

METRO HOUSING BOND QUARTERLY REPORT | APRIL – JUNE 2024

August 1, 2024

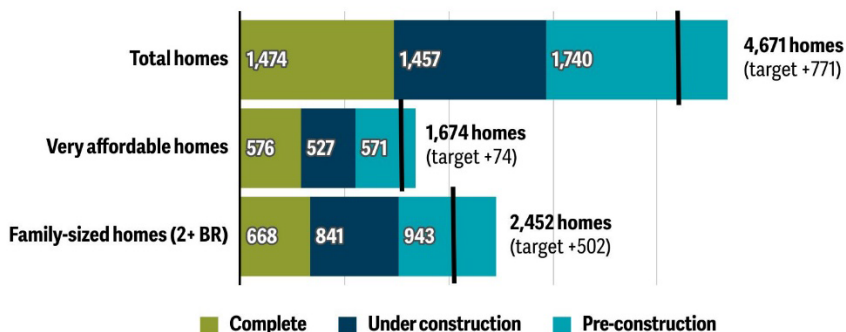
This is the second quarterly progress report for the Metro Affordable Housing Bond of 2024. Similar reports are produced quarterly with the goal of keeping the Housing Bond Community Oversight Committee, Metro Council, and other stakeholders and partners informed about ongoing implementation progress.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

REGIONAL PRODUCTION PROGRESS

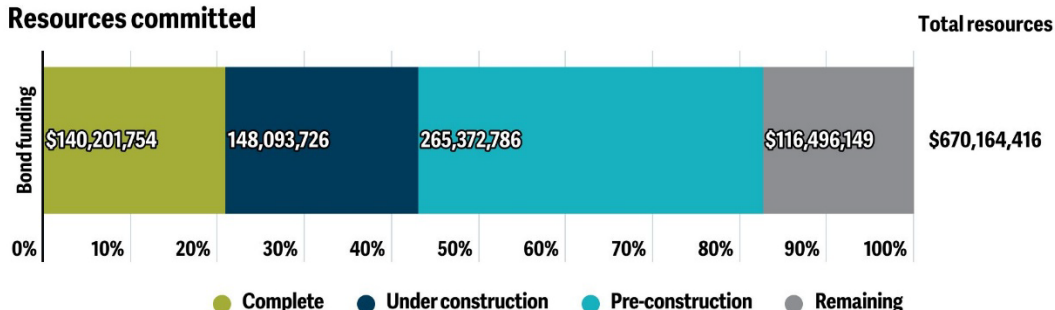
As of the end of March 2024, the Affordable Housing Bond program has 57 projects representing 4,671 new affordable homes in the pipeline, including 24 projects (1,740 units) that are in pre-construction. Thirty-nine projects have received final approval, of which sixteen (1,457 units) are under construction, and seventeen projects (1,474 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 1,674 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 105% of the program’s production goal of 1,600 deeply affordable homes. Collectively, the 57 projects in the pipeline represent 4,671 new affordable homes, or 120% of the total production target for the Housing Bond, while utilizing approximately 83% of allocated project funding.

Production and funding dashboard

Affordable housing production: progress underway



Resources committed



REGIONAL PRODUCTION PROGRESS

	Eligible units	30% AMI units	2+ BR units	PSH units
Total units in pipeline	4,671	1,674	2,452	777
Total unit production targets	3,900	1,600	1,950	N/A
% of unit progress underway	120%	105%	126%	N/A
Total funding committed or underway	\$553,668,266			
% of funding committed	83%			
Total funding remaining	\$116,496,149			

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	Jul-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	Mar-23	Jan-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	Jul-22	Feb-24
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 Milner Building	\$9,216,838	In Construction	63	17	48	0	Jul-22	Feb-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	Apr-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	\$29,084,328	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	Jul-24	Aug-25
Meridian Gardens	\$13,365,160	In Construction	85	70	0	65	Jul-23	Sep-24
PCC Killingsworth	\$2,538,237	Pre-construction	84	28	60	0	Aug-24	Jun-25
PCC Southeast	\$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	Mar-24
Strong Site	\$11,250,000	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 pipeline			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				\$161,331,720				
Total LIS funding				\$208,740,992				
% of funding committed				77%				

Remaining LIS funding	\$47,409,272
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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	In Construction	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	In Construction	112	26	72	16	Jul-22	Apr-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 pipeline			872	342	438	165			
Total unit production targets			814	334	407	100			
% of commitment complete			107%	102%	108%	N/A			
Total committed or underway				\$114,611,611					
Total LIS funding				\$118,135,532					
% of funding committed				97%					
Remaining LIS funding				\$3,523,921					

Clackamas County

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Fuller Road Station	\$8,570,000	Complete	99	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	\$18,190,693	Pre-construction	78	68	53	8	Jul-24	Sep-26
Lake Grove	\$-	Pre-construction	54	20	28	10	May-25	Oct-25
Las Flores (Maple Apts.)	\$15,903,000	In Construction	171	70	129	9	Mar-22	May-24
Marylhurst Commons	\$3,000,000	In Construction	100	40	83	40	Sep-22	Apr-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	Pre-construction	120	40	79	20	Jul-24	Nov-25
Total units in pipeline			970	414	562	231		
Total unit production targets			812	333	406	0		
% of commitment complete			119%	124%	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	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Nueva Esperanza	\$16,940,731	In Construction	149	60	105	0	Mar-22	Oct-23
The Dolores	\$10,500,000	Pre-construction	66	30	46	10	Sep-24	Dec-25
Total units in pipeline			215	90	151	10		
Total unit production targets			284	117	142	0		
% of commitment complete			76%	77%	106%	N/A		
Total committed or underway			\$27,440,731					
Total LIS funding			\$41,240,081					
% of funding committed			67%					
Remaining LIS funding			\$13,799,350					

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	Pre-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 pipeline			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 pipeline			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	\$13,449,238	Pre-construction	94	39	47	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 pipeline			94	39	47	0			
Total unit production targets			111	46	55	0			
% of commitment complete			85%	85%	85%	N/A			
Total committed or underway			\$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 second quarter of 2024. Staff reports for these approvals are included in the Quarterly Report Project Approvals Addendum**

Project	Endorsement/Approval
73 rd and Foster	Final Approval Amendment
Myrtlewood Way	Concept Endorsement
Troutdale	Final Approval
Hillside Park C	Final Approval

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

METRO AFFORDABLE HOUSING BOND

Financial Report Through June 2024 (1st Close)

FINANCIAL SUMMARY

TOTAL REVENUE	\$705,436,227
TOTAL EXPENSES and DISBURSEMENTS	\$376,751,445
TOTAL COMMITTED	\$198,120,735
TOTAL FUNDING REMAINING	\$130,564,047

REVENUE

	FY 2018 - 2023	FY 2023 - 2024	TOTAL REVENUE
Bond Proceeds	\$652,800,000		\$652,800,000
Premiums on Bonds	\$2,630,335		\$2,630,335
Interest Earnings	\$35,973,700	\$14,032,192	\$50,005,892
TOTAL REVENUE:	\$691,404,035	\$14,032,192	\$705,436,227

EXPENSES

PROJECTS	Prior Years Expended or Disbursed	FY2023-24 Expended or Disbursed	Committed -- Not Yet Disbursed	TOTAL EXPENDED, DISBURSED or COMMITTED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended, Disbursed or Committed
Jurisdiction:						
Beaverton	\$12,000,000	\$0	\$18,939,934	\$30,939,934	\$31,587,595	98%
Clackamas County	\$51,351,542	\$18,190,693	\$34,154,545	\$103,696,780	\$122,018,094	85%
Gresham	\$16,530,261	\$2,500,000	\$8,100,000	\$27,130,261	\$27,140,995	100%
Hillsboro	\$16,940,731	\$0	\$10,500,000	\$27,440,731	\$41,240,081	67%
Home Forward (East Multnomah Co.)	\$21,034,083	\$15,970,323	\$0	\$37,004,406	\$37,141,206	100%
Portland	\$65,763,299	\$2,538,237	\$93,230,184	\$161,531,720	\$208,740,992	77%
Washington County	\$105,161,611	\$0	\$9,450,000	\$114,611,611	\$118,135,532	97%
Metro Site Acquisition Program	\$22,154,319	\$5,149,479	\$23,746,072	\$51,049,870	\$62,016,000	82%
Other Metro Direct Project Costs	\$161,824	\$101,129	\$0	\$262,953	\$0	N/A
PSH IGA in progress (Wash Co)					\$6,746,000	N/A
Funding to be allocated (Interest Earnings)					\$15,397,921	N/A
TOTAL:	\$311,097,670	\$44,449,861	\$198,120,735	\$553,668,266	\$ 670,164,416	83%

ADMINISTRATIVE	Prior Years Expended or Disbursed	FY2023-24 Expended or Disbursed	TOTAL EXPENDED or DISBURSED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended or Disbursed
Jurisdiction:					
Beaverton	\$569,252	\$376,583	\$945,835	\$974,615	97%
Clackamas County	\$1,712,246	\$641,376	\$2,353,622	\$3,636,371	65%
Gresham	\$450,643	\$147,702	\$598,345	\$837,421	71%
Hillsboro	\$684,752	\$310,027	\$994,779	\$1,272,457	78%
Home Forward (East Multnomah Co.)	\$334,297	\$162,676	\$496,973	\$496,973	100%
Portland ¹	\$0	\$0	\$0	\$0	N/A
Washington County	\$1,759,590	\$627,716	\$2,387,306	\$3,645,054	65%
Metro Site Acquisition Program ²	\$0	\$0	\$0	\$1,940,932	N/A
Metro Accountability and Financial Transaction Costs	\$11,226,696	\$2,200,358	\$13,427,054	\$19,409,319	69%
Funding to be allocated (Interest Earnings)				\$3,058,669	N/A
TOTAL:	\$16,737,476	\$4,466,438	\$21,203,914	\$35,271,811	60%

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

² Administrative expenses in support of Metro's Site Acquisition Program are combined with Metro's total Administrative expenses and included in "Metro Accountability and Financial Transaction Costs."

METRO COSTS ANNUAL BASIS³	FY2023-24 YTD Actuals	FY2023-24 Metro Budget	YTD % Spent
		2,530,835	3,068,547

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

Metro Affordable Housing Bond Program Final Approval Amendment 1

Project Name: 73Foster

Implementing Jurisdiction: Portland Housing Bureau

Metro IGA Contract Number: 937016

Anticipated construction start: July 2024

Anticipated construction completion: August 2025

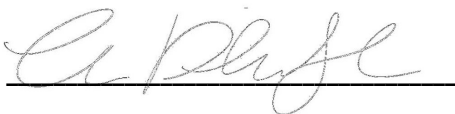
Action:

1. Approve additional Metro Permanent Supportive Housing Pilot funds. Metro approves an additional \$200,000 of Metro Permanent Supportive Housing Pilot funds, for an amended total of \$2,482,340 in Metro Permanent Supportive Housing Pilot funds and \$550,000 in PHB eligible share Affordable Housing Bond funds, for the development of 73Foster, a regulated affordable housing project located at 7330 SE Foster Road, Portland.
2. Amend Exhibit A of 73Foster's Concept Endorsement and Final Approval Letter. Metro amends *Exhibit A: Metro staff findings and recommendations* of the Concept Endorsement and Final Approval Letter as follows:
 - a. *UPDATE* "Staff recommendations" section with the following: "Staff recommends the Metro Chief Operating Officer (COO) approve an additional \$200,000 of Metro Permanent Supportive Housing Pilot funds, for an amended total of \$2,482,340 in Metro Permanent Supportive Housing Pilot funds and \$550,000 in PHB eligible share Affordable Housing Bond funds, for 73Foster to cover a financial gap created by a delayed financial close, along with increased insurance fees and an increased security budget needed to support Permanent Supportive Housing units at the project."
3. Amend Exhibit B of 73Foster Concept Endorsement and Final Approval Letter. Metro amends *Exhibit B: Project summary submitted by Portland Housing Bureau* of the Final Approval Letter as follows:
 - a. *UPDATE* all references to the Metro Permanent Supportive Housing Pilot funds amount from \$2,282,340 to the amended total of \$2,482,340.

- b. *ADD* a new section entitled: “Changes for Final Approval Amendment 1” that reads as follows:

“This update to 73Foster is due to the project experiencing delays to their financial close due to the sponsor’s inability to convert to permanent financing on another project in their development portfolio (Renaissance Commons). As a result, the sponsor is unable to provide \$541,000 in grants and donations via sponsor loan initially pledged at Final Approval for 73Foster. Two additional financial hurdles, an increase in insurance premiums and increase in security costs in the operations budget, also contributed to the financing gap, although total project development costs decreased from \$31,769,470 to \$30,595,677.

- As developer, REACH sought alternative insurance quotes for better pricing. Initial quotes from summer 2023 estimated costs at \$58,000 per year; by April 2024 insurance costs were estimated at \$138,000 per year. Although REACH was able to secure a more competitive quote at \$100,000 per year, this represents a 72% increase in insurance costs from the previous budget.
- Due to the sponsor’s financial difficulties in connection to the Renaissance Commons’ conversion to permanent financing, REACH is no longer able to pledge \$541,000 in grants and donations via a sponsor loan.
- Due to the withdrawal of REACH’s sponsor loan, REACH will now pay the \$220,000 cost of a third-party construction management consultant from its developer fee.
- The sponsor’s developer fee at Final Approval was \$2,625,000; sponsor’s developer fee was reduced at Final Approval Amendment to \$2,624,900
- To make up for the loss in project sources, PHB was able to secure an increased funding award from the Portland Clean Energy Fund (PCEF), increasing the original PCEF award from \$1,242,075 to \$1,442,042.
- Even with the additional funds for this project the Portland Housing Bureau will maintain progress towards and is currently exceeding unit production goals.
- All other elements of the Concept Endorsement and Final Approval Letter remain the same.



Marissa Madrigal

Chief Operating Officer

6/27/2024

Date

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



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

Criteria for funding approval

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

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

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

Staff recommendations

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

Combined Concept Endorsement and Final Approval

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

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

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

Key project highlights include:

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

Contribution to unit production targets

73rd and Foster will utilize 1% of Portland's eligible share of bond funds (\$2,832,340) while delivering 66 units, including 22 PSH units that meet the following unit production outcomes:

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

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

- 109% of Portland's overall unit production target
- 98% of Portland's target of units affordable to households making 30% or less of area median income (AMI); and
- 121% of Portland's family sized unit target.
- 99% of Portland's PSH unit target

Readiness to proceed

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

- Project pro forma dated 9/5/2023
- OHCS Affirmative Fair Housing Marketing Plan
- OHCS Resident Services Plan
- Letters of Intent from Enterprise Housing Credit Investments, Network for Oregon Affordable Housing, Heritage Bank, OHCS 9% LIHTC,
- Information about development teams
- GMP Drawings Set dated 9/1/2023
- Phase I Environmental Site Assessment (ESA), dated 3/22/2021
- OHCS Site Review checklist, dated 3/11/2022
- Zoning Approval from City of Portland, dated 4/23/2021
- Warranty Deed, dated 8/30/2021, provided as evidence of site control
- Community Engagement Outcomes Report

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

Advancing racial equity

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

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

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

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

Community engagement to inform project implementation

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

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

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

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

Major themes heard from community engagement included:

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

Major design feedback heard from community engagement included:

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

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

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

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

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

Submitted on: 12/29/2023 updated on 06/10/2024

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.

PHB requests \$3,032,340 in Metro funding for the development of 73rd and Foster (\$2,482,340 in Metro Permanent Supportive Housing Pilot funds and \$550,000 in PHB Metro Affordable Housing Bond funds). 73Foster was awarded 9% LIHTC from OHCS in the 2022 application cycle along with 22 OHCS Project Based Vouchers (PBVs) and \$10,000/unit/year in services funding for the PSH programming. As construction costs and interest rates have increased, REACH is submitting this application to secure the last capital sources needed to balance the budget. With the final funds secured, 73Foster hoped to be able to close construction financing and start construction as early as December 2023 with completion in February 2025. Unfortunately, another REACH project (Renaissance Commons) had difficulties converting to permanent financing, and this impacted REACH’s organizational financials and created a delay in the financial close of 73 Foster. As of mid-May, Renaissance Commons has converted to perm, and 73 Foster is scheduled to close on June 27th. Because of a budget gap created by cost inflation (70% increase in insurance costs, increased construction costs, increases in loan interest and fees) and REACH’s withdrawal of a \$541k sponsor loan to the project, PHB staff requests a \$200,000 increase in Metro award for the project, from \$2,832,040 to \$3,032,040. This \$200,000 increased award request reflects significant cost review and reduction efforts by PHB and OHCS staff and the REACH development team, and includes cost sharing between PHB and REACH. Ultimately, fulfillment of the financing gap will enable PHB to meet ours and Metro’s affordable housing goals for PSH units, family size units, and affordable unit production targets for the additional cost of \$3,125 per unit; a relative bargain.

Measures taken to reduce the financing gap

After several conversations with REACH and OHCS, we whittled the gap down from over \$1,000,000 to a \$200,000 request for additional Metro Bond funds from PHB. To reduce the gap to \$200,000, REACH was required to seek alternative insurance quotes, pay for the costs of third-party construction management and financial consultants, and reduce their land and acquisition costs. It was not possible to defer additional developer fees, as the pro forma

would not allow a larger deferred fee to be paid off by Year 15. The total development fee of \$2,625,000 represents just over 10% of adjusted development costs, well below the 15% maximum stated in PHB's underwriting guidelines. A reduction in development fees would have reduced the equity contribution from Enterprise. OHCS had already increased its funding for the project. Any additional funding requests would not be feasible within the closing timeline.

Operations Budget

Increases to the operational expenses impact the project's ability to pay existing or take on additional debt. Consistent with recent reports and impacts on the affordable housing industry as a whole, 73 Fosters' insurance quotes went up significantly. Their initial quote from summer 2023 was \$58,000 annually; by April that cost went up to \$138,000. PHB required REACH to pursue additional insurance quotes or a higher deductible as \$138,000 is out of alignment with other projects of similar size. REACH was able to get a more competitive quote at \$100,000/year, which is in line with similar projects but still a 70% increase from the previous budget. The increase in operating expenses reduces net operating income and in turn, lowers permanent debt capacity.

The security budget also increased significantly, to \$30,000 annually. Some security costs (24/7 front desk coverage) are included in the PSH services and operations budget, but \$30,000 is the estimate for the balance of security costs, including shared roving security with REACH's nearby property, 72 Foster. While a large operational budget item, security costs and lack of sufficient security are a known factor contributing to many affordable projects in PHB's portfolio experiencing vacancies, property management turnover, negative cash flows, and financial difficulties.

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

Preliminary Development Program

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

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

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

Unit size (no. of bedrooms)	No. of units	AMI %	PSH ¹	PBVs	Square feet/unit	Gross monthly rent/unit
Studio	10	30%	10	Has OHCS Voucher	409	\$1,239
Studio	7	60%	0	N/A	409	\$1,189
1 BR	8	30%	8	Has OHCS Voucher	547	\$1,327
1 BR	10	60%	0	N/A	547	\$1,273
2 BR	4	30%	4	Has OHCS Voucher	746	\$1,593
2 BR	10	60%	0	N/A	746	\$1,535
3 BR	15	60%	0	N/A	1046	\$1,774
Total	64		22			

- All rents are HUD 2024 rental maximums. The PSH units supported by a OHCS voucher are the maximum rents including utilities, as REACH will pay the utilities for these units.

Project Image

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



Background

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

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

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

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

Location and Neighborhood

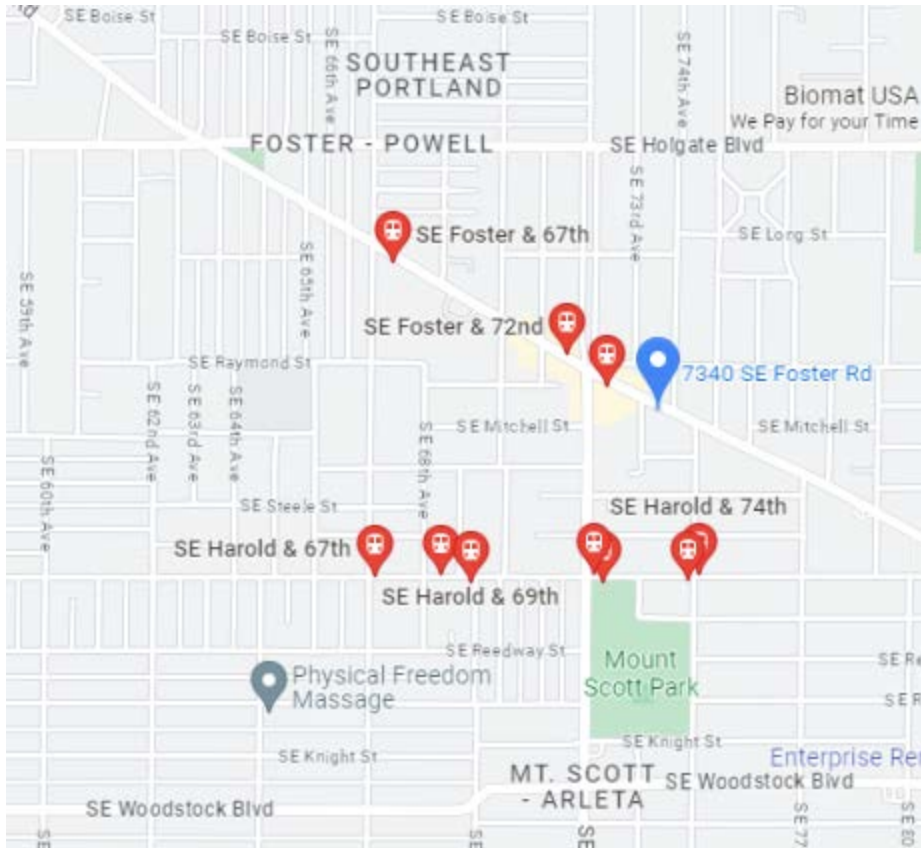
[word limit: 100]

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

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

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

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



Site

[word limit: 300]

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

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

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

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

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

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

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

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

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

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

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

Project Financing

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

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

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

73Foster's total development costs are estimated to be \$30,595,677, and the budget will be complete with the award of funds from this NOFA, as described further below. The total cost per unit is \$478,057; the construction cost per unit is \$323,944. The total cost per SF is \$538; the construction cost per SF is \$364. To evaluate the value of housing created, the total cost per bedroom is \$305,957; and the construction cost per bedroom is \$207,324. These costs are consistent with current/recent comparable projects in the Portland metro area. Note that these metrics do not include the SDC fees and corresponding waiver. REACH's tax accountants and investor will not allow SDC fees to be shown as a cost, if they are waived.

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

73Foster was awarded \$2M in annual 9% allocation in 2022; however, OHCS made additional 9% LIHTC available to projects awarded in the 2022 cycle from a terminated project through a non-competitive request process. The additional LIHTC amount available to the four applicable projects was \$2M, and 73Foster requested its pro-rata share of \$500,000 in additional credits in mid-September. OHCS awarded the project up to \$2,350,000 in annual tax credits. The \$2.35M annual allocation is reflected in the proforma, generating \$20,798,000 in equity at \$0.885. A LOI from Enterprise reflects this amount, and the Carryover LIHTC Allocation Agreement was executed on December 29, 2023. \$500,000 in OHCS GHAP was awarded in 2022.

NOAH is the permanent lender and differs in one notable underwriting criteria from the PHB Underwriting Guidelines. NOAH is requiring 73Foster to use a 7% vacancy rate, not 5%, which is reflected in the proforma. NOAH is requiring a 1.20 starting DSCR and 30-year amortization, with a 20 year term. The project is required to perform with at least a 1.10 DSCR over the course of the 20-year loan term. The interest rate is based on the 10-Year Treasury plus a 2.75% spread and underwriting cushion of 0.5%. Heritage Bank is serving as the construction lender and is offering a fixed-rate construction loan to lessen interest exposure, assumed at 8%. REACH is deferring \$625,000 of its developer fee as a source, anticipated to be paid off in or before Year 14.

The project will receive \$325,000 from in Metro TOD funds, and \$40,425 in Energy Trust of Oregon funds for the solar installation. REACH initially pledged \$541,000 in grants (Neighborworks NW) and donations via a sponsor loan, but because of the financial difficulties in connection to Renaissance Commons' conversion to perm, REACH is no longer able to pledge the \$541k .

REACH worked with Holst and Walsh to evaluate the eligible PCEF scopes and develop a tentative eligible cost estimate of \$1,442,042 (less the ETO solar award). The requested \$3,032,340 in Metro Bonds/Multnomah County funds (including PDF of \$350,000) balances the budget.

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

REACH is budgeting an overall hard cost contingency of 5%, consistent with OHCS standards. A capitalized replacement reserve of \$2,000/unit and capitalized operating reserve of 6 months of

operating expenses are included. REACH’s total developer fee is within the limits at 11% of TDC, and cash fee is within limit at 8.6% of TDC.

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

Initially REACH requested a waiver to allow payment of a third-party construction management consultant to be allowed as a development expense and not paid for from the developer fee. Due to the withdrawal of REACH’s sponsor loan plus several increases to the construction and operating budgets, the financial situation does not allow approval of the waiver, and REACH will pay the cost of this consultant and a financial consultant from the \$2,625,000 developer fee.

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

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

Regarding the Operating Budget, 73Foster is receiving 22 Project Based Vouchers from OHCS for the PSH units, which will pay 60% LIHTC contract rents. \$10,000 PUPY for service delivery to the 22 PSH units has been awarded by OHCS, and \$5,000 PUPY PSH operating subsidy has been awarded by JOHS. The 73Foster operating budget will pay for the PSH units’ utilities, so no Utility Allowance is deducted from those rents. 2024 LIHTC rents are assumed for the non-PSH units and contract rents for the PBVs, and the April 2023 Utility Allowances are used for non-PBV units. Rental income is assumed to escalate at 2% annually with 7% vacancy (required by NOAH). Including the Replacement Reserve Deposit (\$475/unit) and Resident Services (41,600 annually), Op Ex are \$10,532/unit, which is typical of an integrated PSH project. The PHB compliance fee of \$25/unit is included. The operating budget was informed by portfolio comps, REACH staffing/budgeting, research with peer organizations, and quotes for contracts and insurance. Op Ex are budgeted to increase at 3% annually.

Source	Amount	Use	Amount
9% LIHTC equity (Enterprise)	\$20,798,000	Land/Acquisition	\$1,277,020
Permanent Loan – (NOAH Non-OAHTC)	\$1,310,000	Construction Costs	\$20,732,424

Permanent Loan – (NOAH OAHTC)	\$2,522,770	Soft Costs (excl. Developer Fee & Program Delivery Fee)	\$5,611,233
PHB Metro Bonds, PSH Pilot	\$3,032,340	Developer Fee	\$2,625,000
GHAP	\$500,000	Program Delivery Fee	\$350,000
REACH GP Equity	\$100		
Deferred Developer Fee	\$625,000		
PCEF	\$1,442,042		
GP Note (NeighborWorks)	\$0		
GP Note (Personal Donations)	\$0		
Metro TOD Grant	\$325,000		
Energy Trust of Oregon Grant	\$40,425		
Total	\$30,595,677	Total	\$30,595,677

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

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

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

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

Development Team

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

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

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

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

Walsh Construction

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

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

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

Holst Architecture

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

Partners

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

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

Community Engagement

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

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

Community engagement is most effective when conducted early and often without specific projects in mind, so that initial decisions can be informed by community and resident preferences. REACH conducts annual resident satisfaction surveys and uses this information to inform their big picture housing strategy and investments. In 2021, REACH also partnered with Immigrant and Refugee Community Organization (IRCO) to reach the Vietnamese community, EPHC to reach the Spanish-speaking community, and the NAYA Family Center to reach the Indigenous community for broad community engagement around housing type, design, location, amenity, and programming preferences. Online surveys and focus groups revealed a preference for access to transit, international stores and markets, multigenerational housing options, two and three-bedroom units, secure outdoor space, laundry on all floors with card/phone payment, indoor community/lounge space. The decision to purchase the 73Foster site, unit mix, and programming was informed by all these preferences, centering the values of those who are marginalized from housing decision-making and access to create a space that is welcoming to people of all backgrounds and abilities.

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

Advancing Racial Equity

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

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

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

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

housing access and retention and know that BIPOC communities and those with disabilities experience disproportionate barriers and challenges to housing stability.

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

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

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

Partnerships and Services

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

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

REACH will work with the Joint Office of Homeless Services in Multnomah County for PSH referrals for the 22 PSH units through the Continuum of Care in the single adult system. In addition to the resident services provided to all residents at 73Foster, PSH households will have

access and connections to their case manager (two positions, with 11 household cases each) for tenancy related support services, including:

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

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

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

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

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

Livability and Accessibility

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

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

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

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

Climate Resilience and Sustainability

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

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

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

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

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

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

Anticipated Timeline

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

Activity	Proposed Dates (2023 M-BOS Proposal)	Revised Date (HIC)
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Site		
Option/Contract executed	3/5/21	3/5/21
Site Acquisition	8/30/21	8/30/21
Zoning Approval	12/15/23 (permit ready in Sept, fees paid at closing)	1/30/24 (permit ready, fees paid at closing)
Site Analysis	1/20/23 (permit submitted)	1/20/23 (permit submitted)
HUD Environmental Review (if needed)	N/A	N/A
Building Permits & Fees	12/15/23 (permit ready in Sept, fees paid at closing)	1/30/24 (permit ready, fees paid at closing)
Off-Site Improvements	Start 12/18/23	1/31/24
Pre-Development		
Plans Completed	1/20/23 (permit submitted)	1/20/23 (permit submitted)
Final Bids	10/12/23	10/12/23
Contractor Selected	April 2022	April 2022
Financing		
Construction Loan:		
Proposal	10/21/22	10/21/22
Firm Commitment	10/2023	10/2023
Closing/Funding of Loan	12/15/23	1/30/24
Permanent Loan:		
Proposal	3/24/23	3/24/23
Firm Commitment	11/2023	11/2023
Closing/Funding of Loan	12/15/23 (funding at conversion 12/25)	6/27/24
Development		
Syndication/Partnership Agreement (LIHTC)	12/15/23	1/30/24
Construction Begins	12/18/23	07/01/24
Construction Completed	2/22/25	08/30/25
Certificate of Occupancy	2/22/25	08/30/25
Marketing		
Lease Up Begins	9/1/24	04/01/25
Lease Up Completed	8/1/25	01/30/26
Absorption (units per month)	10	10

Metro Affordable Housing Bond Program Concept Endorsement

Project Name: Myrtlewood Way
Implementing Jurisdiction: Gresham
Metro IGA Contract Number: 936778
Anticipated construction start: November 2024
Anticipated construction completion: August 2026

Action:

Metro hereby provides the City of Gresham with Concept Endorsement of \$3,800,000.00 in Metro Affordable Housing Bond funds for the development of Myrtlewood Way, a regulated affordable homeownership project located at 17640 NE Glisan Street, Gresham. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by the City of Gresham, is attached as Exhibit B.

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

Number of Units	Bedroom Type	AMI Level
10	Three-bedroom	60%
3	Three-bedroom	80%
3	Four-bedroom	60%
2	Four-bedroom	80%
1	Five-bedroom	60%
1	Five-bedroom	80%

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



Metro

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

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

4/26/2024

Marissa Madrigal

Date

Chief Operating Officer

Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement for Myrtlewood Way



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

Date: April 23, 2024

Criteria for funding approval

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

Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement for Myrtlewood Way. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the City of Gresham.

Contribution to unit production targets

Myrtlewood Way will utilize 14% (\$3,800,000) of Gresham's total allocation of bond funds while delivering 20 homeownership units that meet the following unit production outcomes:

- 11% of Gresham's overall unit production target;
- 22% of Gresham's family sized unit target.

When combined with Gresham's other pipeline projects, Myrtlewood Way puts the city on a path to have utilized 100% of Gresham's total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 201% of Gresham's overall unit production target;
- 100% of Gresham's target of units affordable to households making 30% or less of area median income (AMI); and
- 232% of Gresham's family sized unit target.

Eligibility and readiness to proceed

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

- Warranty deed, dated 2/8/22, demonstrating evidence of site control
- Project pro forma dated 2/29/2024
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon and nationally
- Phase 1 Environmental Site Assessment Report completed by Farallon Consulting, dated 2/27/2024
- Appraisal Report, dated 8/31/2023

Staff has identified this project as an affordable homeownership pilot project. Legal compliance of regulatory agreement and monitoring plan will need to be confirmed when the project returns for

Metro Final Approval and staff will continue to request updates from the City of Gresham 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 City of Gresham's approved LIS. Key findings include:

- **Location:** The Myrtlewood Way project, located at 17640 NE Glisan Street covers an area of 1.41 acres and is in a neighborhood with single and multi-family residences. Nadaka Nature Park, directly across Glisan Street, is an accessible 10-acre, wooded area with a playground, garden, picnic area and nature trail. Nearby amenities to the site include a grocery store and drug store. Harley Elementary School and H.B. Lee Middle School are less than a mile from the site.
- **Transit access:** TriMet Bus line 25 is located 200 feet from the project site on NE Glisan Street. The project's neighborhood is rated very bikeable and somewhat walkable, with a 71-walk score rating, according to walkscore.com
- **Diversity in contracting/hiring:** The development team aims to award a minimum of 20% total development costs to MWESB/COBID contractors for this project. Habitat for Humanity Portland Region has selected their own in-house construction team as the project's general contractor.
- **Access for historically marginalized communities:** Rockwood is a diverse neighborhood in Gresham, where families of color are at risk of displacement due to rising housing costs. Homeownership offers 30+ years of stability in the same home and community to families who may otherwise be required to move frequently to find affordable rent. By prioritizing referrals from community partners, many of whom are culturally specific organizations, and prioritizing applicants with connections to the neighborhood (school, family, current residence, place of work or worship), Habitat for Humanity will provide a pathway for diverse community members to put down roots in the Rockwood neighborhood. HFHPR partners with culturally specific organizations throughout the Portland area including Bienestar, African American Alliance for Homeownership (AAAH), Native American Youth and Family Center (NAYA), Hacienda CDC, Immigration and Refugee Community Organization (IRCO), and Asian Pacific American Network of Oregon (APANO). These partnerships ensure effective, culturally competent outreach to the communities of color who are disproportionately in greatest need of affordable housing.
- **Culturally appropriate services:** HFHPR provides pre- and post-purchase support both in-house and through referrals to culturally specific partners for financial education, including NAYA, Hacienda CDC, AAAH, and other HUD-certified housing agencies. HFHPR will partner with Proud Ground in the selection of future homebuyers and collaborate on helping future homeowners become mortgage ready. Proud Ground aims to mitigate barriers to homeownership for communities historically denied access to homeownership, including lower-income households and households of color. Prospective homebuyers gain access to Proud Ground's Homeownership Education and Counseling programs, which helps first-time homebuyers become mortgage ready. Proud Ground then administers down-payment assistance funds as buyers complete the purchasing process.
- **Climate Resilience:** HFHPR's Foster development in SE Portland earned the Habitat for Humanity 2020 Design Contest Award for energy efficiency in multi-family design. The Myrtlewood Way project will mirror Foster's model. A multitude of energy efficiency features are included in the design to achieve Earth Advantages Net-Zero Energy Ready design standard. Features include energy efficient heat pump heating and cooling systems.

The electrical plans include pre-wiring of each home for future solar panel installation, and HFHPR is hopeful about securing additional funding to install solar panels on each structure's South-facing roof.

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:**

HFHPR will utilize existing community connections in the Rockwood neighborhood to conduct outreach and seek community input for the Myrtlewood Way development. HFHPR will partner with Hacienda CDC to host a minimum of three (3) information sessions in the accessible community room at Rockwood Village. The first meeting will provide Rockwood Village residents and other community members with information on home ownership opportunities and instructions towards becoming homeownership-ready (such as addressing credit history and debt). Another session, to be held approximately one month before applications are accepted for the Myrtlewood Way development, will provide information specific to this development – how to apply, program eligibility, and timeline. One additional meeting will be held in the interim and will address homeownership generally, as well as the Myrtlewood Way opportunity.

EXHIBIT B: Project summary submitted by City of Gresham | Metro bond concept endorsement for Myrtlewood Way (formerly Glisan Townhomes)

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

Re-Submitted on: 03/01/24

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

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

Project Overview

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

The requested amount of bond funding from Metro for this project is \$3.8 million. The site is located at 17640 NE Glisan Street and covers an area of 1.41 acres (61,420 square feet).

The deed to the property establishes ownership by Habitat for Humanity Portland Region (HFHPR). It was purchased by HFHPR with \$784,000 of State of Oregon ARPA dollars in February 2022. As of the initial date of this application for Metro Bond funding, 19 housing units were proposed for the site, which is currently vacant with no existing structures. The site plan has since been updated to include 20 homes.

The development was awarded \$3.8 million in Metro Bond funds from the City of Gresham (\$200,000 per unit for 19 units). This award will help significantly to finance the overall project, which will utilize an affordable home price calculation formula and leverage other funding sources, likely to include LIFT, for which HFHPR has applied for \$2.79M in funding (\$139,500 per unit for 20 units) in February 2024.

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

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

TBD

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.

Twenty permanently affordable housing units are proposed for the site, ranging in size from: thirteen 3-bedroom units at 1,237 square feet; five 4-bedroom units at 1,550 square feet; and two 5-bedroom units at 1,655 square feet.

The site plan proposes 28 parking spaces. Existing trees on the site will be preserved to the extent possible, and additional landscaping and tree-planting will create greenery throughout the development and around the perimeter. There are shared areas for mail, bicycle parking, and garbage collection.

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*
Three (3)	10	35-60%	n/a	n/a	1,260	\$1,402
Three (3)	3	60-80%	n/a	n/a	1,260	\$2,227
Four (4)	3	35-60%	n/a	n/a	1,550	\$1,504
Four (4)	2	60-80%	n/a	n/a	1,550	\$2,403
Five (5)	1	35-60%	n/a	n/a	1,655	\$1,615
Five (5)	1	60-80%	n/a	n/a	1,655	\$2,578
Total	20					

* Because these units are for homeownership, figure shown is estimate for monthly mortgage payment (including property taxes, HOA fee, Proud Ground fee, and insurance,).

Project Image

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

Please find site rendering/image attached to the end of this narrative.

Background

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

PROJECT SELECTION: Myrtlewood Way (formerly Glisan Townhomes) was selected for funding through Gresham’s RFP 23-16 Bond Opportunity Solicitation, which was published on January 25th, 2023. In making this selection, the City of Gresham met its targets for providing affordable housing at 0-30% AMI. The site was first selected for an affordable housing development by Habitat for Humanity Portland Region (HFHPR), an entity which closed on the property in February 2022.

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.

DUE DILIGENCE/PREDEVELOPMENT: HFHPR completed an early assistance meeting with the City of Gresham in January 2022. The City provided feedback on the unit configuration, access onto Glisan Street, fire department requirements, and availability of utilities to serve the parcel. Attached dwellings at this density in a CMF zone are permitted. The City will require a Type III Design Review application, a Type II Tree removal application and a Type II Subdivision application to create a 20-lot condominium development. HFHPR provided notice to the Rockwood neighborhood association for comments.

Building permits have not been issued. A significant amount of work has been completed to ensure that this property is safe and ready for development and to prepare the land use application:

- An updated (February 2024) Phase I Environmental Site Assessment is complete;
- Geotechnical Engineering Report and Infiltration Testing is complete;
- Arborist report is complete;
- HFHPR has engaged their condo attorney to start preparation of documents;
- HFHPR has hired an electrical engineer to design the dry utility plan and site the EV charging infrastructure and stations;
- The required parking study has been completed by a transportation engineer;
- Engineering team has been hired; and,
- HFHPR has obtained a FEMA flood plain map, USGS map (with Township, Range, and Section), Historic Preservation map, Tribal Lands map, Wild and Scenic Rivers map, and endangered species analysis.

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.).

Area is home to single- and multi-family residences. Amenities include a grocery store and drug store. Hartley Elementary School and H.B. Lee Middle School are less than a mile. Nadaka Nature Park, directly across Glisan Street, is an accessible, 10-acre, wooded area with a playground, garden, picnic area, trail, and community events. Site is also approximately 0.25 mile from Pat Pfeifer Park; and 0.7 mile from Columbia View Park. HFHPR's ReStore is located nearby on NE 181st Avenue. Stops serve the #25 bus and the location is rated as very bikeable, somewhat walkable, and good for transit according to walkscore.com.

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

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

Site

[word limit: 300]

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

- SIZE: The site covers an area of 1.41 acres (61,420 square feet)
- TAX LOTS: Two (2) according to search on ormap.net
- SITE CONTROL/OWNERSHIP: The deed to the property establishes ownership by Habitat for Humanity Portland Region (HFHPR). It was purchased by HFHPR with \$784,000 of State of Oregon ARPA dollars in February 2022.
- APPRAISAL: Attached (updated January 2024)
- ZONING: The land is zoned CMF (Corridor Multi Family) under Code 4.0412. The development will comply with requirements for this zone.
- OTHER: Site does not include existing buildings or structures.

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

TBD

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

Project Financing

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

The development was awarded \$3.8 million in Metro Bond funds (\$200,000 per unit for 19 units). This award will help significantly to finance the overall project, which will utilize an affordable home price calculation formula and leverage other funding sources.

Please find project sources and uses tables in the enclosed pro forma, submitted by HFHPR for LIFT funding in February 2024.

Home Price Calculation: The initial affordable sales price sets the baseline for current and future affordability of the home. For the initial sale of the home, the base price is established according to a methodology incorporating the community's AMI levels, and property details including estimated taxes, insurance, lease fees, and HOA fees. The calculation considers the number of bedrooms in the unit, percentage of AMI, and interest rate. The sales price calculation includes the current market interest rate to set a sale price that is affordable for the current buyer, and future income-qualified buyers, whether or not Habitat is able to subsidize the loan or provide a 0% interest loan. The sales prices calculation for the home units in this project used a 5.75% interest rate which is the current Oregon Bond Residential Loan Program rate.

The following was assumed to calculate monthly escrow:

- Property taxes between \$250 - \$283
- \$25-50 lease fee to Proud Ground
- HOA dues of \$225 to \$275 (depending on bedroom count)
- \$40 for insurance (all homes)

Using the affordable base price calculator with the numbers above, we ensure that the initial sales price is affordable to an applicant with a household size of bed # +1 at approximately 65% AMI. Front end ratio was 34% for all. The sales price of the homes will be \$283,000 (3-bedroom unit), \$306,000 (4-bedroom unit) and \$330,000 (5-bedroom unit). By setting an affordable base price, we ensure that front-end housing costs will be no more than 30 to 34% of the homebuyer's gross monthly income. We also ensure the long-term affordability of the home for future buyers.

As described above, the homes will sell for \$283,000 to \$330,000, but each home will cost approximately up to \$589,000 to build, for a total projected cost of \$11,778,782 for the project. And, lower income families will need a second, forgivable mortgage and/or downpayment assistance in order for the sale's price to pencil out with a total mortgage payment of 30% of their income. The sources listed below will fill these gaps.

Other Project Funding

- *Previously awarded ARPA funding:* Land for this development was purchased thanks to an award of \$784,000 in State ARPA (American Rescue Plan Act) funds. Representative Hudson facilitated this award. We were also awarded \$184,000 in State ARPA funds for infrastructure development at this site, which was facilitated by Senator Gorsek, and is administered by Seeding Justice.
- *Construction Loan through OnPoint:* HFHPR has received a signed term sheet (enclosed) from OnPoint Community Credit Union committing up to \$3 M in construction lending for this project.
- *Down Payment Assistance:* HFHPR will also apply for other government grants to help subsidize the first mortgages for very low-income buyers, to include state funding for down payment assistance. Recently, we were awarded \$1.1M in down payment assistance from Oregon Housing and Community Services.
- *Local Incentives or Policies:* At this time, Gresham does not offer an SDC waiver or property tax abatement program for affordable homeownership projects, however we intend to apply for Gresham's SDC incentive program for this project.
- *LIFT:* HFHPR has applied for LIFT funds for this development, in the amount of \$2.79M as supported by our recent appraisal of the property value plus improvements. Having added the twentieth unit to the development, this proposed LIFT funding may fund as much as \$139,500 per unit.
- *Habitat Contribution:* The enclosed pro forma commits a certain amount of Habitat contribution to the project if needed in the final stages, though Habitat will monitor interest rates and project costs (which include contingency and escalation) with the goal of not needing to use available cash funds. If used, Habitat's contribution to the project may be in the form of a reduced developer fee rather than a direct cash contribution.

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.

As of the date of their LIFT application, HFHPR has assessed in the project budget a developer fee of \$663,236, which can be deferred to the end of the project (and as noted above may be reduced in the form of a Habitat contribution to the project if needed). The fee is 7% of the projected costs of site work, predevelopment, and hard costs, including contingencies.

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

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

Development Team

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

Please find attached the staff bios for this project.

Community Engagement

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

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

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

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

HFHPR will utilize existing community connections in the Rockwood neighborhood to conduct outreach and seek community input for the Myrtlewood Way development. They plan to partner with Hacienda CDC to host a minimum of three (3) information sessions in the accessible community room at Rockwood Village. The first meeting will provide Rockwood Village residents and other community members with information on home ownership opportunities and instructions towards becoming homeownership-ready (such as addressing credit history and debt). Another session, to be held approximately one month before applications are accepted for Myrtlewood Way, will provide information specific to this development – how to apply, program eligibility, and timeline. One additional meeting will be held in the interim and will address homeownership generally, as well as the Myrtlewood Way opportunity.

HFHPR has a ReStore location just a few blocks from the Myrtlewood Way development, and will use this site for flyers and events that will publicize the homeownership opportunity to immediate neighbors.

HFHPR also has a formalized process of incorporating feedback from current and prospective homeowners into the initial development design process. (For example, they have learned that there is consistently high demand for 3-5 bedroom homes to accommodate larger and/or multigenerational families, demand for accessible homes with at least one bedroom and bathroom on the ground floor, and demand for yards and greenspaces.) Their three community meetings at Rockwood Village will also allow community members to provide design input.

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)*

The development will be located at 17640 NE Glisan Street, on a currently vacant 1.4 acre parcel. The area is home to a rich mix of single family and multi-family residences, parks, schools, places of worship, storefronts, and restaurants.

Rockwood is a diverse neighborhood where families of color are at risk of displacement due to rising housing costs. Over 80% of Habitat homeowners are people of color and over 1/3 include a household member with a disability. Homeownership offers 30+ years of stability in the same home and community to families who may otherwise be required to move frequently to chase affordable rent. By prioritizing referrals from community partners, many of whom are culturally specific organizations, and prioritizing applicants with connections to the neighborhood (school, family,

current residence, place of work or worship), we provide a pathway for diverse community members to put down roots.

- *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.)*

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

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

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

HFHPR developments are diverse communities, with over 80% BIPOC households, mixed incomes in the 35-80% AMI range, a rich variety of cultures and languages, ages and abilities.

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

HFHPR will set a target of 20% of total development costs paid to MWESB/COBID contractors for this development. A comparable recent HFHPR project would be Cherry Blossom, which includes 31 homes close to completion in East Portland. On that project, HFHPR achieved a 17% MWESB/COBID contractor rate. In other recent projects, they exceeded targets. Their Kenton and Olin developments achieved an average Minority Apprenticeship rate of 51% while 46% of the contractors on these builds were MWESB-SDV businesses.

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

Partnerships and Services

Provide information about plans and partnerships for ongoing operations, including property management partner(s) or service providers. Describe strategies for aligning culturally specific programming or services to meet the needs of future residents. If your project includes PSH units,

please describe if these will use coordinated access process, or another referral process.’ Confirm that project will serve Population A – include definition.

HFHPR’s program supports homeowners before and after their purchase to ensure generations of stability in the new home. HFHPR provides pre- and post-purchase support both in-house and through referrals to culturally specific partners for financial education, including NAYA, Hacienda CDC, AAAH, and other HUD-certified housing agencies. If an applicant is denied to the Habitat program due to poor credit history, they will be referred to a HUD-certified housing counseling agency for support, and they may reapply to the program later. In addition, HFHPR’s sweat equity program is a way to build community among future neighbors and to learn about home repair and maintenance.

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

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

Livability and Accessibility

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

All of the Myrtlewood Way homes will have at least three bedrooms, with seven of the 20 homes having four or five bedrooms. These homes will be well suited to larger, blended, and multigenerational families. The homes are also well-suited for people with age-related or mobility challenges; 18 of the homes will have an accessible no-step entry and all homes will have visitability features including a ground-floor bathroom, kitchen, and living room. This means that a child who uses a wheelchair can attend a party, or a relative with limited mobility can attend a gathering. The 4-bedroom and 5-bedroom homes include a bedroom on the first floor, meaning these homes can accommodate a live-in household member with a disability.

Climate Resilience and Sustainability

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

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

To achieve long-term affordability, HFHPR homes are built using high quality materials and energy-efficient design. HFHPR homes have a “tight envelope” design standard that incorporates weather-resistant barriers on the exterior of the building, providing superior air sealing, coupled with above

code underfloor insulation to create a tight seal in the home. All homes have ENERGY-STAR-certified appliances.

HFHPR's Foster development in SE Portland earned the Habitat for Humanity 2020 Design Contest Award for energy efficiency in multi-family design. The development will mirror Foster's model. A multitude of energy efficiency features are included in the design to achieve Earth Advantages Net-Zero Energy Ready design standard.

Features include energy efficient heat pump heating and cooling. This system is one of the most energy efficient ways to meet Metro's Air Conditioning policy. The heat pump system provides a comfortable and safe living environment year-round while ensuring affordable utility costs long-term to the homeowner.

The electrical plans include pre-wiring of each home for future solar panel installation, and HFHPR is hopeful about securing additional funding to install solar panels on each structure's South-facing roof. All plumbing fixtures are water sense certified to reduce water use. Parking areas will be ready for installation of electric vehicle (EV) charging stations, with wiring conduit and panel space installed. HFHPR is seeking additional funding for fully ready EV charging stations.

Anticipated Timeline

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

Please find project schedule included in the "Development Schedule" tab of the attached pro forma workbook.

Narrative Attachments Follow:

1. Recent Updated Appraisal (January 2024)
2. OnPoint Terms Sheet (February 2024)
3. Recent Updated Phase I report (February 2024)
4. Project Staff Bios
5. Recent Updated Site Plan/Renderings
6. Aerial map image of surrounding neighborhood
7. LIFT pro forma workbook, including Development Schedule, Project Budget Sources and Uses, and Home Sales Methodology (see "Blank Worksheet" tab)

Metro Affordable Housing Bond Program Final Approval

Project Name: Troutdale Apartments
Implementing Jurisdiction: Home Forward
Metro IGA Contract Number: 937300
Anticipated construction start: June 2024
Anticipated construction completion: December 2025

Action:

Metro hereby provides Home Forward with Final Approval of \$17,734,670 in Metro Affordable Housing Bond funds, of which \$1,764,347 will be Site Acquisition Program funds and \$15,970,323 from Home Forward’s eligible share allocation of Affordable Housing Bond funds, for the development of Troutdale Apartments, a regulated affordable housing project located to the SE of the intersection of SW 257th Avenue and E Historic Columbia Highway, Troutdale. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Home Forward, is attached as Exhibit B.

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

Number of Units	Number of Bedrooms	AMI Level	Project Based/RLRA Vouchers
5	Studio	30%	3
6	Studio	60%	0
13	One-bedroom	30%	9
18	One-bedroom	60%	0
13	Two-bedroom	30%	10
18	Two-bedroom	60%	0
5	Three-bedroom	30%	3
7	Three-bedroom	60%	0

Changes to the information contained in the final approval request provided by Home Forward 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



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

Program Intergovernmental Agreement between Metro and Home Forward, 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 Home Forward 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.

5/28/2024

Marissa Madrigal

Date

Chief Operating Officer

Exhibit A: Metro staff findings and recommendations | Final Approval request for Troutdale Apartments



Drafted by: Jimmy Oporta, Senior Housing Bond Program Coordinator
and Alison Wicks, Housing Bond Program Supervisor
Date: May 28, 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 Troutdale Apartments. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by Home Forward.

Changes since Concept Endorsement

This project is being reviewed for final approval and has undergone changes since Concept Endorsement on March 21, 2022. Due to a protracted land use approval process with the City of Troutdale, the project was delayed by 18 months, resulting in increased construction costs and interest rate escalations totaling \$12.5 million. Some of the most significant cost impacts included over \$800,000 in street and public parking improvements, increased preconstruction, architectural, legal and land use consultant fees over \$350,000, high construction cost escalations that increased the overall cost to build the project by over 15% and an increase in construction loan interest rates from 2.6% to 7.62% during the 18-month delay period. To address these increased development costs, the project team conducted value engineering, negotiated cost-efficient design changes, and secured over \$7 million in additional state (OHCS) and federal funding (HUD). A reduction in the project's proposed unit mix from 94 units to 85 units was also needed to address the City of Troutdale's land use concerns and pave the way for a successful financial closing for the project.

On May 2, 2024, the Metro COO approved an amendment to the project's original concept endorsement. Through this amendment, the Troutdale project was awarded an additional \$756,738 of Metro funds, for an amended total funding award of \$17,734,670, of which \$1,764,347 will be Site Acquisition Program (SAP) funds and \$15,970,323 from Home Forward's eligible share allocation of Affordable Housing Bond (AHB) funds. Additional details regarding this amendment can be found in Metro's 5/2/2024 Concept Endorsement Letter Amendment 1. The revised Concept Endorsement Letter, along with this Final Approval will allow the Troutdale project to meet a successful financial closing in June 2024.

Contribution to unit production targets

Troutdale Apartments will utilize a total of \$17,734,670 in Metro affordable housing bond funds, of which \$1,764,347 will be Site Acquisition Program (SAP) funds and \$15,970,323 from Home Forward's eligible share allocation of Affordable Housing Bond (AHB) funds. This includes all the remaining funding allocated to Home Forward for implementation in the portion of East Multnomah County not covered by implementation agreements with the cities of Portland and Gresham. The project will deliver 85 units that meet the following unit production outcomes for Home Forward's implementation in East Multnomah County:

- 77% of Home Forward’s overall unit production target;
- 78% of Home Forward’s target of units affordable to households making 30% or less of area median income (AMI); and
- 78% of Home Forward’s family sized unit target.

Unfortunately, the Troutdale project’s original land use application was denied by the City of Troutdale in July 2022, due to concerns over parking, traffic, and density. In January 2023, the State of Oregon’s *Climate Friendly and Equitable Communities* legislation went into effect, which required cities to eliminate parking mandates for affordable housing. While the State’s *Land Conservation and Development Commission (LCDC)* issued clear direction to jurisdictions to eliminate parking requirements for affordable housing developments, the City of Troutdale sued the LCDC over the elimination of parking requirements, creating uncertainty for the overall success of the project.

In March 2023, Home Forward resubmitted a revised 85-unit proposal with the City of Troutdale to satisfy specific local concerns regarding density, parking, and traffic. In July 2023, the modified proposal won land use approval, over a year after the original land use application. With this unexpected change to the Troutdale project, Home Forward will fall short of its Metro Local Implementation Strategy (LIS) unit production goals, meeting 77% of the overall unit production target, 78% of the 30% AMI target, and 78% of the family sized unit target. However, in combination with City of Portland and City of Gresham, Home Forward’s unit contributions will help meet the total unit production goals in Multnomah County.

Eligibility and readiness to proceed

Home Forward 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 5/2/2024
- Appraisal report from Colliers International, dated 4/12/2024
- Phase 1 Environmental Site Assessment report from HAI, Inc., dated 4/2/2024
- HUD Affirmative Fair Housing Marketing Plan
- Executed IGA between Multnomah County and Home Forward for transfer of title to real property located on NE 257th, Troutdale, Oregon, demonstrating evidence of site control, dated 2/10/2021.
- Zoning verification letter from the City of Troutdale, dated 11/5/2021
- Letters of intent from US Bancorp Impact Finance, Home Forward SHS-RLRA, OHCS Housing Trust Fund, HUD Community Funding/Congressionally Directed Spending
- Permit set drawings by MWA Architects, dated 10/3/2023
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon.

Advancing racial equity

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

- **Location:** The Troutdale project is located one block from the historic town center of Troutdale, near shops, jobs, and transportation. Development to the north is primarily 1- to 2- story commercial or mixed-use buildings of Troutdale’s historic town center. To the south, the site is bounded by SW 4th Avenue which is predominately residential. To the west, the site is bounded by SW 257th Avenue and to the east, the project is adjacent to

office buildings including the Multnomah County Sheriff's Department. Within two blocks of the site is the 9.51 acres Helen Althaus City Park with facilities including basketball courts, hiking trails, and playground.

- **Transit access:** The #77 bus line connects Troutdale to downtown Portland, the #81 bus line connects residents to the Troutdale industrial area with major employers like FedEx and Amazon together with Mount Hood Community College. Additionally, the #80 bus line connects the site to local recreation including Glenn Otto Park.
- **Diversity in contracting/hiring:** Home Forward updated their economic equity policy from 20% to 28% participation for COBID firms, and Troutdale Apartments will be subject to this goal. In addition, the Equity Plan requires the number of hours worked in apprenticeship and journey-level jobs to represent 9% for women and 20% for BIPOC (Black, Indigenous and People of Color). Tracking journey-level hours helps ensure that women and People of Color advance within the construction industry and informs future workforce strategies and accountability.
- **Access for historically marginalized communities:** Home Forward will establish low-barrier criteria for the Troutdale project, which will include a reduced focus on criminal history. This will be in addition to Home Forward's already established low-barrier screening that includes eliminating requirements for previous landlord references, security deposits equal to one month's rent and allowing multiple forms of identification for housing applicants. Additional details about Home Forward's low-barrier screening can be found in Home Forward's Troutdale project narrative (Exhibit B), under the "Affirmative Marketing and Application" section. In addition to traditional marketing, Home Forward relies on relationships with service organizations, especially those that serve BIPOC communities. Home Forward's property management and resident services staff will continue to collaborate with NAYA, Self Enhancement, Inc., El Program Hispano, IRCO, Urban League and others to ensure that potential residents know about the availability of the Troutdale apartments. This will ensure a steady stream of housing applications from BIPOC community members and those most at need for affordable housing, because one of the best marketing options is word-of-mouth recommendations from a trusted source.
- **Culturally appropriate and responsive services:** General resident services will be provided by Home Forward staff, supplemented with a broad network of culturally-specific service providers such as El Programa Hispano, IRCO, Our Just Future, and SEI. Services will provide innovative, trauma-informed, and flexible approaches in a culturally-responsive way. Resident services staff will conduct comprehensive needs assessment as the property is leased up. Intakes with each household will be held, with an optional service questionnaire, that will inform initial service offerings. On an annual basis, Home Forward staff will conduct ongoing needs analysis consisting of demographic data analysis, an updated local service scan and updated best practice review as well as surveying residents and other stakeholders to best meet evolving needs. Services will target maintaining housing stability and increasing self-sufficiency. Other services will include assistance accessing benefits, eviction prevention and conflict resolution, food security and assistance, criminal record expungement, financial and credit counseling, transportation assistance, after school support for youth, community activities and dinners and free community room internet and access to computers.
- **Climate resilience:** The Troutdale project will provide cooling via mini-split heat pumps for heating and cooling in all units. In community spaces, a combination of single-zone and multi-zone split system heat pumps will be used to provide heating and cooling. Additionally, energy recovery ventilators will supply fresh air and continuous ventilation to all units. Home Forward hired Imagine Energy to design a photovoltaic system (solar panels) for the project and has secured grant funding from Energy Trust of Oregon and PGE to fund the installation. The project is targeting Earth Advantage Gold certification.

Community engagement to inform project implementation

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements Home Forward's approved Local Implementation Strategy (LIS). In general, staff find a clear connection between general community input received during planning for the LIS and the plans for this project.

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

Home Forward's outreach started with three focus groups during summer 2021 and was supported with the assistance of culturally appropriate non-profits that gathered input from community members of east Multnomah County. The three focus groups included outreach by three partnering organizations: 1) El Programa Hispano, with nine participants on an August 16, 2021 Zoom call; 2) Self Enhancement Inc (SEI) with one participant on an August 17, 2021 Zoom call; and Eastern European Immigrant communities with 11 participants on an August 19, 2021 Zoom call. Topics were focused on "areas of influence" to gauge community values and included: Outdoor spaces; Community building spaces; On-going resident services; and Priorities for on-going engagement opportunities during development. In addition to the focus groups, Home Forward convened a Community Advisory Committee (CAC) to inform the project. Along with centering the voices of people who live in affordable housing or who would benefit from affordable housing, the CAC model created shared engagement between community stakeholders which strengthened efforts to build community. The CAC met virtually four times in October 2021, December 2021, April 2022, and August 2022, reviewing project design, unit types and layouts, site layouts, and tradeoffs. For additional information regarding community engagement activities of the Troutdale project, please see Home Forward's 5/3/24 Community Engagement Outcomes report.

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

Major themes gathered from community engagement included:

- Clear preference for a community that is integrated and accessible
- Multimodal connections to transit, parks, and schools
- Accessible on-site walking paths for elders and families with children
- Sufficient parking spaces and parking located close to buildings
- ADA units with easy access to community spaces and apartment offices
- Natural play areas for older youth and teenagers
- Creating places for community interaction and relationship building for residents

Major design feedback heard from community engagement included:

- A significant design change was the layout and shape of the buildings. Community members of east Multnomah County were successful in raising this as a concern for the project. Per the community engagement outcomes report: "Troutdale experiences different weather conditions than inner Portland areas due to its proximity to the Columbia Gorge...with that [community] feedback, the three buildings were redesigned to form an L-shape to address

the severe wind and winter conditions, while orienting them to provide maximum sunlight to outdoor seating and play areas.”

- Beyond the design of the project, Home Forward heard about the challenges many people face paying rent along with other household expenses. To address this community concern, the Troutdale apartments will include 36 units at 30% AMI (25 with project-based vouchers) to make accessible, thoughtful affordable housing available to those with the lowest incomes.

EXHIBIT B: Project summary submitted by Home Forward | Metro bond concept endorsement for Troutdale Apartments

Submitted by Ryan Winterberg-Lipp, Affordable Housing Developer
Home Forward, ryan.winterberg-lipp@homeforward.org
Submitted on: 5/3/2024

Project Overview

The Troutdale Apartments will provide 85 units of new affordable housing to the Troutdale community in East Multnomah County. The 3.58-acre site is near the corner of SW 257th Avenue and E Historic Columbia River Oregon. The site is currently vacant and is close to Troutdale's historic downtown, parks, schools, recreation, public transit, and employment centers in East County. Home Forward is the project developer/owner.

Multnomah County currently owns the project site. On February 10th, 2021, Home Forward and Multnomah County executed an IGA securing the transfer of title of the project site to Home Forward for the development of the Troutdale Apartments with the deed being delivered at or before financial closing.

Development financing for the Troutdale Apartments includes 9% LIHTC equity, Oregon Affordable Housing Tax Credits (OAHTCs), Metro Bond Funds, Metro Land Acquisition Funds, permanent and construction loans, Home Forward agency funds, HUD Community Project Funding, seller land financing, deferred developer fee, Troutdale Street Funds, and solar grants (Energy Trust of Oregon and PGE Renewable Development Funds). Additionally, the project and its residents will benefit from 25 project-based Regional Long Term Rental Assistance vouchers.

Changes between Revised Concept Endorsement and Final Approval

From the Revised Concept Endorsement submitted by Home Forward in March 2024 and approved by Metro in May 2024, the project is substantially unchanged. The Metro funding per-unit has remained constant, and the number of units remains the same at 85. The final schedule of values was received, and Home Forward made minor refinements to the budget, including a small reduction in the deferred developer fee to ensure that it could be repaid in year 13, to meet investor and OHCS needs. Home Forward is also proposing to return a small grant of \$100,000 to the City of Troutdale, because it is a challenging source of funds without clear direction.

From the time of approved Revised Concept Endorsement to Final Endorsement, the appraisal was received. Home Forward had estimated a tentative land acquisition and corresponding Ground Lease Note (retained by Seller, Home Forward) based on land comparables. Knowing that the appraisal would confirm the value, the acquisition would be updated later. The Colliers appraisal engaged by the lender established the value at \$1,870,000 to translate to a Ground Lease of approximately \$1.77M. Since the project is not generating acquisition credits, there is no material change.

The Revised Concept Endorsement from March 2024 addressed the following changes from the Concept Endorsement approved by Metro in March of 2022:

- At Concept Endorsement, the Troutdale Apartments proposed 94 units of affordable housing. Due to a contentious land use review process with the City of Troutdale, the project was reduced to 85 units.
- The percentage of 30% AMI units remained constant (42%), and revised to 36 total.

Unit size	Concept Endorse. # of units	Concept Endorse. AMI %	Concept Endorse. PBVs	Revised # of Units	Revised AMI % (Regulation)	Revised PBVs
Studios	7	0-30%	5	5	0-30%	3
Studios	7	0-60%		6	0-60%	
Ones	10	0-30%	5	13	0-30%	9
Ones	23	0-60%		18	0-60%	
Twos	14	0-30%	9	13	0-30%	10
Twos	20	0-60%		18	0-60%	
Threes	8	0-30%	6	5	0-30%	3
Threes	5	0-60%		7	0-60%	
Total	94		25	85		25

- The 18-month delay in the land use process coincided with a period of high construction cost escalation, increasing the cost to build the project by over 15%. The negotiated process to gain local approval added expensive design elements to the buildings and almost \$800,000 in street and public parking improvements. Additional costs for security requirements during construction, redesign fees, legal fees, and increased construction interest all combined to increase the project budget significantly.
- These increases in project costs, along with higher operating expenses and the permanent loan interest rate that reduced the supportable permanent loan, led Home Forward to request additional Metro Bond funds to balance the budget.
- Home Forward's Revised Concept Endorsement requested an increased award of \$2,429,885 in Metro Bond Funds to total \$17,734,670, to utilize the entirety of the Metro Bond allocation for East Multnomah County.

Development Program

The proposed Troutdale project consists of 85 units which are a mix of studios, ones, twos, and three-bedroom apartment homes for individuals and families earning up to 30% AMI or 60% AMI. Total square footage for the Troutdale project is anticipated to be approximately 69,327 sq ft including 4,815 sq ft of residential common areas. Amenities include a community room, laundry facilities, bike storage, outdoor plaza, ample parking spaces, and office space for resident services and on-site property management.

Proposed rents charged at Troutdale are detailed below:

Unit size	No. of units***	AMI % (Rents)****	PBVs*	Square feet/unit	Gross monthly rent/unit**
Studios	5	0-30%	3	438	\$620
Studios	6	0-50%		438	\$1,033
Ones	13	0-30%	9	601	\$664
Ones	18	0-50%		601	\$1,106
Twos	13	0-30%	10	857	\$797
Twos	18	0-50%		857	\$1,328
Threes	5	0-30%	3	1,208	\$920
Threes	7	0-50%		1,208	\$1,534
Total	85		25		

*Rent subsidy for the 25 units are RLRA project-based vouchers. The rental assistance will cover the difference between the tenant's payment (approximately 30% of income) and 60% AMI rents.

**The gross monthly rent reflects the 2024 HUD LIHTC rent rate for 30% AMI or 50% AMI units; note that the underlying 60% AMI rent restriction is unchanged on units with 50% underwriting rents.

*** 30% AMI units that do not benefit from a HUD Project-Based Section 8 voucher receive pass through AMI buy down from OAHTCs to achieve the 30% AMI restriction.

**** The rents charged on 60% AMI regulated units are proposed at 50% AMI to meet local market conditions and support deeper affordability; the underlying AMI regulation remains at 60%

This unit mix meets Metro's deep affordability and family-sized unit targets:

- 42% of all units will achieve 30% AMI affordability
- 51% of all units are two or three bedrooms

Project Image



View of the Troutdale Apartments with play area

Background

The Metro voters approved Ballot Measure 26-199 on November 6, 2018 authorizing Metro to issue \$652.8 million in general obligation bonds to fund affordable housing. On January 31, 2019, the Metro Council adopted Resolution 19-4956 which provides that Metro will distribute a portion of the proceeds to local governmental affordable housing implementation partners. Home Forward's local implementation strategy proposed 111 units, of which 46 would be less than 30% AMI and 55 family sized units, with a total Metro Bond Funds of \$15,900,000 (\$154,243/unit) with a focus in the jurisdictions of Fairview, Wood Village, or Troutdale. The current design of the Troutdale Apartments would satisfy 85 of these units with 36 below 30% AMI and 43 family-sized units. In percentage terms, there would be 42.3% below 30% AMI units and 50% family sized units. The project's goal, as established in the Concept Endorsement, is to provide at least 41% of units at

or below 30% AMI and over 50% of the units will be family sized. The revised Troutdale project presented in this Amended Concept Endorsement meets these objectives.

Location and Neighborhood

The site is located one block from the historic town center of Troutdale, including shops, jobs, and transportation. The #77 bus line connects Troutdale to downtown Portland, the #81 bus line connects residents to the Troutdale industrial area with major employers like FedEx and Amazon together with Mount Hood Community College. Additionally, the #80 bus line connects the site to local recreation including Glenn Otto Park. Development to the north is primarily 1- to 2- story commercial or mixed-use buildings of Troutdale’s historic town center. To the south the site is bounded by SW 4th Avenue which is predominately residential in nature. To the west the site is bounded by SW 257th Avenue and to the east is adjacent to office buildings including the Multnomah County Sheriff’s Department. Within two blocks of the site is the 9.51 acres Helen Althaus City Park with facilities including basketball courts, hiking trails, and playground.



Site

The Troutdale site is a contiguous 3.58 acres parcel located near the corner of SW 257th Avenue and E Historic Columbia Highway in Troutdale. The site was assigned the address 207 SW Kendall Court through the development process. The site is currently undeveloped and slopes from north to south. The site is zoned Central Business District, a mixed-use zone allowing dwelling units, retail, personal, professional, business, and industrial services within the Town Center.

The 2021 Intergovernmental Agreement with Multnomah County contemplated transferring the property to Home Forward at closing. However, a number of easements required by the City of Troutdale must be recorded prior to closing. To avoid burdening the County with these logistics, Multnomah County has agreed to transfer the property to Home Forward prior to closing in May 2024.

In April 2024, Home Forward received the bank-ordered appraisal, establishing a land value of \$1.87M, or \$12/SF for the property.

Final Approval Only: Key findings from the Phase 1 ESA and geotechnical reports include:

- Hahn and Associates, Inc. (HAI) environmental consultants conducted a Phase I ESA in July 2022 and updated it in April 2024. No evidence of Recognized Environmental Concerns were identified, but HAI recommended a Clean Fill Determination (CFD) for soils to be excavated and removed given the history of agricultural activities. Farallon Consulting is currently engaged to conduct soil sampling for the CFD, and it is possible to retain excavated soils on-site, so no disposal would be required.
- Greenfield Geotechnical conducted a geotechnical investigation in May 2023 and conducted infiltration testing, and recommended spread footings in the dense, sandy gravel soil, excavated soil from the site meeting structural standards, or imported structural fill. Infiltration rates were rapid, and the risk of liquefaction from seismic activity post-construction is low. Given the potential for the presence of boulders, the project budget includes an allowance for underground conditions. Greenfield is engaged for construction monitoring services.

Project Financing

The estimated total development cost is \$52,560,199, equal to \$618,355/unit. However, with the high construction interest carry and significant professional services fees driven by the development delay, hard costs are \$412,643/unit. Troutdale’s 3.58 acre site with significant grading, parking, landscaping, and public improvements results in abnormally high site costs that may not be seen in other Metro Bond-funded projects. When these site costs are excluded, the hard cost to deliver the buildings is approximately \$303,859/unit. While Troutdale Apartment’s construction costs increased, it remains a relatively efficient and cost-effective development typology at three-story walk-ups.

The Troutdale Apartments are financed with 9% LIHTC and OHCS Housing Trust Funds. Other capital sources include Permanent Loan with OAHTCs, Metro Bond funds, Metro Land acquisition funds, Home Forward Capital Grant funds, HUD Community Project Funds, energy-efficiency/solar grants, and a deferred developer fee. The market value of the land will be financed through Home Forward’s ground lease note. Troutdale is a local jurisdiction which requires SDCs for the construction of affordable housing and the project is budgeting for \$1,621,000 in SDC and permit fee charges.

The Troutdale Apartments also includes 25 RLRA Project-Based vouchers. Home Forward is exempt from paying property taxes on the site.

Sources and Uses Overview

Source	Amount	Use	Amount
9% LIHTC Equity	\$19,059,951	Land/Acquisition	\$1,890,000
Metro Bond Funds + Cooling	\$15,970,323	Construction Costs	\$35,074,677

Metro Land Acquisition Funds	\$1,764,347	Soft Costs (excl. Developer Fee)	\$9,892,559
Permanent Loan	\$3,682,785	Developer Fee (Cash + DDF)	\$6,044,356
Home Forward Funds	\$1,964,132		
Deferred Developer Fee	\$1,161,911		
HUD CPF Grant	\$3,000,000		
Housing Trust Funds	\$4,000,000		
Seller Finance of Land	\$1,776,500		
Solar and Energy Grants	\$180,150		
GP Capital	\$100		
Total	\$52,560,199	Total	\$52,560,199

Development Team

- Developer/owner:** Home Forward (HF) is owner and developer of almost 6,600 units of public and affordable housing in Multnomah County and administers rental assistance to over 14,000 households. Home Forward is Oregon’s largest affordable housing provider. The development department includes registered Engineers, Architects, developers, and in-house relocation staff. Home Forward has an established record of developing complex projects with multiple public and private financing sources.
- General contractor:** Bremik Construction is an experienced contractor that has built over 1,300 housing units in the last six years, with 600 more under construction or in preconstruction. Bremik’s experience with multifamily projects includes renovation and new construction; small, midsize, and large developments; affordable and market-rate properties; and successful DMWESB utilization to meet the goals of public funders. Home Forward and Bremik completed the Hattie Redmond project together in 2023.
- Architect:** MWA Architects is a local firm with offices in Portland and San Francisco with experience in architecture, interior design, urban design, and planning services. MWA was first established in 1988 and has designed 114 of affordable housing developments containing approximately 10,300 units.
- Property Manager:** Home Forward’s Property Management department includes both property management and maintenance staff with certifications in Tax Credit compliance and credit compliance. They oversee daily operations, compliance, and maintenance at 46 properties (3,275 physical units). Home Forward’s property management operates communities to keep people and families housed and help them become, and remain, stable.

Community Engagement

When approaching the new development in Troutdale, Home Forward’s engagement goal is to involve and center the voices of people who live in affordable housing or who would benefit from affordable housing. Home Forward strives to prioritize input from low-income communities of color, seniors, people living with disabilities, and people with lived experience of homelessness.

In addition to the extensive outreach undertaken during Metro’s Local Improvement Strategy process in 2019, Home Forward staff started outreach with three focus groups during summer 2021. Home Forward staff worked with culturally-specific non-profits to gather input regarding

housing and services needs and preferences, while prioritizing outreach to residents living east of SE 182nd. El Programa Hispano, Self Enhancement Inc, and the Immigrant and Refugee Community Organization recruited and facilitated these focus groups.

Questions focused on “areas of influence” to gauge community values and included: Outdoor spaces; Community building spaces; On-going resident services; and Priorities for on-going engagement opportunities during development. These focus groups informed the topics and engagement methods for the Community Advisory Committee meeting, and more detail is provided in the Community Engagement Outcomes report. Outreach to other key groups providing services in the area and to target communities included Head Start parent council input, a group working with houseless in East County, and Multnomah County Office of Aging, Disability and Veterans Services, East.

Home Forward’s Troutdale Community Advisory Committee (CAC) – In addition to the overall engagement goal of centering the voices of people who live in affordable housing or who would benefit from affordable housing, the CAC model strives to create shared engagement between community stakeholders which can strengthen efforts to build community. It also seeks to increase education about affordable housing funding, requirements, and processes.

Twenty members were recruited from East Multnomah County to serve on the Troutdale development CAC, and it was facilitated by a neutral facilitator. Members included:

- 9 community members from initial outreach and other people who live east of Gresham; people who have lived experience of or need for affordable housing
- 4 representatives of service providers (SEI, El Programa Hispano, Elementary school principal; Multnomah County Aging, Disability and Veterans Services representative, and a former on-site property manager with after-school daycare center.
- 2 Funding Partners (Multnomah County staff person to Commissioner Stegman; Metro staff member from Transit Oriented Development program)
- 5 local community neighbors (large and small business owners; adjacent homeowners; sheriff’s office representative)

The CAC met virtually four times with the following topics:

- October 2021 – “What matters” for people, services, design, transportation, multimodal access, and weather
- December 2021 – Review of site layout, landscape design, parking design, multimodal connections, discussion of weather mitigation
- April 2022 – Review revised site layout and elevations, connect with project values, discuss permit review process
- August 2022 – Review material precedents, community spaces/finishes, refined landscaping

Outreach to the broader community included a community newsletter mailed early 2023 within ½ mile of the site and distributed to the PTA at the nearby elementary school. Home Forward staff and the project team also attended 11 public meetings with the Troutdale Planning Commission and City Council related to the project.

Focus groups and the CAC informed the project in the following ways, with more information in the Community Engagement Outcomes Report:

- Building were designed in an “L” shape and oriented to protect residents from the effects of the Columbia Gorge’s east winds and weather. Building orientation also maximizes sunlight in outdoor areas.
- Parking lots were broken into three areas for direct access to resident units. Accessibility and safety while navigating children and groceries were common concerns.
- Community connections are facilitated in both indoor and outdoor areas with a community room, outdoor play areas and seating, and a community garden.
- Lines of sight and visibility for vulnerable residents in breezeways and avoiding blind spots, along with accessible and well-lit paths

Advancing Racial Equity

The Troutdale Apartments project will locate affordable housing exactly where it is needed: in a diverse community, with a lack of affordable housing—particular culturally-responsive housing—that outpaces the metro area. Troutdale is often considered a white-presenting community, but it has a diverse and perhaps unseen diverse population of BIPOC and immigrant communities.

East Multnomah County communities have not seen significant new affordable housing development, and much of the existing multifamily and affordable housing is aging, built in the 1970s and 1980s. Troutdale's population is growing more than twice the Multnomah County average (1990-2018), and the housing supply has not kept up with this growth—a recipe for displacement due to increasing housing costs. 38% of Troutdale households are cost burdened. Troutdale households are larger than the metro area on average (2.93 people per household), with more households with children; over 37% of the population is under the age of 18. Troutdale has a higher percentage of single-family housing than the Portland region, according to the *Housing Needs Analysis*, highlighting a need for affordable multifamily housing with family sized units.

Troutdale's population is also significantly more racially diverse than the Portland metro area, with 17% of the population from Hispanic and Latino communities, per the US Census in 2022. BIPOC families face particular barriers to housing, especially families with children, so the Troutdale Apartments project will fill a deep community need in Troutdale. Troutdale is served by the Reynolds School District, where students speak over 90 languages and are 72% non-white. The Troutdale Apartments will meet the needs of this diverse and young population in a way that Troutdale’s existing housing stock does not.

Equity in Contracting/Workforce

In 2020, Home Forward updated our Agency-wide Economic Equity Policy to a requirement of 28% participation for COBID firms, an increase from the previous target of 20%, originally set in 2002. This applies to all contracts, not just construction. In addition, the Equity Plan must deliver 10% of subcontracting dollars to businesses enrolled in HUD’s Section 3 Program (a federal program designed to create opportunities for low- and very-low-income persons) and increase the number of hours worked in apprenticeship and journey-level jobs to 9% for women and 20% for the BIPOC (Black, Indigenous, and People of Color) communities through participation in the City of Portland’s Workforce Training and Hiring program.

Home Forward emphasized the importance of DMWESB participation in its 2021 RFP process to select a General Contractor (Bremik) and Design team (MWA) for the Troutdale Apartments by allocating significant points in the selection criteria. Both Bremik and MWA have worked with

other local affordable housing funders to meet participation goals in projects including Magnolia II, Vibrant, Stephens Creek Crossing, Renaissance Commons, and Cathedral Village. The project is currently on track to achieve an estimated 35% DMWESB participation for professional services, exceeding Home Forward's agency goal of 28%. Bremik has committed to meeting or exceeding Metro's 30% goal for hard construction costs.

Bremik achieves these goals through well-established partnerships, relationships with community partners like Latino Build, NAMC, OAME, PDBG, accessible outreach events, and personal outreach to subcontractors. The team knows it's not enough to hire a diverse workforce without cultural competency, so Bremik abides by the Safe from Hate Jobsite Culture Pledge to make sure workers who have been historically marginalized are safe from harm and supported.

In addition, Home Forward's agency journey-level goals for women and People of Color sends a strong signal to the construction industry. Opening a door to women and People of Color through apprenticeship programs means little if they do not receive the mentoring and supports needed to truly build their careers and advance from apprentice to journey level work. Tracking journey-level hours helps ensure that women and People of Color advance within the construction industry, to inform future strategies and accountability. This demonstrates Home Forward's intention to use our purchasing power strategically. It will ultimately catalyze new COBID businesses and increase COBID participation.

Affirmative Marketing and Application

One of the first steps in affirmative marketing practices are low barrier screening criteria. Consistent with Home Forward's organizational values of advancing social and racial justice, low barrier screening area core tenant of Home Forward's approach to housing. Before Portland's Fair Access in Renting (FAIR) Ordinance existed, Home Forward established low-barrier criteria such as eliminating requirements for previous landlord references, security deposits equal to one month's rent, and allowing multiple forms of identification. A core element of FAIR's low-barrier screening criteria is a reduced focus on criminal history. On this key point, Home Forward is currently implementing updated low-barrier screening criteria that ignore 183 felonies and 241 misdemeanors that, under FAIR's low-barrier criteria, are legitimate grounds for application denials. Home Forward's criminal history policy looks beyond the misdemeanor/felony categorization and focuses instead on the actual act. We take this closer look because we believe that many felonies, and even larger numbers of misdemeanors, would have little to no impact on our communities if they reoccurred. Home Forward's screening criteria are applied consistently, regardless of the property management company. This will help to ensure housing access for People of Color who are over-represented in the criminal justice system.

In addition to more traditional marketing, Home Forward relies on relationships with service organizations, especially those that serve BIPOC communities, for marketing and outreach to potential residents. Our property management company and resident services staff will collaborate with culturally specific organizations such as NAYA, Self Enhancement, Inc., El Program Hispano, IRCO, Urban League and others to ensure that potential residents know about the availability of the Troutdale apartments. Relationships built during the focus group and CAC process reinforced these connections. This ensures a steady stream of housing applications from BIPOC community members and those most at need for affordable housing because the best possible marketing is a word-of-mouth recommendation from a trusted source.

The Regional Long-term Rent Assistance vouchers also have a program recommendation to take referrals for the two and three-bedroom units from the Multnomah Stability Initiative (MSI). MSI works to help low-income families with children build stability through six goals: housing, education, wellness and health, income, social capital, and positive child development. The Troutdale Apartments will provide stable rent assistance for MSI families, whose participation in the program is supported by various culturally-specific providers and the SUN Schools Program.

Property management, resident services staff and partner organizations will provide support to potential residents completing applications including support obtaining identification, proof of income and encouraging applicants to appeal denials. This can be a lengthy and challenging process for applicants.

Partnerships and Services

As described in the community outreach section, Home Forward held several focus groups with BIPOC target populations and hosting a nine-month long community engagement process. These relationships revealed desires for culturally-relevant programming, community events, help with translation/interpretation, and navigating systems that can be confusing and disenfranchising.

General resident services will be provided by Home Forward staff, supplemented with the broad and deep network of other culturally-specific service providers to provide additional supports, as needed. Home Forward maintains relationships with El Programa Hispano, IRCO, Our Just Future, and SEI, among others, to create a complete and connected service delivery network. Services will provide innovative, trauma-informed, and flexible approaches in a culturally-responsive way. Home Forward has significant experience assessing for and meeting the ongoing service needs of our residents, with multiple properties and programs designed to serve community members with similar lived experiences.

Resident services staff will conduct a comprehensive needs assessment as the property is leased up. We will conduct an intake with each household, with an optional service questionnaire, that will inform initial service offerings. Subsequently and on an annual basis, we will conduct ongoing needs analysis consisting of demographic data analysis, an updated local service scan and updated best practice review as well as surveying residents and other stakeholders to best meet evolving needs.

Our service package will be designed and built using information we will gather through focus groups, resident input, research, and experience.

Services will target maintaining housing stability and increasing self-sufficiency. Services will likely include:

- Assistance accessing benefits
- Eviction prevention and conflict resolution
- Food security and assistance
- Criminal record expungement
- Financial capabilities and credit counseling
- Employment services through WorkSource Centers and others
- Transportation assistance
- After school support for youth
- Community activities and dinners
- Free community room internet and access to computers

Livability and Accessibility

The Troutdale development incorporates livability and accessibility as central design parameters. In particular, the building arrangements and shapes were re-designed into “L” shapes to address Community Advisory Committee input regarding weather and the east winds arising from the Columbia River Gorge. Additionally, the location of parking was reorganized to minimize walking distances. The development will furnish a community room with free wi-fi access and computers that can accommodate classes and resident meetings. The site provides for generous green spaces that includes a community garden, picnic areas, BBQ area, seating areas and a children’s playground. The design includes five Type A, fully accessible units, and six Type B units. Additionally, laundry rooms are provided in two buildings for ease of access.

Climate Resilience and Sustainability

The Troutdale development will provide cooling via mini-split heat pumps for heating and cooling in all units. Mini-split heat pumps are energy efficient way to provide both heating and cooling, as Oregon’s climate becomes more extreme. In community spaces, a combination of single-zone and multi-zone split system heat pumps will be used to provide heating and cooling. Additionally energy recovery ventilators will supply fresh air and continuous ventilation to all units. Home Forward hired Imagine Energy to design a photovoltaic system (solar panels) for the project, and has secured grant funding from Energy Trust of Oregon and PGE to fund the installation. The project is targeting Earth Advantage Gold certification.

Anticipated Timeline

Building Permit Submitted	10/2023
Metro Concept Endorsement	3/2022
OHCS 9% LIHTC Application Submitted	9/2022
Metro Final Approval	5/2024
Financial Closing	6/2024
Construction Start	6/2024
Construction Completed	12/2025
Lease-Up Completed	8/2026

Metro Affordable Housing Bond Program Final Approval

Project Name: Hillside Park – Phase I – Building C

Implementing Jurisdiction: Housing Authority of Clackamas County

Metro IGA Contract Number: 936551

Anticipated construction start: June 2024

Anticipated construction completion: February 2026

Action:

Metro hereby provides the Housing Authority of Clackamas County (HACC) with Final Approval of \$18,190,693.00 Metro Affordable Housing Bond funds for the development of Hillside Park – Phase 1 – Building C, a regulated affordable housing project located at 2889 SE Hillside Ct, 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:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
3	Studio	30%	3
12	One-bedroom	30%	12
10	One-bedroom	50%	10
53	Two-bedroom	30%	53
22	<i>Two-bedroom</i>	<i>50%</i>	<i>22</i>

*(replacement units)**

*This project is the redevelopment of a residential property with existing public affordability restrictions. The project includes 100 total units, only 78 are eligible for bond funding due to the need to replace regulated affordable homes currently on the site.

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



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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 cursive script, appearing to read "M. Madrigal", written over a horizontal line.

Marissa Madrigal

Chief Operating Officer

6/18/2024

Date

Exhibit A: Metro staff findings and recommendations | Metro bond Final Approval request for Hillside Park – Phase I - Building C



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

Date: June 13, 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 Hillside Park – Phase I. 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 August 2, 2023. Project development costs decreased by \$1.7 million (2.6%), due to a \$2.01 million decrease in construction hard costs. However, development soft costs have increased by \$293,900 (1.5%), as well as the combined cost for off- and on-site improvements by \$3.91 million (61.9%). The impact of these infrastructural improvements is significant as the development team will be responsible for creating extensive roadways, bike lanes, sidewalks and other public improvements that will connect the entirety of the Hillside Redevelopment project to the city grid. The Metro Housing Bond funding amount increased \$3.65 million, up to \$18.19 million from the \$14.55 million requested at initial concept endorsement. This increase in Metro Housing Bond funding is needed to support extensive public improvements and infrastructure work for the Hillside Redevelopment project in its entirety, including Hillside Park - building C and buildings A & B which will be submitted for Metro Final Approval in late Summer 2024.

- Total development costs are \$64.3 million and Metro Housing Bond funding is \$18.19 million.
- Net cash developer fee is 5.43% of developer fee basis. This amount is less than the Metro maximum of 7.0% for projects with 76-100 units and is within Metro’s maximum of \$3.0 million.
- Construction start date in June 2024 with completion anticipated in February 2026

Contribution to unit production targets

Hillside Park – Phase I – Building C will utilize 13% (\$18,190,693) of HACC’s total allocation of bond funds. The project includes 100 total units, of which 78 are eligible for bond funding due to the need to replace 22 regulated affordable homes currently on the site. The project will meet the following unit production outcomes:

- 10% of HACC’s overall unit production target;
- 20% of HACC’s target of units affordable to households making 30% or less of area median income (AMI); and
- 13% of HACC’s family sized unit target.

When combined with HACC’s other pipeline projects, Hillside Park – Phase I – Building C 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;
- 123% 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 exclusive negotiation agreement between HACC and Related NW dated 9/29/2022, demonstrating evidence of site control
- Updated project pro forma dated 5/8/2024
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon and nationally
- Design development drawings from Ankrom Mosain Architects, Inc., dated 10/23/2023
- Final HUD AFHMP (Affirmative Fair Housing Marketing Plan, dated 10/16/2023
- Phase 1 Environmental Site Assessment report from Evren Northwest, dated 2/1/2023
- Cushman & Wakefield Appraisal report, dated 2/5/2024
- Letters of intent from Umpqua Bank, Red Stone Equity Partners, Clackamas County HOME Funds, HUD Community Planning and Development, Clackamas County Project Based Voucher award letter and Metro TOD (Transit Oriented Development) grant
- Milwaukie City Council ordinance #2210 amending the city’s zoning map and adopting the final development plan for Hillside Park, dated 11/16/2021
- Final community engagement report by We All Rise, Related NW and HACC

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.

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 Providence Milwaukie Hospital is located directly to the east of the site and the Ardenwald residential neighborhood is located north of the property. Situated a mile northeast of downtown Milwaukie, Hillside Park has strong amenity access, including two grocery stores, public parks, a natural area, two bus stops, and four schools (Ardenwald Elementary, Milwaukie High School, John the Baptist Catholic School, and Milwaukie El Puente Bilingual School) all within a mile of the property.

- **Transit access:** The site currently benefits from a crosswalk (including a pedestrian crossing sign) at the intersection of SE Hillside Court and SE 32nd Ave. Both sides of this intersection have bus stops with regular service from the 75 bus line
- **Diversity in contracting/hiring:** The project team seeks an aspirational goal of 30% MWESB participation for construction and 20% MWESB participation for professional services. The project will be tracking the diversity of the workforce and aims to award 20% of workforce hours, on contracts that exceed \$300,000, to apprentices, while aiming to award 22% of apprentice hours to minorities and 9% of apprentice hours to women. Similar workforce goals have been set for journey level workers. Additional details regarding the contracting and workforce plans of Hillside Park – Building C can be found in HACC’s (Exhibit B) project narrative, under the “Equity in Contracting Goals” section.
- **Access for historically marginalized communities:** The Hillside Park redevelopment seeks to mitigate the effects of displacement by providing affordable housing in the heart of Milwaukie and creates long-term access to a high opportunity area for low-income households. A 2018 study by ECONorthwest found that nearly half of Hillside Park households earn less than \$10,000 per year, stressing the importance of continuing to provide deeply affordable units onsite. For this reason, Hillside Park – Building C will serve existing residents of the Hillside Park community, who will have the option to return to the property and move into a new deeply affordable unit post-construction. Building C will offer 100 project-based vouchers and will effectively replace units for the existing public housing property. To provide increased access to marginalized communities, the development team will work closely with community partners in creating linguistically appropriate materials that reflect the community demographics. The project will also implement low barrier screening criteria and a lease up process that allows for a second review of a prospective tenant’s credit, rental and criminal histories.
- **Culturally appropriate services:** The Housing Authority of Clackamas County will have a services office in Building C to facilitate connections between residents and housing authority staff and provide culturally responsive services to residents. HACC’s resident services team will be supported by Impact NW and Unite Oregon, two culturally responsive service providers with local knowledge about stakeholders and service needs in the community. These organizations also have extensive relationships with a broad network of service providers in the area. This bodes well for Hillside Park – Building C’s target community who will include extremely low-income households, seniors, individuals living with disabilities and BIPOC individuals. Hillside Park - Building C will be supported with 100 project-based vouchers and includes 8 PSH units that will serve households at risk of, or currently experiencing homelessness. PSH programming at the project will be supported by Community Vision, who specializes in serving people with disabilities, including those with physical or developmental disabilities. Anticipated services at Hillside Park will fall under five broad categories: Early Intervention to Support Needs of Vulnerable Residents, Eviction Prevention, Economic Empowerment, Health, Wellness & Community Building, and Information & Referral. For additional information regarding resident services, please see Hillside Park – Building C’s “Resident Services Plan.”
- **Climate resilience:** The project seeks to achieve Earth Advantage Gold or higher certification and implement green infrastructure elements, including a solar array. The construction budget includes PTHP (Packaged Terminal Heat Pump) air conditioning units for all residential units.

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 engagement for Hillside Park was a collaboration between Related NW, HACC, and We All Rise, an equity-centered planning firm that brought together key stakeholders of the project. DDV Consulting Services was hired to assist with the project's relocation plan and coordination. Early engagement for Hillside Park began in October 2018 via three "community visioning workshops" held with residents of Hillside Park, neighbors, and local service providers. We All Rise increased ongoing community engagement by hosting four small stakeholder meetings with 40 participants, conducting nine separate one-on-one interviews with stakeholders, organizations, and affinity groups, hosting two separate focus groups with over 20 current and potential future residents of the Hillside redevelopment project, and hosting two public forums with 40 local community members and service providers. At the conclusion of these multiple outreach efforts, We All Rise published two listening reports that summarize the feedback provided by the community over the course of engagement. For additional details, please see the "Hillside Park Affordable Housing Development Community Engagement Metro report."

Major themes gathered from community engagement included:

- Access to affordable transit options, particularly for older and disabled residents
- Removing barriers to accessing supportive services and community resources
- Ensuring [residents] feel safe, comfortable and supported
- Supporting robust community programming, including community events, workshops and distributing community resources
- Creating a resilient community that prioritizes building connections through on-site programming
- Holiday engagement highlight, November 2023 - To connect with residents during the holidays, RNW and HACC collaborated to organize a turkey and ham giveaway for current residents of Hillside Park and the neighboring Hillside Manor project. HACC's service team advertised the event via canvassing and community-wide texts and the RNW team procured 150 frozen turkeys and 50 cooked hams. The event was very well attended and provided a fantastic opportunity to connect with residents, both regarding the redevelopment effort and the holiday season.

Major design feedback heard from community engagement included:

- Private spaces that are bright, attractive, and safe
- Adaptable common spaces that are designed for a variety of uses
- Outdoor spaces that facilitate gardening, walking and passive leisure activities
- Implementing universal design standards due to the high number of physical disabilities among the current rent population

- Supporting opportunities for independent living and ensuring the project's infrastructure enhances livability

Final Approval

Hillside Park – Building C

Milwaukie, OR

Clackamas County



May 8, 2024

Metro Housing Bond Concept Endorsement
Devin Ellin
Housing Authority of Clackamas County
13930 Gain St,
Oregon City, OR 97045

RE: Hillside Park – Building C Final Approval

Dear Devin:

To most effectively align with the Clackamas County Metro Bond framework and materially deliver on the goals of the county's Local Implementation Strategy ("LIS"), Related Northwest ("RNW") and the Housing Authority of Clackamas County ("HACC") (collectively "the Partners") would like to submit the enclosed Final Approval submission for your review. The Partners will develop and co-own Hillside Park – Building C, a 100-unit, new-construction, affordable housing development in Milwaukie, Oregon.

As the lead developer, RNW will lead project development efforts and oversee service delivery for this vital planned community that will meet a diversity of local needs. We are incredibly excited to present a project that substantially aligns with the approved master plan, is rooted in supporting and uplifting low-income families, and caters to the specific needs of existing residents of the Hillside Park community. We are confident in our ability to not only deliver an exceptional housing community, but also one that enriches the neighborhood and advances the county's LIS production goals. We have designed and curated an affordable housing community that mirrors the public interest goals looking to deliver an innovative, equitable, and inclusive environment to our residents.

Our service plan for Hillside Park – Building C is as follows. HACC will provide culturally responsive services on-site and all community residents will have access to services. Target areas for support will include, but are not limited to, housing retention, employment and financial security, benefits navigation, health and wellness, transportation, and family services. Impact NW will also provide trauma-informed, holistic supportive housing services to 8 households transitioning out of homelessness.

We look forward to furthering the goals of Clackamas County through this catalytic project and welcome any additional questions. Please feel free to contact me at 510-882-6362 with any questions.

Thank you,



Stefanie Kondor
Senior Vice President, Development
RELATED NORTHWEST

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Project Narrative

Hillside Park – Building C

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.

Hillside Park refers to the master-planned redevelopment of an existing public housing site that contains 100 housing units across 13.7 acres. The proposed redevelopment conceives of Hillside Park as a mixed-use community with 375 units of affordable rental housing and up to 125 units of workforce or market rate housing, including 40 townhomes. The project vision is based on early input from community stakeholders and an approved master plan.

Related Northwest (“RNW”) and the Housing Authority of Clackamas County (“HACC”) (the “Partners”), are partnering to redevelop a 7.5-acre portion of the site and create 275 units of affordable housing. Only a mile northeast of downtown Milwaukie, the existing property comprises 48 single-story structures, including 54 one- and two-bedroom units and a community center.¹ The existing units are subsidized under HUD’s Public Housing program and provide housing to low income households with affordable rents that do not to exceed 30 percent of their monthly-adjusted income. Hillside Park was built in the early 1940s and is Oregon’s oldest public housing community. After 80+ years in operation, the aging buildings have exceeded their useful life and require recapitalization.

To commence the redevelopment, the project team will bring 275 units of amenity-rich affordable housing to households with incomes at or below 60% AMI. At least 140 units will be supported with project-based rental assistance. 21 units will also be reserved for service-enhanced permanent supportive housing (PSH) contingent on securing rental assistance and supportive housing services funding.

The project will include two distinct properties with separate ownership entities and closings:

Buildings A & B: The project will consist of two, four-story buildings comprising 175 units of which, 135 of the units will be restricted to households earning 60% AMI or below and the remaining 40 units will be reserved to households earning 30% AMI or below. Additionally, 13 of the 30% AMI units will be reserved for PSH. Buildings A & B will be co-owned by RNW and HACC.

Building C: Building C will consist of a 100-unit, four-story building that will be subsidized with project-based rental assistance. The project will set aside 68 units restricted to households at or below 30% AMI and the remaining 32 units will be restricted to households earning 50% AMI. Among the 30% AMI units, at least 8 will be reserved for PSH. Building C will be developed by RNW and, upon conversion to permanent financing and an approved 8609, Related will exit the limited partnership.

Hillside Park – Building C Overview	
DEVELOPMENT PROGRAM	
Units:	100
Family-Sized Units:	75
Project-Based Section 8	100
Units:	
PSH Units:	8
OWNERSHIP	
Managing General Partner:	Related Northwest – exits at conversion
Administrative General Partner:	HACC
SERVICES	
General Resident Services:	HACC
PSH Service Provider	Impact NW
DESIGN AND CONSTRUCTION	
Design:	Ankrom Moisan
Construction:	Walsh Construction

¹ Note that the entire Hillside Park community comprises 100 units of housing across 13.7 acres.

As part of the housing redevelopment, the project team will also execute extensive public improvements and infrastructure work, including the introduction of the city grid to the neighborhood. The result will be an accessible, enriched, and pedestrian-friendly community.

RNW was selected as the project’s lead developer out of a competitive RFEI process in March 2022. After being awarded, RNW entered into exclusive negotiations with the HACC. An ENA was fully executed on September 29, 2022. The parties are now actively working towards a Disposition and Development Agreement (DDA) to execute on Hillside Park – Building C and Hillside Park – Buildings A & B.

Ultimately, this public-private partnership favorably marries HACC’s local presence in the Milwaukie area with RNW’s outstanding developmental expertise and track record. The result will be a project that: meets the unique housing and service needs of low-income households in Milwaukie, including folks currently experiencing, or at risk of, homelessness; enhances the public realm; and creates long-term affordable housing in a well-resourced, high-opportunity community.

To execute Hillside Park – Building C and Hillside Park – Buildings A & B, the Partners are requesting \$41,700,000 of Metro Housing Bond funds. Other primary sources include 4% Low Income Housing Tax Credits (LIHTCs) and permanent debt. Given the high cost of construction and necessary infrastructure improvements, the Partners leveraged their expertise and relationships to contend with an additional financing gap. Committed financial resources for the project include, but are not limited to: LIFT funds, HOME, HOME-ARP, and a Federal Infrastructure grant.

Clackamas County’s LIS identifies Hillside Park as a HACC asset well-suited for Metro Housing Bonds due to its poor physical condition and age. The LIS states explicitly that the redevelopment must result in a substantial net increase in the total number of affordable homes. The Partners’ proposal for the project involves the demolition of 48 existing structures (comprising 54 total units of public housing) and the development of 275 units of income-restricted housing—that’s a nearly 400% increase in the number of affordable housing units in the current site area. In addition, as part of the repositioning from Public Housing, approximately 54 new Housing Choice Section 8 Vouchers will be added to HACC’s voucher pool, creating up to 329 new subsidized housing opportunities for low-income households in Clackamas County.

The project satisfies a number of critical LIS goals as well. Clackamas County has a goal for HACC to support 812 units of new income-restricted, affordable housing, of which 333 units should be restricted to households at or below 30% AMI and 406 should be family sized units (two or more bedrooms). With the delivery of Hillside Park’s first two projects, HACC will exceed these program targets. Together, both projects will deliver 275 new units of housing of which 221 are considered bon eligible (27% of target), including a minimum of 108 units at 30% AMI (32% of target) and 67 family-sized units (17% of target). With a Metro Housing Bond award, Clackamas County will exceed all three production targets. While Clackamas County did not have a specific production goal around PSH, Hillside Park will create an additional 21 PSH units for the county, building on the current pipeline of 210 additional PSH units.

Additionally, the project will further Clackamas County’s racial equity goals by executing an inclusive community engagement plan, delivering culturally responsive onsite services, utilizing accessible screening criteria, and creating new affordable housing in an area with proximate access to public transit, schools, parks, shopping, health care and services in the Milwaukie core commercial area. Hillside Park, including both distinct projects, will therefore play an instrumental part in the bond program’s success across the county.

Clackamas County - Metro Bond Targets

	Eligible Units	30% AMI Units	2+ BR Units
Hillside Park	221	108	67
Other Bond-Funded Projects in Clackamas County	749	306	495
<i>Total Units in Pipeline</i>	970	414	495
<i>Production Targets</i>	812	333	406
<i>% of Target</i>	119%	124%	138%

** Data per the Housing Bond Quarterly Report – January 2024*

GUIDING PRINCIPALS

The project team is committed to faithfully fulfilling the priorities and preferences of the Metro Housing Bond. With that in mind, we have outlined how Hillside Park's first two projects aligns with and delivers on these principles, as well as the specific preferences for this project:

Lead with Racial Equity | Communities of color struggle disproportionately with unaffordable housing costs, displacement, and homelessness. Hillside Park is situated in a location that has seen significant pressure on rent and home prices. The rapidly increasing cost of living in Milwaukie is creating significant displacement on existing low- to medium-income residents. Hillside Park's redevelopment will help prevent displacement of communities not only by ensuring the long term affordability of the property, but through culturally specific efforts that meet the needs of our target populations and to ensure they have access to housing and services. HACC's service team and Impact NW are critical to these efforts as culturally specific and culturally responsive service providers that excels at bringing a wide range of services to communities of color.

We All Rise, a locally-based, community-engagement firm steeped in advancing racial equity, will facilitate culturally-specific, community input into the design, development, and operations of the project to ensure we reach the broader community. Hiring practices during the development process are also important to forwarding equity and RNW, as well as the design and construction team, have a depth of experience in conducting strong outreach efforts to partner with COBID certified firms to ensure that we are creating equitable economic opportunities.

Connection to Services | RNW stands out amongst peers when delivering services. Our team spends a significant amount of time researching area gaps in service needs, creatively curating a service program that enriches the residents as well as the greater community. Hillside Park – Building C's residents will be supported by HACC's culturally responsive resident service program. The eight (8) integrated PSH units will benefit from case management provided by Impact NW. HACC and Impact NW are committed to connecting with other area services providers in order to build a robust network of providers capable of addressing a broad array of needs and cultural backgrounds.

Leveraging Funds and Good Use of Public Dollars | RNW has experience with a variety of funding sources including 4% & 9% LITHCs, agricultural tax credits, LIFT, CDBG, HOME, TIF funds, and grants, as well as innovative deal structures to ensure financial closing. We will survey multiple funding opportunities for the project, curating a capital stack that is thoughtful and maximizes the project's potential. RNW has a reputation for efficiently working through the development process to identify and solve for unknowns and reduce potential risks. These efforts have allowed us to deliver housing on time and budget. Stewardship of finite public resources is critical when delivering community benefits and responding to the current housing crisis. RNW continually produces high-quality housing, enriched with services; we deliver on what we say, and exceed project goals, all while making cost-conscious decisions.

Capacity/Readiness to Proceed | RNW understands that the implementation and utilization of the Metro Housing Bond across Clackamas County is of paramount importance. To that end, with both projects in for permit and with complete capital stacks, the Partners are actively preparing for each closing. Under RNW's leadership, a highly experienced team, and a clear path to completion, we are confident in our ability to deliver this project on time and on budget.

Create Opportunities for Those in Need | Our response to the housing crisis is to deliver 275 affordable homes that will prioritize serving individuals currently left behind in the region's housing market. Hillside Park's two projects will provide increased access to safe and affordable housing to communities of color, families, including families with children and multiple generations, seniors, and households currently experiencing, or at risk of, homelessness. Our partnership with HACC and unit mix that includes a significant number of PSH and family-sized homes are essential to serving priority populations. Moreover, HACC will deliver culturally responsive services to community residents around employment access, education, housing support, and health and wellness. Additionally, Impact NW will provide a robust, wraparound service



Hillside Master Plan Visioning Session

package for residents of the PSH units to ensure that, upon exiting homelessness, Hillside Park residents stay housed for the long term.

Create Opportunity across the Region | Hillside Park is well-situated, with excellent schools and public parks, convenient transit, easy access to regional destinations like downtown Portland, a strong employment center. The site provides convenient access to grocery stores, commercial services, schools, jobs, and amenities and services. This project will provide significant neighborhood impact, connecting enriched services and affordable housing in a location that often is only available to middle and higher-income earners.

Creating Home | A hallmark of RNW is our focus on delivering exceptional housing communities that have a positive neighborhood impact, that foster community resiliency, and that residents are excited to call home. We create spaces that are vibrant, valued, and sustainable from the outset. By engaging and actively collaborating with stakeholders, we are able to deliver intentionally planned and highly accessible communities. Our common areas are designed in order to facilitate resident interaction, while also catering to a diversity of uses and abilities. They are also practically designed to couple with onsite programming, and often feature indoor/outdoor orientations to maximize areas for play. The Partners understand that creating an inviting home space fosters community and is essential to creating an environment necessary to successfully house individuals and families.

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

PROGRAM

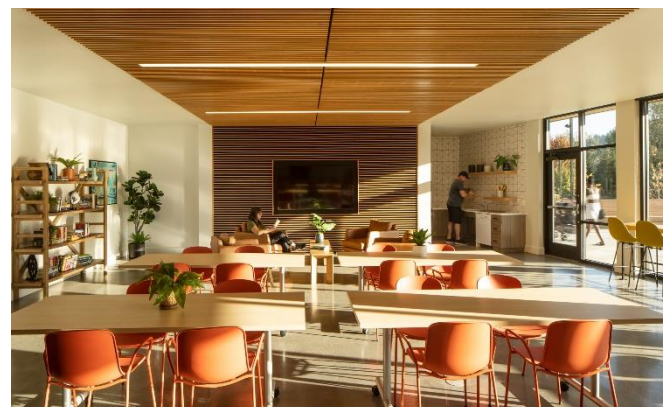
Hillside Park – Building C will deliver 100 units of affordable housing in one four-story building. The gross building square footage will be 107,022 SF. The unit mix across all buildings includes 3 studios (at 494 SF), 22 1-bedrooms (at 614 SF) and 75 2-bedrooms (at 879 SF). Building C will benefit from 100 Project-Based Vouchers. The project will also seek to include 8 PSH units using SHS service funding.

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

Project	Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	PSH	Square feet/unit	Gross monthly rent/unit
Building C	Studio	3	30%	3		494	\$619
	1 Bedroom	12	30%	12	4	614	\$663
	1 Bedroom	10	50%	10		614	\$1,106
	2 Bedroom	53	30%	53	4	879	\$796
	2 Bedroom	22	50%	22		879	\$1,327
	Total	100		100	8		

AMENITIES

RNW and NHA intend on integrating a robust amenity package to Hillside Park – Building C. In total, 1,750 SF of space specifically dedicated to resident services will be delivered in this phase. Planned building amenities include on-site management, a community room, resident service offices, communal laundry, bike storage, and covered patio areas.



Related Northwest's community room at Cathedral Village

GREEN SPACE

Additionally, between both projects, 110,000 SF of planted areas, active play areas, garden beds, and plazas will be developed in order to foster outdoor access for resident connectivity to the community. Our service partners intend on using these open spaces for regular programming for families. As part of its community amenities, our team will also deliver a pedestrian street between Buildings A and B and which connects to the large plaza in the northeast corner of the property. Pedestrian streets, an innovative planning tool, are proven tools in activating streetscapes, calming traffic, and promoting pedestrian safety.

These outdoor amenities are especially significant in light of community feedback HACC received regarding the proposed redevelopment of Hillside Park. The LIS states that historically under-represented communities repeatedly expressed interest in having open spaces for play and community gatherings. RNW and HACC take seriously this request and, to that end, the approved site plan the Partners will execute exceeds the master plan's prescribed outdoor space square footage.



Related Northwest's Crescent Court, example courtyard and landscaping

PARKING

The development team has creatively approached parking in order to meet community needs and evenly distribute parking spaces throughout the site area, while also maximizing outdoor space amenities. Overall, 218 stalls of both on- and off-street parking will be provided, exactly matching the count provided in the masterplan for Buildings A, B, and C. This includes 147 spaces for Buildings A and B and 71 spaces for Building C.

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.

See cover page for project rendering.

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 16.2-acre Hillside housing complex includes two distinct public housing developments—Hillside Manor and Hillside Park. Hillside Manor, shown below, is a nine-story tower comprised of 100 units. In 2020, HACC submitted a RAD/Section 18 application to recapitalize the tower property and Hillside Manor completed its rehabilitation in September 2021. The other property, and subject of this narrative, Hillside Park, is a 13.7-acre site and is currently used as a low-density, 100-unit public housing community. Originally constructed in 1942, the Hillside Park buildings have exceeded their useful life and must be repositioned.

In 2018, in order to develop the Hillside Park property into a mixed-use, medium-density community, the Housing authority initiated a master planning process. The final and approved Master Plan proposed demolishing the existing structures and redeveloping the site with higher density housing typologies. As part of this process, HACC also pursued the site's rezoning. A land use application to rezone the property was submitted in late 2020 and was approved in November 2021. The Hillside Park site is now zoned General Mixed Use (GMU) and R-1. See the provided zoning approval and approved master plan for additional information.



Hillside Park and Hillside Manor

With limited capital funds and internal development capacity, HACC opted to pursue redevelopment via HUD's Section 18 program and in partnership with a co-developer. The underlying goal of Section 18 is to provide Public Housing Authorities avenues for disposing of or repositioning existing public housing assets through recapitalization, while simultaneously also accounting for the needs of temporarily relocated or displaced public housing residents. To that end, in January 2022, HACC distributed an RFEI soliciting development proposals to execute Hillside Park's redevelopment. HACC selected RNW as the lead developer and entered into exclusive negotiation agreement (ENA) in September 2022. The Partners intend to faithfully execute the approved master plan across two project phases. The site area applicable to Buildings A, B, and C, which is shown below, is roughly 7.5 acres and currently supports 48 single-story structures.

During the master planning process, HACC conducted its own stakeholder outreach and due diligence. Phase I and Phase II environmental assessments, as well as a geotechnical report, were completed in 2018 and 2019. Additional due diligence includes housing demographic studies, an acoustic study, cultural resources inventory, a historic resources technical report, and a HUD environmental review. RNW and HACC have conducted additional due diligence as part of the redevelopment, including, but not limited to, geotechnical, survey, acoustical, and environmental studies.



Hillside Park – Buildings A, B, and C Site Area

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 Providence Milwaukie Hospital is located directly to the east of the site and is zoned R-3. The Ardenwald residential neighborhood is located north of the property and is zoned R-MD. Industrial uses lie to the west and is zoned North Milwaukie Employment Zone. The parcels to the south of the subject are mostly unimproved and zoned GMU.

Situated a mile northeast of downtown Milwaukie, Hillside Park has strong amenity access. Residents will have access to two grocery stores (including a Safeway), public parks, a natural area, two bus stops, and four schools (Ardenwald Elementary, Milwaukie High School, John the Baptist Catholic School, and Milwaukie El Puente Bilingual School) all within a mile of the property.

The site currently benefits from a crosswalk (including a pedestrian crossing sign) at the intersection of SE Hillside Court and SE 32nd Ave. Both sides of this intersection have bus stops with regular service from the 75 bus line; the crosswalk thus facilitates safe resident crossing. 32nd Ave, the main road providing access to and from the site, has sidewalks on both sides of the street. As part of the Hillside Park, the development team will execute significant public improvements, including the delivery of public ROW, sidewalks, landscaping, and new greenspaces. Improvements will be designed with a specific eye for pedestrian and bike transport.

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.

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

The site area encompassing Hillside Park's first two projects is a 7.5-acre site within the existing 13.7-acre public housing community. The sole tax lot number for the entire Hillside Park community is 11E25CD00102. However, a replat is underway, and the anticipated parcel sizes are as follow: 133,538 square feet for Buildings A and B and 57,053 square feet for Building C. HACC currently owns the land, but the development team and HACC are in active negotiations around a Disposition and Development Agreement. In late 2021, HACC commissioned an appraisal for the entire Hillside Park site and the property was valued at \$9,250,000. In other words, the appraisal did not account for the \$

11.5M in infrastructural improvements required to execute the project. Buildings A, B, and C will involve a low-cost ground lease payment to the HACC.

Prior to the master planning process, Hillside Park was zoned R-3. Today, the applicable site area is zoned General Mixed Use (GMU). The goal of this zone is to promote pedestrian-friendly, mixed-use development that supports central Milwaukie's growth as the primary commercial center of the community. This area also has a Town Center comprehensive plan designation.

For the last 80 years, the Hillside Park property has served as a public housing community. The 48 existing single-story structures in the site area were originally constructed in the 1940s. RNW, NHA, and HACC will execute the approved master plan as closely as possible, while understanding some modifications may be required. This development process will include the demolition of the aging housing stock, the relocation of current residents residing in the applicable site area, and the construction of three mid-rise apartment buildings.

Topography at the site grades downward moving east to west across the site. Liquefaction and lateral spreading are not

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.).

design considerations from the project. Lastly, the firm native soil can support conventional spread footings.

Included at below are the Partner’s sources and uses for Hillside Park – Building C. The financial projections accompanying this final approval have been informed by the Partner’s expertise in the development and operation of affordable housing, key pricing assumptions, the Metro Bond’s and LIS investment requirements, and the bond underwriting metrics. Building C will leverage a broad array of resources to deliver a high-density, catalytic development for HACC and the City of Milwaukie.

PROJECT METRICS

The estimated total development costs for the project is \$64,420,389 or \$644,204 per unit. Note that the infrastructural work required to execute the master plan, as well as the widespread cost increases affecting the construction industry and the current interest rate environment, are significantly impacting the cost of the project. Net of infrastructural costs (\$103,338/unit) capitalized interest (\$31,500/unit) the total project cost is \$509,366 per unit. In addition to permanent debt, 4% LIHTC equity, and the requested Metro Housing Bond funds, RNW has pursued a number of gap financing resources. These sources include HOME, a federal infrastructure grant, and a City of Milwaukie Construction Excise Tax grant. The anticipated public subsidy is \$26,440,693, or \$264,407, per unit, of which \$18,190,693 is Metro Housing Bonds. The requested per unit Metro Housing Bond fund amount is \$181,907.

Sources	Amount
4% LIHTC Equity	\$18,711,696
Metro Housing Bonds	\$18,190,693
Permanent Loan	\$14,163,000
Deferred Developer Fee	\$5,105,000
HOME	\$4,000,000
Federal Grant	\$4,000,000
Metro TOD	\$250,000
Total	\$64,420,389

Uses	Amount
Construction	\$44,288,799
Due Diligence & Consultants	\$3,533,030
General Fees	\$10,163,436
Construction Financing Fees & Expenses	\$434,411
Permanent Loan Fees	\$120,000
Tax Credit Fees	\$372,245
Bond Issuance Fees	\$413,250
Interest Costs	\$3,177,273
Development Contingency	\$957,977
Reserves	\$959,968
Total	\$64,420,389

PRICING

The Partners are actively engaged in the design and preconstruction of several area housing developments and, as a result, have a strong understanding of current pricing in the market. Our collective and recent experience with wood framed projects has also underscored the volatility of pricing (both in materials and labor) that the broader market has faced over the past couple of years. To determine the latest construction pricing, the Partners worked closely with our Construction Manager, GLI Advisors, and general contractor, Walsh Construction. Moreover, the Partners have not only underwritten a construction contingency, but also applied an escalation contingency to specifically address the widespread cost increases impacting the market.

COST CONTROLS

Another mechanism utilized to keep construction costs in-line is through the material selection and design of the buildings. At four-stories, the building heights are compatible with the neighborhood context and approved masterplan and, at this height, do not require BOLI wages. However, the project will be subject to Davis Bacon wages as a result of the vouchers and federal funding. Because of the site configuration, the building is able to achieve a scale necessary for

cost efficiencies without additional height. A wood constructed building is cost effective and reduces inspections during construction, while simultaneously enabling unit layouts that maximize efficiencies around MEP stacking and placement.

Development Team

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

The entire development team has extensive experience working with public sector partners and in public-private partnerships. The team is committed to achieving public partner goals and working with the broader community while leveraging our collective experience successfully developing high-quality, large-scale housing. The collective team brings deep experience working within the City of Milwaukie and with HACC.

RNW will be the developer and long-term co-owner of Buildings A & B and has extensive experience in public-private partnerships with housing authorities and developing high-quality, multifamily, affordable housing. RNW is backed by The Related Companies, one of the largest and strongest privately-held real estate companies in the nation with a portfolio valued over \$60 billion. As long-term property owners committed to sustainability, affordability, and stewardship, Related strives to form lasting public-private partnerships and works with leading architects and designers to create vibrant developments with a lasting legacy. Related has completed numerous LIHTC transactions that includes large-scale master-planned communities. Related has extensive experience redeveloping public housing sites, renewing their sense of vibrancy in a way that reflects the unique spirit of each community.

HACC has been providing affordable housing and community services to Clackamas County's most vulnerable residents since 1938. The Authority's mission is to expand the supply of affordable housing to break the cycle of poverty while improving the quality of life for the entire community. The Authority's portfolio consists of 1224 units including 445 units of public housing. The Hillside Park project represents a unique opportunity to create significant new affordable housing stock and deliver to the City new public infrastructure including new roads and pedestrian areas.

Ankrom Moisan Architects is one of region's most renowned architects of environmentally and culturally relevant multifamily housing with over 336 projects completed and is also a leader in cost-effective design that reduces waste and complexity to deliver straight forward, high-quality projects. Ankrom was founded in 1983, when two friends launched a small firm and has worked to inspire clients and build thriving communities since. Ankrom balances discipline and daring to build work that is intentional, useful, and long-lasting. They challenge themselves—every day, with every project—to design smarter and better, and connect communities. Note that Ankrom is partnering with DAO Architecture, a DBE, WBE, and MBE certified firm, to design the resilience hub.

Walsh Construction was founded in 1961 by brothers Tom and Bob and is now one of the preeminent general contractors in the region known for their commitment to safety, quality, and community that has made them the go-to partner for affordable housing projects. WALSH is committed to diversity within their own ranks, and with their business and trade partners. Walsh is passionate about building responsibly for a sustainable future and in the delivery of high-performance, green buildings. Walsh places a high priority on creating healthy, durable and highly energy-efficient buildings, understanding that a building which uses less energy will reduce environmental impacts and operating costs. They are about the marathon, not the sprint—and understand that partnership and innovation takes time through investment in people and ideas.

GLI Advisors is RNW's exclusive construction manager on all developments and is made up of a team with backgrounds in General Contracting, Geotechnical Engineering, and Real Estate Development. GLI is an essential team member on Related projects and drives long-term value by applying best practices and expertise from early design until after building completion learned from their management of over 3,000 new units built or in progress and rehabilitation of over 3,800 units completed or in progress.

Community Engagement

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

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

Community engagement is at the heart of our design, development, and lease up process. We will build upon the previous work conducted by HACC during the master planning process which included listening events and meetings, surveys, and a sustainability charrette. One of the most important forms of engagement came via the three-session “Community Visioning Workshops” held in October 2018. These inclusive meetings invited residents of Hillside Park, neighbors, and local service providers to articulate their vision for redevelopment. The feedback from those workshops is available to our team. That community engagement provides the development team a critical starting point for understanding community needs, preferences, and concerns and will also inform future engagement. To that end, our team is further complimented by We All Rise. This will mark RNW’s second opportunity to join forces to curate a community engagement initiative that brings community informed design to the forefront, fostering stakeholder participation that is inclusive and accessible and increasing the reach of communication to a variety of stakeholders.

We All Rise is an equity consulting firm started in the Pacific Northwest that works with local, regional, and international partners to deepen the integrity of community development projects and redefine sustainable best practices. They believe in the strength of the Willamette Valley and recognize diversity as key to the region’s long-term vitality. To properly reflect the diversity, however, it is necessary to thoroughly engage what it means to be a diverse organization and successfully serve diverse communities.

From the outset of the COVID-19 crisis, We All Rise has sought to address inequities laid bare by the pandemic. Oregon’s history — characterized by Ku Klux Klan leadership, aggressive redlining, displacement of communities of color, and disinvestment — has delineated who has access to resources. Today, Oregon’s most diverse communities frequently lack access to high-quality food sources, green space, clean air, reliable internet connections, safe, affordable, and sustainable transportation, and well-funded schools. Furthermore, diverse neighborhoods are wary of working with public agencies which for decades have prioritized economic development without engaging with the greater community; often at the expense of multicultural spaces where people continue to lose their homes and historical centers.

We All Rise’s mission is to bring integrity into current development. They focus on deepening the impact of community development projects and redefining sustainable best practices. Doing so requires a commitment to Diversity, Equity, Inclusion, and Accessibility (DEIA) at every level of management and throughout project planning and implementation processes. The commitment must also be sustained. We All Rise, unlike many other firms, emphasizes accessibility in all of their materials, programs, and outreach. It is crucial to respect and reflect on the needs of disabled individuals when carrying out uplifting work, and We All Rise is deeply committed to ADA compliance.

ENGAGEMENT PLAN

This project will practice a multi-level collaborative decision-making model which will place community input at the forefront of design. The project time will seek to first educate the community about the benefits and burdens of the project, as well as provide an overview of the limitations and goals of the project. We All Rise will oversee focus groups, community gatherings and surveys in a culturally competent, ADA accessible, inclusive environment that provides translated materials and special accommodation to community members. Upon award and at various stages of design we will seek to get feedback on outdoor amenities, unit layouts, the resiliency hub and various other relevant site features to ensure a well-conceived project. For the project’s complete plan see “Item 8 – Community Engagement Report.”

In this project, the Partners will focus on the following sub-themes which will allow We All Rise to contextualize equity within all aspects of engagement, design, and co-creation.

- Human-Centered Design utilizing practices such as focus groups and surveys
- Access and Affordability
- Safety
- Community Building and Development
- Universal Design
- Crime Prevention Through Environmental Design
- Culturally Competent, Inclusive Design

The implementation of different engagement types included:

- **Focus Groups:** There will be at least two focus groups, which will include existing residents, as well as participants referred from our program partners.
- **Interviews:** Interviews will be conducted with stakeholders, service providers, and the local hospital. The goal of these calls will be to understand the needs in local area, the service landscape, and opportunities for partnerships and referrals.
- **Target Outreach:** Targeted outreach will come as direct emails to employees at CBO's, city agencies, or other governmental agencies with a stake in the site area. This targeted correspondence will be personal and ensure that these stakeholders feel like they are being adequately engaged with and listened to.
- **Community Collaboration for Grand Opening:** Project Management Team will collaborate with community partners to create a grand opening party.

For more on RNW and We All Rise's community engagement efforts, see the report accompanying this Final Approval submittal.

RELOCATION COORDINATION

Another key element for this project centers on relocation coordination. RNW is committed to providing a reliable and consistent point of contact on behalf of the Partners. HACC selected Darcy Vincent, owner of DDV Consulting Services, to oversee the relocation process. DDV provides relocation advisory services by providing compassionate support for residents during the relocation process and ensuring adherence to the Uniform Relocation and Real Property Acquisition Act. Darcy has extensive experience in affordable housing relocation and has supervised 15 projects through relocation and substantial relocation in the last five years. Darcy has played a crucial part in forecasting relocation budgets and executing the relocation schedule.

The project team is committed to preventing economic displacement for existing residents that will be impacted by relocation. The Tenant Protection Vouchers provided by HACC via the Section 18 process and DDV's housing advisory services will be critical in ensuring that current residents will be able to continue accessing housing affordable to them and suitable to their needs. This may include a privately-owned affordable housing unit, another off-site public housing unit, a vacant unit from the undemolished site area, or a unit in the private market. Upon completion of the three new buildings, all relocated residents will have a priority to return to the community, but may also elect to continue renting elsewhere. Regardless of their housing preferences, the Tenant Protection Vouchers will follow the resident so that they will continue to receive a housing subsidy, so long as they and their housing meets the program requirements. The relocation of all residents living in the site area is actively underway and is anticipated to conclude no later than the beginning of May 2024.

Our General Contractor, Walsh Construction, will also be an invaluable partner in coordinating on-site with logistics, updates, and general construction information. The development team will convey updates through a multi-prong approach that includes community meetings, printed and translated material and a bulletin board on location that gives an updated schedule and a look-ahead for planning and information resources; all to best assist the relocation consultant efforts. Walsh and RNW will coordinate continually with the relocation team and support their efforts by delivering excellent customer service and will seek to positively address any issues that may arise in a manner that instills integrity and assuredness for the residents.

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)*

RNW's project-planning community engagement work is nearly complete. We actively worked with project partners and the specialists above in order to ensure the redevelopment in general and resident relocation in particular are executed equitably and with empathy.

RNW has a unique commitment to forwarding equity. The firm's office is female-led with a diverse team of developers, and half the staff identifies as a woman and/or minority. Since its founding as an affordable housing development organization, RNW has been dedicated to forwarding equity by providing affordable rental housing, partnering with and building the capacity of community-based organizations, and ensuring equitable access to employment and contracting opportunities. The development team plans to advance racial equity on the site through concerted outreach and engagement, working with culturally specific service providers, and property management staff that is reflective of the sought after multi-cultural target population. Creating areas that are informed by community input from a broad array of stakeholders assists us in curating an inclusive environment at every level of the project.

Historically, marginalized populations have been denied access to housing, opportunities and resources. Housing, in particular, has been weaponized to disadvantage communities of color. Unequal access to housing has caused and compounded inequities in education, wealth employment, and health. Despite its history of weaponization, RNW understands that housing is a critical tool in supporting marginalized communities, enhancing access to high opportunity areas, and mitigating the deleterious effects of past injustices. Thus, we ensure that our projects create access to high quality, stable and affordable housing for marginalized populations and bring access to opportunities and amenities to communities of color.

HILLSIDE PARK'S EQUITY IMPACT

Hillside Park will provide desperately needed affordable units in the heart of Milwaukie, where rapid growth threatens to displace low income and multigenerational households, perpetuating existing racial and economic disparities. RNW and HACC sees this project as an opportunity to reduce disparities, forward equitable development goals, and create long-term access to a high opportunity area for low-income households. We act on the premise that all people deserve access to employment and education opportunities, recreation, and amenities. Gentrification in Milwaukie threatens to displace low income and minority populations from high opportunity areas, denying them from the benefits of growth. In all of our projects, RNW seeks to mitigate the effects of displacement by providing affordable housing that keeps low income and minority populations in high opportunity areas. Hillside Park's first two projects will forward these goals by providing high quality housing in the heart of Milwaukie and just a mile northeast of downtown.

Hillside Park will serve existing residents of the Hillside Park community, who will have the option to return to the property and move into a new deeply affordable unit post-construction. Building C will offer 100 project-based vouchers and will therefore effectively replace units for the existing public housing property. From this perspective, our project has a number of anti-displacement and stabilizing measures in place. Meeting the specific needs of the existing resident base will also be key. A 2018 study by ECONorthwest found that nearly half of Hillside Park households earn less than \$10,000 per year, stressing the importance of continuing to provide deeply affordable units onsite. Additionally, 70% of existing residents live with a disability and, relatedly, the community has a higher average age compared to the surrounding community. RNW is

committed to designing an intentional property responsive to these resident needs. To that end, RNW will engage Marx Okubo, an accessibility consultant, to ensure strict adherence to accessibility requirements.

The 175 units of additional affordable housing supply contributed by Hillside Park – Buildings A & B will target households between 30% and 60% AMI. In the context of declining residential vacancies, increasing rental rates, and limited new production, market-rate demand for housing across the county and in Milwaukie in particular is becoming more costly and competitive, threatening to price low-income residents out. According to Milwaukie’s latest Housing Needs Assessment, 37% of households are cost burdened. If 903 total households are benefitting from publicly-assisted housing (about 10% of total households), then there are approximately 2,400 cost burdened households in the city, a majority of whom are low-income. There is significant need for additional affordable housing in Milwaukie and, by creating 175 units of new income-restricted housing, Hillside Park – Buildings A & B can dramatically increase supply.²

INCREASING EQUITABLE ACCESS TO AFFORDABLE HOUSING IN MILWAUKIE

The subject parcel is situated in an area with a notable shortfall of affordable units. According to HUD’s LIHTC database, since 1999, the entire city of Milwaukie has only six projects (508 units) restricted via the LIHTC program. Two of those communities (325 units) were placed in service in 1999 and the other four (183 units) began program compliance between 2006 and 2015; while these projects are serving a vital role in the city, they are aging and are no longer delivering modern amenity packages and finishes. There is therefore significant need for new construction. Moreover, the distribution of these sites is noteworthy. These six properties are an average of 3.5 miles from Hillside Park and only one is within a two-mile radius of the subject. Given Hillside Park’s proximity to the city center and neighborhood amenities, increasing the affordable housing supply at the site is serving a critical community need.

INCLUSIVE LEASING PRACTICES

In addition to providing the highest quality affordable housing and communities within our developments, RNW makes a concerted effort to break down barriers to access for marginalized populations. RNW partners with community-based organizations who work directly with marginalized populations to spread information and resources to apply for housing. Our team works closely with our property management staff and community partners to disseminate culturally and linguistically appropriate information and application materials for our buildings.

A key element of RNW’s equity and accessibility plan regarding access to housing is ensuring that screening criteria do not have a disparate impact on marginalized populations. RNW works closely with our community partners to assess the potential impacts of screening criteria and develop criteria that align with the buildings service capacity while not putting up disproportionate barriers to certain populations. A number of strategies will be employed at the project to provide equitable access, including:

- Screening that includes a consistently applied override policy for reviewing prospective tenant’s credit, rental, and criminal histories.
- Linguistically appropriate materials that reflect community demographics to provide access to priority communities and help ensure equitable access to communities of color.
- On-site management and staff will receive diversity, equity and inclusion training and will be educated to understand the specific target population goals of the project. Importantly, management will endeavor to hire staff and vendors representative of the community.

Our team is complemented by Quantum Property Management who will represent the Partners high standards and further our reputation as a premier operator and owner of affordable housing. We spent a great deal of time in the selection of our property management team as we know it is imperative to have site management that executes on the business plan all while delivering excellent customer service to the residents of the community. Quantum is a local property management team that has a strong track record for managing housing for a diverse resident population, providing culturally competent services, and meeting stakeholder’s expectations.

² Note that this analysis is based on the latest needs assessment, “City of Milwaukie, OR, Housing and Residential Land Needs Assessment (Oregon Statewide Planning Goal 10), 20-Year Housing Need,” which relied upon 2016 census data.

For more on how Hillside Park will reach and serve its target populations, see the included Resident Services Plan.

EQUITY IN CONTRACTING GOALS

As part of our commitment to equity, RNW holds ourselves and our partners to a high standard of minority owned business utilization, committing ourselves to go further than Metro's requirements. Additionally, we select partners in construction and design who are equally dedicated to going above and beyond to increase access and opportunity to employment for local communities and marginalized populations. Of our last four projects, for instance, RNW was able to achieve all of its COBID-related requirements and goals, with some projects approaching nearly 40% COBID participation on hard costs. The Partners and GC share a strong commitment to equity in contracting and developed a detailed, project-specific plan to meet the project's COBID contracting goals.

Our aspiration for Hillside Park – Buildings A, B, and C is to exceed the Metro and State MWESB participation goals for affordable housing at 30% and 20% for construction and professional services goals respectively. Moving forward, Walsh Construction, the projects' general contractor, intends to achieve these goals through the following plan.

The entire Walsh team employs strategies that create opportunities for MWESB/SDVBE firms to participate in the design and engineering process. They often team with COBID certified architecture firms to lead the design team, they have a track record of utilizing local minority-owned, women-owned, disadvantaged and emerging businesses and service-disabled veterans business enterprises (MWESB/SDVBE) on projects and continue to exhibit a good faith effort to utilize certified consulting firms whenever the scope of work allows. They work to identify firms who meet these criteria and proactively solicit their involvement in any project in which they're involved. They understand that in order to raise the levels of participation and create a paradigm shift in the A/E/C industry in both Oregon and the region, it must be more than just a 'good faith effort'; it is a critical social responsibility.

Walsh's community outreach program is an integral part of their business model. Proven practices and approaches allow Walsh to outperform others in not just utilization but in developing long-term mutually beneficial relationships with disadvantaged firms. Such work is a continually evolving process; lessons learned are shared among project teams to continually improve the experience for all parties. They continually partner with and recruit talented individuals of varying ages, race, genders, backgrounds and experience who bring their technical skills, enthusiasm and collaborative spirit to the task of placemaking projects with purpose for their clients and community.

Walsh has consistently high participation with MWESB/SDVBE firms, who on average complete 34% of their subcontracted work. Walsh Community Outreach Director, Afton Walsh, is a key member of the project team. Afton is a builder herself; she understands job-site dynamics and the tasks required to successfully complete various scopes of work. She is dedicated to building trust with MWESB/SDVBE firms, trained in anti-bias and micro-aggression avoidance, and committed to subcontractor success. She brings this extensive construction knowledge to mentoring subcontractors and will work with the design-build team to identify and generate successful bid opportunities. They will exceed the project goal for 30% inclusion of MWESB/SDVBE firms by implementing the following strategies and leveraging the lessons learned from their proven track record.

Walsh has found the best way to be successful and exceed participation goals is to develop the contracting plan early and revisit it regularly to ensure collectively the team is meeting project commitments. Today's construction market is extremely busy; active and up-front solicitation of qualified firms will pay great dividends to ensure that trade partners succeed and grow their businesses.

The first step for the project team is to organize scopes of work into three categories:

1. **Many MWESB/SDVBE firms known** – cleaning, painting, steel, drywall, MEP, site concrete, etc.
2. **Some MWESB/SDVBE firms available** but work needs to be done with design team to write specifications in such a way as to maximize participation – siding, waterproofing, roofing, cabinetry, etc.
3. **Few or no available MWESB/SDVBE firms** – identify if there are any "stretch" or partnership opportunities - structural concrete, metal siding, wood framing, etc.

Walsh will then take a tailored approach to each category with more personal engagement occurring in the categories with less saturation. Their strategy includes:

- Engaging Walsh’s well-developed bid database and trusted community relationships with PBDG, NAMC, OAME, and LatinoBuilt.
- Advertising bid opportunities in culturally specific publications and bid resources.
- Analyzing work scopes to match opportunities with firms’ expertise and capacity.
- Holding group and one-on-one pre-bid outreach meetings, allowing bidders to plan for the bid period and thoroughly respond in time.
- Encouraging and incentivizing larger firms to partner with MWESB/SDVBE firms and utilize them as second-tier subcontractors and suppliers.
- Providing feedback to both successful and unsuccessful bidders; answering any post-bid questions.
- Providing technical assistance in a variety of management responsibilities including billing, cash flow and business development, both on request and as needed.
- Providing mentoring programs for trade partners and MWESB/SDVBE businesses. These programs are critical, as they increase their capabilities, allowing them to be successful on current and future construction work.

Workforce Participation - Walsh has over a decade of experience successfully implementing Workforce Training and Hiring Program of various jurisdictions. Although this is not a Portland Housing Bureau project, we seek to achieve PHB’s apprentice and journey aspirational goals:

Apprentice and Workforce Diversity – a minimum of 20% of the hours worked, by trade, on contracts that exceed \$300,000, must be worked by state registered apprentices throughout the duration of the project.

Apprentice Level Aspirational Diversity Goal

- A minimum of 22% of the total apprentice hours, by trade, shall be worked by minorities
- A minimum of 9% of the total apprentice hours, by trade, shall be worked by women

Journey Level Aspirational Diversity Goal

- A minimum of 22% of the total journey level hours, by trade, shall be worked by minorities
- A minimum of 6% of the total journey level hours, by trade, shall be worked by women

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.’

Resident services are a vital component of enhancing the lives of residents, particularly families. The Partners have thoughtfully sought out innovative ways in which to deliver services that address real needs of families. Services will be coordinated by a Resident Services Manager (“RSM”) and provided in combination between HACC and NHA. The RSM may also engage third party providers for specific programs or services. All resident services programs and activities will be provided at no cost to residents. HACC will provide general resident services to Building C residents. NHA will provide case management and services for the 8 onsite PSH units.

The project operating budget includes staffing for an on-site RSM. The RSM will develop a resident services program customized to the resident population based on input from stakeholders, including, residents through surveys; the service providers, NHA, HACC, and the Quantum staff. The resident services program will provide programming to facilitate economic stability, strategies for increased educational success, promote healthy lifestyles, and build strong communities.

RESIDENT SERVICES

The **Housing Authority of Clackamas County** will have a services office in Building C to facilitate connections between residents and housing authority staff and provide culturally responsive services to residents. Recognizing that the right level of services will inevitably vary from one household to the next, and that families' needs will evolve over time, HACC is planning to provide resident services and service coordination that can be individualized and tailored to meet the diverse needs of residents. Services will be culturally responsive and rooted in a Trauma Informed Care approach to service delivery. Moreover, the HACC services team understands that their staff will not be able to deliver all necessary services internally and will therefore coordinate with other providers in order to offer Building C residents an array of resources. At Hillside Manor, the neighboring HACC-owned residential tower, the services team has regular supportive health programming through the Clackamas County Public Health department and provides access to reliable transportation for vulnerable households living with disabilities through the county's Transportation Reaching People (TRP) program.

Anticipated services at Hillside Park will fall under five broad categories: Early Intervention to Support Needs of Vulnerable Residents, Eviction Prevention, Economic Empowerment, Health, Wellness & Community Building, and Information & Referral.

Providence Hospital, which lies across the street from the site, has an existing relationship with HACC resident services. Our service team will seek to leverage this ongoing relationship to promote health and wellness for the residents at Hillside.

For more on RNW and HACC's approach to resident services see the provided Resident Services Plan.

PSH SERVICES

Impact NW has a 57-year long history of responding to the needs of vulnerable individuals/families facing poverty, housing insecurity / homelessness, and trauma. Their dedicated staff (227 employees, 58 of which are Housing & Safety Net department staff) help them fulfill their mission to prevent homelessness by partnering with people as they navigate their journey to stability and opportunity. The organization will provide comprehensive and robust PSH case management. These services will be free of charge to the residents of the project and in compliance with the PSH Guidelines Delivery Structure Eligible Activities. Those services will support eight (8) integrated PSH units in Hillside Park – Building C.

Impact NW understands the valuable relationship between the supportive housing specialist, resident service specialist, and the property manager. Our housing specialist will work to develop a beneficial relationship by being accessible, engaging in open communication, and promptly following up on referrals.

The proposed PSH programming aligns with Impact NW's Housing and Safety Net (HSN) department, which has been delivering comprehensive, strength-based, trauma-informed, and culturally responsive services to the community for decades. HSN provides housing and rental assistance, health care resources, resource navigation, energy assistance, veteran services, and recovery services. The HSN staff is multilingual, including team members who speak English, Spanish, Russian, Ukrainian, Slovak, Czech, French, Lao, Hmong, Vietnamese, Chuukese and Hindi. Bilingual staff makes up 73% of the department. HSN's most current demographics demonstrate their ability to reach and serve historically marginalized groups. Almost half of those the HSN serves identify as people of color (47%) and all program participants are low or no income upon entry into services.

Impact NW's PSH program is rooted in the belief that all people are housing-ready and that low-barrier and participant-centered housing supports and services are necessary to stabilize those with high vulnerabilities. Their service model is rooted in Housing First philosophy and a strength-based approach; all services are delivered in true partnership with participants, promoting dignity and autonomy. Their strength-based assessment assists in participant-led goal development, prioritizing individual needs and wishes. Impact NW utilizes a trauma-informed approach, person-centered practice, and assertive engagement in all of their interactions with participants.

Instrumental to the integration and delivery of these PSH services will be operating funds provided by the county. Without these funds, the project will be unable to support a PSH-specific case manager out of the operating budget. RNW has a history of securing the service operating funds and, as shown in the provided letter, has received a commitment of funds from the Health, Housing, and Human Services department of Clackamas County.

For additional information about the PSH Plan please see the Resident Services Plan.

Livability and Accessibility

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

The Related Companies (“Related”), RNW’s affiliate, has developed, and operates, over 16,000 units of affordable housing on the West Coast. Related’s in-house architect works closely with the design team on each new project to ensure that lessons learned and best practices are carried forward. The design concept at Hillside Park expertly marries the development team’s notable experience with the specific needs of the project’s target populations, while also balancing cost efficiencies and operational considerations.

We put people at the heart of the creative process, unearthing the real needs of a community, empowering stakeholders, creating goodwill, inspiring community spirit and building consensus. This leads to places that are vibrant, valued, and sustainable from the outset.

The architectural profile for the neighborhood is comprised of both commercial uses along with multifamily residential homes, predominately wood constructed and low-rise structures. To emulate the area aesthetic, the design includes a pitched roof and fiber cement siding in combination with brick masonry (to enhance durability). The wood construction, gabled roofs, and the courtyard’s lush landscape all create a feeling of home.

The design a considerable amount of outdoor space to promote social connectedness and recreation. The courtyard will hold a playground, picnic and BBQ areas, and lush landscaping.

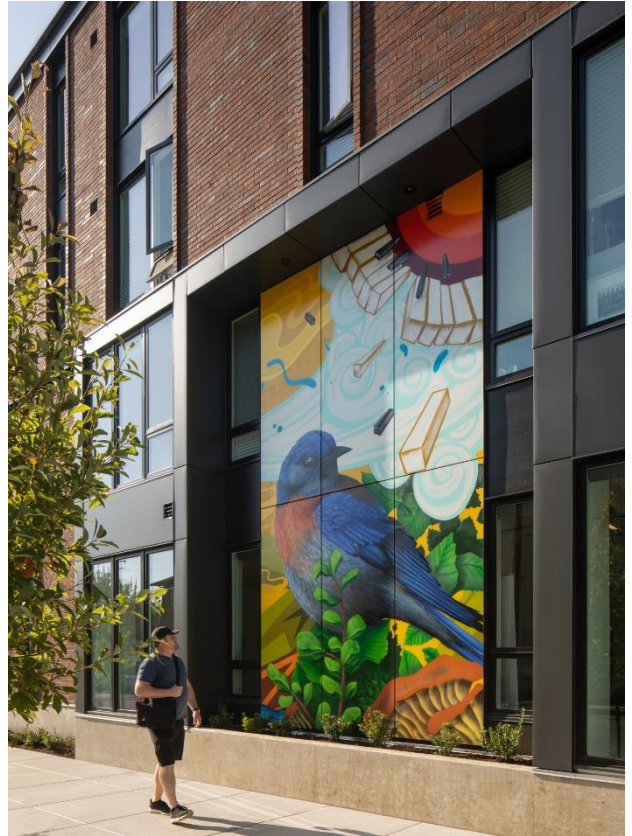
UNIT DESIGN

Family housing unit sizes are comparable to the local market and balance construction cost and livability. Family-sized units reflect the needs of the project’s target population and represent 40% of the project. Although harder to fund, the unit mix specifically incorporates much-needed two- and three-bedroom units. Significant care goes into the design and layout

of all unit interiors, with specific attention paid to furniture layout, living space, and storage. Additionally, the three units include washer and dryers in response to the needs of larger families. Serving a diverse community requires a design that is accessible, inclusive, safe and durable. Understanding specific populations’ needs is paramount and through our community engagement, we will work to curate housing that promotes wellness, integrity, inclusion and healing.

ADA CONSIDERATIONS

RNW engages Marx Okubo, a highly reputable accessibility consultant, to review the design plans at each stage to ensure our projects meet or exceed all accessibility and ADA requirements. In addition, we work with stakeholders who represent the disabled community to assist us in the design layout and ensure that the project is an inviting and inclusive space for all residents to live, play and thrive. The consultant’s work applies to all units, building, parking areas, and outdoor spaces. The Partners understand this is especially critical given the existing resident population, a significant percentage of which are disabled.



Cathedral Village’s exterior mural

Unit Amenities

Range/Oven	Dishwasher**	Pantry	Air Conditioning
Refrigerator	Linen Closet	Washer/Dryer*	All Plank Flooring

* In 3-bedroom units only

** In 2- and 3-bedroom units in Buildings A & B only

UNIVERSAL DESIGN

Universal design supports a range of households with varying needs and is critical in a project like Hillside Park, which will serve a diverse population of residents, including seniors and households living with disabilities. Our design will seek to support residents aging in place, and of various abilities, so that families, individuals and seniors are able to maintain full accessibility to unit features, community amenities, and local amenities including nearby grocery stores, transportation options, and recreational spaces. In practice, universal design is implemented through intentional design that ensure the design is supportive of various abilities with special attention for things like backing for grab bars, flexible cabinetry, clearances for accessible units, hardware that is easy to operate and grasp, and color palettes used in way to promote visibility and wayfinding. These elements, when addressed during the initial design of the spaces, make for stronger and more inclusive units and spaces for everyone.

LIVABILITY

While the buildings are important, the shared life of the community happens in the places between. We put people at the center of the creative process, unearthing the real needs of a community, empowering stakeholders, creating goodwill, inspiring community spirit and building consensus. This leads to places that are vibrant, valued, and sustainable from the outset. Ankrom Moisan's place making expertise is evident in numerous buildings throughout Portland's Pearl District and the South Waterfront. Some of their notable work includes The Goat Blocks, MacArthur Commons, and The Rise Central.

The Partners recognize that livability is a critical component of the approved master plan, which emphasizes the pedestrian experience, activated streetscapes, and outdoor community spaces. The entire project team is excited to deliver on this goal for the Milwaukie community.

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.

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

Our team is highly accomplished when it comes to designing and installing high performance structures and incorporate industry-leading practices as baseline. Buildings A, B, and C's design seeks to incorporate features such as low-flow toilets and aerators, LED lighting, occupancy/daylight sensors, low VOC materials and sealants, energy efficient appliances and thoughtful landscaping that requires minimized irrigation. Insulation and envelope design are critical to sustainable building and additional sustainability may be sought through an effort to deliver Resistance (R-Value) and Air Change Per Hour (ACPH) values that exceed code requirements.

Another key sustainability future for Hillside Park is the planned resilience hub in Building A. This community amenity is based on a 2019 model developed by the Urban Sustainability Directors Network (USDN), a peer-to-peer network of local government professionals from communities across the United States and Canada. Resilience Hubs are community-serving facilities augmented to support residents and coordinate resource distribution and services before, during, or after a natural hazard event. They are equipped with basic supplies like, fresh water, medical supplies, community resource brochures, and a small food pantry and generally have electrical power for up to three days via a backup batteries. Ultimately, these hubs leverage established, trusted, and community-managed facilities that are used year-round as neighborhood centers, while also yielding significant benefit during and in recovery from a disruption. Case studies from across the country have shown that they hold the potential to reduce burden on local emergency response teams, improve access to public health initiatives, foster greater community cohesion, and increase the effectiveness of community-centered institutions and programs.

Additionally, the project architect, Ankrom Moisan, has completed more than 10,000,000 square feet of LEED Certified living spaces and has also completed several Earth Advantage buildings with RNW that each achieved the Platinum certification. Ankrom is proud of these achievements, though they recognize that sustainability goes beyond labels. The firm is especially sensitive to how people interact with a space at a personal level. Ankrom pays special attention to daylight

and fresh air, safe and welcoming public spaces, and amenities that enhance our daily lives as part of creating sustainable communities that enrich daily experience.

Ankrom and RNW are specifically planning for Hillside Park to (1) achieve Earth Advantage Gold or higher certification, (2) have green infrastructure elements, and (3) include a solar array. Our construction budget includes PTHP air conditioning for all of the units. We are working to determine if the Inflation Reduction Act incentives will offset the cost to use mini-split heat pump systems and/or heat pump hot water heaters to achieve greater energy efficiency and to remove fossil fuels from the development.

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.

The Partners anticipate that Hillside Park – Building C will begin construction in June 2024. The team is expecting a 20-month construction period.

<u>Milestone</u>	<u>Completion Date</u>	<u>Status</u>
Developer Selection	May 2022	Complete
Contractor Selection	June 2022	Complete
Concept Endorsement	March 2023	Complete
Due Diligence	March 2023	Complete
Final Approval	May 2024	Estimated
OHCS 4% Application	October 2023	Complete
Select Lender/Investor	April 2023	Estimated
Building Permit Issued	May 2024	Complete
Close Construction Financing	June 2024	Estimated
Commence Construction	June 2024	Estimated
Complete Construction	February 2026	Estimated
Complete Lease-Up	November 2026	Estimated
8609	June 2027	Estimated