network will work with the resident/household to attempt to remedy the situation to maintain their housing. Finally, Latino Network will share with their clients the affordable housing opportunity at the Wilsonville development.

Livability and Accessibility

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

Starting with site grading and landscape design, the proposed project has been designed to maximize accessibility for residents and guests. The building is secure with an access control system with guest intercom. The main entry doors have push button controls to automatically open. The ground level entry and hallways are open and wide to eliminate obstacles for move in. The management office and common spaces are all located on the ground level with windows for visibility to enhance security. Common areas will include complimentary Wi-Fi access.

All units in the community are fully accessible and served by two elevators. Kitchens, bathrooms, and closets have been designed to maximize functionality and accessibility.

There are several outdoor spaces with covered seating areas to encourage residents to enjoy the outside environment.

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.

Each residential unit will include through wall PTAC air conditioning combined with ceiling fans in each bedroom. The common areas of the building will be serviced by roof-top condensers.

The project will pursue an Earth Advantage sustainability certification. Sustainability features include a rooftop photovoltaic solar system to provide for common area electric. Enhanced insulation and high-performance windows, LED lighting, energy star appliances and smart thermostats will provide energy efficient units for residents. The landscape design uses native water smart plants, and the units include low-flow water fixtures.

EV parking spaces will be provided on-site for residents and guests.

Anticipated Timeline

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

The development team, including general contractor, design team, and property management, has been selected. The site due diligence, schematic design, and the City pre-application meeting has been completed.

The following timeline outlines the remaining key milestone to be completed:

Concept Endorsement	August, 2023
Community Outreach	September, 2023
Design Review Approval	November, 2023
Development & Disposition Agreement	May, 2024
Building Permit Application	February, 2024
Final Approval	August, 2024
Closing	July, 2024
Construction Completion	January, 2026
Initial Lease Up	January, 2026
Stabilization	June, 2026

Metro Affordable Housing Bond Program Final Approval

Project Name: Shortstack Milwaukie
Implementing Jurisdiction: Housing Authority of Clackamas County
Metro IGA Contract Number: 936551
Date of Concept Endorsement: November 15, 2023
Anticipated construction start: August 2024
Anticipated construction completion: July 2025

Action:

Metro hereby provides the Housing Authority of Clackamas County (HACC) with Final Approval of \$700,000.00 in Metro Affordable Housing Bond funds for the development of Shortstack Milwaukie, a regulated affordable homeownership project located at 3736 SE Harvey Street, Milwaukie. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Housing Authority of Clackamas County (HACC), is attached as Exhibit B.

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

<u>Number of Units</u>	<u>Bedroom Type</u>	<u>AMI Level</u>
15	Two-bedroom	80%

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



 Andrew Scott
 Deputy Chief Operating Officer

July 15, 2024

Date

Exhibit A: Metro staff findings and recommendations | Metro Affordable Housing Bond Final Approval request for Shortstack Milwaukie



Drafted by: Jimmy Oporta, Senior Housing Bond Program Coordinator
and Alison Wicks, Housing Bond Program Supervisor
Date: July 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 of funding for Shortstack Milwaukie. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Clackamas County (HACC).

Changes since Concept Endorsement

The project is being reviewed for Final Approval and has undergone changes since Concept Endorsement on November 15, 2023. Project development costs have increased by 1% (\$74.7K) and the construction loan has increased by the same amount. The Metro Housing Bond funding amount remains unchanged at \$700,000.

- Total development costs are \$7.62 million and Metro Housing Bond funding is \$700,000.
- Net cash developer fee is 9.55% of developer fee basis. This amount is less than the Metro maximum of 14% for projects with 1 – 30 units.
- Construction start date in August 2024 with completion anticipated in July 2025.

Contribution to unit production targets

Shortstack Milwaukie will utilize 1% (\$700,000) of HACC's total allocation of bond funds while delivering 15 homeownership units that meet the following unit production outcomes:

- 2% of HACC's overall unit production target;
- 4% of HACC's family sized unit target.

When combined with HACC's other pipeline projects, Shortstack Milwaukie puts the County on a path to have utilized 91% of HACC's total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 119% of HACC's overall unit production target;
- 139% of HACC's family sized unit target.

Eligibility and readiness to proceed

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

- Purchase and sale agreement, dated 2/19/2023, demonstrating evidence of site control
- Updated project pro forma dated 5/18/2024
- Permit set drawings by Works Progress Architecture, date 2/29/2024
- Appraisal report by BBG Real Estate Services, dated 4/9/2024
- Phase I Environmental Site Assessment report by GeoPacific, dated 4/24/2023.
- Letters of intent from Craft3, City of Milwaukie CET Grant, USDA Forest Service – Wood Innovation Grant, OHCS LIFT Award Letter
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon and nationally
- City of Milwaukie, Local Government Verification with Zoning and Land Use Regulations, dated 1/11/2023

Staff has identified this project as an affordable homeownership pilot project. Legal compliance of regulatory agreement and monitoring plan will need to be confirmed prior to funding disbursement and staff will continue to request updates from the Housing Authority of Clackamas County regarding how work is proceeding.

Advancing racial equity

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

- **Location:** The location in the Ardenwald neighborhood of Milwaukie was selected based on its ideal neighborhood location for affordable cottage homes. The neighborhood is well-connected to Milwaukie’s thriving downtown commercial center, good schools, and major employers. The site is within walking distance to Providence Hospital, Safeway, Ardenwald Elementary School, Downtown Milwaukie, and many other public amenities. Water Tower Park is a block away and the larger Minthorn North Natural Area is ½ mile. The site is less than a ½ mile from SE 82nd Avenue commercial corridor.
- **Transit access:** The site is within ½ mile of the MAX yellow line, and less than ¼ mile from several tri-met bus lines (the nearest stop is only a block away).
- **Diversity in contracting/hiring:** The development team seeks an aspirational goal of 30% MWESB participation throughout the development and construction process of this project. The development team is in the process of finalizing a replacement bid from Owen Gabbert, LLC., the project’s new General Contractor.
- **Access for historically marginalized communities:** Proud Ground recognizes inequitable access to homeownership has kept households of color, many of which are first-generation and first-time homebuyers, from building wealth and accessing high-quality neighborhood services, such as education and employment. For this reason, Proud Ground focuses its outreach on these groups, in particular historically marginalized communities with children and with limited English proficiency through marketing strategies and internal policies that break down barriers of accessing homeownership opportunities. In 2022, Proud Ground collaborated with Univision PDX for an Outreach campaign targeting the Spanish-speaking population, and Proud Ground services were highlighted in the Spanish show Elemento Latino (an independent television program that produces educational, social, and cultural programs related to Latino needs and issues). Proud Ground also began a partnership with Pueblo Unido PDX; Pueblo Unido is the Collective of Indigenous Interpreters of Oregon (CIIO), a group of interpreters of indigenous languages from Mexico, Central America, and South America that address barriers to legal and social services for indigenous language

speakers in Oregon. Pueblo Unido will be working in partnership with Proud Ground to conduct ongoing Information sessions in the top 10 indigenous languages from Mesoamerica that are spoken in this region. The Proud Ground waitlist policy, which has been approved by Fair Housing of Oregon, prioritizes larger households with children or households of 3 or more. Through targeted outreach to the BIPOC community, Proud Ground anticipates that most of the homes (75%) will be purchased by households identifying as BIPOC. 77% of Proud Ground homebuyers since 2021 identify as BIPOC households.

- **Culturally appropriate services:** Proud Ground will conduct regular information sessions to inform the public of homeownership opportunities and requirements. Once selected through the official waiting list, homebuyers gain access to Proud Ground’s Homeownership Education and Counseling programs, which helps first-time homebuyers become mortgage ready. Proud Ground then administers down-payment assistance funds as buyers complete the purchasing process. In 2022, Proud Ground hired a Stewardship Manager to expand education, services and support to Proud Ground homeowners. Proud Ground offers post purchase education in a one-on-one and group format (in-person and virtual). A minimum of eight workshops are offered each year (4 in English and 4 in Spanish). Topics include: Estate Planning, Home Maintenance/Repair, Solar Panels, Budgeting, Insurance, Planning for Retirement, and more. Workshop partners include Solar for All, SparksNW, Financial Beginnings, Rebuilding Center, and Habitat for Humanity Portland Region.
- **Cooling Plan:** The all-electric homes will be designed to standards that exceed the energy efficiency requirements set forth by the City of Milwaukie building code. Heating and cooling for the homes will be provided by heat pump systems. The project will emphasize resiliency through integrated on-site stormwater management and a palate of native, naturally occurring plants and trees.

Community engagement to inform project implementation

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

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

Community outreach will be used to drive income-qualified, first-time homebuyers to Proud Ground’s information sessions to learn more about homeownership opportunities. Information sessions will be offered virtually and in person and include outreach materials, program application forms and program contracts in English and Spanish, as well as other languages upon request. If non-English speakers require a translator to proceed with the home buying process, Proud Ground will help cover that expense at no cost to the buyer. Organizationally, Proud Ground solicits and engages the community served, in developing solutions and improving services offered. This is supported by the organization by-laws which require 1/3 of Proud Ground’s board directors to be current Proud Ground homeowners. All Proud Ground homeowners are voting members of Proud Ground’s membership-based Community Land Trust (CLT) and have a voice in key decisions, including by-law changes.

Proud Ground partners with many culturally specific homeownership agencies in the Metro region, including: Bienestar, Hacienda CDC, NAYA, PCRI, OHDC, Pueblo Unido, IRCO, Univision PDS, VERDE, Rose CDC, Human Solutions and Centro Cultural. For Shortstack Milwaukie, Proud Ground intends to reach out to each agency offering advanced notice of the home purchase

opportunity before the homes are listed on the market, and to inquire if the agencies have an active presence in Milwaukie (or Clackamas County) or wish to expand their outreach into this area if they don't currently. Proud Ground will collaborate on outreach and info sessions with those partners that respond to the inquiry and who want to offer the homeownership opportunities to their service base.

Shortstack Milwaukie

Project Narrative
May 17, 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 Shortstack Milwaukie project will deliver an innovative, replicable homeownership solution, led by a diverse team of industry experts. The project delivers 15 affordable homes in Milwaukie, through smart densification at the “missing middle” / “cottage cluster” scale. The project leverages recent up-zoning for middle housing neighborhoods and is located near amenities that working families need to thrive.

The project design for two-story, two-bedroom cottages was determined to be a compact, efficient design for cost purposes while providing a modern open ground floor plan concept that is desirable and marketable for home buyers. The units are intended to serve a mix of small families, couples, and individuals – all of whom are continuants in need of more affordable home buying options.

The Shortstack development concept is a direct response to housing legislation passed recently in Oregon, including House Bill 2001 (2019); the City of Portland’s Better Housing by Design (2020) and Residential Infill Project (2021); and the City of Milwaukie’s Middle Housing Zoning Code Update (2022). The policies address the State’s desperate need for affordable housing options by creating opportunities to increase residential density for infill sites. This project also responds to affordable housing needs detailed in Governor Kotek’s Executive Order No. 23-04 which calls for production of 36,000 housing units per year.

Thanks to partnership between Shortstack Developers Jessy Ledesma of HomeWork Development and Anna Mackay of Sister City, and Proud Ground, Oregon’s largest non-profit Community Land Trust, homes at Shortstack Milwaukie will be priced for households earning up to 80% AMI.

Shortstack Milwaukie requests \$700,000 from Metro to fill the financing gap for 15 affordable homeownership cottages to be built at 3736 SE Harvey Street, Milwaukie, OR.

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 %	Square feet/unit	2025 Sale Price
2 bed, 1.5 bath	15	80%	960sf	\$245,000-250,000

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.

Shortstack Milwaukie was selected for competitive funding processes as follows:

- May 2022: USDA Wood Innovation Grant
- December 2022: City of Milwaukie CET Grant
- May 2023: OHCS LIFT + LIFT Subsidy Award

Due diligence and predevelopment completed to date:

- Site due diligence: survey, Phase I environmental, Geotech report, land appraisal
- Architectural Plans: 95% Construction Documents
- Planning/Zoning entitlements: under review with the City of Milwaukie for building permits
- Contractor bid provide by Truebeck Construction
- Construction loan Letter of Interest provided by Craft3 (currently underwriting)

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.).

The location in the Ardenwald neighborhood of Milwaukie was selected based on its ideal neighborhood location for affordable cottage homes. The neighborhood is well-connected to Milwaukie's thriving downtown commercial center, good schools and major employers.

The site is within ½ mile of the MAX yellow line, and less than ¼ mile from several tri-met bus lines (nearest stop is only a block away) and within walking distance to Providence Hospital, Safeway, Ardenwald Elementary School, Downtown Milwaukie, and many other public amenities. Water Tower Park is a block away and the larger Mintorn North Natural Area is ½ mile. The site is less than a ½ mile from SE 82nd Avenue commercial corridor.

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.

The site (3736 SE Harvey Street, Milwaukie, OR) is a 24,300 sf site on a single tax lot (Tax ID: 11E25DD02700). It is zoned R-MD; a Moderate Density Residential Zone.

There is an existing single-family home on the site (built 1940) which is scheduled for demolition. The existing tenant was given notice to vacate 60 days prior to land sale.

GeoPacific conducted an Environmental Phase 1 dated April 24, 2023 (reviewed by Craft3's environmental consultant May 2024 concluding the same). Their pertinent summarized findings are:

1. No surface water or drainages were observed at the site.
2. Site reconnaissance did not reveal the obvious presence of any environmental hazardous material contamination sources on the site, including soil staining or distressed vegetation except for the above ground heating oil tank on the east side of the residence. No signs of spill or leaks were observed in the vicinity of the above ground heating oil tank on the east side of the residence.

3. Available hydrogeologic literature suggests that the near surface groundwater table is likely between 80 and 120 feet below the ground surface at the lower elevations of the site.
4. The target property was not listed in any of the databases searched by EDR or GeoPacific.

Their conclusions and recommendations are as follows: GeoPacific has performed this Phase I environmental site assessment in general conformance with the scope and limitations of ASTM Standard E1527-13. The assessment did not reveal evidence of recognized environmental conditions (RECs) in connection with the property; no additional environmental investigation is necessary for this site.

A geotechnical engineering report was prepared by GeoPacific on May 3, 2023. Their site investigation indicates that the proposed development appears to be geotechnically feasible, provided that the recommendations of the report are incorporated into the design and construction phases of the project. The main geotechnical concern associated with the proposed site development is site preparation, due to the presence of undocumented fill material. This condition will be explored further in future phases of predevelopment.

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.

PROFORMA SUMMARY				
Sources		Public Subsidy	Per Unit	Per Bdrm
Construction Debt	3,622,092		241,473	120,736
OHCS LIFT Subsidy	2,745,000	X	183,000	91,500
Wood Innovation Grant	250,000	X	16,667	8,333
City of Milwaukie CET Grant	300,000	X	20,000	10,000
Metro Bond Funds - Clackamas County	700,000	X	46,667	23,333
Total Sources	7,617,092		507,806	253,903
Uses				
Land	600,000		40,000	20,000
Construction Costs	4,647,816		309,854	154,927
Soft Costs	1,808,223		120,548	60,274
Financing Costs (net of Sales Costs)	331,663		22,111	11,055
Contingency	229,391		15,293	7,646
Total Uses	7,617,092		507,806	253,903

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.).

Funding contributions are outlined in the sources/uses summary above. Local incentives such as SDC waivers are not available, however the City of Milwaukie supports the project via their CET grant program. A partial property tax abatement is provided under House Bill 3275, which exempts the land owned by a community land trust and a 27% discount for condominium homes with an affordable housing covenant.

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.

Total developer fee/net cash developer fee: maximum of \$695,000 or 10% of development costs per OHCS LIFT guidelines for affordable homeownership projects. Proforma includes a developer fee (inclusive of construction management) of \$665,000.

OHCS does not provide for developer fee sizing for affordable homeownership projects according to project complexity and risk, developer organization size or other considerations. However, developer fee sizing of 10% does represent a reasonable fee for a small (15 unit) project, including participation of an emerging developer in partnership with an established non-profit community land trust.

The stated developer fee and net cash developer fee is within the Metro Developer Fee Guidelines outlined in Exhibit F of the 2021 Metro Report: 1-30 units / 8-14%.

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

Not applicable for homeownership developments. Note that Proud Ground will provide ongoing homebuyer support and management for all home sales and re-sales for qualified buyers.

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.

Jessy Ledesma of HomeWork Development, Co-Owner Shortstack Developer LLC:

Jessy Ledesma is the Founder and Principal of HomeWork Development and co-Founder of Shortstack. Jessy founded HomeWork Development in early 2021 with a vision to build a new model for inclusive and responsive housing development. Prior to HomeWork, Jessy was Director of

Development at Beam Development (2015-2021) and previously developed affordable housing for both non-profit and for-profit ownership (2007-2015).

With 17 years of development experience in the Portland area, Jessy has transacted over \$200M in development volume across 18 projects. This includes over 600 affordable housing units and 200,000 SF of commercial developments. Jessy is adept at creative structuring, including navigating complex for-profit/non-profit partnerships and layered financing stacks. Jessy currently serves on the Home Forward Board of Commissioners and chairs the ULI Northwest Women's Leadership Initiative.

Anna Mackay of Sister City, Co-Owner Shortstack Developer LLC:

Anna Mackay is the Founder and Principal of Sister City (2020) and co-Founder of Shortstack (2021). She has 12 years of experience as a real estate developer in Portland, Oregon. Through her work, Anna defines and field tests concepts of social impact in real estate, including:

- Delivering the first affordable multifamily housing project built using mass timber in Oregon (Chiles House, 2022).
- Structuring the first crowd-investing deal for new construction utilizing Regulation A in the United States (\$1.5M, the Fair-Haired Dumbbell, 2016).
- Raising a tranche of crowd-invested equity from everyday Oregonians for a homelessness project in just 68 hours (\$300,000, Jolene's First Cousin, 2018).
- Creating a non-displacement benefit to foster affordable retail (Rocket Empire Machine, 2020)

Prior to starting her own firm, she was the Director of Development at Guerrilla Development (2017-2020) where she managed equity raising, entitlements, construction, and lease up of 12 adaptive reuse and urban infill projects.

Briana Rae Mathias, Shortstack Developer CPA:

Briana Mathias is the Owner of Woodcrest Consulting, LLC, a boutique fractional CFO service firm supporting local business owners with their accounting and finance needs. Briana is a CPA with over 15 years of experience in public and private accounting and has primarily focused her career over the last several years on real estate focused businesses and projects. She also holds an active real estate license in Oregon and works part-time with a local commercial real estate firm, Macadam Forbes, as a broker for both landlords, developers, investors and tenants.

Briana acts a strategic financial partner and advisor for her clients and always provides the highest level of service. Currently, Briana is actively involved with clients ranging from real estate development, construction and property management, to high-net worth real estate investors. A majority of her time is dedicated to the Shortstack Team and suite of projects and Briana is primed to allocate her time and resources to support Shortstack's growth and evolution.

Community Land Trust Partner: Proud Ground

Proud Ground staff leadership have significant pre-development experience by taking the lead on the 5020 Condo project (COVID caused termination just before closing), New Spirit Village (including a LIFT award of 4.3 million), and the Portland Clean Energy Fund projects for 15 scattered site, net zero, permanently affordable homes. Additionally, Proud Ground developed a 12

unit sub division and partnered with a developer for a second 12 units condo in 2010/11. Habitat for Humanity Portland Region remains Proud Ground's strongest development partners.

Proud Ground staff members supporting this project include:

EXECUTIVE DIRECTOR, DOMINIQUE MERRIWEATHER: Dominique was recently appointed Executive Director Proud Ground in July 2023. Prior to joining Proud Ground, Dominique was the Director of Finance & Business Affairs for Innovative Housing, Inc. where he provided financial, operational, and human resources oversight and leadership. Dominique's professional background was developed in commercial lending for several local banks. Dominique received his bachelor's degree from Concordia University and holds a master's degree from Portland State University. He is a graduate of Benson High School.

Dominique has been an active community volunteer with organizations focusing on community leadership, youth sports and mentoring, housing security and diversity. Currently he serves as a Commissioner for the Vancouver Housing Authority, is a board member for Partners in Careers and sits on the finance committee for Second Step Housing. Dominique is excited for the opportunity to lead Proud Ground and to continue its mission of expanding home ownership opportunities to low- and moderate-income families such as to allow them to remain in communities of their choice. The community land trust model is proven, as represented by Proud Ground's nearly 25-year history, and Dominique believes that it is a useful tool in creating strong families, stable communities, economic viability, and permanent affordability.

Mr. Merriweather is married with a blended family of six children. A proud inductee to two halls of fame, he spends his spare time cooking, perfecting BBQ recipes and traveling to his kids sporting events or to tropical respites.

REAL ESTATE DEVELOPMENT MANAGER, MELISSA HOSKINS: Melissa graduated from High Point University with a bachelor's degree in business administration and Portland State University with a graduate certificate in real estate development. Her professional experience has focused on real estate finance and asset management of commercial properties including new multifamily development. She has been working with Proud Ground since May 2023 as Real Estate Development Manager overseeing a variety of development projects in the Proud Ground portfolio including New Spirit Village.

FISCAL DIRECTOR, DIANNE TOPP: Dianne has over 11 years of experience in community land trust fiscal management. Her fiscal support of the organization includes budget development, compliance support, overall management of Proud Ground's budget, financial reports and annual high-level audits. Her past experience includes work with OSPIRG, M & R Consulting, and she co-owned a small environmental consulting firm.

FUND DEVELOPMENT MANAGER, ALMA BARRAZA (BIPOC & BILINGUAL): Alma is a dedicated bilingual Spanish professional with over 16 years of fundraising and volunteer experience. She supports Proud Ground with public and private fund development through grants, sponsorships, and major donor fundraising. Alma brings extensive business experience, entrepreneurial skills, and passion for philanthropy to her work with Proud Ground.

HOMEOWNERSHIP PROGRAM DIRECTOR, KATIE ULLRICH: With 19 years experience as a CLT homeownership professional with Proud Ground, Katie is a leader in the industry. She has a Master's in Social Work, is a licensed Principal Real Estate Broker in Oregon and is a HUD Certified

Housing Counselor, providing Proud Ground clients with homebuyer counseling and education services, as well as post-purchase support.

CROSS CULTURAL OUTREACH MANAGER, YESIKA AREVALO (BIPOC & BILINGUAL): Yesika has provided bilingual and cross cultural support to Proud Ground families for over 12 years. She helps families learn about the CLT model and assists them through the homebuying process, with a focus on Spanish speaking families and families of color. She is a certified homeownership counselor.

REAL ESTATE BROKER AND PROJECT MANAGER, *Real Estate Development Manager, Melissa Hoskins: Melissa graduated from High Point University with a bachelor's degree in business administration and Portland State University with a graduate certificate in real estate development. Her professional experience has focused on real estate finance and asset management of commercial properties including new multifamily development. She has been working with Proud Ground since May 2023 as Real Estate Development Manager overseeing a variety of development projects in the Proud Ground portfolio including New Spirit Village.*

UNDRA ADAMS (BIPOC): As a licensed professional Real Estate Broker on staff for Proud Ground, Undra helps with CLT home closings and buyer representation, as well as home repairs and marketing. His goal is to “make sure my clients feel completely equipped and supported in the entire home buying and selling process.

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.

Proud Ground intentionally seeks input and engagement with the communities it intends to serve. Proud Ground is a membership-based organization, which gives homeowners and contributors voting rights on strategic organizational decisions. This ensures that the community members served by Proud Ground are part of its decision making.

Currently, over one-third of the organization’s Board Members are Proud Ground homeowners and over half are people of color.

Proud Ground partners with many community organizations to reach its target populations (Additional detail in the “Advancing Racial Equity” and “Partnership and Services” sections, below). All outreach efforts focus on homebuyers attending Proud Ground information sessions. These sessions are available in English and Spanish, virtually or in person, and as pre-recorded sessions.

Advancing Racial Equity

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

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

The Shortstack project is rooted in an ambitious and innovative development process aimed at diversification across all levels of the development, finance and construction processes. We are committed to engaging at least 30% COBID-certified MWESB firms for Shortstack Milwaukie throughout our development and construction process. The National Association of Minority Contractors Oregon Chapter (NAMC-O) is engaged to help create our outreach and representation plan. To date, **over 70% of our current consultant contract amounts (including development, architecture, engineering, civil, legal and others) are held with women-owned firms.**

Our development team consists of two woman-owned firms: HomeWork Development and Sister City. Our architect Works Progress Architecture is a woman-owned business, as is our civil engineer Vega and landscape architect Studio Wild. Our structural engineer is led by a female minority Principal.

Proud Ground has a rich history of serving people of color. Inequitable access to homeownership has kept Households of Color, many of which are first-generation and first-time homebuyers, from building wealth and accessing high-quality neighborhood services, such as education and employment. Therefore, Proud Ground focuses its outreach on Households of Color, first-time homebuyers, and households with children. Proud Ground's focus is to create programmatic strategies and internal policies that break down barriers preventing this population from accessing affordable homeownership opportunities.

The Proud Ground waitlist policy prioritizes households with children or households of 3 or more and then it is based on the buyer's date of application with the program. This policy has been approved by Fair Housing of Oregon. Through targeted outreach to the BIPOC community to develop a diverse waiting list, Proud Ground anticipates that a majority of the homes (75%) will be purchased by households identifying as BIPOC. 77% of Proud Ground homebuyers since 2021 identify as BIPOC households.

In 2021, Proud Ground launched its 5-year strategic plan with a goal to create another 200 homeownership opportunities, focusing on communities of color and historically marginalized communities through the Opening Doors initiative. Over five years, Opening Doors aims to increase Proud Ground's portfolio of permanently affordable homes from 350 to 550. At least 75% of these new homeownership opportunities will benefit families identifying as Black, Indigenous, or People of Color (BIPOC). Project leaders are committed to achieving this objective for sales of the new Shortstack Milwaukie units.

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.

Proud Ground partners with many culturally-specific homeownership agencies, including:

- Bienestar
- Hacienda CDC
- NAYA
- PCRI
- OHDC
- Pueblo Unido
- IRCO
- Univision PDS
- VERDE
- Rose CDC
- Human Solutions
- Centro Cultural

For Shortstack Milwaukie, Proud Ground intends to reach out to each agency offering advanced notice of the home purchase opportunity before the homes are listed on the market, and to inquire if the agencies have an active presence in Milwaukie (or Clackamas County), or wish to expand their outreach into this area if they don't currently. Proud Ground will follow up to partner more specifically on outreach and info sessions with those partners that respond to the inquiry and who want to offer the opportunity to their service base.

Proud Ground is committed to reducing barriers to program access for those with limited English proficiency through provisions of translation and interpretive services. Proud Ground's language access plan ensures those with limited English proficiency do not have barriers to accessing Proud Ground's services.

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 program, which helps first-time homebuyers become mortgage ready. Proud Ground then administers down-payment assistance funds as buyers complete the purchasing process. The combination of education and counseling with down-payment assistance breaks down the biggest barrier to homeownership and makes homeownership a possibility for families who would otherwise be locked out of owning their first home.

Livability and Accessibility

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

The Shortstack Milwaukie project operates under the residential building code which doesn't include accessibility or visitability requirements, since these are considered individual residential units. Nonetheless, the site is designed to be accessible from the public right-of-way to each unit; most of the homes do not include entrance stairs; and each home does include a half-bathroom on the ground level, which are all tenants of universal design.

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 Shortstack Milwaukie cottage cluster project embodies climate resiliency and energy efficiency throughout its design, build, and occupancy stages. Energy efficiency equates to further affordability for future residents and early coordination allows for decisions to be made with respect to this.

Shortstack Milwaukie, as with all Shortstack sites, prioritizes efficiency at the neighborhood scale, community scale and building scale. At the neighborhood scale, the project leverages the City of Milwaukie's recently adopted Cottage Cluster Zoning to maximize housing density across two properties in Milwaukie's Ardenwald neighborhoods. The development yields 15 units on one site through a unique double-cluster site design.

At the community scale, Shortstack Milwaukie is designed as 15 identical, replicable two-bedroom units. By perfecting one unit plan the project maximizes construction efficiency and trade buy-out efficiency. Each unit has the same structural package, the same kitchen package, the same bathroom and finish package. The two sites utilize the same landscape "kit of parts", tailored to the existing tree canopy and solar/shading conditions.

The cottage design includes research and development around mass timber panelized construction. One cottage will be built utilizing mass timber structure and fourteen cottages will be built utilizing panelized stick-framed structure. The team will compare the cost, speed of construction and marketability of the mass timber vs. conventional construction to optimize the design for future replicability. With respect to construction efficiency mass timber panelized buildings are constructed 20%-25% faster than traditional stick-built construction, with structure going up in a matter of days vs. weeks.

The multi-site development effort increases the efficiency of the development process through a cohesive design and engineering team and a kit-of-parts approach. In other words, the team does not

start from scratch to build 15 units – we are leveraging the knowledge, research and development, and relationship efficiency of several other Shortstack sites.

Each Shortstack Milwaukie unit is compact while still providing a desirable and marketable two-story, two-bedroom/1.5 bathroom layout. The prototype design comes from nearly two years of research out of the University of Oregon’s Center for the Built Environment and the TallWood Design Institute, as part of their Mass Timber Coalition efforts to prototype mass timber housing options for statewide increased housing production. This R&D work is supported by a 2022 US Forest Service Wood Innovation Grant.

The all-electric homes are designed to standards that often exceed the energy efficiency requirements set forth by the City of Milwaukie building code. The homes include heating and cooling provided by heat pumps. In addition to sourcing building materials local to the Cascadia bioregion (such as our mass timber product) the project team is pursuing the Energy Trust of Oregon [Energy Performance Score](#) program.

The site emphasizes resiliency through design that integrates stormwater management with a palate of native new plants and trees sources from what Shortstack refers to as the Douglas Fir tree-shed– the naturally occurring habitat for one of Oregon’s most resilient species.

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.

- Developer selection: complete
- GC Selection: complete
- Concept Endorsement: Q3 2023
- Due Diligence: complete
- Final Approval: anticipated July 2024
- Closing/Start of Construction: anticipated August 1, 2024
- Community Engagement via Proud Ground Marketing: anticipated Q4 2024-Q2 2025
- Home Sales: anticipated Q2-Q3 2025

Metro Affordable Housing Bond Program Final Approval

Project Name: Strong Site
Implementing Jurisdiction: Portland Housing Bureau
Metro IGA Contract Number: 937016
Anticipated construction start: August 2024
Anticipated construction completion: February 2026

Action:

Metro hereby provides Portland Housing Bureau with Final Approval of \$3,150,000.00 in Metro Affordable Housing Bond funds for the development of Strong Site, a regulated affordable housing project located at 4931 N Williams Avenue, Portland. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the Portland Housing Bureau, is attached as Exhibit B.

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

Number of Units	Bedroom Type	AMI Level	Project Based Vouchers
3	One-bedroom	30%	0
18	One-bedroom	60%	0
5	Two-bedroom	30%	0
27	Two-bedroom	60%	0
3	Three-bedroom	30%	0
19	Three-bedroom	60%	0

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



Metro

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

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 "M. Madrigal", written over a horizontal line.

7/24/2024

Marissa Madrigal

Date

Chief Operating Officer

Exhibit A: Metro staff findings and recommendations | Metro Affordable Housing Bond Final Approval request for Strong Site



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

Date: July 24, 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 of funding for Strong Site. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Portland Housing Bureau.

Changes since Concept Endorsement

The project is being reviewed for Final Approval and has undergone changes since Concept Endorsement on June 1, 2023. Project development costs increased to \$45.25 million, up \$7.03 million (+18.4%) from the prior \$38.22 million. Project funding sources have correspondingly increased \$7.03 million, including an increase of LIHTC equity to \$18.77 million (+12%) and an increase of grant funding to \$4.49 million, up \$3.35 million (+294.6%) from the prior \$1.17 million. The Metro Housing Bond funding amount also increased to \$11.40 million, up \$150.0K (+1.3%) from the prior \$11.25 million at Concept Endorsement. The proposed unit mix and affordability levels are unchanged, and the project will deliver 75 total units of which 11 will be affordable at 30% AMI (14.7% of total) and 54 units will be family-sized (72% of total) units. Key project highlights include:

- Total development costs are \$45.25 million and Metro Housing Bond funding is \$11.4 million
- Net cash developer fee is 8.13% of developer fee basis. This amount is less than the Metro maximum of 10.0% for projects with 31-75 units and is within Metro's maximum of \$3.0 million.
- Developer fee considerations: The Strong site is a continuation of SEI and CDP's Alberta Alive portfolio, a multi-building umbrella of affordable housing developments designed and built to serve the African American community in North and Northeast Portland. The project will work with PHB's N/NE Preference Policy and help those with generational ties to north Portland return to their previous neighborhoods. SEI is Oregon's largest African American led nonprofit multi-service organization and will be the resident services provider at the project. Through CDP's and SEI's co-development partnership, SEI will receive 20% of the amount of Developer Fee paid to CDP. The Strong site seeks an aspirational 30% COBID contracting goal and will track workforce participation on contracts that exceed \$300,000.
- Construction start date in August 2024, with completion anticipated in February 2026

Contribution to unit production targets

The Strong site will utilize 6% (\$11,400,000) of Portland's total allocation of bond funds while delivering 75 units of affordable housing that meet the following unit production outcomes:

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

When combining this project with Portland's existing development portfolio, this puts the City on a path to have utilized 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:

- Updated project pro forma dated 6/12/2024
- OHCS Affirmative Fair Housing Marketing Plan
- Preliminary title report dated 5/8/2019
- Letters of intent from Citi Community Capital, JP Morgan Chase Bank and Hudson Housing Capital
- Development drawings provided by Holst Architecture, dated 11/21/2023
- Statutory bargain and sale deed dated 2/12/2019 as evidence of developer site control
- Community engagement outcomes report
- SEI, Inc. Resident Services Plan
- Phase 1 Environmental Site Assessment report from Farallon Consulting, dated 9/15/2023
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon and nationally

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

Advancing racial equity

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

- **Location:** The Strong site is located at the intersection of N. Williams and N. Alberta Street in the Humboldt neighborhood. Humboldt is one of several neighborhoods in Northeast Portland that are historically home to the City's African American population, which has been displaced over the last 30 years due to discrimination and rising housing costs. The

Strong site is well located due to its proximity to many essential services and amenities. The neighborhood schools are Boise-Eliot Elementary (1 mi), Harriet Tubman Middle School (1.6 mi) and Jefferson High School (0.3 mi). KairosPDX (0.2 mi), Albina Head Start (0.1 mi) and MLK Jr. Elementary (0.4 mi) are all very close alternatives as additional educational options. SEI's campus on N. Kerby (0.8 mi) is a longstanding center for youth afterschool and summer programs, family support and solidarity for the Black community. In addition to SNAP and child welfare assistance programs, the DHS building just north of the Strong property also houses a WorkSource Portland Metro site, which offers job search and training opportunities.

- **Transit access:** The project is served by the 44 TriMet bus, with a stop across the street from the site. The 72 and 6 bus lines are also within a half mile of the project site.
- **Diversity in contracting/hiring:** The Strong site, co-developed by Self-Enhancement Inc (SEI) and Community Development Partners (CDP) selected COLAS, a minority owned firm, as the general contractor of the project, along with Holst, a woman-owned firm, as project architect. The project seeks an aspirational COBID goal of 30% MWESB participation and will be tracking the diversity of the workforce. This is in alignment with PHB's aspirational goals of awarding 20% of workforce hours to apprentices, 22% of apprentice hours to minorities and 9% of apprentice hours to women on contracts that exceed \$300,000. Similar goals have been applied to those working in journey level positions.
- **Access for historically marginalized communities:** As a result of gentrification and other public policies, many SEI families, including many African American families were displaced from North Portland neighborhoods and pushed out of the inner city to east Multnomah County. CDP and SEI recently completed the first two Alberta Alive projects, which include the Ronnie Herndown Building (21 units) and the Paul and Geneva Knauls Building (31 units of PSH Housing for Veterans). Phase II of Alberta Alive is underway with PHB's Dr. Darell Building, a Metro-funded project that will deliver 63 units for families participating in PHB's N/NE preference policy. The Strong site project is a continuation of SEI and CDP's Alberta Alive portfolio, which represents a multi-building umbrella of affordable housing developments designed and built to serve the African American community in North and Northeast Portland. Through these projects, CDP and SEI's marketing and lease-up teams will work closely with PHB to advance the N/NE Preference Policy and help those with generational ties to North Portland return to their previous neighborhoods.
- **Culturally appropriate services:** SEI, Inc. will lead resident services at the Strong project through a Resident Services Coordinator. The Resident Services Coordinator (RSC) will be responsible for connecting residents with resources and support needed to remain in stable housing. The RSC will be available at the Strong property at regular, set times on-site for resident appointments and drop-in access. The RSC will also have scheduled time off-site to coordinate with community partners and address residents' requests/needs. Services at the Strong project will be culturally appropriate and targeted to African American and other populations from communities of color and low-income backgrounds who are at risk of or have histories of displacement for North/Northeast Portland neighborhoods. Through SEI's two main departments, Youth Services and Community + Family Programs, Strong Property resident services will prioritize the goals and needs of individual households, including those focused on housing stability, financial growth, youth enrichment, and connection to the community.
- **Climate resilience:** The Strong site will pursue Earth Advantage platinum certification that fully aligns with PHB's Green Building Policies. The project will include a photovoltaic solar array on the roof that will help offset common area electrical costs. The building will also

offer 17 EV (electric vehicle) ready parking stalls and 4 EV charging stations. The building will include central heat pump hot water heaters and in-unit mini-split heat pumps that provide both heating and cooling.

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:**

For the Strong Family Property, SEI and CDP hosted a neighborhood meeting, inviting local neighborhood associations, businesses, school districts, and community members to review and provide input on the design. The project was also presented to the N/NE oversight committee, where it received support and feedback that was integrated into the design process. A public notice for design review was also published to solicit community comments. Beginning in 2023, SEI conducted a series of informational sessions about the N/NE Preference Policy for the Dr. Darrell Millner Building, part of the Alberta Alive initiative. In April 2024, 27 participants attended one of these sessions, where they received food, childcare, and assistance with registering for the N/NE Preference Policy, which the Strong project will use to increase access for historically marginalized community members.

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

Major themes heard from community engagement included:

- Strong emphasis on resident services programming that fosters community cohesion
- Project design that aligns with the architectural style of the Albina neighborhood
- Removing obstacles to affordable housing access and ensuring developments do not further displace Black Portland residents
- Outreach and marketing strategies that integrate collaboration between property management and community organizations

Major design feedback heard from community engagement included:

- Need for larger community spaces on the ground floor
- Inclusion of heat pump/AC units in each residential unit
- Indoor and outdoor areas with play elements for children
- Inclusion of site-based activities for children and youth

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

Submitted by: Megan Grillo, Bond Housing Program Coordinator
Portland Housing Bureau, megan.grillo@portlandoregon.gov
Submitted on: 7/19/2024 (initial submission 3/21/2023)

Project Overview

The Strong Family Apartments are sponsored by Self Enhancement Inc. (SEI) and Community Development Partners (CDP). The project is a continuation of SEI and CDP's Alberta Alive portfolio, a multi-building umbrella of affordable housing developments designed and built to serve the African American community in North and Northeast Portland. The first two phases of Alberta Alive consist of the Ronnie Herndon Building, located at 510 NE Alberta and the Paul and Geneva Knauls Building, located at 780 NE Alberta with a combined 52 units designed for families and veterans (Phase I), and The Dr. Darrell Millner Building located at 5050 N Interstate, a 63-unit building designed for families (Phase II).

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

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

SEI and CDP are requesting \$3,150,000 in Metro Affordable Housing Bond funding to develop 75 units of new construction rental housing and community space for households between 30% and 60% of AMI. We will pair the M-BOS funds with 4% LIHTC and tax-exempt bonds to finance the project. Multiple members of the development team have relationships with the Strong family and look forward to working with them on the naming of the final development.

The project does not have any Section 8 Vouchers.

Development Program

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

	Unit size (no. of bedrooms)	No. of units	AMI %	PSH	PBVs	Square feet/unit	Gross monthly rent/unit
	1	3	30%	0	0	640	\$663
	1	18	60%	0	0	640	\$1,327
	2	5	30%	0	0	833	\$796
	2	27	60%	0	0	833	\$1,593
	3	3	30%	0	0	110	\$920
	3	19	60%	0	0	110	\$1,841
Totals		75					

Project Image



NE Corner of Williams and Alberta
Credit: Holst Architecture



Courtyard

Background

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

Location and Neighborhood

The Strong property is located at the intersection of N. Williams and N. Alberta Street in the Humboldt neighborhood. The Humboldt neighborhood is one of several neighborhoods in North/Northeast Portland that are historically home to the City's African American population, which has been displaced over the last 30 years due to discrimination and rising housing costs. The Humboldt neighborhood is typical of many inner Portland neighborhoods containing a variety of different land uses and property types.

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

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

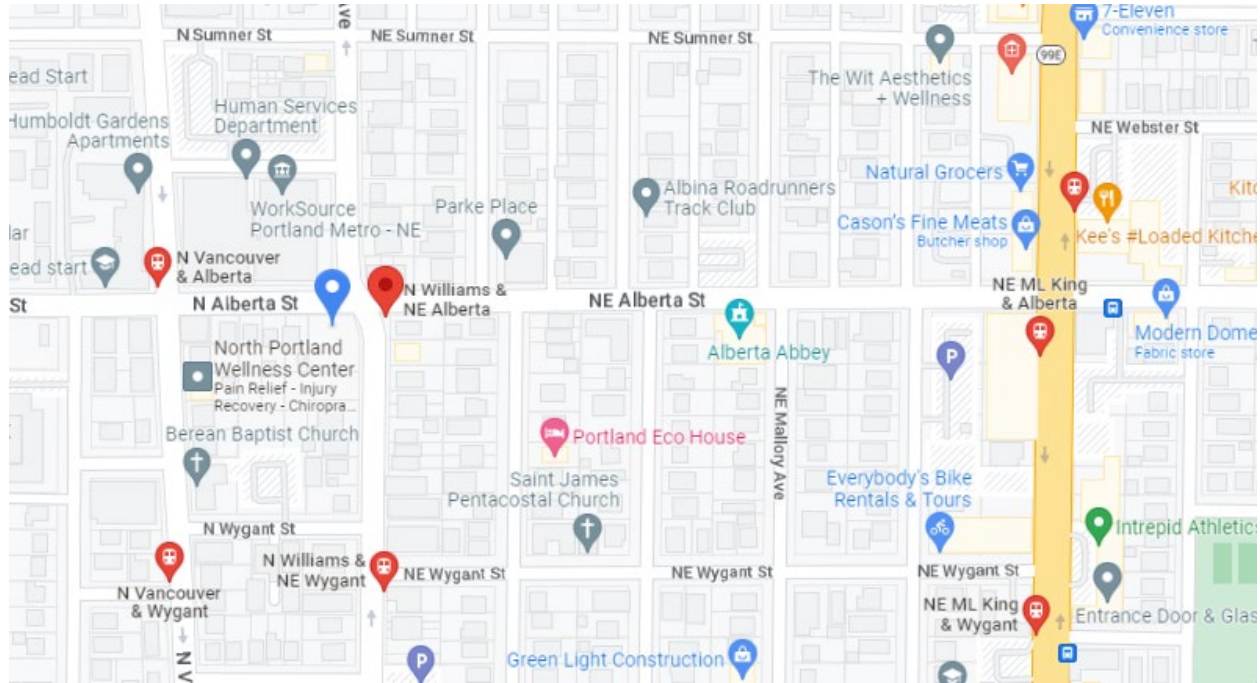
The sites are near ample retail businesses and services on major commercial streets including MLK Jr. Blvd., Alberta Street, Killingsworth Street, and Interstate Avenue. Legacy Emanuel and Kaiser Interstate medical campuses are 1.2 and 1.4 miles from the sites, respectively.

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

Site

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

The Strong property is located within a design overlay zone, which requires the project to go through Design Review or to utilize the City's Design Standards. The team reviewed the project against the Design Standards scorecard and determined that option to be the most cost and time efficient pathway. The project received Design Commission approval in February 2024.



Project Financing

Source of funds	Total Amount
4% LIHTC Equity	\$18,688,807
PHB - Metro Housing Bond	\$3,150,000
PHB – ICURA TIF	\$8,250,000
Deferred Developer Fee	\$2,545,305
Perm Loan	\$7,100,000
ETO Grant	\$35,000
PCEF Funds	\$2,956,571
Solar ITC Tax Credit Equity	\$99,335
OR-MEP Weatherization	\$200,000
GP Equity	\$200
Total Permanent Sources	\$43,025,218

Uses	Total Amount
Acquisition	\$6,750
Construction/Hard Costs	\$29,935,661
Development/ Soft Costs	\$7,162,026
Developer Fee	\$5,350,000
Reserves	\$570,781
Total Uses	\$43,025,218

The Strong project budget includes hard costs hard bid COLAS in May 2024.

Operating expenses are projected at \$8,651 per unit per year. Operating expenses are based on CDP's current portfolio expense data. Operating expenses include resident services at \$85,000 per year. Management staffing assumes 1 FTE Manager and 1 FTE Maintenance staff.

Debt terms include a 6.4% permanent loan interest rate, and 40-year amortization schedule per the final terms of our permanent lender, Citibank. Construction debt will be provided by Chase and is priced at 7.22% (current rate plus 0.5% cushion). LIHTCs are priced at \$0.895 – the price received from Hudson Housing LLC, the project's LIHTC investor.

Cost-efficient design, construction, and operations:

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

To keep operating costs down and tenant utility bills low the building includes systems that are energy efficient and user-friendly. These include central heat pump hot water heaters and in-unit mini-split heat pumps that provide heating and cooling.

The building will also have a 105.5 kW PV array on the roof to help offset common area electrical costs (like corridor lighting, elevator, offices, etc). There will be 17 EV ready parking stalls 4 EV charging stations installed.

Development Team

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

CDP and SEI recently completed the first two Alberta Alive. Alberta Alive Phase I is a two-building development, the Ronnie Herndon Building (21 units of family housing at 510 NE Alberta) and the Paul and Geneva Knauls Building (31 units of PSH housing for Veterans at 780 NE Alberta). Alberta Street Phase II – the Dr. Darrell Millner Building is a 63 unit building for families. The SEI/CDP Partnership stakes out a different model for the African American community and puts a Black-led organization in an ownership role.

Working together on the Strong Property provides an opportunity to further build real estate capacity for SEI, one of the longest running and most effective organizations serving Portland's Black community, giving them an entry into real estate development and long-

term asset building in the heart of the City's historic African American neighborhoods. For the Strong property, the developer fee and cash flow split will be 80% CDP, 20% SEI. This represents an increase over Alberta Alive Phase I (where the split was 85%/15%). SEI also has a right of first refusal to purchase the property at Year 15 in Alberta Alive Phase II and the Strong property, if awarded.

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

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

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

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

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

- **Holst** (Architect)

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

Holst has been a leader in creating the most innovative multi-family housing in Portland for the past fifteen years. From groundbreaking condominium projects to permanent supportive housing that has raised the bar, they know how to balance the typically narrow margins of housing projects to ensure that they meet the budget and schedule while squeezing every inch of design out of each opportunity. The firm has designed and built over 400 new units of affordable housing in the Portland metro region over the past ten years, with more than 400 more currently in design or under construction. Because Holst works with both market-rate and affordable housing developers on a regular basis, they leverage their varied experience to bring together the best of both worlds.

- **COLAS** (General Contractor)

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

Founder, Hermann COLAS, Jr., arrived with his American dream from Port-Au-Prince, Haiti. He settled in Portland, after serving six years in the U.S. military. Hermann established COLAS to build legacies and strengthen communities. As a BIPOC Prime Contractor (BPC), COLAS is a pioneer in building quality projects that directly impact

marginalized communities; for each project they build, diverse and inclusive vantage points strengthen an unparalleled approach, adding value in tangible ways for the local community.

- Partnership Structure.
 - a. The Project will be developed and owned by Strong AA Limited Partnership pursuant to an Agreement of Limited Partnership of the Partnership (the “Partnership Agreement”), in which SEI will own a .0049% interest and will act as the Co-General Partner. CDP will own a .0051% interest and will act as the Administrative General Partner. An investment limited partner not affiliated with or related to SEI or CDP will also be admitted to the Partnership (the “Investment Limited Partner”) as the tax credit investor. SEI will also be credited with being the Co-Developer of the Project in all funding applications.
- Financial Participation.
 - a. Developer Fee. The Partnership will pay CDP, as the Developer, a fee for services in the form of a Developer Fee from which SEI will receive a fee in the amount equal to 20% of the amount of Developer Fee paid to CDP. SEI’s portion of the Developer Fee will be paid within 5 days of CDP receiving the Developer Fee payment. For the portion of Developer Fee that is deferred, SEI will also receive their portion at the time that CDP is paid which is anticipated to occur on an annual basis based on available cash flow from the operating properties.
 - b. Partnership Fee. Commencing in the first full year of property operations after the conversion from the construction to the permanent loan and continuing every January 1st thereafter, in consideration for acting as the Co-General Partner of the Partnership and preparing the annual property tax exemption filing, SEI shall receive a partnership fee of \$5,000 per year, unless SEI makes a 168(h) election in which case SEI shall receive a partnership fee of \$10,000 per years (the “Co-GP Fee”), which shall be payable in whole or in part from net cash flow from operations of the Project and which is payable annually and will be increased each January 1st by 3%.
 - c. Net Cash Flow and Sale or Refinancing Proceeds. Net cash flow and sale or refinancing proceeds available for distribution shall be distributed to the partners of the Partnership as described in the Partnership Agreement in effect at the time of distributions. SEI will receive 20% of the annual cash flow that is distributable and distributed to the general partners on an annual basis once the construction loan has converted to the permanent loan.
- Option Agreement.
 - a. Pursuant to the terms of the Partnership Agreement, the General Partners have been given an option to acquire either the Limited Partner’s partnership interests or the Project, and the Managing General Partner has been given a right of first refusal (“RFR”) to purchase the Project. No later than ninety (90) days

prior to commencement of the period during which the Option can be exercised (the “Option Period”), the parties shall confer as to how they wish to participate in exercising the Option or in the alternative the Right of First Refusal. CDP will confer with SEI with respect to the negotiations. Neither party shall have the right to exercise the Option without the consent of the other except as stated below.

In the event both parties desire to participate in the ongoing ownership and operation of the Project, they shall mutually exercise the Option or ROFR and the parties shall mutually agree upon allocation of ownership interests and purchase price. In the event that the Parties cannot agree upon allocation of ownership and purchase price, SEI shall have the rights under section 3(3) below.

- Guaranties.
 - a. CDP or another entity specified by CDP will provide all guaranties required in connection with the Project. SEI shall have no responsibility or obligation to provide guaranties or to fund any amounts in connection with the Project.
- Limited Liability.
 - a. SEI and its partners, directors, officers, agents and employees shall have no personal liability with regard to any debt or obligation of the Partnership.
- Reimbursements.
 - a. CDP will be responsible for payment of all pre-development expenses; provided, that all pre-development expenses incurred by CDP shall be reimbursed by the Partnership. SEI shall have no responsibility or obligation to fund pre-development expenses.
- Roles and Responsibilities.
 - a. CDP will be primarily responsible for management of the development and construction of the Project.

Community Engagement

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

The backbone of SEI’s involvement as a co-owner/co-developer in the Alberta Alive properties is their connection to BIPOC communities and specifically the Black community in Portland. SEI has deep and wide connections within this historically African American neighborhood, including local schools, faith-based organizations, advocacy groups, and other culturally specific service providers with whom we communicate about Alberta Alive

to build trust and interest in the projects. This reputation affords SEI the ability to interact with its community to receive ongoing feedback that informs our service delivery approach and has informed our design across all Alberta Alive phases.

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

Feedback from the focus groups resulted in larger community spaces on the ground floor, the inclusion of heat pump heat/AC units in each dwelling unit, indoor and outdoor areas with play elements for children. Participants also provided feedback that has helped shape the resident services, programs and events that will be offered. This feedback included having more site based activities for children and youth, and improving/clarifying the roles and responsibilities of resident services and property management staff.

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

There are over 5,500 SEI families that are enrolled in our programs, including Schools Uniting Neighbors (SUN), afterschool programming, domestic violence participants, and housing and energy assistance programs. 70% of these participants are people of color. We intend to reach out to these families to inform them of the opportunities this project will provide. This outreach will include a targeted effort to inform these families of the rental and homeownership opportunities, criteria, and resources available to assist them. All program participants will receive marketing materials and have the opportunity to meet with staff to discuss how they may participate.

Advancing Racial Equity

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

each organization involved. CDP is a partner with NAMC-Oregon to broaden efforts to reach minority contractors and increase diversity on each of our projects.

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

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

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

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

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

- N/NE Preference Policy and Rentals:

Guardian will be managing Alberta Alive Phase II/Dr. Darrell Millner Building for CDP and SEI. That 63-unit property will be Guardian's first that is participating in the Preference Policy. It has already begun pre-leasing and will come online prior to the Strong property. Through that lease up, Guardian, CDP and SEI will receive training, gain experience, and

work closely with PHB on the Preference Policy, all of which will be able to be applied to this site.

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

The project is committed to achieving PHB's aspiration MWESB goal of 30% participation. Internally, the team set a more ambitious goal of 40% for participation from COBID and non-COBID/BIPOC firms. We are currently exceeding that internal goal based on our bid results from the GMP bid process. Those results are detailed below (and may change slightly as the bidders/budget is finalized).

COBID Certified Firms

- ESB - 4.16%
- MBE - 23.19%
- WBE - 0.62%

Total COBID Certified = 27.97%

BIPOC/non-COBID Firms

14.6%

COBID and BIPOC = 42.57%

We are currently tracking a COBID participation rate of 62.5% for professional services for the project, well above PHB's aspirational rate of 20%.

The project is also subject to PHB's Apprentice and Workforce Diversity program. This program requires a minimum of 20% of the hours worked, by trade, on contracts that exceed \$300,000 and jobsite work hours exceed 300 hours in any given trade, must be worked by state registered apprentices throughout the duration of the project.

PHB's Apprentice and Journey Level Aspirational Diversity Goals are below:

- A minimum of 22% of the total apprentice hours shall be worked by BIPOC individuals
- A minimum of 9% of the total apprentice hours shall be worked by women
- A minimum of 22% of the total journey level hours shall be worked by BIPOC individuals
- A minimum of 6% of the total journey level hours shall be worked by women

The team will report monthly on progress toward these targets, and is committed to meeting these aspirational goals. Historically, the team has had greater success in meeting

and exceeding the BIPOC categories that the women categories, which continue to be a persistent challenge across trades.

Partnerships and Services

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

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

Livability and Accessibility

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

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

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

Additional building amenities include a 3,500 SF landscaped courtyard and a 2,000 SF play area for children, 34 onsite parking spaces, and indoor bike storage rooms. The building has one elevator and units will include a mix of Type A and Type B ADA units.

Climate Resilience and Sustainability

Environmental efficiency and resiliency are critically important to CDP and SEI. As the Portland region continues to see increasing effects of the climate crisis we need to ensure

that our new buildings are built to withstand impacts like heat waves and smoke events. We place special emphasis on measures that directly benefit residents through lower utility bills, healthy indoor air quality, and respect culturally specific lifestyle preferences and practices.

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

- We will be pursuing Earth Advantage and will be targeting a Platinum rating
- The projects will have a 105,5 kW solar PV installation
- The projects will be EV Ready at a minimum and include 4 EV charging stations
- The Strong project will be registered with the multifamily market solutions offering program administered by the ETO

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

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

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

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

Anticipated Timeline

Metro Concept Endorsement	6/2023
Plans Completed	2/2024
Financial Commitments	5/2024
PHB Housing Investment Committee Approval	6/2024
Building Permits/Fees	7/2024
Financial Closing	8/2024

Construction Start	8/2024
Construction Completed	2/2026
Lease-Up Completed	8/2026

Metro Affordable Housing Bond Program Final Approval

Project Name: The Dolores
Implementing Jurisdiction: City of Hillsboro
Metro IGA Contract Number: 936670
Anticipated construction start: September 2024
Anticipated construction completion: March 2026

Action:

Metro hereby provides the City of Hillsboro with Final Approval of \$8,750,000.00 Metro Affordable Housing Bond eligible share funds and \$1,750,000 Site Acquisition Program (SAP) funds for the development of The Dolores, a regulated affordable housing project located at 9985 NE Walker Road, Hillsboro. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the City of Hillsboro, is attached as Exhibit B.

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

Number of Units	Bedroom type	AMI Level	Project Based Vouchers
10	One-bedroom	30%	2
10	One-bedroom	60%	0
6	Two-bedroom	30%	2
11	Two-bedroom	60%	0
12	Three-bedroom	30%	2
14	Three-bedroom	60%	0
2	Four-bedroom	30%	2
1	Four-bedroom	60%	0

Changes to the information contained in the final approval request provided by the City of Hillsboro could result in reevaluation of the Project’s need for Metro Affordable Housing Bond Funds and changes to the staff findings and funding allocation to the Project before 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 Hillsboro, and will occur within 10 days of Metro’s receipt of the following items: a draft regulatory agreement



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oregonmetro.gov

meeting IGA requirements, a final sources and uses budget, a construction contract schedule of values, and an invoice from the City of Hillsboro including wiring or other instructions related to transfer of funds.

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

Marissa Madrigal

Chief Operating Officer

July 25, 2024

Date

Exhibit A: Metro staff findings and recommendations | Metro Affordable Housing Bond Final Approval request for The Dolores



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

Date: July 25, 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 of funding for The Dolores. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the City of Hillsboro.

Changes since Concept Endorsement

The project is being reviewed for Final Approval and has undergone changes since Concept Endorsement on May 10, 2023. Project development costs increased to \$41.77 million, up \$7.21 million (+20.9%) from the prior \$34.56 million. Project funding sources have correspondingly increased \$8.46 million. The Metro Housing Bond funding amount remains unchanged at \$10,500,000, of which \$8,750,000 will be from Hillsboro's eligible share of Housing Bond funds and \$1,750,000 will be Metro Site Acquisition Program (SAP) funds. While the number of units affordable at 30% of AMI is unchanged at 30 (45.5% of total units), the affordability within the unit sizes has shifted: five one-bedroom units shifted from 30% to 60% of AMI affordability, two two-bedroom units shifted from 60% to 30% of AMI affordability, four three-bedroom units shifted from 60% to 30% of AMI affordability and one four-bedroom unit shifted from 30% to 60% of AMI affordability. Key project highlights include:

- Total development costs are \$41.77 million and Metro Housing Bond funding is \$10.5 million.
- Net cash developer fee is 6.58 % of developer fee basis. This amount is less than the Metro maximum of 10.0% for projects with 31-75 units and is within Metro's maximum of \$3.0 million.
- Construction start date in September 2024 with completion anticipated in March 2026.

Contribution to unit production targets

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

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

When combining this project with the City of Hillsboro's existing development portfolio, this puts the City on a path to have utilized 80% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

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

Eligibility and readiness to proceed

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

- Updated project pro forma dated 5/31/2024
- Maul Foster Along, Phase I Environmental Site Assessment report, dated 2/2/2024
- Construction bid set drawings from Access Architecture, dated 6/30/2024
- Metro Site Acquisition Program approval letter, dated 6/9/2022 as evidence of developer site control
- CBRE, Inc. Appraisal Report, dated 5/10/2024
- Letters of intent from Beneficial State Bank, Red Stone Equity Partners, OHCS Multifamily Energy Program
- Development team resumes and developer schedule of real estate owned demonstrating a track record with housing development in Oregon
- Hacienda CDC Resident Services Plan
- Updated community engagement outcomes summary
- NWRECC Affirmative Fair Housing Marketing Plan, dated 5/31/2024

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

Advancing racial equity

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

- **Location:** The Dolores is in a residential, commercial, and mixed-used neighborhood within the Tanasbourne area of Hillsboro. The site is near Magnolia Park, three grocery stores (Safeway, Trader Joes, Whole Foods Market), McKinley Elementary school, and public transit.
- **Transit access:** The project is served by the Cornell Road #48 bus line to the north, which is within walking distance of the site.
- **Diversity in contracting/hiring:** Hillsboro's Local Implementation Strategy calls for 20% of total project costs to be awarded to COBID-certified firms, with an aspirational goal to reach 30% COBID subcontractor participation. In addition, Hacienda has set an aspirational 30% goal for COBID professional services participation. Access Architecture is a minority-owned firm and consistently seeks out and contracts with certified firms in all areas of design and engineering. The project will be tracking workforce participation and will strive to meet or

exceed the aspirational goal of awarding 25% of workforce jobs to women and minority workers.

- **Access for historically marginalized communities:** Hacienda will partner with IRCO (Immigrant & Refugee Community Organization) to engage communities with diverse language and cultural needs throughout the marketing and lease-up process. Social media posts, flyers, television and radio ads will be designed and distributed in various languages across Washington County. Marketing will be primarily targeted to low income and BIPOC communities and will continue throughout the lease-up process. Three months before the project's application release date, Hacienda will invite community members, prospective tenants and community organizations to three information sessions presented in various languages and these will be offered both virtually and in-person. Within one week of the application release date, Hacienda will host an in-person event to provide technical assistance to future applicants and collect completed applications. Hacienda will work with Northwest Real Estate Capital Corporation (NWRECC) to ensure screening criteria are low barrier and consistent with Hillsboro's Local Implementation Strategy to increase access for historically marginalized communities.
- **Culturally appropriate services:** Hacienda will be providing culturally responsive, on-site services to support housing stability and promote the safety and wellbeing of residents. Hacienda's bilingual Resident Services Coordinator (RSC) will collaborate with property management staff in conducting site visits, sharing information to residents about community programs and resources, and review any possible lease violation matters to ensure actions are unbiased and appropriately documented. The RSC will also connect households with resources needed to stabilize their housing. These resources may include emergency rental assistance, food pantry, utility assistance, financial classes and provide medical or behavioral health referrals. Case management and wrap around services for the 12 PSH units will be provided by New Narrative. Dolores' PSH units will serve Population A and use Washington County's coordinated access system for resident referrals.
- **Cooling plan:** The Project will be designed to Earth Advantage Gold level certification. Air conditioning will be provided through mini-split HVAC systems in all units and community spaces.

Community engagement to inform project implementation

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

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

In partnership with Access Architecture, Hacienda led two community engagement groups to gain feedback and input on building program services and design elements. To support engagement, an Advisory Round Table was convened, along with three separate resident focus groups. The Advisory Round Table was composed of community leaders representing a variety of organizations and met on three occasions over a five-month period. The Advisory Round Table focused on coordinating future community engagement activities, discussed design direction and feedback and brainstormed ideas for artwork and murals for the project. The resident focus groups also met on three occasions over a five-month period. The first group focused on design elements including courtyard layout, separation between private and public spaces and integration of permanent supportive housing residents into

the larger community. The second resident focus group reviewed interior common areas and layouts and provided feedback on connecting residents with each other through shared community spaces at the project. The third resident focus group came together to provide feedback on interior design finishes, materials, and color choices. The development team has agreed to conduct construction site tours with members of both the advisory round table and resident focus groups.

Major themes gathered from community engagement included:

- Developing separation between private and public realms (community spaces)
- Importance of covered outdoor seating areas
- Arranging children's play areas throughout the community
- Developing socializing nodes at various locations throughout the community to invite neighbors to connect with each other
- Using wood and nature-inspired colors at eye-level, which can be calming and grounding
- Increased amounts of natural light throughout the building

Major design feedback heard from community engagement included:

- Widening of corridors at unit entries and common areas for easier maneuvering
- Multi-purpose spaces with flexible seating for a wide variety of body types and abilities
- Clear and consistent wayfinding system to guide residents and visitors throughout the building
- Two elevators to increase access and minimize wait times for residents and visitors
- All-gender restrooms that accommodate all, regardless of gender identity or expression
- Integration of unit storage at all reach ranges, including full-height pantries wherever possible

Dolores – City of Hillsboro

Final Approval Project Narrative

Project Overview

The Dolores is a 3-story, elevator-served affordable housing development proposed on two parcels at 9965 NE Walker Rd. in Hillsboro. Named after labor activist Dolores Huerta, it provides 67 total units ranging from 1-bedrooms to 4-bedrooms, of which 66 affordable units will serve households making between 30% AMI and 60% AMI. The development dedicates 12 units to Permanent Supportive Housing (PSH), which will receive case management services through New Narrative. Hacienda CDC will be developer, owner, and resident services provider. The site is approximately 2.33 acres total gross with 1.95 acres net developable. The two parcels comprising the site are currently owned by Metro and will be conveyed to the developer at financial closing of the project.

Total project cost is estimated at \$41.8 million and includes the following sources:

- \$10.5 million in requested Metro Bond Funding
- \$16.7 million in 4% LIHTC Equity,
- \$8.7 million in Permanent Debt
- \$2.3 million in Deferred Developer Fee
- \$637,715 in Sponsor Loan
- \$172,860 in Energy Credits
- \$200,000 in energy incentives from ORMEP
- \$20,000 in energy incentives from ETO

Changes between Concept Endorsement and Final Approval

1. **Total Development Cost:** increased from \$34.6 Million to \$41.8 Million, an increase of \$7.2 Million, due to \$5 million in additional construction hard costs associated with developed design, required offsite improvements to Walker Road and 101st, other infrastructure and construction costs, \$500,000 in soft costs, approximately \$500,000 in increased fees for financing, and an approximately \$900,000 increase to developer fee.
2. **Increase in Developer Fee:** Increased development costs also resulted in an adjustment to the developer fee from \$4,442,960 to \$5,335,351 with the net cash fee adjustment from \$1,805,985 to \$2,362,285, accounting for a sponsor cash loan and any other sponsor equity contribution. Gross cash fee is estimated at \$3 Million. See table below:

	Concept Endorsement	Current Budget
Gross Developer Fee	\$4,442,960	\$5,335,351
Gross Fee as % of TDC	15%	12.77%
Deferred Developer Fee	\$1,286,975	\$2,335,351
Gross Cash Fee	\$3,155,985	\$3,000,000
Sponsor Cash Loan	\$690,000	\$637,715
Sponsor Equity Contribution	\$1,350,000	\$0
Net Cash Fee	\$1,805,985	\$2,362,285

3. **Building Square Footage:** was reduced slightly due to site conditions and setback requirements. Square footages under OHCS requirements have been requested as variance in the project's NOFA applications and are under review.
4. **Parking:** was reduced by 2 stalls due to existing tree root boundaries, required setbacks and site constraints.
5. **Unit, Rent and Income Mix:** Two additional PSH units were dedicated to the project to receive additional rent subsidy grants from Washington County, which requires projects dedicate 30% of units to be vouchered in order to receive funds. Unit square footages have been adjusted per site conditions and building design. Rents were also increased to 2024 maximums.
6. **Property Management:** Changed to Northwest Real Estate Capital Corp.
7. **Community Engagement:** Efforts continued after Concept Endorsement and an updated summary of activities and results is included in this narrative.
8. **Project Schedule:** Financial close and property conveyance dates revised as shown in project schedule section. Construction period revised per LMC review of developed design drawings and required offsite improvements. Lease up and conversion schedule revised per extended construction timeline.

Preliminary Development Program

The development program of the Dolores includes 66 affordable units, with a total of 30 units provided at 30% of Area Median Income (AMI). The project features 46 family-size units of two-bedrooms or more, comprising nearly 70% of the project, and includes 26 three-bedroom units and 3 four-bedroom units. Ten units will be dedicated to Permanent Supportive Housing (PSH). The single 3-story building will total 75,209 square feet. Project amenities include a community room, bike room, laundry rooms on each floor, exterior courtyard with covered seating, playground, community garden and property management and resident services offices. The Dolores will provide 72 stalls of off-street parking, at a ratio of over one space per unit.

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

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	RLRA Vouchers	Square feet/unit	Gross monthly rent/unit ¹
2 Bed	1	Unrestricted Manager			800	\$0
Studio	0					
1 Bed	2	30%	2		591 - 671	\$663 ²
1 Bed	8	30%		8	591 - 671	\$663 ³
1 Bed	10	60%			591 - 671	\$1,327
2 Bed	2	30%	2		791	\$796 ²
2 Bed	4	30%		4	791	\$796 ³
2 Bed	11	60%			791	\$1,593
3 Bed	2	30%	2		996 -1032	\$920 ²
3 Bed	10	30%			996 -1032	\$920
3 Bed	14	60%			996 -1032	\$1,841
4 Bed	2	30%	2		1,335 - 1386	\$1,026 ²
4 Bed	1	60%			1,335 - 1386	\$2053
Total	67					

1 Maximum gross rents at time of execution of this Agreement. Maximum gross rents will be adjusted annually based on change in AMI published by HUD.

2 Current maximum gross rent that would be paid by residents in units with Project-Based Vouchers (PBVs). As long as units have PBVs, the gross rent is determined by the formula set by the Housing Services Office of Washington County for Project-Based Section 8. In the case of a loss of subsidy, the AMI will be increased up to 60% AMI.

3 Current maximum gross rent that would be paid by residents in units with Regional Long Term Assistance (RLRA) Vouchers. As long as units have RLRA vouchers, the gross rent is determined by Washington County Supportive Housing Services. In the case of a loss of subsidy, the AMI will be increased up to 60% AMI.

Project Image



Background

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

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

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

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

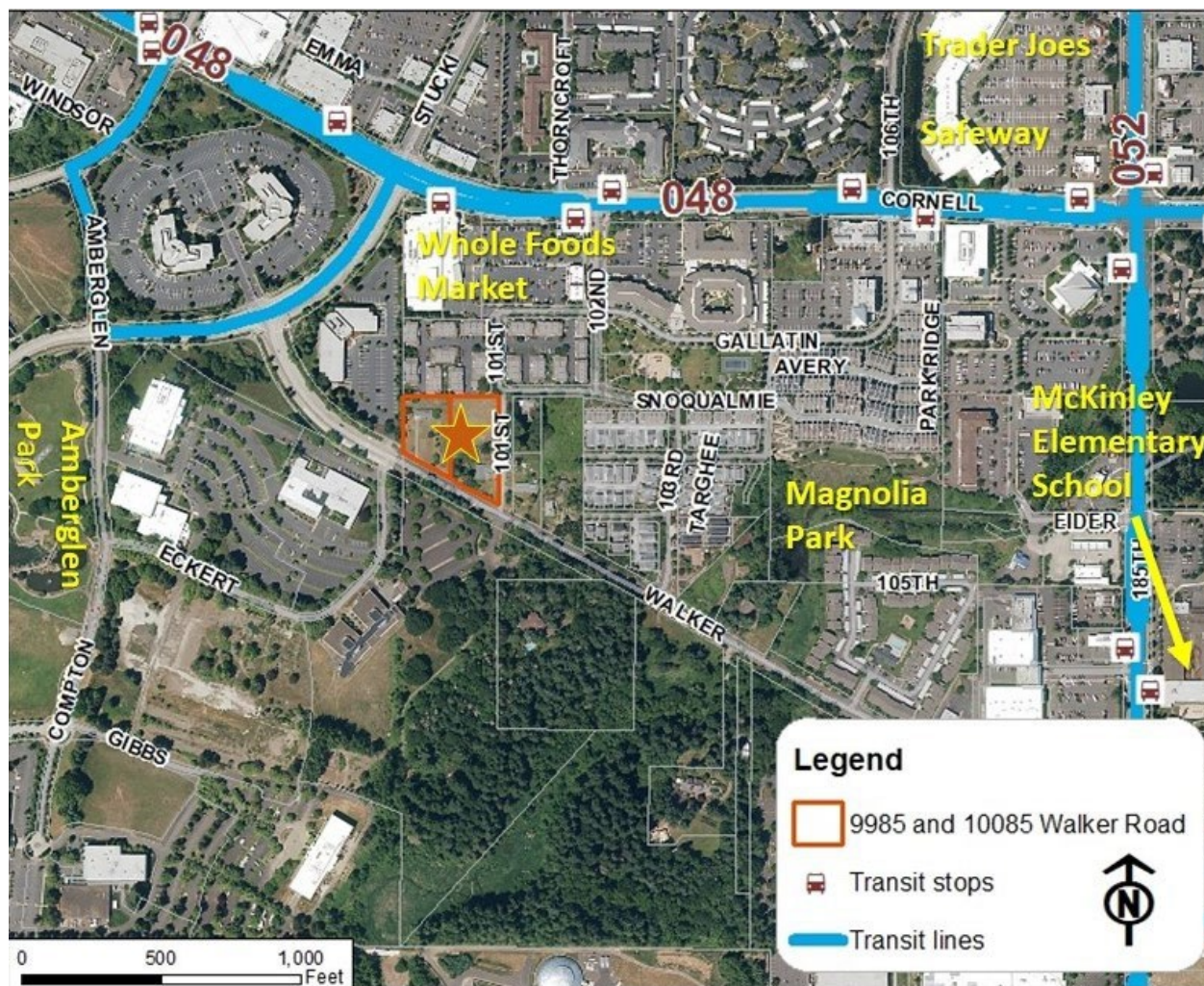
- Proposals with more than the minimum-required units
- Proposals that included dedicated Permanent Supportive Housing (PSH) units
- Diversity contracting utilization greater than 20% of total project costs
- Voluntary workforce tracking and reporting

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

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

Location and Neighborhood

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



Site

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

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

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

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

A Geotech report was also completed. Analysis noted:

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

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

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

Project Financing

Total development costs for the Dolores are estimated at \$41,766,813 or \$623,385 per unit, and \$286,073 per bedroom. The requested Metro bond funding amount for gap financing is \$10.5 Million, equaling a subsidy of \$159,091 per unit or \$72,917 per bedroom.

Sources of proposed financing include:

- Metro Bond financing in the amount of \$10,500,000, of which approximately \$8,750,000 will be from Hillsboro's eligible share of Affordable Housing Bond funds and approximately \$1,750,000 will be from Metro's Site Acquisition Program (SAP) funds.
- Total LIHTC equity of \$16,777,179 based on pricing of \$0.83 per available credit.
- Permanent mortgage of \$8,724,086, based on terms provided by Beneficial State Bank
- Federal Energy Tax credits of \$154,347, based on 30% of solar facility installation costs of \$584,649.
- Sponsor cash loan of \$637,715.
- Deferred Developer fee of \$2,335,351.
- Energy Trust of Oregon rebates of \$20,000 for installation of the solar facility.
- Oregon Multifamily Energy Program rebates of \$200,000 for installation of energy efficient systems including heat pump water heaters and mini split systems.

Beneficial State Bank will make a direct purchase of the OHCS-issued private activity bonds (PABs) in an amount not to exceed \$20,730,000.

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

A sources and uses table follows below:

Sources	Total	per Unit
LIHTC Equity	16,777,179	250,406
Federal Energy Credits	172,860	2,580
Permanent Loan	8,724,086	130,210
ORMEP	200,000	2,985
Energy Trust of Oregon	20,000	299
Sponsor Loan	637,715	9,518
OHCS LIFT	2,399,522	35,814
Metro Bond	10,500,000	156,716
Deferred Developer Fee	2,335,351	34,856
TOTAL SOURCES	41,016,813	623,383

Uses	Total	per Unit
Acquisition	100	0
Construction	28,608,023	426,985
Soft Costs	5,040,406	75,230
Financing Costs	2,226,166	33,226
Reserves	556,767	8,310
Developer Fee	5,335,351	79,632
TOTAL USES	41,016,813	623,383

As cited previously, the Gross developer fee is \$5,335,351, or 12.77% of total development costs per City of Hillsboro underwriting guidelines. The gross cash developer fee is \$3 Million. Taking into account contributed fees (sponsor loan), and general partner note contributions, the net cash fee to Hacienda CDC will be \$2,362,285.

In November 2022, Hacienda submitted an RFI response to Washington County SHS requesting rent assistance contingency funding for rent assistance beyond the availability of SHS funding in June 2032 for the 12 dedicated PSH Units. Washington County SHS has agreed to fund a minimum of \$1,540,673 (\$154,067 per unit) for 15-year rent subsidy, with an option for reapplication for additional funding. Hacienda is currently coordinating reapplication efforts to obtain this additional funding. Hacienda continued correspondence with SHS, working with the department to develop a unique financing structure to ensure PSH units will be subsidized beyond the sunset date for RLRA vouchers. Hacienda and SHS are currently reviewing and negotiating a rental subsidy agreement for a total of \$6,079,335.

The Dolores will contain 12 PSH units with services provided by New Narrative. The project is sponsored and will be owned solely by Hacienda CDC, a culturally specific developer with an exceptional track record of serving communities of color.

Development Team

Developer – Hacienda Community Development Corporation

Hacienda CDC (Hacienda) is the project sponsor, developer, owner, and resident services provider. Hacienda is a Latino Community Development Corporation that strengthens families by providing affordable housing, homeownership support, economic advancement, and educational opportunities. Since inception in 1986, Hacienda has worked to promote the wellbeing of low-income individuals and families, with expertise and focus on the Latino community. With a combination of affordable housing and services for residents and the community at-large, Hacienda has worked to improve the lives of residents, helping children stay in school and families thrive, and continues to strategically transform the neighborhoods in which they operate.

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

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

Architect – Access Architecture

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

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

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

General Contactor – LMC Construction

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

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

Property Manager – Northwest Real Estate Capital Corp

Northwest Real Estate Capital Corp. (NWRECC) is a nonprofit 501(c)(3) company established in 1999 whose mission is preserving affordable housing, enabling life with dignity for residents and creating a quality work environment for our employees. NWRECC fulfills its mission through property management, new construction and renovation of HUD/Section 8, Rural Development, and Tax Credit Housing. NWRECC currently manages 90 properties with 3,222 units in 8 States. Overall, NWRECC manages a diverse portfolio of properties and complies with income restrictions such as Section 8, LIHTC, LIHTC/Section 8, Section 236, Section 202, Section 811, HOME, Rural Development, and Supportive Housing for the Homeless.

PSH Case Management Provider – New Narrative

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

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

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

Community Engagement

In Partnership with Access architecture, Hacienda led two community engagement groups with each project milestone to gain feedback and input on building program, design, community outreach and local programs.

Dolores Engagement Plan

The Dolores engagement effort is focused on informing, consulting, and involving members of the public in a transparent process to capture input effectively. The project team has designed an twofold engagement plan that a) aims to build relationships with stakeholders and potential partners in the Hillsboro community and b) seeks design feedback from residents, property managers, and community members with lived experience to ensure the project design aligns with community needs and aspirations.

Elements of the Engagement Plan include: the Engage with Dolores Website and Community Insights Web-Based Survey.

Advisory Round Table

- The engagement team kicked off the Advisory Round Table series on August 18. The group, composed of community leaders representing a variety of partner organizations, convened to discuss opportunities for collaboration, to share “lessons learned,” to introduce Hacienda CDC to the Hillsboro community, and to strategize ways to support the Dolores development and its future residents. Future engagement opportunities include tabling at local events and other upcoming outreach activities.
- The second Advisory Round Table meeting was held virtually on October 13. The Hacienda team provided updates from the Resident Focus Group, with a focus on design direction and feedback shared by participants. The advisory group discussed upcoming engagement activities, including virtual presentations to community and neighborhood organizations.
- The third Advisory Round Table meeting was held at the Hillsboro Public Library on December 8. Attendees representing a range of community organizations, including Centro Cultural, Adelante Mujeres, Washington County, METRO, Community Action of Washington County, Hillsboro School District, New Narrative, Hillsboro Public Library, and more gathered to enjoy pan dulce and to brainstorm ideas for artwork and murals at the new Dolores development. A range of local artists and potential subjects were identified, as well as some funding and grant opportunities.

Resident Focus Group

- The first resident focus group met virtually on August 17, and focused on schematic and site design elements including the central courtyard, separation between private and public realms, culturally informed design, and integration of permanent supportive housing residents into the larger community. Key design takeaways included the importance of covered outdoor seating areas, the arrangement of children’s play areas, and the expression of the wall element defining the courtyard edge.
- The second resident focus group met in person at Las Adelitas Event Space on October 2. Over light refreshments, participants took part in a robust design discussion, reviewed interior common areas and layouts, and provided feedback on a range of precedent images. Key takeaways for the design team included the importance of developing activity/socializing nodes at various locations throughout the building (such as the lobby, laundry rooms, and other public areas) to invite neighbors to connect with each other and build community.
- The third resident focus group met in person at Las Adelitas Event Space on December 6. Over a dozen participants, mainly residents of Hacienda properties as well as New

Narrative clients, came together to provide feedback on a range of interior design finishes and materials in a lively workshop focused on interior unit design. Attendees divided into two groups, each of which discussed the merits of the material samples on view and made recommendations to the design team. The winning selections informed unit finish plans and color choices.

With the design phase wrapping up with submittal for permit in April 2024, future touchpoints with both the Advisory Round Table and the Resident Focus Group will take place at the Groundbreaking and Grand Opening ceremonies, both of which are in the early planning stages. Construction site tours will also be offered to members of each group.

Advancing Racial Equity

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

As described previously under site considerations, the location of the Dolores in the Tanasbourne area of Hillsboro provides an amenity-rich, well-served and well-connected location with ample access to employment, healthcare, retail, and educational services and opportunities. The addition of the Dolores provides much needed regulated affordable housing in the Tanasbourne area and will help create a more racially diverse, mixed-income community in the immediate neighborhood.

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

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

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

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

Hacienda's work is intentionally designed to mitigate the systemic barriers facing people of color, that prevent equal access to housing, education, economic success and asset-building opportunities. Hacienda has a zero-tolerance policy for discrimination based on protected classes, including race, color, sex, religion, national origin, familial status, disability, source of income, marital status, age, sexual orientation, and gender identity. All applicants of Hacienda properties

receive a fair, low-barrier screening process which includes income verification of disability, passing a criminal background check, and passing a landlord reference check. If an applicant is denied housing based upon screening criteria, they can request an appeal meeting to discuss the reason(s) for the denial. In most cases, property management staff are able to overturn the denial, at times in consultation and planning with Resident Services staff.

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

Hacienda's team has set a voluntary minimum 30% goal for COBID professional services participation (soft costs). Access Architecture is minority-owned and consistently seeks out and contracts with certified firms in all areas of design and engineering. Hacienda will regularly monitor the State's list of COBID certified firms to look for potential new partners.

Hacienda has set a voluntary goal of 30% COBID subcontractor participation, with a minimum 20% of participation by minority or women owned companies during construction (hard costs). Hacienda's plan to achieve this goal includes: holding pre-bid outreach meetings allowing bidders to plan for the bid period and respond in a timely fashion; encouraging larger firms to utilize DMWESB-SDV firms as second-tier subcontractor and suppliers; conducting an exhaustive process of outreach to target businesses and the community; and encouraging prospective bidders to schedule one-on-one meetings with the team to review the requirements of the project to gain a full understanding of its scope.

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

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

Partnerships and Services

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

Hacienda CDC's bilingual Resident Services Coordinator is continuously engaged in educating and collaborating with the third-party management staff about its mission driven services and

methods of implementation, including assertive engagement and trauma responsive communication. The coordinator meets almost daily with management staff, conducts site visits and ensures residents have their contact information and they regularly share information about various programs, along with community resources. Regular documentation of housing stability services provided also helps inform resident services needs.

The Coordinator is notified about any lease violation matter and will receive all adverse notices/ actions and review them with property management to ensure all actions are unbiased, appropriately documented and meet legal requirements. In addition, the Coordinator engages residents individually or together with property management staff and /or other residents, as appropriate to ensure all actions are culturally appropriate and meet procedural and legal requirements. The Coordinator will also connect the household with any needed resources that will stabilize their housing. These resources may include emergency rental assistance, food pantry, utility assistance, financial fitness class, or a medical or behavioral healthcare referral.

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

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

Livability and Accessibility

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

Building Design:

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

Unit Design:

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

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

Climate Resilience and Sustainability

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

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

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

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

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

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

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

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

Anticipated Timeline

Proposed Project Schedule

Action	Proposed Date (Month/Year)
Design	
Complete Schematic Design	May 2023 (Complete)
Complete Design Development	November 2023 (Complete)
Complete Construction Drawings	February 2024 (Complete)
Land Use Approvals and Permits	
Submit Land Use Application (if applicable)	October 2023 (Complete)
Submit Site Development Permit Application	February 2024 (Complete)
Submit Building Permit Application	February 2024 (Complete)
Obtain Land Use Approval	January 2024 (Complete)
Obtain Site Development Permits	July 2024
Obtain Building Permits	July 2024
Financing	
Submittal of LIHTC Pre-application to OHCS (if applicable)	October 2023 (Complete)
Issue Solicitations for Financing (LIHTC, Construction Loan, and Permanent Loan)	February 2023 (Complete)
Select Financing Providers	April 2023 (Complete)
Obtain Financing Commitments	April 2023 (Complete)
Negotiate Substantially Final Form of LIHTC Syndication/Partnership Agreement	August 2024
Construction Agreement	
Select General Contractor	December 2023 (Complete)
Obtain All Needed Bids for Construction	July 2024
Finalize Construction Agreement with Guaranteed Maximum Price	July 2024
Disposition and Development Agreement (Metro) and Financing Agreements with City	
Finalize Disposition and Development Agreement (DDA) and Financing Agreements	July 2024
Development	
Closing of Property Conveyance	August 2024
Closing of Financing	August 2024
Begin Construction	September 2024
Complete Construction	March 2026
Obtain Certificate of Occupancy	March 2026
Lease-up and Operations	
Begin Lease-up	December 2025
Complete Lease-up	March 2026
Conversion to Permanent Financing	January 2027