

Meeting: Housing Oversight Committee (Meeting 13)  
Date: Wednesday, Oct. 14, 2020  
Time: 9:00 a.m. to 11:30 a.m.  
Place: Virtual video conference meeting  
Purpose: Review and receive feedback on draft guidance for implementing jurisdictions to submit annual LIS progress reports and LIS addendums describing anticipated use of Supportive Housing Services (SHS) measure funding in bond projects; presentation and Q/A on “Affordable Housing 101”  
Outcome(s): Committee feedback on draft guidance for implementing jurisdictions to submit annual LIS progress reports and SHS addendums

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9:00 a.m. Welcome  
9:10 a.m. Conflict of Interest disclosures  
9:15 a.m. Guest presentation and discussion: Affordable Housing 101  
10:05 a.m. Break  
10:15 a.m. Draft Guidance for Implementation Partners: Annual Reporting and Supportive Housing Integration  
11:00 a.m. Public Comment  
11:10 a.m. Updates and Next Steps  
11:30 a.m. Adjourn

# Meeting minutes

Meeting: Metro Housing Oversight  
Committee Meeting

Date/time: Wednesday, July 1, 2020, 9 AM – 12 PM

Place: Zoom Virtual Meeting

Purpose: Share an update on the Supportive Housing Services measure, review and receive feedback on evaluating racial equity outcomes, follow up on interim finance report

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## **Attendees**

Dr. Steven Holt, Mitch Hornecker, Mesha Jones, Jenny Lee, Ed McNamara, Steve Rudman, Bandana Shrestha, Andrew Tull, Tia Vonil

## **Absent**

Manuel Castaneda, Serena Cruz, Melissa Erlbaum

## **Metro**

Ash Elverfeld, Jes Larson, Valeria McWilliams, Megan Gibb, Elissa Gertler, Brian Kennedy, Patrick Dennis

## **Facilitators**

Allison Brown, Hannah Mills

*Note: The meeting was recorded via Zoom and therefore details will be focused mainly on the discussion, with less detail in regards to the presentations.*

## **Welcome and Agenda**

Co-chairs Steve Rudman and Jenny Lee welcomed the group and acknowledged the uncertainty of current events. May 6, 2020 minutes were approved.

## **Public Comment**

Allison Brown, facilitator with JLA Public Involvement, opened the floor for public comment. No members of the public submitted comment.

## **Group Check-In**

The co-chairs explained that they would be asking the group to do a round-robin check in related to the current climate and events in Portland and how they relate to the Committee's goals and values. Jenny noted that committee member Dr. Steven Holt volunteered to help guide and facilitate the discussion.

Dr. Holt began by sharing his experiences, past and present, as a Black man and in response to the death of George Floyd. Additionally, he noted that the importance of intentionality of equity is now current in our society with the elevation of the Black Lives Matter movement, including the need to adopt policies, practices, and action that fully addresses the historic injustices of the Black community. Dr. Holt ended his statement by telling a personal story about seeking housing in Oregon and the bias, racist response he received that assumed he was looking for low income housing without more than a single sentence uttered between him and the property manager.

# Meeting minutes

To introduce the discussion, Dr. Holt shared his optimism for what can be done through the committee and the bond, and asked others to share their thoughts and feelings, as well as the impact the current events have had on them as it relates to their role on the committee. Below is a summary of the responses.

- There was concern about whether the focus on MWESB contractors is beneficial to racial equity goals due to dishonest ownership claims to gain certification.
- Many shared similar experiences as Dr. Holt and the need for checking in on meeting the Committee's racial equity goals.
- Many expressed appreciation for Dr. Holt's comments and the understanding that this is a time to listen to the Black, Indigenous, and People of Color communities.
- A committee member noted that there seemed to be a shift in the general public toward understanding the existence of systemic injustice.
- A committee member noted the importance of continued advocacy for prevailing wage to address systemic injustice and oppression.
- A committee member shared the experiences he learned from his Black friends since the 2020 Black Lives Matter protests, including the efforts that they go to protect themselves from potential racial bias violence.
- It was noted that the committee needs to consider how systemic injustice prevails in many institutions and how each needs to recognize their connection to address the issue.
- A committee member noted the importance of making tangible changes to address systemic injustice.

Dr. Holt closed the discussion by expressing his appreciation for each of the members leaning into the issue and the need to work on this in a way that considers generational impact.

## **Supportive Housing Services Measure**

Elissa Gertler and Jes Larson, Metro, gave a presentation on the Supportive Housing Measure. The presentation included figures relating to homelessness and racial disparities, the Here Together Coalition framework, and a description of the Supportive Housing Measure. Of the Supportive Housing Measure, the group was informed on:

- Focus on distribution of resources, governance, revenue, distribution of housing, and implementation
- Stakeholder advisory process and engagement opportunities
- Local and regional representation on the future Oversight Committee
- Development of Local Implementation Plans in the fall

The group was given the opportunity to ask questions and provide feedback. Below is a summary of the discussion.

- It would be potentially beneficial to open implementation partnership to other jurisdictions
- Tying these two measures together might complicate the process for housing production. If these are going to be tied together there needs to be a streamlined approach to make both bonds go further.

## **Evaluating Racial Equity Outcomes**

Valeria McWilliams, Metro, provided context for the conversation on racial equity outcomes, highlighting the main changes: equitable construction contracting and prevailing wage metrics. The group was given the opportunity to ask questions and provide feedback. Below is a summary of the discussion.



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# Meeting minutes

- It would be helpful if there was an intuitive way to look at the data for workforce and prevailing wage.
- Many jurisdictions are interested in supporting prevailing wage but are unsure of how to achieve it. It would be helpful to explore ways of helping jurisdictions accomplish prevailing wage goals and allowing them to participate while they learn, without letting them off the hook.
  - Valeria responded: *Beaverton developed an internal system to track workforce participation on a project basis, but it requires staff capacity. Beaverton is unable to share the software they developed, but have expressed that they are happy to show the software to other jurisdictions and provide the best practices for implementing a similar system.*
- It's important to have occupancy metrics to ensure multi-room units are not occupied by single individuals.
- To ensure resident diversity, it needs to be considerate of the demographics of the immediate area as well as the region.
- Consider the length of tenancy of different demographics to determine the root cause and help provide opportunities for increased income and mobility out of affordable housing toward homeownership.

Valeria encouraged the group to email her with any further comments and noted that this would not be the last opportunity for them to provide feedback on the racial equity outcomes.

## Interim Finance Report

Steve introduced Brian Kennedy and Patrick Dennis, Metro, and explained that they would be available to answer any remaining questions about the Interim Finance Report. Below is a summary of the conversation.

- Considering that interest rates have dropped, is this long term with a fixed rate, or have they changed?
  - Brian responded: *It varies to ensure the safety of the deposited funds.*
- What is the difference between the three categories of expense?
  - Patrick responded: *Site acquisition is related to achieving projects, program administration is higher level (budgeting, etc.) and is not directly related to a project, and Metro oversight is about the meetings related to projects and programs.*
- What are the forecasts for 2021 given COVID-19?
  - Brian responded: *Covid-19 is impacting Metro as a whole with around 70% of the employees being laid off (mainly at visitor venues). At this point we are forecasting that this will continue to impact us until there is an effective treatment. Our other revenue collectors have been impacted, but not as much. We're not allowed to invest funding in anything that loses value so these bonds are protected, and we are saving funds to protect against future uncertainties.*

## Committee Business

Valeria gave a brief update on the second quarterly report, highlighting:

- Updated dashboard to reflect approved concept endorsements since the last meeting in May
- Closure of the competitive solicitations for projects

# Meeting minutes

Additionally, she encouraged committee members to participate in the next review of project concept endorsements in late Summer.

Valeria also noted that Dr. Holt was supposed to disclose a potential conflict of interest at the beginning of the meeting due to his firm being hired by Home Forward on the Dekum Court project but since he left the meeting early, this agenda item will be postponed for the next meeting

## **Next Steps and Close**

Allison noted that the next meeting would take place on November 4, 2020. The co-chairs thanked the Committee. The meeting was adjourned.

## Housing Bond Local Implementation Strategy Annual Progress Report Guidelines

Draft 10/7/2020

The first LIS annual progress reports are due from implementing jurisdictions to Metro on **January 6, 2021**. The reporting period for this report is calendar year 2020. Below you will find draft guidelines for annual reporting. Please note that this is a **review draft only**; the final template will likely be in a different format, likely integrated with the existing GroupTrails platform for project reporting.

**1. Complete the below tables and provide a narrative (750 words max) describing progress toward implementing the development plan in your LIS. Feel free to include additional tables/data illustrating progress toward local goals, if there are other relevant metrics you'd like to highlight. Please highlight any best practices, lessons learned, or opportunities for improvement. Be sure to address the following:**

- a. Results of any competitive processes, including how prioritization criteria from LIS were applied to project selection
- b. How selected projects complement existing supply of regulated affordable housing
- c. Cost containment strategies
- d. Leveraged capital and ongoing operating funding
- e. Approach(es) to aligning resident or supportive services
- f. Plans, strategies and anticipated timelines for achieving remaining unit production targets (total, 30% AMI, 2+ bedrooms)

### Summary of projects underway

Project name	Location	Developer	Total units	30% AMI units	2+ BR units	Status <i>concept, final, construction, completion</i>

### Summary of progress toward targets

	Total units		30% AMI units		2+ BR units		Bond funding	
	number	% of total	number	% of total	number	% of total	amount	% of total
Projects underway								
Remaining targets and funding								
Total LIS target and Eligible Share Funding								

2. Complete the below tables and provide a narrative (750 words max) describing progress toward implementing your LIS strategies for **advancing racial equity**. Feel free to include additional tables/data illustrating progress toward local goals, if there are other relevant metrics you'd like to highlight. Please highlight any best practices, lessons learned, or opportunities for improvement. Be sure to address the following:

- a. How locations of selected projects supported the location strategy described in your LIS, including proximity to parks/green space/trails, public elementary/middle/high schools, other types of schools, and groceries
- b. How selected projects have incorporated or are incorporating strategies for fair housing
- c. Outcomes or project-level goals/commitments related to diversity in contracting and hiring
- d. Outcomes or project-level plans to align culturally specific programming and supportive services to meet the needs of tenants

**Location/access<sup>1</sup>**

Project name	Within ¼-mile of frequent service bus? (Y/N)	Within ¼-mile of non-frequent service bus? (Y/N)	Within ½-mile of MAX? (Y/N)	Within 1/3-mile of park or greenspace? (Y/N)	Walkscore <sup>2</sup>	Notes: Describe access to other amenities, including schools and groceries

**Equitable Contracting**

Project	Contracting goal	Contracting outcome	Notes
	% of total hard costs to be awarded to COBID-certified firms		
Weighted average			

**Prevailing Wage**

Project	Prevailing wage (Davis Bacon)	Prevailing Wage (BOLI)	Notes

**Projects with Workforce Tracking (if applicable)**

Project	Total apprenticeship hours	Notes

<sup>1</sup> Proximity should be calculated using the “walk” function in Google maps.

<sup>2</sup> <https://www.walkscore.com/>

***Apprenticeship hours by race (all projects combined; if applicable)***

Race	Total apprenticeship hours (number)	Percentage of total hours
American Indian		
Asian		
Black		
Hispanic		
White		
Total		n/a

***Apprenticeship hours by gender (all projects combined; if applicable)***

Gender	Total apprenticeship hours (number)	Percentage of total hours
Female		
Male		
Non-binary		

***Apprenticeship hours by women (all projects combined; if applicable)***

Race	Total apprenticeship hours (number)	Percentage of total hours
American Indian		
Asian		
Black		
Hispanic		
White		
Total		

***Apprenticeship hours by people of color (all projects combined; if applicable)***

Race	Total apprenticeship hours (number)	Percentage of total hours
American Indian		
Asian		
Black		
Hispanic		
Total		

*Note: Future annual reports will also include information about referrals, application/lease up, occupancy, and demographics of residents. This information is not requested for the 2020 annual report because no housing bond projects expected to lease up before Dec. 31, 2020.*



**3. Provide a narrative (750 words max) and accompanying data describing progress toward implementing your LIS strategies for ongoing community engagement. Please highlight any best practices, lessons learned, or opportunities for improvement. Be sure to address the following:**

- a. Number of people engaged, including demographic breakdown that shows participation of communities of color and other marginalized community members (please do not share names or other identifying information)
- b. Number of partnerships with community-based organizations, and outreach strategies used to encourage participation and mitigate barriers
- c. Summary of feedback (major themes)
- d. Themes in how feedback directly informed project implementation and outcomes (emphasis on feedback from communities of color and other marginalized groups)

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## **Supportive Housing Services (SHS) Integration: Guidance and Template for Housing Bond Local Implementation Partners to submit addendums to Local Implementation Strategies**

*Draft 10/7/2020*

The Supportive Housing Services (SHS) Measure approved by voters provides an important opportunity to align regional housing investment programs to maximize the impact of voter approved funding and to reach more residents in need. As many have recognized, pairing Metro Housing Bond capital funding with the SHS long-term rent assistance and operating funds could increase affordability, services and unit production beyond what either program could achieve on their own.

Strategic deployment of SHS funds into Housing Bond projects has the potential to fill operating gaps and extend the impact of capital bond investments by increasing overall production, deepening affordability, and/or aligning supportive services for permanent supportive housing. For the SHS program, pairing housing services funding with affordable housing projects created through the regional bond will provide urgently needed units for supportive housing programs aimed at serving people experiencing or at risk of prolonged homelessness.

The opportunities and challenges to align these programs are unique in each partnering jurisdiction. Some jurisdictions began the Housing Bond work with significant funding gaps due to a lack of allocated project based Section 8 vouchers. Some jurisdictions are well on their way with project selection, and one project already under construction. Some jurisdictions have established specific targets for PSH as part of their LIS. What is consistent across all seven partnering jurisdictions is an opportunity to for coordination to leverage this new funding in conjunction with the three County SHS implementers.

In order to ensure that these opportunities are not missed, Metro is asking all Housing Bond implementation partners to submit a Local Implementation Strategy addendum describing their intentions for how SHS funding will be incorporated into your Housing Bond development programs. This work will require coordination between Housing Bond implementation partners and SHS County implementers, where these entities aren't the same. SHS local implementation planning efforts have already begun in each county, and are expected to be finalized in December. Therefore, the opportunity and need to begin planning for integration of implementation efforts is urgent.

### ***Assignment Overview***

There are multiple approaches to considering the opportunities to integrate SHS funding into Housing Bond projects. From the list of approaches below, each jurisdictions will choose the approach that best meets their community objectives and programming needs:

- a. Increase capital construction by leveraging SHS funds for rental assistance/operating subsidy to meet existing 30% AMI unit goals and increase production of 60% AMI units.
- b. Increase the number of 30% AMI units by leveraging SHS funds to exceed the minimum goal for deeply affordable units.
- c. Prioritize supportive housing by leveraging SHS funds to provide supportive services to units created through the housing bond.
- d. A combination to the above, or
- e. No change in production or affordability targets; plan to use SHS funds only for rental assistance to fill identified operating gaps as modeled by Metro
- f. No change in production or affordability targets; no use of SHS funds.

The approaches above may apply to both a project by project and/or an overall portfolio approach.

In some jurisdictions, a significant portion of bond funds have already been committed to projects through concept endorsements; however, many of these projects may still present opportunities for alignment with the SHS program. Projects approved for concept endorsements will likely be modified as the development plan proceeds, and implementing jurisdictions may seek to work with project sponsors to explore or support those opportunities. Metro will support explorations of such modifications to projects that have already received concept endorsements.

Additionally, for jurisdictions with remaining funds and anticipated future funding solicitation process, jurisdictions will consider how best to utilize SHS funds with remaining uncommitted bond funds to achieve existing and increased production outcomes.

In order to support coordination, we request that discussions between respective jurisdictions in each county begin by **Wednesday, October 7<sup>th</sup>**, and that Implementation Strategy addendums be submitted to Metro by **Monday, Dec. 7<sup>th</sup>**. Following Metro staff review in December, addendums will be submitted to the Housing Bond Oversight Committee for review in conjunction with your jurisdiction's annual progress report.

Attached please find:

- Attachment A: SHS Alignment Addendum template
- Attachment B: Recommended approaches to financial modeling and preliminary considerations related to confidence in lending

**Attachment A: SHS Alignment Addendum template**

Housing bond implementation partner jurisdiction:

Date:

*Please describe your strategy or strategies for leveraging SHS funds with bond funds for each approved housing bond project and for remaining local share of eligible housing bond funds. Remaining, uncommitted funds may be described on a project by project or cumulative basis.*

*Possible approaches may include:*

- a. Prioritize capital construction by leveraging SHS funds for rental assistance/operating subsidy to meet existing 30% AMI unit goals and increase production of 60% AMI units.*
- b. Prioritize depth of affordability by leveraging SHS funds for rental assistance/operating subsidy to exceed the minimum 30% AMI unit goal.*
- c. Prioritize supportive housing by leveraging SHS funds to provide supportive services to units created through the housing bond.*
- d. A combination of the above.*
- e. No change in production or affordability targets; plan to use SHS funds only for rental assistance to fill identified operating gaps as modeled by Metro. Note that Counties may opt to re-allocate previously committed Project Based Vouchers to other needs and instead utilize SHS rental assistance funds to support bond funded units.*
- f. No change in production or affordability targets; no use of SHS funds.*

**1. Please complete the below tables describing your proposed approach or approaches for all approved bond projects and for remaining bond funds not yet committed.**

Existing Projects with Concept Endorsements or Final Approval

Project Name	Approach(es) (see above options)

Remaining Bond Funds

Project or solicitation name (use multiple rows if multiple approaches will be used to select projects for remaining funds – or just list “all remaining funds” if only one approach will be used)	Approach(es) (see above options)

**2. Provide a brief narrative (500 word max) describing the rationale for these approaches and how you arrived at them. Please include a full description of financial modeling and policy considerations provided by developers, elected official and stakeholders that helped to inform your approach.**

**3. Complete the attached Excel spreadsheet.**

## Attachment B: Recommended approaches to financial modeling and preliminary considerations related to confidence in lending

The purpose of this document is to provide additional information that may be useful in your planning. Below you will find summaries of

- Financial modeling Metro has conducted to support local planning
- Considerations and recommendations related to “confidence in lending” for utilization of SHS funding in Housing Bond projects

### **Financial modeling for SHS funds**

The financial modeling provided was conducted by Metro to support your planning efforts. If alternative modeling assumptions are preferred, please include a detailed description in your SHS Addendum.

The Housing Bond Work Plan allocated an average of \$143,000/unit<sup>1</sup> in bond subsidy to support unit production goals. In the financial modeling used to arrive at these costs, it was estimated that 2/3 of units targeted for affordability at 30% AMI or below would require additional operating subsidy, such as rental assistance; and that 1/3 of units could achieve rent affordable at 30% AMI<sup>2</sup> through cross subsidization from higher rent units.

County	Overall unit goal	30% AMI unit goal	Units requiring op. subsidy	PBV commitments	Gap (number of units with unmet operating subsidy gap)
Clackamas	812	333	223	200	23
Multnomah (Portland, Gresham, and Home Forward)	1,773	727	487	0	487
Washington (Beaverton, Hillsboro, and Washington County)	1,316	540	362	200	162
Total	3,901	1,600	1,072	400	672

The estimated average cost to “buy down” affordability from 60% AMI to 15% AMI<sup>3</sup> is \$10,000 per unit per year in rental assistance. Assuming this operating subsidy is fully funded for 15 years, the amount of bond funds required per 30% AMI unit could be reduced to \$103,000, creating the opportunity make Housing Bond investments stretch further by achieving more units.

### **Confidence in Lending (“Bankability”) of SHS rental assistance funds**

Metro is committed to working with partners to address the challenge of getting lenders and investors comfortable with the inclusion of local rental assistance in housing bond projects. We recognize that there may be some hesitancy among financial partners to acknowledge this new source of operating revenue, due to its novelty and due to the 10-year sunset in the SHS measure. Lenders and investors will also need to develop familiarity with supportive housing models.

<sup>1</sup> Does not include Housing Bond funds leveraged through Metro’s Site Acquisition Program.

<sup>2</sup> Assumed rents exactly at 30% AMI, not 0-30% AMI.

<sup>3</sup> We assume voucher households will have rents between 0-30% of AMI. For simplicity, 15% AMI is modeled.

We will provide further guidance on this issue as it is developed, but wanted to share some preliminary recommendations that have been developed in consultation with experts, for how this program could be structured to mitigate risks and reassure financial partners:

- A. Provide flexibility in regulatory agreements for affordability to shift to 60% AMI if operating subsidy is lost. This flexibility is acknowledged in Housing Bond Implementation IGAs and should be incorporated into each jurisdiction's project level regulatory agreements.
- B. Create a regional Housing Assistance Payment contract in coordination with housing authorities, to serve as a binding agreement between the project owner and the rental assistance program administrator. The contract should account for both long term rental assistance and operating costs and should address such issues as the funding commitment, proposed rent schedule, term and program requirements. Regional consistency will provide assurance to lenders/investors and predictability for property managers.
- C. Model local rent assistance program on elements of the federal Section 8 program to provide familiarity and certainty to underwriters and developers. The program requirements should align with key elements of Section 8 that relate to rent setting/adjustments and funding flow.
- D. Consider an up-front set aside of rent assistance funding need to demonstrate full commitment of funding for the first 15 years of all projects. Some form of pooled reserve will be a key strategy to secure investor confidence in the long-term viability of the program, and to demonstrate financial capacity to support transition to 60% AMI rents if the SHS subsidy goes away.
- E. Establish and increase project-level reserves as part of the development process. Current expectations for operating reserves range from three to six months' worth of operating expenses and debt service. Additional project-level reserves may be required to mitigate risks perceived by investors and lenders.

Project Name	<i>As approved in concept endorsement</i>							<i>Proposed with SHS funds</i>							Notes (describe any other changes to initial proposal)	
	Total bond funds	Bond funds per unit	Total units	30% AMI units	Section 8 PBVs	Family units	PSH	Total bond funds	Bond funds per unit	Total units	30% AMI units	Section 8 PBVs	SHS rental assistance	Family units		PSH units funded by SHS
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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Funding category		Total for approved projects (concept endorsement or approval)	Total for remaining unit targets and funds	Combined total for committed and remaining unit production and funding
	Total units			0
<i>Current plan (committed and remaining targets)</i>	Average bond subsidy per unit	#DIV/0!	#DIV/0!	#DIV/0!
	30% AMI units			0
	Section 8 PBVs			0
	Family-size units			0
	Remaining PSH units (if applicable)			0
	Total units			0
<i>SHS integration plan (committed and remaining targets)</i>	Average bond subsidy per unit	#DIV/0!	#DIV/0!	#DIV/0!
	30% AMI units			0
	Section 8 PBVs			0
	Family-size units			0
	PSH units (if applicable)			0
<i>Bond funding</i>	Bond funding			
<i>SHS utilization</i>	SHS Rental Assistance units			0
	PSH units supported by SHS services funding			0

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**October 1, 2020**

Lynn Peterson  
Metro Council President  
600 NE Grand Ave.  
Portland, OR 97232

**Re: Metro Affordable Housing Bond – Concerns & Recommendations**

Dear Council President Peterson,

As you are aware, the core of NAMC-Oregon was built on the interest of supporting BIPOC Prime Contractors (BPC), BIPOC Subcontractors (BSC), and workforce as Black, Indigenous, and People of Color have not been able to serve in the construction sector to the degree or even a fraction of the level of involvement from majority white-owned firms that continue to dominate the industry. Based on Metro's leadership in the strategic plan, the equity lens framework, and the housing bond framework, we recognize as leaders that we are committed to refine and update our practices to evolve, advance, and increase impact.

It has come to our attention that Metro's interest to advance racial equity is gravely missing the mark when it comes to the recent Affordable Housing Bond. The significance of this bond, and its impact on serving Communities of Color who disproportionately need access to this option, should equally be an opportunity to address the pattern of inequity among contracting firms that widely disregard the inclusion of BIPOC Prime Contractors (BPC) with support of the current procurement process.

With \$652.8 million of taxpayer's dollars directed for the Affordable Housing Bond, a large fraction will go to contracting firms who will *aspire* to reach 20-30% in MWESB participation goals by lumping these subcontractors' categories together, which minimizes the focus and supposed intent to advance racial equity. Based on review and analysis from the July 1, 2020, Housing Oversight Committee, and with partner jurisdictions, approximately 30% or \$167.7 million have been awarded to Sponsors that have selected **zero** BIPOC Prime Contractors for any of the project teams; this is unacceptable and confirms a shallow depth for Sponsors to be held accountable and committed to including BIPOC Prime Contractors in their procurement processes. This also maintains the limitation for Black, Indigenous, and People of Color to not advance to become Prime Contractors. It is flawed for BIPOC Subcontractors (BSC) who are targeted with the same urgency as WBE, DBE, ESB to meet an aspirational goal under the guise of advancing racial equity. The Affordable Housing Bond promised to "lead with racial equity," and currently, without a single BPC on any single project team, this is far from the leadership we have come to expect from Metro.

The antiquated (MWESB) system was designed to incorporate marginalized businesses, but only to a limited extent for subcontracts and not for Prime Contracts. This relationship between BIPOC Subcontractors and the 2<sup>nd</sup> tier of contracting minimizes BIPOC businesses' potential to reach the same heights of success as firms owned by the dominant majority who dominate Prime Contracts and the construction industry, a \$650 billion sector nationwide. It should be noted that Prime Contracts are apparent in architectural, legal, finance, insurance, and beyond construction sectors. At NAMC Oregon,



we believe that actualized economic empowerment for BIPOC communities must be part of the equation to advance racial equity effectively. The positive influence and impact of BPCs bring several components to people and the community from: the earning of a living wage, the increased circulation of dollars into BIPOC businesses, being able to "see it to believe it" while inspiring others to excel in academic and career goals, wealth generation, and whole community revitalization.

In thinking further for how we can achieve this; I believe it will take leaders like you to ensure valuing racial equity goes beyond checking a box and to implement a reporting system that tracks and highlights BPCs, allowing for a shift of intention from outdated practices towards committing to support a full view. Imagine if Metro helped to create a new standard in the procurement process that was equitable and incentivized, an opportunity that led to a Latinx law firm being selected as the Prime outside legal counsel. Such an award would be a massive opportunity for Latinx law firms (and the BIPOC community). This type of award would lead to growth and hiring within the selected firm, due to the long-term stability and revenue of outside counsel contracts. It could also lead to a more significant number of BIPOC community members advancing into leadership positions within that law firm, in-turn building wealth within the BIPOC community. Youth of color would see a large scale Latinx-owned law firm that would be able to give back to the community and support the vision for more youth from historically underrepresented communities pursuing legal careers. The impact on every industry would be remarkable.

The long-term vision of NAMC-Oregon includes this scenario, however, currently people and agencies are thinking small and not considering the impact of focusing on BPCs. Agencies must expand mindsets, policies, and practices to indeed lead with racial equity and acknowledge how keeping BIPOC firms limited to the Subcontractor level is a contradiction to Metro's values and the potential for working opportunities and economic wealth to be achieved both by and for Communities of Color.

Unfortunately, we have seen this lackluster framework in BIPOC Prime Contracting unfold thus far in the entire Metro Affordable Housing Bond. The capacity to hire reputable and capable firms does exist within the BIPOC Prime Contracting community. Many of these firms are equipped with the capacity and have even influenced a higher standard of 30% MWESB Subcontractor participation, yet they continue to be ignored for every one of the Prime Contracting opportunities related to this bond.

Based on experience, Project Sponsors and Owners seem unfamiliar with the fact that BIPOC Prime Contractors directly support BIPOC Subcontractors and businesses, in addition to being 100% BIPOC-owned firms. This correlation of when a BIPOC Prime Contractor is selected for a Prime Contract of \$20 million, 100% is directed to a BIPOC firm plus an additional 30% when they meet subcontracting MWESB goals resulting in a 130% return with BIPOC Subcontractors (BSC). NAMC-Oregon has coined this return as BIPOC Return on Investment (B-ROI), and based on this example, \$26 million would be directed to BIPOC firms. Most Project Sponsors and organizations believe the same outcome will arise when they hire a non-BIPOC Prime Contractor, which aims to hire 30% MWESB Subcontractors for the same \$20 million project; instead, only \$6 million is directed to BIPOC firms. Often the firms hired are majority white-owned and do not necessarily value goals of 30% MWESB as it pertains to BIPOC firms, which results in a further reduced percentage going to the BIPOC community.



When we forecast what this means for the awards thus far in Metro's Affordable Housing Bond, \$167.7 million will inflate to a range of \$215-\$250 million of Prime Contracts from the addition of private investments. From our research, three Prime Contractors (majority white-owned) have been awarded the majority of the Metro Housing Bond via Project Sponsors, which is neither equitable nor in the vein of valuing racial equity, and comes as a great disappointment. The Metro Housing Bond was the culmination of interests with a stronger community in mind and underwritten with taxpayer dollars of the community as a whole, not from or for one demographic to benefit.

That is the bad news; the good news is that NAMC-Oregon sees a clear and direct pathway to right this current wrong. With personal and collective experience in Portland's affordable housing market over the last twenty years, NAMC's leadership understands the intricate nature of the procurement process. Project Sponsors are selected, not Prime Contractors, and Sponsors must continue to have the flexibility to bring entire project teams to the proposals, NAMC-Oregon agrees.

We have found that most Project Sponsors want to do what's right, and to support this vested interest, we have included our recommendations for partner jurisdictions to modify their current Notice of Funding Availability (NOFA) funding applications to require that Project Sponsors also value racial equity as a priority, and focus, by including BIPOC Prime Contractors (BPC) on future proposals:

**THE FIX:** Metro insists that every partner jurisdiction adds the following to their NOFA applications:

- 1. *Is the Construction Prime Contractor for your project a 100% BIPOC-owned firm/ BPC? [yes/no]***
- 2. *In your last three most recently completed projects, have you worked with a BPC? [yes/no]***

#### **BACKGROUND:**

- Partnerships of majority firms and minority or BIPOC-owned firms are encouraged but do not apply for this question.
  - The goal of a partnership with a majority firm and BIPOC-owned firm/ BPC is to encourage the growth and development of BIPOC Prime Contractors to advance and compete in future projects independently as their majority counterparts can. The goal is not to further benefit majority firms that continue to dominate the Prime Contractor industry.
- Why 100% BIPOC owned? The structures in place by state and federal systems for MWESB participation were not conceived to support the growth or existence of BIPOC Prime Contractors (revenue thresholds are too small for Prime Contractors). To ensure that no gaming or passthrough companies benefit from these opportunities, NAMC-Oregon recommends an affidavit that certifies the firm is 100% BIPOC-owned.
- There is no mandate or threshold targeted for BIPOC Prime Contractors on these projects; it is a simple question. NAMC-Oregon believes that Project Sponsors once educated on the benefit of B-ROI for the community, they will see the benefits of selecting BIPOC Prime Contractors. This will eliminate any concern from Metro's legal counsel, and that of all partner jurisdictions as this merely tracks your baselines and outcomes, and there is no mandatory goal.
- Metro insists that all partner jurisdictions report and track the Prime Contract awards for all related previous and current projects in addition to future project awards. Public data reflecting this focus



on racial equity should be made available in real-time on the [Bond Progress website dashboard](#) that will include:

- Project Name
- Project Sponsor
- Is the Construction Prime Contractor for the project a 100% BIPOC-owned firm/ BPC? [yes/no]
- In the last three most recently completed projects, did the sponsor work with a BPC? [yes/no]
- Project Prime Contract estimated value
- Project Prime Contractor name
- Estimated Number of Units
- Estimated Square Footage of Project
- Metro will host a mandatory meeting with leadership for the Affordable Housing Bond with partner jurisdictions, focusing on the value of racial equity by educating the importance of BIPOC Prime Contracting and the BIPOC Return on Investment (B-ROI) when project teams include a BPC.
- Metro insists all partner jurisdictions develop a mandatory Pre-NOFA educational meeting for Project Sponsors, focusing on the value of racial equity by educating on the importance of BIPOC Prime Contracting and the BIPOC Return on Investment (B-ROI) when project teams include a BPC.
- Partner jurisdictions will maintain diverse selection panels, and all members of the selection committee will be educated on the importance of BIPOC Prime Contractors and the (B-ROI).

The vitality of Oregon's economy is largely intertwined with the construction industry. We intend to bring this issue to the forefront as the opportunity to lead with large scale developments is dependent on addressing the calculated and systemic structures that have long been in place, fueling sustained inequities for generations. With this shift, we hope that BIPOC Prime Contractors will have a fair and equal opportunity to compete with a more level playing field and access to work on meaningful projects such as affordable housing, an area of building that is well known to BIPOC Prime Contractors and workers from multiple perspectives.

Our team at NAMC-Oregon welcomes the continued partnership with Metro to develop a presentation and other supports to move the needle for advancing racial equity together.

Sincerely,

Nate McCoy  
Executive Director  
NAMC-Oregon

# Housing Bond Quarterly Report | 10/7/20

*This is the third quarterly progress report for the Metro Regional Affordable Housing Bond. A similar report will be 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 for review by the Oversight Committee.*

## LOCAL IMPLEMENTATION STRATEGIES & INTERGOVERNMENTAL AGREEMENTS

On September 3, the implementation intergovernmental agreement (IGA) between the City of Portland and Metro was signed. An IGA is expected to be signed with Home Forward in coming months. At that point, all seven implementing jurisdictions will have completed their local implementation strategies and intergovernmental agreements with Metro.

## PROJECTS UNDERWAY

As of the end of September, thirteen projects have received a Metro concept endorsement and are in predevelopment, and two projects have received final approval and are under construction. Collectively, these projects represent 1,539 new affordable homes, or 39.5% of the total production target for the Housing Bond, while using up approximately 26.9% of funding. Of the homes created, 680 will have 2 or more bedrooms, representing 35% of the Housing Bond’s target for family-size homes; and 512 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 32% of the Housing Bond’s target for deeply affordable homes.

### Production and funding dashboard



## Select development metrics

The following metrics reflect preliminary cost estimates and development plans. These figures will be updated as projects are refined during the planning process. Note that metrics related to total cost take into account all units within a project, whereas metrics related to bond subsidy only consider bond eligible units.

<b>Cost &amp; subsidy efficiency metrics</b>	<b>Range</b>	<b>Average</b>
Metro bond subsidy per eligible unit	\$54,878- \$159,138	\$104,497
Total cost per unit	\$305,399 - \$472,231	\$362,474
Total cost per bedrooms	\$138,128 - \$397,778	\$224,808
Percent of bond eligible units at 30% AMI	7% - 100%	38%
Percent of bond eligible units with 2+ bedrooms	0% - 83%	53%

<b>Goal for COBID participation in construction<sup>1</sup></b>	<b>Number of projects</b>
20%	8
25%	4
30%	1
35%	2

<b>Prevailing Wage</b>	<b>Number of projects</b>
Subject to federal prevailing wage (Davis Bacon)	8
Subject to state prevailing wage (BOLI)	1
Not subject to prevailing wage	6
To be determined	1

## Project outcome metrics

Once projects begin to reach construction completion and occupancy, quarterly reports will also include metrics related to project outcomes, including:

- COBID-certified firm participation outcomes, disaggregated by race and gender
- Workforce participation outcomes, disaggregated by race and gender (if applicable based on the jurisdiction's LIS and project)
- Marketing and application outcomes
- Resident demographics

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<sup>1</sup> Percentage of hard costs targeted to be awarded to COBID-certified MWESB subcontractors. Some projects submitted a "minimum" goal and an "aspirational" goal. These ranges are described in the attached project summary; for the purpose of this table, the more conservative target is reflected.

## LOCAL SOLICITATIONS AND PROJECT SELECTION

In addition to the above projects, Metro is currently reviewing two projects submitted by Gresham for concept endorsement, and two projects submitted by Portland for final approval (see description of Portland's Phase 2 Implementation below). Collectively, these four additional projects currently under consideration represent 582 units. Another project is anticipated to be submitted by the City of Hillsboro this month. Materials for these projects will be shared with the Oversight Committee prior to the next meeting on Dec. 2.

Local project selection processes underway or coming soon include:

- **Portland's predevelopment pipeline (underway):** The Portland Housing Bureau is identifying projects in its predevelopment pipeline, with an emphasis on increasing 30% AMI and/or larger bedroom sized units, to receive a small allocation of Metro bond funding. Portland's LIS states that these projects will utilize no more than 10% of Portland's allocation of Metro bond funds.
- **Portland Request for Qualifications for Permanent Supportive Housing (anticipated to be released in October):** The Portland Housing Bureau (PHB) is planning to release a Request for Qualifications (RFQ) to solicit proposals for up to \$15 million in Metro bond funds for development teams working to create Permanent Supportive Housing (PSH) for Black, Indigenous and People of Color (BIPOC) households.
- **Elmonica Station RFQ:** Metro and Beaverton plan to release a solicitation for the development of Metro's 1.07 acre property at 170th and Baseline near the Elmonica MAX Station. Metro and City of Beaverton staff anticipate a future project at this site could deliver approximately 60-80 bond-supported affordable units that continue to advance the goals of Beaverton's Local Implementation Strategy and Metro's Site Acquisition Program.

Project Name	Location	Implementation Partner	Developer	General Contractor	Number of units			Metro bond funds	Metro bond subsidy per bond eligible unit	Total Project Costs*	Total cost per total unit	Total bedrooms	Total cost per total bedrooms	Percent of bond eligible units at 30% AMI	Percent of bond eligible units with 2+ bedrooms	Contracting goal (% of total hard costs to be awarded to COBID firms)	Prevailing wage?	Status (concept endorsement, final approval or groundbreaking)
					Total	30% AMI	2+BR											
Mary Ann	Beaverton	Beaverton	REACH	Walsh	54	11	29	\$ 3,000,000	\$55,556	\$21,867,324	\$404,950	86	\$254,271	20%	54%	20%	no	Under construction (anticipated to open in May 2021)
17811 Scholls Ferry Rd ("Project D")	Beaverton	Beaverton	Wishcamper	not yet selected	164	12	84	\$ 9,000,000	\$54,878	\$51,923,724	\$316,608	262	\$198,182	7%	51%	20-30%	TBD	Concept endorsement 07/2020
Webster Road**	Gladstone	Clackamas	Housing Authority of Clackamas County	Walsh	45	45	0	\$6.9 M	\$151,319	\$17.9 M	\$397,778	45	\$397,778	100%	0%	20%	yes (Davis Bacon)	Concept endorsement 07/2019
Fuller Rd Station Family Housing	Unincorporated Clackamas County (in Happy Valley)	Clackamas	GSA (Anna Geller), GRES (Thomas Brenneke)	Alex Coleman, R&H Construction	100	25	83	\$ 10,000,000	\$100,000	\$47,223,075	\$472,231	209	\$225,948	25%	83%	20%	yes (Davis Bacon and BOLI)	Concept endorsement 08/2020
Good Shepherd Village	Happy Valley	Clackamas	Caritas Housing + Catholic Charities	Walsh	141	58	79	\$ 18,330,000	\$130,000	\$53,902,667	\$382,288	239	\$225,534	41%	56%	25%	yes (Davis Bacon)	Concept endorsement 08/2020
Maple Apartments	Oregon City	Clackamas	Community Development Partners and Hacienda CDC	LMC	171	70	129	\$ 15,903,000	\$93,000	\$53,041,069	\$310,182	384	\$138,127.78	41%	75%	20%	yes (Davis Bacon)	Concept endorsement 08/2020
Dekum Court	Portland	Home Forward	Home Forward	Walsh	160***	65	80	\$22.9 M	\$143,089	\$65.9 M	\$329,253	254	\$259,254	41%	40%	20%	yes (Davis Bacon)	Concept endorsement 07/2019
Aloha Housing Development	Beaverton	Washington	BRIDGE	not yet selected	81	34	56	\$ 12,890,152	\$159,138	\$27,853,500	\$343,870	131	\$212,622	41%	62%	25-30%	no	Concept endorsement 09/2020
South Cooper Mountain Development	Beaverton	Washington	BRIDGE	not yet selected	75	12	46	\$ 8,700,000	\$116,000	\$28,142,095	\$375,228	125	\$225,137	16%	61%	25-30%	no	Concept endorsement 09/2020
Basalt Creek	Tualatin	Washington	CPAH	LMC	116	47	60	\$ 14,320,000	\$123,448	\$43,583,824	\$375,723	194	\$224,659	41%	52%	25%	no	Concept endorsement 09/2020
Forest Grove Family Housing	Forest Grove	Washington	DCM Communities	LMC	36	8	30	\$ 3,792,088	\$105,336	\$10,994,346	\$305,399	72	\$152,699	22%	83%	35%	no	Concept endorsement 09/2020
Tigard Senior Housing	Tigard	Washington	NHA	Walsh	58	23	0	\$ 6,270,000	\$108,103	\$19,209,708	\$331,202	57	\$337,012	40%	0%	30%	yes (Davis Bacon)	Concept endorsement 09/2020
Plaza Los Amigos	Cornelius	Washington	REACH	LMC	113	26	73	\$ 12,830,000	\$113,540	\$39,208,808	\$346,981	198	\$198,024	23%	65%	35%	yes (Davis Bacon)	Concept endorsement 09/2020
Terrace Glen	Tigard	Washington	Related Northwest	Walsh	144	43	73	\$ 17,484,000	\$121,417	\$48,389,878	\$336,041	259	\$186,834	30%	51%	20-25%	no	Concept endorsement 09/2020
Viewfinder	Tigard	Washington	Community Development Partners	Bremik	81	33	55	\$ 11,583,000	\$143,000	\$32.9 M	\$405,844	157	\$209,385	42%	68%	20%	yes (Davis Bacon)	Under construction (anticipated to open in Fall 2021 )

\*Total project costs reflect most recent estimates provided. These will be updated within 1-3 months prior to anticipated groundbreaking, as projects are submitted for final funding approval.

\*\*\$2.6 million was disbursed to Clackamas County to acquire the property. An additional funding request is expected in fall 2020 for the rehabilitation. A preliminary estimate of \$4.2 million in rehabilitation costs was provided by Housing Authority of Clackamas County in Spring 2020; a refined request is expected in Fall 2020.

\*\*\*Number of units for Dekum Court only reflects Metro bond funded units. In addition to 160 units eligible for Metro funding, the site will also include 40 units of "replacement housing" for public housing units currently on the site, for a total of 200 units.



# Clackamas County Concept Endorsements

## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** Fuller Road Station

**Implementing Jurisdiction:** Housing Authority of Clackamas County

**Metro IGA Contract Number:** 936551

**Anticipated construction start:** August, 2020

**Anticipated construction completion:** October, 2021

**Action:**

Metro hereby provides the Housing Authority of Clackamas County (HACC) with Concept Endorsement for \$10,000,000.00 Metro Affordable Housing Bond funds for the development of Fuller Road Station, a regulated affordable housing project located at 9608 SE Fuller Road, unincorporated Clackamas County. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by HACC, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by HACC, including the following Project unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
12	One-bedroom	30%	12
5	One-bedroom	80%	0
5	Two-bedroom	30%	5
3	Two-bedroom	50%	0
54	Two-bedroom	60%	0
8	Three-bedroom	30%	8
4	Three-bedroom	50%	0
8	Four-bedroom	60%	0

Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and HACC, following Metro's Final Approval of the Project.



\_\_\_\_\_  
Marissa Madrigal

Chief Operating Officer

\_\_\_\_\_  
08/06/2020

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Fuller Road Station



Drafted by: Ted Reid, Principal Regional Planner, Valeria McWilliams, Housing Bond Program Analyst, and Choya Renata, Senior Communications Specialist, Metro  
Date: July 22, 2020

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Fuller Road Station (FRS). 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).

## Contribution to unit production targets

FRS will utilize 9% of HACC's total allocation of bond funds while delivering the following unit production outcomes:

- 12% of HACC's overall unit production target;
- 8% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 21% of HACC's family sized unit target.

Additionally, FRS will serve 25 families and individuals who are homeless or at risk of homelessness, including foster youth existing or having exited the foster system.

When combined with HACC's 18000 Webster Rd, Maple Apartments and Good Shepherd Village, this project puts the County on a path to have utilized 38% of HACC's total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 56% of HACC's overall unit production target;
- 59% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 72% of HACC's family sized unit target.

This project also includes an allocation of 25 vouchers, which represents 13% of HACC's total number of vouchers for use and combined with the three projects mentioned above totals the use of 67% of the total vouchers available.

## Eligibility and readiness to proceed

In addition, HACC has submitted and Metro staff have reviewed and accepted the following checklist materials demonstrating project funding eligibility, feasibility, and readiness to proceed:

- Preliminary project pro forma dated 04/17/2020
- An executed purchase and sale agreement with TriMet for the land on 10/05/2018 demonstrating evidence of site control
- Land use approval for the site by the Clackamas County Planning and Zoning Division on 09/05/2019
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon and nationally
- Equity plan

Staff have not identified any risks to project feasibility and readiness but would like to highlight that the project has a high cost due to being six story construction.

Staff will continue to request updates from the HACC regarding how the above work is proceeding.

### Advancing racial equity

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

- **Location:** The project is located in unincorporated Clackamas County in the vicinity of Fuller Station on the MAX Green Line. This is consistent with HACC's LIS goal of providing new affordable housing in high opportunity neighborhoods with access to transit. The site is also within a quarter of a mile of the I-205 multi-use bike and nature access path and half a mile from recreational/commuter path, grocery stores, medical facilities, and other community services along with other social services employment centers along 82<sup>nd</sup> avenue.
- **Transit access:** This site is within walking distance of the Fuller station on the MAX light rail Green Line.
- **Diversity in contracting/hiring:** R&H Construction has been selected as the general contractor. They have provided to the County a detailed plan to achieve at least 20% COBID certified subcontractor participation and 20% COBID certified professional services participation. To date, COBID certified firms' participation is estimated to be 14% for the Fuller Station project, with two-thirds of the contracting remaining for bid.
- **Access for historically marginalized communities:** The unit mix meets the unmet needs of communities of color, large families with children, multigenerational, homeless families that may have been or are at risk of separation due to impending homelessness, or groups of people that present themselves as families, which is consistent with community engagement themes identified in the HACC's LIS. The project commits to affirmatively furthering fair housing by meeting ADA requirements, with all units adaptable for residents with a disability. The project will have five units that are accessible for people with a physical impairment, and two units that can accommodate people with sensory impairments. Currently, there is a memorandum of understanding with Dev NW and JOIN to work closely with the project's marketing team through the low barrier screening criteria. There is a strong commitment to provide applicants and residents with linguistically appropriate communications as well as to hire staff and vendors representative of the FRS projected resident community. An annual assessment will be conducted to gauge the efficacy of the marketing and outreach strategies, along with the screening and lease up processes.

- **Culturally appropriate services:** The developer is at a very preliminary stage in exploring potential partnerships with community based organizations that might provide support services at the project.

## 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:**
  - Meetings with Unite Oregon, JOIN, and IRCO informed design of project. Developer also describes meetings with residents of existing projects, with feedback used to inform this new project.
  - Multilingual fliers are used in resident outreach to gain feedback on current and future projects and practices.
  - Developer (typically) hosts free summer food market with fresh produce and other foods, and “diverse, multilingual families of varied ethnic backgrounds attend...” This is another way GSA learns of needs of its tenants and community.
  - Demographics of participants were not collected at this stage, but most were Spanish speaking, Ukrainian speaking, and some Vietnamese speaking. Metro staff want to connect with HACC staff and potentially directly with the developer in order to support collection of demographic information in the future.
- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:** The narrative reports several themes from early engagement and ways this project will address them. Major themes include:
  - Need for family housing, affordability, skill development programming, and safety.
  - Desire for “green spaces for children, accessibility, places that exude respect, self-efficacy and dignity in support of community building, educational opportunities to escape poverty, youth services, access to nutrition and food, building common ground to relate to neighbors and make friends.” All are reportedly now included in the project.
  - Also include locked bike storage, irrigated community gardens, natural playground.

# Exhibit B: Project summary submitted by Housing Authority of Clackamas County | Metro bond concept endorsement for Fuller Road Station



Submitted by: Devin Ellin, Senior Housing Developer  
Housing Authority of Clackamas County, dellin@co.clackamas.or.us  
Submitted on: June 16, 2020

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## Project Overview

### Overview:

Fuller Road Station Affordable Housing ("FRS") is a new construction, transit-oriented, 100% affordable multifamily housing development serving families and individuals with incomes between 30% and 80% of area median income. FRS will serve 25 families and individuals who are homeless or at risk of homelessness, including foster youth exiting or having exited the foster system.

FRS is sited at the TriMet Max Green Line Fuller Road Station Park & Ride. FRS will be within walking distance to the MAX station and ¼ mile from several major bus lines. It will incorporate secure indoor bike parking and a bike wash station, two community rooms including one small shared kitchen, a community laundry room, community garden beds and a community computer lab. It also includes an open air/nature playground, secure package lockers/stalls for incoming deliveries, trash chutes and mixed recycling stations on each floor. FRS will have an electronic MAX train arrival board in the lobby and TriMet will provide low cost transportation passes for the residents.

### METRO Bond Request:

Our request is for \$10,000,000 in METRO Bond Funds (\$100,000/unit) to be used for development costs and 25 Project Based Section 8 vouchers to benefit low-income residents of FRS.

### Site Size & Ownership Status:

FRS will be a 100-unit building with a mix of 1, 2- & 3-bedroom units. The total project site size is 2.63 acres. The building footprint will be 129,060 square feet in size and will consist of 6 floors serviced by 2 elevators. Level 1 will be Type I-A construction and levels 2 through 6 will be Type III-B. The floor-to-area ratio will be 1.66. Building height will be 71'-0" to the top of the parapet.

FRS will be owned by Green Line Affordable Development LP ("GLAD"), a newly formed Oregon limited partnership. The General Partner of GLAD is Fuller Affordable Ventures, LLC ("FAV") a newly created Oregon limited liability company. The tax credit investor will enter into this structure as a limited partner of GLAD at closing, with a 99.99% ownership interest in GLAD. FAV is managed by Northwest Real Estate Developers LLC ("NRED"), which is wholly-owned by Geller Silvis and Associates Inc. ("GSA"), an Oregon S-Corp and certified Woman Business Enterprise (#12113). Anna Geller is the 100% shareholder and President of GSA. GSA is the prime developer of FRS and will be entering into a Sub- Development Services Agreement with an affiliate of Guardian Real Estate Services ("GRES"), which will serve as the sub-developer of FRS. GSA will oversee the day to day development of FRS. GRES will be involved in regularly scheduled development, construction meetings and material development decisions. Ultimately, GRES will manage the property including the initial lease-up and GSA will coordinate the resident services program with non profit partners, JOIN and DEV NW.

**Current Site Use:**

TriMet is the current owner of the site and is under contract to sell the site to GLAD (by assignment from NRED), with the sale to be closed concurrently with financial closing. There are no existing buildings on the site. Today, the site serves as an underutilized park and ride for the TriMet Green Line Max Stop 13130. The site is a part of the last remaining Urban Renewal Area for the County. FRS has received a commitment of \$3,300,000 in urban renewal funds from Clackamas County Economic Development toward the development of a new public road south of the building that will provide additional access to other parcels in the neighborhood that the county intends to redevelop, in addition to serving FRS. FRS will be a catalyst development in the neighborhood, providing greater access and opportunities for future redevelopment by both the County and TriMet.

FRS is scheduled to close and begin construction on August 28, 2020.

**Financing Structure Summary:**

Construction & Permanent Sources		Source %
Construction Loan	\$30,000,000	
Perm Loan	\$14,825,000	31%
4% LIHTC Equity	\$16,841,286	36%
County HOME	\$950,000	2%
OMEF (Multifamily Energy Program)	\$332,381	1%
Metro Bond Request	\$10,000,000	21%
Metro TOD	\$500,000	1%
Early Rental Income	\$437,732	1%
Special Limited Partner Contribution	\$100	0%
Deferred Developer Fee	\$3,336,576	7%
Total Permanent Sources	\$47,223,075	

**Preliminary Development Program**

**Planned Development Program:**

FRS will be a 100-unit, 100% affordable housing development on a 114,563 square foot site with a structural footprint of 21,065 square feet. Below please find a brief summary of the unit and income mix.

Unit and Income Mix Summary				
AMI	1 BDR	2 BDR	3BDR	Total
30%	12	5	8	25
50%	0	3	4	7
60%	0	7	0	7
60%	0	47	8	55
80%	5	0	0	5
MGR	0	1	0	1
Total by BDR	17	63	20	100

The building will be a 6 story, double elevator- serviced structure with 129,060 square feet of

total interior space. There will be 16,483 square feet of open space on the site, with 4,500 square feet dedicated to recreational uses. Total interior residential space will be 97,097 square feet.

FRS will have 83 off-street vehicular parking spaces, with 109 total spaces of on- and off- street spaces available. There will be no commercial uses at FRS.

Key building and site amenities include: walking distance to the MAX station and ¼ mile from major bus lines; secure indoor bike parking with wash station; two community rooms including one small shared kitchen; community laundry room; community garden beds; community computer lab; open air/nature playground; secure package lockers for incoming deliveries; trash chute and mixed recycling stations on each floor; and electronic MAX train arrival board in the lobby.

Unit size ranges are identified in the next section.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
1-BDR/ 1 Bath	12	30%	12	704-813 SF	\$495
1-BDR/ 1 Bath	5	80%		662 SF	\$1,320
2-BDR/ 1.75 Bath	5	30%	5	932 SF	\$594
2-BDR/ 1.75 Bath	3	50%		966 SF	\$990
2-BDR/ 1.75 Bath	54	60%		916-987 SF	\$1,188
3-BDR/ 1.75 Bath	8	30%	8	1,268 SF	\$607
3-BDR/ 1.75 Bath	4	50%		1,268 SF	\$1,143
3-BDR/ 1.75 Bath	8	60%		1,268-1,313 SF	\$1,371
TOTAL (includes the 1, 2-BDR manager’s unit)	100	53%	25	97,097	\$97,274

Operating Income is based on 2019 LIHTC rents as shown in the OHCS proforma, 2020 FMRs for the project-based vouchers and 2020 energy efficient, multifamily newer utility allowances. Fuller Station has requested from HACC 25 Project-Based Section 8 vouchers to support residents making 30% of area median income or below. Based on 2020 FMRs, the annual income estimated from the Section 8 units is \$328,236.

HACC is recommending Fuller Station Family Housing and the associated funding request of \$10,000,000 and 25 PBVs to Metro for Concept Endorsement

## Background

**Selection process:** The project was selected through the Housing Authority of Clackamas County (“HACC”) NOFA released January 22, 2020. The NOFA closed April 20, 2020. On June 10, 2020, HACC informed GSA of its decision to recommend the project to Metro for Concept Endorsement.

**Site Background:** TriMet purchased the site in 2006 as they developed the Green Line Light Rail Line. GSA has a 15-year history of community development in this area and typically searches for infill locations that maximize urban uses and walkability with a focus on racial equity benefits and public transportation access. Land cost is a major determinant of siting affordable housing, which usually occurs far away from services and transportation access. While the underutilized park & ride site was not for sale GSA submitted to TriMet an unsolicited proposal to develop the parcel consistent with the concept features. The site is attractive for many reasons, but first that it is flat



and has minimal landscaping, lowering some development costs, which can be very costly in this neighborhood.

GSA saw this site as an ideal one to interweave related opportunities to the area as well as to specifically targeted residents, such as homeless families and foster youth entering emancipation. Future residents can benefit from nearby employment, recreational and educational opportunities within walking distance, or at least within walking distance of excellent transit. Also, GSA found this area's existing housing to be nearly unavailable to a significant number of individuals with mobility impairments. Most of the existing multi-family housing nearby is built in a breezeway walkup style which typically reduces the number of units available to this vulnerable population. FRS is designed so that any unit can be converted to serve a household with members who may have physical impairments. This flexibility combined with the proximity of services, transportation, and retail contribute to ongoing stability of occupancy, while serving as many diverse families' needs as feasible.

FRS will be a catalyst project to the neighborhood and will create opportunities for other developments in the area, while bringing to fruition 100 family sized affordable units. The site will be acquired from TriMet at closing, which is projected for the end of August, 2020.

#### **Due Diligence & Predevelopment Completion Overview:**

The following due diligence reviews and reports have been completed to date:

- Feasibility & Market Due Diligence
- Phase I
- Geotechnical Study
- Acoustical Study
- Air Quality Study
- Traffic Study
- Surveys and Re-Plat
- Design, and Planning and Zoning Approvals
  
- Architectural plans and specification – 90% Construction Documents Set
- Permits – submitted to the County
- Construction costing
- Entering negotiations with the General Contractor

#### **Location and Neighborhood**

Location: 9608 SE Fuller Road, unincorporated Clackamas County. Site & Surrounding Zoning:

Station Community Mixed Use Zone (SCMU)

Land Uses/Activities:

North: TriMet Park and Ride.

East: Green Line MAX station, I-205 Multi-Use Bike Path, I-205.

South: County's new East-West "D Street."

Southeast: County's Redevelopment Agency land. Miles Fiberglass will vacate September 2020.

West: Fuller Road, Best Buy.

**Amenities:**

Green Line MAX Stop, I-205 Multi-Use Path/Bike/Nature access path within ¼ mile of the building’s entrance

Lot Whitcomb Elementary, 0.9 miles away

Retail, healthcare and social services employment centers along 82<sup>nd</sup> Avenue

Grocery stores & medical services within a ½ mile:

- a. Walmart,
- b. Morrow Brothers, a fresh produce and ethnic foods store
- c. Trader Joe’s (0.3 miles),
- d. Legacy Go Health Urgent Care,
- e. Stanton Optical Eye Clinic,
- f. Aspen Dental

See Attachment 7.A for detailed Location Amenities Maps

**Site**

Site Address: 9608 SE Fuller Road Happy Valley, OR 97086; Clackamas County;

Parcel Tax IDs are: 12 tax lots -- 12E28CB TLs (p.o.) 200, 300, 500, 600, 900, 901, 902, 1000, 2000, 2100, 2200, 2300

Site Control: by Purchase and Sale Agreement between TriMet & NRED, LLC.

Site Purchase Price/Land Appraised Value: \$1,200,000

**Project Financing**

Estimated Total Development Cost: \$47,223,075 Cost per unit: \$472,230

Cost per gross SF: \$365

Planned Sources		Planned Uses	
Perm Loan	\$14,825,000	Acquisition Costs	\$1,215,000
4% LIHTC Equity	\$16,841,286	Construction Costs	\$32,179,052
County HOME	\$950,000	Development Costs	\$2,505,561
OMEP (MF Energy Program)	\$332,381	General Fees	\$7,761,720
HACC Metro Grant	\$10,000,000	Loan Fees	\$358,200
Metro TOD	\$500,000	Equity and Bond Fees	\$588,005
Early Rental Income	\$437,732	Construction Interest	\$1,509,338
Special Limited Partner Contribution	\$100	Lease Up & Dev Contingency	\$455,090
Deferred Developer Fee	\$3,336,576	Operating Deficit Reserve	\$651,109
<b>Total Permanent Sources</b>	<b>\$47,223,075</b>	<b>Total Uses</b>	<b>\$47,223,075</b>

**Local funding contributions/incentives:**

- Clackamas County Development Services Agency \$3,300,000 (East-West D Street)
- Clackamas County HOME Funds \$950,000
- Reduced parking requirements to 70%

## Development Team

Position Name	Staff Person Name/Title or Contracted Firm Name	Years of Relevant Experience
Owner (GLAD)	Anna L. Geller, GSA President; Thomas B. Brenneke, GRES President	28 years 36 years
Grant application writers	Anna Geller & Mariana Crawford	28 and 12 years respectively
Project Developer	GSA, Prime Developer GRES, Subdeveloper	Developing for 27 years & 36 years respectively
Development Consultant	N/A	N/A
Construction Manager	Bob Beauchemin, President, BC Group	17 years
Asset Manager	Debbie Engen, Guardian Management LLC	40+ years
Compliance Manager	Allison Christenson, GRES	40+ years
Architect	Bill Bailey, Partner, Waterleaf Architects	36 years
General Contractor	Alex Coleman, R&H Construction	40 years
Utilities Engineer Analyst	Scott Sinner	22 years
Resident Services	Anna Geller, GSA President	12 years

The developer team has 64+ years of experience between the presidents of both GSA & GRES. The grant application writers have 40 years of combined experience. Detailed team qualifications, including resumes, listings of prior development experience and recently completed projects, as well as current pipelines are located in the Development Team Experience under Attachment 6.

## Community Engagement

Between 2018 and 2019, GSA held 8 meetings with TriMet regarding the site to discuss density and quality design. TriMet is very invested in this property and interested in recognizing this development as a catalyst to the surrounding Urban Renewal Area that it hopes will sprout in neighboring sites, contributing to an increase in use of the Max Green Line. GSA also conducted the following meetings with partners, as follows:

1. May 1, 2019 - Met with HACC, Jill Smith regarding project-based voucher possibilities and to obtain feedback on local area service providers.
2. May 2, 2019 - Meeting with Margaret Salazar regarding permanent supporting housing potential for FRS.
3. May 6, 2019 - Met with Unite Oregon regarding FRS programming, site and planning.
4. May 6, 2019 - First meeting with JOIN regarding tenant retention services for homeless populations.
5. May 14, 2019 - Meeting with Oregon Food Bank staff to present FRS.
6. May 20, 2019 - Toured with IRCO staff through all three existing projects developed and operated by GSA in Clackamas County to provide an idea what FRS would be like; to obtain feedback on initial community area design drawings at FRS and to present concepts for classroom space for IRCO's multilingual parenting classes.
7. July 11, 2019 - Held presentation with drawings and exhibits at GSA-operated Summer Food Program for all attendees, including Q and A session.
8. July 14, 2019 - Met with Dan Chandler, Assistant County Administrator, at the FRS site and discussed his thoughts on what was needed at the site, and the status of our planning.

Once sketch plans were completed, GSA held formal and informal engagements with potential residents, community members, service providers and public and civic organizations, to gain insights as to the needs of the most vulnerable in our community.

Key themes of needs and wants arose from these meetings: affordability, housing for families, access to employment and skills development and safety.

Key requested features, now included at FRS, were green spaces for children, accessibility, places that exude respect, self-efficacy and dignity in support of community building, educational opportunities to escape poverty, youth services, access to nutrition and food, building common ground to relate to neighbors and make friends.

GSA has frequent contact with residents, neighbors and its long-term outreach partner, the North Clackamas School District. These meetings provided helpful guidance through several of GSA's special events and has led to some of GSA's most successful accomplishments – amenities that will be well used and appreciated by residents such as locked bike storage, irrigated community gardens with equipment, tools and garden shed and a natural playground.

GSA also held 3 formal presentations at each of its existing Clackamas County developments, conducted during the planning and design phases of FRS. GSA gathered valuable resident and neighborhood input and passed out community surveys to determine necessity of each planned or considered amenity. GSA regularly asks its residents to fill out satisfaction surveys and provide input as to their current and anticipated needs.

Additionally, GSA regularly hosts resident outreach programs that are open to the neighborhood and advertised to the entire community via multi-lingual flyers. Each summer (pre-COVID) GSA plans and hosts Harvest Share, a free food market, provided in collaboration with a local church, the Oregon Food Bank and GSA summer staff. GSA consistently hires 12- 15 bi-lingual staff, typically recruiting from the local high school or community college. Additionally, it provides space and staff for a Free Food Market led by the Oregon Food Bank. For the past 5 years GSA, in collaboration with the Food Bank, sets up a weekly farmer's market-like space for the community and residents. GSA widely advertises the program at all its buildings and throughout the neighborhood. Diverse, multilingual families of varied ethnic backgrounds attend to pick up free fresh fruits and vegetables along with shelf stable milk and bread. It is not unusual to have daily attendance of more than 500 people in the span of a few hours. Many families line up well in advance of opening, which has created time for GSA to discuss FRS with the community. While attendance is multi-ethnic, Spanish speaking turnout runs about 40% of total attendees. As GSA engages with attendees and their children, it learns about the current daily worries, struggles and needs of some of the most vulnerable families.

## **Advancing Racial Equity**

**Outreach Strategies for Affirmative Marketing:** Three other properties developed and operated by GSA are within one mile of FRS. We've learned from neighbors and residents that many have been turned away from leasing apartments in the area, which provide few large units. Primary anecdotal reports for denials are: racism against people of color; household size in relation to the number of children; and language barriers with property management staff. FRS' leasing activities rely on the commitment to affirmatively further fair housing.

Guardian Real Estate Services' marketing outreach will be to engage with communities of color, organizations servicing people with disabilities and marginalized communities such as non-native English speakers through public, civic and religious organizations in the area, frequented by those least likely to apply. For example, there are many service providers, public, community and civic organizations that meet the needs of immigrant families, minorities, people with disabilities and families with children.

GLAD has entered into a MOU with Dev NW and JOIN. Dev NW is an organization that serves youth exiting the foster care system. JOIN serves houseless individuals and families in Clackamas County. Guardian's marketing team will work closely with these organizations through the low barrier screening criteria included in each of the MOUs. In addition to the low barrier criteria, the lease-up plan is specific as to how adverse credit, rental, and legal histories and very limited income are to be evaluated to screen people *into* the building. The leasing plan details working with CHA and the County's systems to appropriately lease up the 25 PBV units, with a focus on long term stability of the families and individuals.

At least one month before we begin the pre-leasing process, we will reach out to the organizations serving underserved populations in the local community, and market the property, networking with them and making sure their clients are informed of the new housing opportunity.

Applicants and residents will be provided with linguistically appropriate communications. Site management and staff will be trained in understanding FRS's population focus, fair housing policies, diversity, equity, inclusion and essential anti-racist perspectives and behaviors. FRS ownership and property management will make every effort to hire staff and vendors representative of the FRS projected resident community. FRS and GRES will conduct annual assessments to gauge the efficacy of the marketing and outreach strategies, along with the screening and lease up processes. GSA will engage persons of color to learn the quality of their intake experience at the property and their observations regarding barriers or other obstacles. Reviews will be conducted and adjustments will be made from time to time, to better reach the target populations, including persons of color. Staff of varying cultural and linguistic roots help GSA to ensure equitable access will be the norm.

1. Through its four years of planning and vetting, FRS has been at the forefront of leading with racial equity in the following ways: consistent history of community engagement programs that reach diverse groups within the County;
2. locating this development within walking distance from MAX transit and a recreational/commuter bike path, grocery stores, schools, medical facilities, and a myriad of other community supports and services;
3. thoughtfully considered and vetted low barrier tenant screening and marketing plans that focus on the pressing needs of homeless families with children and diverse communities in the County;
4. resident and supportive services that have been sensibly planned and meet the needs of the most vulnerable populations, and
5. a detailed plan to achieve at least 20% COBID certified subcontractor participation and 20% COBID certified professional services participation. For more detail, please see Equity Plan in Attachment 7.B.

FRS meets the needs of marginalized populations. The unit mix meets the unmet needs of communities of color, large families with children, multigenerational, homeless families that may have been or are at risk of separation due to impending homelessness, or groups of people that present themselves as families. Our working definition of "family" is: any group of people that present together and identify themselves as a family, regardless of age or relationship or other factors, are considered to be a family and must be served together as such. Family includes, but is not limited to, regardless of marital status, actual or perceived sexual orientation, or gender identity, any group of persons presenting for assistance together with or without children and

irrespective of age, relationship, or whether a member of the household has a disability. Additionally, our definition of “family member” is: any member of a household as defined or identified by the household, and is not limited to persons related by birth, adoption, or marriage. A child who is temporarily away from the home because of placement in foster care is considered a member of the family.

FRS is designed as a community of opportunity. Its focus is pragmatic, concerned with building a positive and resilient community. The housing units are the shell and shelter focused on the needs of its future residents, crafted with care to elevate and preserve dignity in the lives of its occupants.

This project will be the culmination of a tri party public-private partnership between the developers, TriMet and both METRO and the County, through HACC, Economic Development and other branches of County government. It actively leads with racial equity to rectify the well documented historical legacy of disenfranchising people of color in the County. High density development, like the subject, that are transit oriented, contribute to parking reduction and reduced reliance on single-occupant vehicle use, and access to services that enrich the lives of those in need cannot happen if not for the vision, drive and commitment of those who keenly understand personally and professionally what a difference these units will make in the lives of the future residents, the neighborhood, and this unincorporated area of the County.

As HACC recognized in the NOFA literature, the housing stock in the County is focused on smaller units, leaving families with 2 or more children or multigenerational families out of the market. Thus, larger families face higher barriers to housing, as do people with disabilities. Further, people with disabilities that have a support animal are targets for fair housing discrimination or potential harassment by uninformed landlords. As evidenced by its design and programming, the building is physically ideal to accommodate 82 families. The design meets ADA requirements and all units are adaptable for residents with a disability. FRS has 5 units that are Section 504 accessible for people with a physical impairment, and 2 units target people with sensory impairments. In addition, FRS has 2 elevators and all the units have been designed to be accessible through wider doorways and walk throughs and floor area turnarounds. FRS has 25% of the affordable units targeting permanent supportive housing for homeless households.

FRS has executed MOUs with JOIN (15 units) and Dev NW (7, up to 10 units, or more). FRS has a draft MOU with the Continuum of Care that has been agreed upon in principle by both parties, which provides for the remaining 3 units not spelled out in the MOUs with JOIN and Dev NW. FRS’s permanent supportive housing program is built with flexibility in mind, given that population categorizations are fluid. Both Dev NW and JOIN serve homeless populations, including foster youth who have recently exited or are in the process of exiting the system. Homelessness disintegrates families, displacing individuals through more distant networks, foster care, and for a limited time, friends and distant relatives. Thus, the needs of homeless families with children is often underreported, with many families broken up by the time individuals reach out for social services. The need to combat homelessness in general is well documented, and in the County is a direct result of lack of affordability and a short supply of family units. Foster youth may be one of the hardest to house groups, not least because there is limited funding for this often-unseen population. Though Oregon invests considerably in fostering children, without stable housing for transition out of the system, that investment can be lost. Traumatic transitions to adulthood can, and often do, scar the individuals in many ways. According to USC’s Homelessness Policy Research Institute the psychological effects of homelessness on young, still developing brains can have life-long and life changing deleterious effects on an individual<sup>1</sup>. FRS will provide the housing and

supports necessary for youth in transition from an institutionalized system to adulthood, in an environment that is safe, clean, and supportive. FRS has executed and MOU with Dev NW and hopes to exceed the MOU's targets as this property comes online.

For the 25 Project-Based Section 8 Vouchers specifically, FRS will work productively to fill those units from the County's Coordinated Housing Access (CHA) system in collaboration with the HACC's waitlist process.

FRS has been in the predevelopment stage for 18+ months. Through consistent vetting with service providers, vendors, lenders, investors and the development team, FRS' framework has been to provide permanent supportive housing in a mixed population setting.

<sup>1</sup>[socialinnovation.usc.edu](http://socialinnovation.usc.edu)

## Partnerships and Services

FRS and its partners are committed to actively targeting and addressing equity, inclusion, and racial disparities for residents, staff, and the community. If English is not the household language, property management will make every effort to find ways to communicate to those renters in their first language. Please also refer to our inclusionary marketing and leasing plan discussed above.

FRS has selected its partners with a focus on depth of expertise in addressing individual and family needs effectively, to end cycles of homelessness and poverty and create the support for all members of the family to thrive. In 2016, JOIN identified becoming an anti-racist organization as a new strategic goal. Since then, it has diversified staff to reflect the communities they serve more accurately. Its retention team offers bi-lingual and bi-cultural services in Spanish and relates more effectively with clients. JOIN monitors placement and retention numbers, adjusting services and strategies to be more culturally relevant, and partnering with culturally specific agencies, to address racial disparities on the street as well as the unique ways in which communities of color experience homelessness. It actively solicits feedback from clients as well as partner agencies with a focus on the cultural relevance of services. Dev NW's services, including case management, are available in English and Spanish. Clients are informed the services offered, and their delivery, can be reasonably modified at any time to meet their needs. The youth placement program uses a housing-first model and had very minimal barriers to entry. Case workers work with clients to overcome rental history or criminal histories that present challenges to identifying adequate housing. Staff are trained in fair housing law, which helps to ensure clients don't face discrimination in housing.

To date, FRS' supportive services are designed as a collaborative process between GSA, the resident services provider, asset management, GRES and supportive services providers. GSA, will meet regularly throughout the year with its MOU partners and assess how effective to residents are the resident and supportive services; what other supports are needed on and off site for their work to be delivered responsively, and any adaptations that may need to be made. Gathering feedback regularly from those closest to the residents will inform timely planning efforts, services designs and adjustments as well as insuring intense and effective collaboration for seamless, individualized delivery of both resident and supportive services. In addition to the resident services planned formally through NCSO, Summer Food, Harvest Share, or more ad hoc through IRCO's parenting classes, Dev NW's asset building, budgeting and IDAs, FRS is leveraging the expertise and partnership networks of our supportive services providers. This opens relationships with the following groups: CSC, County's Continuum of Care, DHS, the Juvenile Dept., OYA, OHP, SNAP, WorkSource, NARA, Urban League of Portland and El Programa Hispano.

## **Anticipated Timeline**

Please find our timeline in Attachment 7.C.

The Metro Bond funding is the last public source needed for FRS' capital stack. As soon as concept approval is granted, the development team is prepared to move full speed ahead toward financing closing. Construction plans are 90% complete and all zoning approvals have been obtained. Permits have been applied for December 2019. We are currently mobilizing our design and construction teams toward a closing date of August 27, 2020, and construction start of August 28, 2020.



## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** Good Shepherd Village

**Implementing Jurisdiction:** Housing Authority of Clackamas County

**Metro IGA Contract Number:** 936551

**Anticipated construction start:** September, 2021

**Anticipated construction completion:** March, 2023

**Action:**

Metro hereby provides the Housing Authority of Clackamas County (HACC) with Concept Endorsement for \$18,330,000.00 Metro Affordable Housing Bond funds for the development of Good Shepherd Village, a regulated affordable housing project located at 12596 SE 162<sup>nd</sup> Avenue, Happy Valley. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by HACC, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by HACC, including the following Project unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
8	Studio	30%	8
4	Studio	60%	0
22	One-bedroom	30%	12
28	One-bedroom	60%	0
19	Two-bedroom	30%	5
41	Two-bedroom	60%	0
9	Three-bedroom	30%	0
10	Three-bedroom	60%	0

Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and HACC, following Metro's Final Approval of the Project.



\_\_\_\_\_  
Marissa Madrigal

Chief Operating Officer

\_\_\_\_\_  
08/06/2020

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Good Shepherd Village



Drafted by: Ted Reid, Principal Regional Planner, Valeria McWilliams,  
Housing Bond Program Analyst, and Choya Renata, Senior  
Communications Specialist, Metro  
Date: July 30, 2020

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Good Shepherd Village. 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).

## Contribution to unit production targets

Good Shepherd Village will utilize 16% of HACC's total allocation of bond funds while delivering the following unit production outcomes:

- 17% of HACC's overall unit production target;
- 17% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 20% of HACC's family sized unit target.

When combined with HACC's 18000 Webster Rd and the Maple Apartments, this project puts the County on a path to have utilized 29% of HACC's total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 44% of HACC's overall unit production target;
- 52% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 52% of HACC's family sized unit target.

This project also includes an allocation of 30 vouchers, which represents 15% of HACC's total number of vouchers for use.

## Eligibility and readiness to proceed

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

- Preliminary project pro forma dated 04/17/2020
- A bargain and sale deed executed on 04/16/2013, demonstrating site control transfer from Catholic Charities to Good Shepherd LLC

- Anticipated rezoning approval letter for the site and eligibility for an affordable housing density bonus
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon

Staff have identified the following risks to project feasibility and readiness:

- The site requires a rezone from PMU and R10 to MUR M1. Zone change is consistent with Comprehensive Plan but will require Planning Commission action. Project could stall if zone change is denied.
- While staff has reviewed a preliminary pro-forma from the developer, staff is still awaiting an updated pro-forma in OHCS format.

Staff will continue to request updates from HACC regarding how the above work is proceeding. In addition, it is worth highlighting that the cost per gross square feet for this project is \$422.40, which is quite high. This is due to the projected \$7 million dollars allocated for on-site and off-site constructions costs. The project has extensive site work and infrastructure requirements due to the need for the project to extend the public road system and utilities, as well as to mitigate the slopes of the site. Without these improvements, the cost per gross square feet would be \$359, which is consistent to the average of other projects.

Additionally, although the land was donated to the developer, the project does include \$1 million dollars for land cost, which allows the developer to recapture the decade long land holding costs. The land cost is balanced with a sponsor loan to minimize the impact of these costs on the project and such that the developer would only be repaid through available cash flow from the project over time if and when the project is completed and operated sustainably.

## Advancing racial equity

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

- **Location:** The 11 acres of land for the project is located in the Rock Creek neighborhood of Happy Valley. Two grocery stores and a pharmacy are within a quarter of a mile, Providence Clinic is accessible within half a mile and there is a public library and two public elementary schools within 1 mile. Multiple parks and other recreation areas for public access are also within a quarter of a mile. This is consistent with HACC's LIS goal of providing new affordable housing in high opportunity neighborhoods with access to jobs, schools, commercial services, parks and open spaces.
- **Transit access:** The project will be served by bus service within a quarter mile and the Clackamas Town Center station within a mile.
- **Diversity in contracting/hiring:** The developer expects to surpass COBID-certified participation for professional services and are currently projected to obtain at least a 25% participation rate. The general contractor, WALSH construction, anticipates several opportunities to increase COBID-certified participation beyond the 20% goal due to the mix in scale of buildings, as well as the variety of site work that will need to occur on the large site, among other opportunities.
- **Access for historically marginalized communities:** The project will be the first affordable housing development in the City of Happy Valley. Partnerships with the Asian Pacific American Network of Oregon (APANO) and El Program Hispano for this project are seeking to complement Caritas/Catholic Charities' areas of expertise for outreach and engagement,

lease-up, and services for residents. The property manager for the project, Quantum Residential, will use low barrier screening as a baseline goal. Additionally, it will work to set a clear and consistently applied policy to override the screening criteria. Criteria areas that could be assessed for the override policy include rental and criminal history reviews as well as income-to-rent requirements. Quantum Residential will work with partners to establish application fee assistance for their clients and referrals. Partnerships with the local VA and DHS office for marketing and lease-up will be included in the efforts to increase access to this housing opportunity.

- **Culturally appropriate services:** The developer is at a very preliminary stage in exploring potential partnerships with community based organizations that might support services at the project. The project will have a particular focus on reaching the Asian and Hispanic/Latino communities for this property as well as seniors, Veterans, and people who have experienced homelessness. The exact services will be refined and adjusted based on actual resident needs. The property management is committed to hire on-site staff who are representative of and/or can connect with the resident population.

### Community engagement to inform project implementation

Metro staff have reviewed the narrative to confirm consistency with the community engagement elements of Clackamas County'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:**
  - Partnerships with APANO and El Programa Hispano Católico have garnered deep and thoughtful input from communities of color and other marginalized groups, and Clackamas County will continue working with these groups for additional engagement.
  - County and developer gave specific consideration to diversity between and among Asian Pacific Islander communities and Latinx communities, particularly the reality that income averages can be an unhelpful way to look at these groups because there can be significant disparity between higher income folks and lower income folks within each group. Consideration is being given to engagement input from low-income people who will be within the priority audience for this housing.
- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:** The narrative and additional information reports several themes from early engagement and ways the project will address them. Major themes include:
  - Culturally specific partner organizations want flexible meeting space (particularly those that are more heavily based in Multnomah County but want to develop more presence in Clackamas County); the project plans to accommodate this.
  - Houseless and formerly houseless women involved in Housing Transitions Program expressed strong preference for bathtubs, so developers are prioritizing including bathtubs even in smaller units.
  - Unit mix and sizes were influenced by need for family housing; two bedroom units seem to mostly meet this need, however – there is also a need for multi-generational housing with some separation. Developer and county staff are working to create an “intergenerational referral process” as a leasing priority so families can live near

one another in different units. This reflects an innovative approach that impressed Metro staff, and hope to see this used elsewhere if it is successful.

- Finally, a desire for mixed outdoor space (quiet areas and gardens in addition to playgrounds; covered areas for shade and rain protection) is being incorporated into design.

# Exhibit B: Project summary submitted by Housing Authority of Clackamas County | Metro bond concept endorsement for Good Shepherd Village



Submitted by: Devin Ellin, Senior Housing Developer  
Housing Authority of Clackamas County, dellin@co.clackamas.or.us  
Submitted on: June 16, 2020

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## Project Overview

In 2012, the Brockamp Family donated 11 acres in Happy Valley to Catholic Charities of Oregon (CCO) with the intent that the land would be developed as affordable housing. The \$18,330,000 requested from Metro provides a great opportunity to fulfill this dream. The property offers a beautiful four-acre natural area in the northeast part of the site, focusing development to approximately seven acres. As the affordable housing arm of CCO, Caritas Community Housing Corporation plans to develop 141 affordable units on the property, referred to as Good Shepherd Village (Good Shepherd Village LLC is also the name of the entity created by CCO to hold this real estate asset), which will be the first Affordable Housing development in the City of Happy Valley. The property currently holds one single-family home utilized by the Brockamp Family, which will be removed as part of the development (the Brockamp Family will have a designated unit in the new development, in addition to the noted 141 affordable units).

The project meets Clackamas County’s financing priorities through efficient and appropriate use of funds by leveraging Bond sources with significant 4% LIHTC equity, private financing and grants, OHCS Multifamily Energy Program grants, donated land, as well as city development bonuses and fee waivers. Further, while the developer fee is within OHCS and Bond guidelines to maximize eligible LIHTC basis and equity, a significant portion will be contributed back to the development sources in the form of a Sponsor Loan contribution.

## Preliminary Development Program

Caritas Community Housing Corporation plans to develop 141 affordable units on the property. The three-bedroom units and several of the two-bedroom units will be focused in two smaller, three-story buildings each surrounding a small courtyard. A third, four-story building will house all of the studios, one-bedrooms, and remaining two-bedrooms, as well as secure bike parking, laundry facilities, a community room, and office space for resident and supportive services. In total, the buildings are expected to be 127,610 SF, with 24,500 SF of open space/common area. There will be no non-residential areas within the development – all common areas and office spaces will support residents. The site will include on-site parking (both off-street and on-street) and outdoor gathering and play areas. The design incorporates trauma-informed design principles, universal design, and sustainable design elements that will meet Earth Advantage Certification goals.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
Studio	8	30%	8	400	\$483
Studio	4	60%	0	400	\$967
1-bed	22	30%	12	550	\$518
1-bed	28	60%	0	550	\$1036
2-bed	19	30%	5	850	\$621
2-bed	41	60%	0	850	\$1243

3-bed	9	30%	5	1080	\$718
3-bed	10	60%	0	1080	\$1437
Brockamp Unit	1	N/A	0	1080	\$0
Total	142		30		

## Background

Catholic Charities of Oregon (CCO) received the project site, located at 12596 SE 162nd Avenue, Happy Valley, OR 97086, as a donation in 2012 from the Brockamp Family and created Good Shepherd Village LLC as the entity to hold this real estate asset. As the housing arm of CCO, Caritas Community Housing Corporation will be the sponsor and developer of the project. The attached Bill of Sale and Bargain and Sale Deed reflect this.

Although the site will require a rezone in order to develop the proposed project, the new zone is consistent with the city's Comprehensive Plan for the property. To date, the development team has already held a Pre-Application meeting with the City of Happy Valley and had a follow-up meeting with City Planners to discuss timeline and process related to the required rezone in anticipation of this funding application. The attached letter from the Planning Manager, Joseph Briglio, outlines the process and timeline for the rezone and expresses alignment with the proposed new zone with City plans. The team has an existing site survey that we plan to update after award and have also reviewed and discussed relevant design standards for the City of Happy Valley which are considered in the proposal.

Additionally, with the assistance of our planning consultant, OTAK, and development consultant, HDC, we have done a preliminary review of the National Wetlands Inventory and Local Wetlands Inventory, and received input from a civil engineer water, sanitary, and grading of the site. Lastly, the team has started to procure proposals for additional due diligence and pre-development activity in anticipation of a funding award.

## Location and Neighborhood

Immediately adjacent lots are all mixed-use residential in the Rock Creek Area Comprehensive Plan designations, with a current zoning a mix low-density (R-10) up to high-density residential (MUR-A). Adjacent uses are residential (mix of single-family and several new planned developments with a mix of single- and multi-family development).

The proximity map below provides an overview of some of the nearby amenities and services, including:

- » **Public Transit:** within ¼ mile and less than 1 mile
- » **Grocery and Drug Store:** two grocery stores and a pharmacy within ¼ mile.
- » **Medical Services and Library:** Providence Clinic within ½ mile and Public Library within 1 mile.
- » **Public Schools:** two public elementary schools within 1 mile.

- » **Parks and Recreation Areas:** multiple parks and recreation areas for public access within ¼ mile of the site



Figure 1: Site Location and Proximity Map

**Site**

Catholic Charities of Oregon (CCO) received the 11 acre project site, located at 12596 SE 162nd Avenue, Happy Valley, OR 97086, (tax lot 23E06BB00300) as a donation in 2012 from the Brockamp Family. CCO created Good Shepherd Village LLC as the entity to hold this real estate asset. As the housing arm of CCO, Caritas Community Housing Corporation will be the sponsor and developer of the project. The attached Bill of Sale and Bargain and Sale Deed reflect this.

Although the site will require a rezone in order to develop the proposed project, the new zone is consistent with the city’s Comprehensive Plan for the property. The attached letter from the Planning Manager, Joseph Briglio, outlines the process and timeline for the rezone and expresses alignment with the proposed new zone with City plans.

The site currently holds a single-family home that will be removed ahead of construction of the proposed project. The home currently is used by the Brockamp Family, and per the agreement with the family, the new development will provide one unit for use by the family.

**Project Financing**

Total Development Cost: \$53,902,667  
 Cost Per Unit: \$379,596  
 Cost per gross SF: \$422.40

The project meets Metro financing priorities through efficient and appropriate use of funds by leveraging Bond sources with significant 4% LIHTC equity, private financing and grants, OHCS Multifamily Energy Program grants, donated land, as well as city development bonuses and fee



waivers (parking is expected to meet City of Happy Valley codes and we have prioritized other development bonuses which have greater potential impact to the development costs).

## **Development Team**

### **Caritas Housing + Catholic Charities of Oregon**

As the housing arm of Catholic Charities of Oregon (CCO), Caritas Housing began working in 1998 to acquire, develop, rehabilitate, and manage permanent affordable housing for those in need of a home across the state. This now includes over 800 units of affordable housing across 20 properties statewide and nearly 200 units within Clackamas County. CCO also has a great breadth of direct service experience. In addition to providing services to residents at Good Shepherd once completed, we have the benefit of having housing and homeless services staff as well as residents, clients, and program graduates available to provide input on the project throughout the design and development process in order to ensure residents needs are thoughtfully considered and integrated all along the way.

Caritas' Housing Team has decades of collective affordable housing development and management experience in addition to backgrounds in construction management, design, and city planning. Caritas has successfully acquired, developed, and operated properties using a wide variety of affordable housing finance sources, including (but not limited to): LIHTC, HOME, CDBG, USDA Rural Development financing, HUD Section 811, and more. Additionally, Caritas has experience developing and operating properties utilizing referrals from Coordinated Access programs in Clackamas County and elsewhere, and with rent subsidy programs, including tenant- and project-based Section 8, VASH, and USDA Rural Development.

### **Housing Development Center**

Caritas has partnered with the Housing Development Center (HDC) to provide support throughout the project, starting with feasibility analysis in 2017, continuing through financing, construction, and lease up. HDC has been providing technical expertise to affordable housing developers since 1993 – helping create and preserve over 7,000 affordable homes since then, including Caritas' recent rehabilitation and expansion of the Molalla Gardens property.

### **MWA Architects**

MWA brings over 30 years of experience and strong expertise in multi-family affordable housing design. The project team has a strong people-first focus in their designs, with experience working on affordable housing developments in jurisdictions across the Pacific Northwest. Flexibility in design is a critical component to exploring the feasibility and programming of a project. MWA's experience navigating project variables through a variety of affordable housing projects gives them a solid base of knowledge related to design, materials, maintenance, and durability and the appropriate balance between each of these.

### **WALSH Construction**

Formed in Portland in 1961 and incorporated in 1974, WALSH has earned a solid reputation based on fair business practices, safety, teamwork and cooperative problem-solving. Through 58+ years of experience with wood-frame construction, WALSH has determined how systems, materials and construction practices can provide a high degree of value to building owners, specifically non-profit organizations providing housing for low-income residents. Proper construction and diligent communication, with attention to details, are critical. Throughout their history, WALSH has

partnered with local organizations to build and renovate affordable housing in the Pacific Northwest. Their affordable housing experience covers a wide range of project types and locations throughout Oregon and Washington. WALSH is passionate about affordable housing - having built over 30,000 units in partnership with over 35 different non-profit housing organizations throughout the Northwest. WALSH has experience with, and is prepared to meet, the requirements specific to LIHTC, Bond, and other types of funding, as well as prevailing wage requirements anticipated for this project. Their extensive experience working on projects through LIHTC and other State and Federal tax credit programs allows for strategic collaboration with the rest of the project team to efficiently utilize state and federal credits.

### **Quantum Residential**

Quantum Residential has been managing affordable communities throughout Oregon for 30 years. Quantum currently works with 6 different housing authorities (including HACC and Home Forward) and numerous non-profits which encompass a broad spectrum of affordable programs. This includes but is not limited to local funding, PBV subsidy, and LIHTC. Quantum's experience also includes over 20 years managing properties with Permanent Supportive Housing units, as well as over 30 years of experience of managing properties with multiple layers of funding and compliance requirements.

### **Community Engagement**

Caritas greatly values incorporating engagement and input from the community as well as populations that reflect the intended residents of a development. As such, this will be a key step as the project progresses and as we refine the site plan and unit and building designs. Already, the unit mix, amenities, services, and target populations have been informed by feedback from residents and management of Caritas' existing properties and from our ongoing partnership with El Programa Hispano. Caritas' existing properties, including Molalla Gardens and Sandy Vista (both in Clackamas County) include populations that are similar in income, family composition, and cultural background to target populations for Good Shepherd Village. In addition, Caritas has an existing referral agreement with El Programa Hispano at Molalla Gardens and other properties for survivors of Domestic Violence, which has also helped inform project plans at Good Shepherd Village.

Additionally, we are actively working with Portland State University students from the Masters' of Urban and Regional Planning program on a project which includes engagement with current Caritas Housing residents, program graduates, and others that represent the populations that we plan to serve through this development. Their findings will provide a strong foundation for future refinement of the design.

For further outreach, we plan to coordinate with Catholic Charities' service programs and our culturally-specific project partners such as APANO and El Programa Hispano to conduct outreach and engagement specific to the design of this project. This will include at least one event/meeting for the design team to collect input and feedback on the design of the project.

We also plan to engage the surrounding community and neighbors early on for this development. This will include at least one open house for community members to learn about the project and provide feedback that will be incorporated as the project progresses. Examples of this on other Caritas projects have included door-to-door outreach with adjacent neighbors to raise awareness of Caritas/Catholic Charities and the planned project as well as related opportunities for input, open houses, small-group meetings with neighborhood groups and stakeholders to discuss

specific topics, and regular updates via e-mail. Thus far, we have had several meetings with City Planners to understand both City requirements as well as learn about feedback from the nearby community for similar projects. This feedback from the community has been strongly considered in the early conceptual design presented in this application.

## **Advancing Racial Equity**

Catholic Charities of Oregon is called by a tradition of social justice to the work of equity and inclusion. CCO, inclusive of Caritas Housing, works to advance equity for immigrants, refugees, and people who are homeless and vulnerable, with a special emphasis on those who are not served by other providers. Good Shepherd Village will serve target populations with a broad range of needs based on our analysis of people living and/or working in Happy Valley. Priority populations include Communities of Color, particularly Asian and Hispanic/Latino households; Low- and extremely low-income households, including households who have experienced or are at risk of homelessness; Seniors; Veterans; and Families.

As with the region and state, Communities of Color are more likely than their white counterparts to experience poverty and homelessness. While the Clackamas County Housing Needs Analysis notes, "Happy Valley... [is] more racially diverse... compared to the State and County average," including an Asian population which represents just over 18% of the overall population in Happy Valley, more than 50% of people experiencing poverty in Happy Valley are Asian. Further, nearly 6% of Happy Valley's population identifies as mixed-race (two or more races) and nearly 5% identify as Hispanic or Latino, the second largest Community of Color experiencing poverty. We have focused our partnerships to complement Caritas/Catholic Charities' areas of expertise and to align with the areas of need. This includes partnerships with Asian Pacific American Network of Oregon (APANO) and El Programa Hispano for outreach and engagement, lease-up, and services for residents. In addition to this, Good Shepherd Village will be the first Affordable Housing development within the City of Happy Valley, providing an important first step in providing affordable housing in an area that desperately needs it, while also creating an opportunity to provide stable housing in an amenity rich area for those that are most often displaced at a more rapid rate.

The Property Manager for Good Shepherd Village, Quantum Residential, brings over 30 years of experience managing properties, many of which focus on the priority populations for Good Shepherd Village. It is standard practice at Caritas' properties to conduct low-barrier screening in order to minimize challenges to access affordable housing. This baseline goal is adjusted to be appropriate for the target populations for each property. We know Communities of Color experience a vast array of barriers to accessing housing, including high and numerous rental application fees, lack of Social Security Numbers (SSN)/Cards, and/or limited rental and credit history, especially for new immigrants. While the screening criteria will not be formalized until after funding is committed, we will work closely with Quantum to be responsive to these types of barriers while acknowledging the important element of setting a clear and consistently applied policy to override the screening criteria. For example, criteria areas that will be assessed for the override policy include rental and criminal history reviews as well as income-to-rent requirements. Additionally, credit score minimums are never a factor in our lease-up processes, we are able to accept alternative forms of identification besides SSN, and as we have at other properties, we will work with partners to establish application fee assistance for their clients and referrals. We will also invite input from our project partners on ways to make screening criteria and leasing processes more approachable and responsive to Communities of Color and the barriers they face. Quantum also values reaching communities that historically have experienced

barriers to accessing housing such as Communities of Color. This expertise will be key in our marketing and lease-up plan, as well as in ongoing management of the property. Quantum is committed to attaining these goals through the following:

- Working with resident services to help facilitate a farther and broader reach.
- Working with local culturally-specific organizations, including El Programa Hispano and APANO
- Working with the local VA and DHS offices for marketing and lease-up

In addition to Caritas' partnership with El Programa Hispano, APANO, the VA, and DHS for engagement and lease-up activities, we anticipate leveraging partnerships with local parishes for additional outreach to target communities. In particular, Our Lady of Lavang Parish has a predominantly Vietnamese congregation and is preparing to relocate from their current Portland property to the former site of the New Hope Community Church in Happy Valley, close to the Good Shepherd Village property.

Caritas has a firm commitment to supporting historically marginalized communities through our projects – this includes the workforce that is a part of making a concept become reality. We encourage our entire team to take seriously the goals of supporting minority- and women-owned businesses as well as emerging small businesses, as well as supporting and promoting a diverse workforce in their own industries and teams whenever possible. This is reflected in the successful outcomes from the St. Francis Park Apartments, which had the same project team as Good Shepherd Village – MWA Architects, WALSH, and Caritas/Catholic Charities. The project met or exceeded all workforce and MWESB/COBID goals and we are excited to apply these successes and lessons to Good Shepherd Village. While we expect differences between Good Shepherd Village and St. Francis Park Apartments due to the location, project scope, and associated subcontracting details, we are confident that we will meet all of the NOFA's workforce and contracting equity goals, and we are committed to continuing to build partnerships and strategies that will allow us to exceed the targets. We already expect to surpass COBID-certified participation for professional services and are currently projecting to obtain at least a 25% participation rate. For COBID-certified subcontractor participation, WALSH anticipates several opportunities to increase participation beyond the NOFA goals, thanks to the mix in scale of buildings (with two smaller-scale 18-unit buildings and one larger 106 unit building), as well as the variety of site work that will need to occur on the large site, amongst other opportunities. Additionally, the team is committed to working with the local workforce board, Clackamas Workforce Partnership, to set local workforce goals and commitments.

## Partnerships and Services

Caritas and Catholic Charities approach resident services differently at each of our properties according to the population, geography, and other needs of each property's residents. As noted above, we plan to have a particular focus on reaching the Asian and Hispanic/Latino communities for this property as well as Seniors, Veterans, and people that have experienced homelessness. The RSC for the property will similarly focus on providing services that are reflective of these communities' needs. Caritas also works closely with property management to hire on-site staff who are representative of and/or can connect with the resident population. Although the exact services will be refined and adjusted based on actual resident needs, examples from other properties with a similar mix of priority populations include:

- **Immigrant and Refugee Communities:** English language classes have been particularly beneficial for residents of properties where English is not residents' first language --

especially for immigrant and refugee parents whose children are learning English in school, but the parents would not otherwise have access to language classes. In addition, Cultural Orientation classes, part of the CCO's Refugee Services program, will be available to residents and are designed to introduce newly arriving refugees and others to everything American - from how to get a library card to coping with the depression related to culture shock. CCO's Immigration Legal Services have hosted "Know Your Rights" workshops on-site for other Caritas properties, something that was particularly beneficial recently as residents feared ICE sweeps targeting communities with large Hispanic/Latino populations. These would also be hosted at Good Shepherd Village as needed. (similar Caritas properties: Sandy Vista, Kateri Park, Esperanza Court)

- We have also partnered with El Programa Hispano and Asian Pacific American Network of Oregon (APANO) to be culturally responsive resources for residents, both during development and after completion.
- **Seniors/People with Disabilities and Veterans:** Resources and support for independent living, organizing trips and transportation, and assistance with planning for changes in health or living needs, healthcare access/navigation and wellness checks. Additional services for these populations are anticipated to be provided by DHS and the VA in Clackamas County. See attached Letters of Support. (similar Caritas properties: Cedar Park Gardens, Caritas Plaza, Caritas Villa, Sacred Heart Villa)
- **Previously Homeless and/or extremely low-income:** Services ensure that residents maintain stable housing, connect them employment and benefit assistance, and facilitate connections with food pantries or health care (including hosting health screenings and/or food pantries at the property) (similar Caritas properties: Kateri Park, St. Francis Park, Kenton Women's Village)
- For Permanent Supportive Housing units, we will provide services utilizing a Housing First model with assertive engagement, trauma-informed care, and a strengths-based approach to case management.

## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** Maple Apartments

**Implementing Jurisdiction:** Housing Authority of Clackamas County

**Metro IGA Contract Number:** 936551

**Anticipated construction start:** July, 2021

**Anticipated construction completion:** March, 2023

**Action:**

Metro hereby provides the Housing Authority of Clackamas County (HACC) with Concept Endorsement for \$15,903,000.00 Metro Affordable Housing Bond funds for the development of Maple Apartments, a regulated affordable housing project located at 14338 S Maple Lane Court in Oregon City. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by HACC, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by HACC, including the following Project unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
24	One-bedroom	30%	24
18	One-bedroom	60%	0
29	Two-bedroom	30%	29
25	Two-bedroom	60%	0
17	Three-bedroom	30%	17
49	Three-bedroom	60%	0
9	Four-bedroom	60%	0

Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and HACC, following Metro's Final Approval of the Project.



\_\_\_\_\_  
Marissa Madrigal

Chief Operating Officer

08/06/2020

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Maple Apartments



Drafted by: Ted Reid, Principal Regional Planner, Valeria McWilliams,  
Housing Bond Program Analyst, and Choya Renata, Senior  
Communications Specialist, Metro  
Date: July 23, 2020

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for the Maple 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 the Housing Authority of Clackamas County (HACC).

## Contribution to unit production targets

Maple Apartments will utilize 11% of HACC's total allocation of bond funds while delivering the following unit production outcomes:

- 21% of HACC's overall unit production target;
- 21% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 32% of HACC's family sized unit target.

Additionally, it is worth noting that out of the 70 30% units, 12 units in the project will be set aside for agricultural workers and 9 will be set aside for individuals and families transitioning out of homelessness.

When combined with HACC's first project, 18000 Webster Rd, this project puts the County on a path to have utilized 13% of HACC's total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 27% of HACC's overall unit production target;
- 35% of HACC's target of units affordable to households making 30% or less of area median income (AMI); and
- 32% 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 purchase and sale agreement valid from March 24, 2020, demonstrating evidence of site control
- Project pro forma dated 04/09/2020
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon and nationally
- Zoning allows for multi-family development
- Community engagement draft plan

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:** Zoned Mixed-use Commercial 2, Maple Apartments will be tucked off Hwy. 213 and S. Beaver Creek Road, located at the nexus of the Walnut Grove residential neighborhood, an amenity rich commercial district, and Clackamas Community College. The development will include street improvements like sidewalks and streetlamps that will reinforce connection to the adjacent neighborhood and amenities. The project is also conveniently located within 3,000 feet of Albertsons and Fred Meyers, and both have pharmacies.
- **Transit access:** The site is within 3,500 feet of the #32 and #33 bus lines. Both busses also stop at the CCC campus, located less than a half-mile away.
- **Diversity in contracting/hiring:** The developer has committed to meeting the 20% minimum DMWESB target.
- **Access for historically marginalized communities:** Designed with agricultural worker, immigrant, and low-income Oregon City families in mind, all units are a mix of one, two, three and four-bedrooms, with 75% being two-bedrooms and larger. 42% of the project's units are set aside for individuals and families making 30% or below the area median income. Additionally, 12 units are set aside for agricultural workers and their families through an award of Agriculture Workforce Housing Tax Credits. Through a partnership with Northwest Housing Alternatives (NHA), the project will also set aside 9 units for individuals and families transitioning out of homelessness. These units will include support services through NHA in addition to services provided by Hacienda's Youth and Family Services division.
- **Culturally appropriate services:** Resident services will be led by Hacienda Youth and Family Services.

## 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:**
  - Partnerships exist with Hacienda CDC (abundant experience with farm-worker housing and serving other marginalized groups) as well as PSU's Center for Public Interest Design.
  - Clear attention has been paid to language access and mitigating barriers to participation.
  - Metro staff look forward to seeing more specific plans on which groups will be prioritized for engagement, what activities will be used, and what themes inform the project.
  
- **Strategy for ensuring community engagement to shape project outcomes to support the success of future residents:**
  - Multiple forms and opportunities for engagement will be provided.
  - Other information should be forthcoming.

# Exhibit B: Project summary submitted by Housing Authority of Clackamas County | Metro bond concept endorsement for Maple Apartments



Submitted by: Devin Ellin, Senior Housing Developer  
Housing Authority of Clackamas County, dellin@co.clackamas.or.us  
Submitted on: June 18, 2020

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## Project Overview

A partnership between Community Development Partners and Hacienda CDC, Maple is a new construction, multi-building complex set around a gracious central green space that will be designed as a publicly accessible park. Located minutes from the Clackamas Community College campus in Oregon City, the 5-acre site rests on a hillside abutting a quiet residential neighborhood to the east and overlooking retail and commercial amenities to the west.

Designed with agricultural worker, immigrant, and low-income Oregon City families in mind, all units are a mix of 1-, 2-, 3- and 4-bedrooms, with 75% being two-bedrooms and larger, in 3-story walk-up buildings of Type V construction. Buildings are envisioned to be approximately 35'-40' tall with pitched roofs.

The site design will support a series of amenities within a park-like setting, preserving several clusters of existing mature trees. Site amenities include community garden space, walking paths, children's play areas, outdoor picnic/BBQ areas, and 174 surface parking spaces. The project also includes a community room with spaces for a movie/game room, book share library, computer stations, a demonstration kitchen area for events/classes.

The project is also intended to provide housing and wrap around services for Oregon City's homeless and at-risk residents. 42% of Maple's units are set aside for individuals and families making 30% or below the area median income. Additionally, 12 units are set aside for agricultural workers and their families through an award of Agriculture Workforce Housing Tax Credits.

Through a partnership with Northwest Housing Alternatives (NHA), Maple will also set aside 9 units for individuals and families transitioning out of homelessness. These units will include support services through NHA in addition to services provided by Hacienda's Youth and Family Services division.

The project will be managed by Guardian Real Estate Services and resident services will be led by Hacienda Youth and Family Services.

Maple has received LOIs from Key Bank to provide permanent debt and R4 Capital to provide tax credit equity.

## Preliminary Development Program

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
1	24	30%	24	549	\$495
1	18	60%		549	\$990
2	29	30%	29	796	\$594

2	25	60%		796	\$1,188
3	17	30%	17	1,027	\$686
3	49	60%		1,027	\$1,371
4	9	60%		1,300	\$1,530
Total	171		70		

Site amenities include community garden space, walking paths, children’s play areas, outdoor picnic/BBQ areas, and 174 surface parking spaces. The project also includes a community room with spaces for a movie/game room, book share library, computer stations, a demonstration kitchen area for events/classes.

## Background

CDP has been looking to provide more affordable housing in Clackamas County, so we were ecstatic at the opportunity to compete for funding through the Housing Authority of Clackamas County’s Metro Bond NOFA when it was released in January. Once the application was released, we focused on two main objectives; finding an attractive piece of land and finding an appropriate development partner.

After doing a detailed analysis on ten available sites in Clackamas County for their suitability and proximity to services and amenities, we settled on the Maple property. In March of this year CDP signed a Purchase and Sale Agreement with the owner. During that time, we also began communications with Hacienda Community Development Corporation, our development partner on a project in Gresham, about being co-developers as well as service providers on the project.

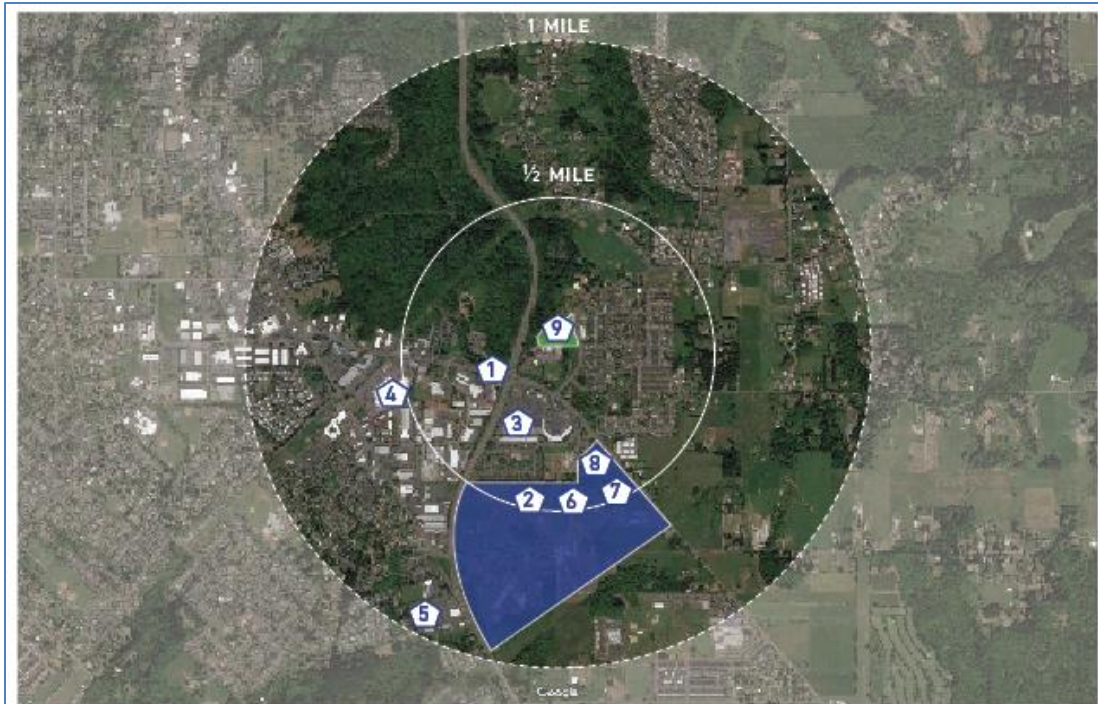
Once these pieces fell into place we reached out and got Letters of Interest from Key Bank to provide permanent debt and R4 Capitol to provide tax credit equity.

To date, CDP has contracted with a construction manager to coordinate the pre-development process, a general contractor to provide pricing estimates, an architect to provide preliminary design, a geotechnical engineer to provide a preliminary soils report, an environmental engineer to provide a Phase I environmental report, surveyors to complete an ALTA survey, a traffic engineer to provide traffic analysis, and a civil engineer to help coordinate civil engineering, utilities and stormwater development. CDP has also engaged the City of Oregon City in an early assistance meeting.

## Location and Neighborhood

Zoned Mixed-use Commercial 2, Maple will be tucked off Hwy. 213 and S. Beaver Creek Road, located at the nexus of the Walnut Grove residential neighborhood, an amenity rich commercial district, and Clackamas Community College. The development will include street improvements like sidewalks and streetlamps that will reinforce connection to the adjacent neighborhood and amenities.

Maple is also conveniently located within 3,000 feet of Albertsons and Fred Meyers, and both have pharmacies. Maple is also within 3,500 feet of the #32 and #33 bus lines. Both busses also stop at the CCC campus, located less than a half-mile away.



**MAPLE APARTMENTS**  
VICINITY MAP

**KEY**

- |             |   |
|-------------|---|
| Site (0 ft) | Clackamas Community College (CCC) Campus (2,000 ft) |
| Bus 32      | CCC Public Library                                  |
| Bus 33      | CCC YMCA Public Childhood Development Center        |
| Albertsons  | CCC Public Open Space, Walking Paths, and Track     |
| Fred Meyers | Maple Green Space, Garden and Playground            |
| Winco       |   |

**Site**

Maple is a five-acre site zoned MUC-2 and consisting of all or part of four existing tax lots. There are several buildings on site including two residential homes built in 1943, and a commercial building used as a warehouse and commercial space since being built in 1963. Both the commercial and residential properties currently have tenants. Federal Uniform Relocation Act benefits will apply to the residential tenants, and will be provided. Community Development Partners currently has site control of the property in the form of a Purchase and Sale Agreement with the owner. The project calls for the demolition of the existing structures in order to better utilize the site by providing 171 units of affordable housing.

**Project Financing**

**Financial Sources**

- 4% LIHTC Equity – \$12,890,152 - we received a LOI from R4 Capital, a national syndicator that we have worked with on other projects. Their equity pricing is \$0.88 which seems in line with the market. We are in an unstable period of time due to the COVID-19 pandemic

and there was difficulty in securing LOI's from other investors, many are sitting on the sidelines and not signing up new projects currently. These funds are not competitive.

- Multifamily Energy Program - \$150,000 – we are estimating the potential weatherization funding based on experience across our development portfolio. These funds are not competitive.
- AWHTC Equity - \$862,400 – we have received a funding award of Agricultural Worker Housing Tax Credits from OHCS for Maple. CDP has experience working with OHCS-issued AWHTC.
- Clackamas County Metro Bond – \$15,903,000 - we are requesting Metro Bond funding which equates to \$93,000 per unit.
- Tax Exempt Bond Permanent Loan – \$22,000,000 - we have received a LOI from Key Bank with indicative terms and have incorporated those terms into our underwriting. This is another area of current volatility, but we feel confident in the interest rate provided by Key Bank. The bond issuer is contemplated to be Clackamas County and the funding would not be competitive. There would also be short term construction financing provided by Key Bank, also using Tax Exempt Bonds.
- Deferred Developer Fee - \$1,235,517
- If we are awarded Clackamas County Metro Bonds our project will be fully funded as we have already been awarded competitive AWHTCs and all other sources are not competitive.

#### **Key Financial Assumptions**

- Income – rents to be set at 30% AMI and 60% AMI with project based rental assistance (HAP contract) on the 30% AMI units. Income to the project is anticipated to be FMR on the HAP units based on the NOFA guidance. The additional income from the HAP units is being used to support additional permanent debt and to provide robust resident/supportive services.
- Utility Allowances – based on HACC's March 2020 published Utility Allowance Schedule
- Vacancy – 5% which is standard and is acceptable to our lenders and investors.
- Permanent Loan – 35-year amortization, 5% interest rate, 1.20 debt service coverage ratio

#### **Operating Expenses**

- Overall - \$6,221 per unit per year is the projected operating expense based on CDP's, Hacienda's, and our property management company's combined portfolio experience. The budget was developed based on input from our collective organizations.
- Resident Services - \$100,000 is budgeted to be able to provide comprehensive resident programming and services through full time staff provided by Hacienda. See resident services plan for more information.
- Case Management - \$65,000 is budgeted for onsite service delivery and referral coordination. Given the high number of 30% AMI units the project will require this budget to ensure the success of the families.

Total Development Cost: \$53,041,069

Cost Per Unit: \$310,181.69

Cost Per GSF: \$171

Sources	
4% LIHTC Equity	\$12,890,152
Weatherization Funds	\$150,000
Agricultural Worker Housing Tax Credit Equity	\$862,400
Clackamas Metro Bond	\$15,903
Permanent Loan	\$22,000,000
Deferred Development Fee	\$1,235,517
Total:	\$53,041,069

Uses	
Acquisition Costs	\$3,704,633
Construction Costs	\$32,451,732
Development Costs	\$16,884,704
Total:	\$53,041,069

**Contributions & Local Incentives:** We are requesting a 100% property tax exemption through a partnership with the HACC. We are in discussion with Oregon City on SDC credits for infrastructure costs required at the site.

**Development Team**

Community Development Partners (CDP), Hacienda CDC, and our development, design and construction team members are fully capable of developing this project and staying on schedule to meet milestones for a successful project. CDP and Hacienda are also partnering on Rockwood 10, a world-class affordable workforce housing project located in the heart of the Rockwood neighborhood in Gresham, Oregon. With nearly 2,000 affordable housing units completed between us, CDP and Hacienda are well-versed in the development of this project type and with this finance structure. CDP’s team of finance and construction management staff will lead the development team comprising of: Hacienda CDC, LMC Construction, Salazar Architect, and Portland State University-Center for Public Interest Design (CPID). This team has already established a successful relationship from previous projects.

We are excited to present you with this team. CDP develops affordable housing with a focus on long term community engagement. Combined with Hacienda’s expertise in delivering culturally specific programming for Latino, immigrant and communities of color, our team will add diverse and targeted programs unique to this project, its residents and the surrounding community. Salazar and CPID, along with PLACE landscape architects, will continue pushing forward the innovative asset-based community development (ABCD), site design, and building design, while LMC Construction will navigate construction costs and incorporate construction efficiencies.

CDP is currently under construction on Rockwood 10 in Gresham, OR. Though not a Metro Bond project, the two share a similar finance structure. LMC Construction is involved in these projects. Both Salazar and LMC are also the design/contractor partners in another CDP development that is complete for a 103-unit project called Cascadian Terrace in Portland. CPID also partnered on Cascadian Terrace where CPID provided community engagement and outreach to create a design in harmony with the community and its residents. LMC has built over 4,600 units of all project and construction types. Hacienda has developed and maintained over 400 units of affordable housing, where approximately 70% of their residents are Latino. With Hacienda’s services and affirmative outreach, we will be able to reach out to a wider network of the Latino population.

To date, site control is already in place in the form of a Purchase and Sale Agreement and site due diligence is underway. CDP has hired Urban Resources Inc. (URI), an experienced construction management firm, to assist on the project and begin site due diligence. CDP and URI are also working together on a similar CDP project in St. Helens, OR.

The team does not see any significant potential barriers for this project. The team has reached out to Oregon City during the application process and has reviewed the City's Housing Needs Analysis, which outlines the need for additional affordable housing. The zoning allows our proposed use, entitlements are in place. The proforma has been thoroughly vetted internally and through our development and financing partners, the Asset Based Community Development and Design work are underway, and we have adequate staffing to successfully execute our proposed project. This award-winning development team is comprised of experts in their respective fields and collectively, if selected, we are queued up and ready to bring this innovative project to Oregon City.

### **Community Development Partners**

Community Development Partners' (CDP) mission is to develop and operate sustainable, life-enhancing affordable housing with a focus on long-term community engagement. CDP's industry leading, multi-disciplinary team is comprised of real estate development experts who bring diverse backgrounds in affordable, mixed-use and market-rate development. Collectively, the development team has over 60 years of experience working with cities and public agencies to bring new investment into existing neighborhoods. In the relatively short time since the company was formed, CDP has successfully built a portfolio of 24 unique communities comprising over 2,000 units and \$450 million in total development costs.

CDP is a mission-driven Certified B Corporation. B-Corps (or benefit corporations) are a legally recognized entity structure that balances purpose and profit to benefit society.

#### Areas of Expertise:

- *Housing* – providing affordable housing that serves the whole person with exceptional design community engagement, and supportive resident services. While CDP is not organized as a 501c3 we are a mission driven organization (as opposed to profit driven) and the B-Corps certification is a reflection of that. CDP is very focused on post-development lifecycle of each of our communities, believing that the greatest opportunity to impact our resident's lives is through resident services and engagement.
- *Affordable Housing Finance* - Since 2012, CDP has successfully built and preserved a portfolio of 24 unique projects using the Low-Income Housing Tax Credit (LIHTC) comprising over 2,000 units and \$485 million in total development costs. We were named a national Top 50 Affordable Housing Developer by Affordable Housing Finance for the third time in 2019. We strive to use affordable housing finance tools effectively to build and preserve more housing in our service areas. In 2019 CDP used new tools available including Income Averaging and Opportunity Zones for 100% affordable housing projects. CDP is also currently participating in a Metro Bond Pilot with Washington County Housing Authority.
- *Ecology & Arts* – Our roots in ecology drive both our design decisions and our long-term programming. Through thoughtful design we are striving to integrate sustainability in meaningful ways. Hands-on education and access to fresh, local food are key ways we strive to improve the health of our communities. Art is a critical component of well-being and CDP

is a firm believer in the value it provides to our residents. We support the arts community and we partner with creators to bring public art installations, ongoing lifelong learning classes, and cultural richness to our developments.

**Hacienda Community Development Corp.**

From its inception in 1992, Hacienda has sought to bring economic advancement, health and wellness, and a thriving “Comunidad Viva” – living community – to its low-income residents. Through Hacienda’s supportive community building programs – including affordable housing and community benefit commercial buildings, youth and family support, homeownership support, and economic development – Hacienda has greatly improved the lives of its residents, helping children stay in school and families thrive, and continues to strategically transform the neighborhoods they serve.

**Areas of Expertise:**

- *Programs* - Hacienda’s emphasis on education for our residents from birth through adulthood coupled with our asset building and entrepreneurial initiatives is a proven model for success, providing critical support to low-income children and strengthening their family units for the long-term. Hacienda’s core programs are Real Estate Development, Portland Mercado and Entrepreneurship, Youth and Family Services, Resident Services and Economic Opportunity.
- *Real Estate Development* - Developing quality, affordable housing is at the core of Hacienda’s mission. Hacienda’s buildings are more than just housing, they are places where families can live and thrive in safe, supportive, community-centered environments. One- to four-bedroom townhomes and apartments are built around community spaces, gardens, and playgrounds. Resident youth and adults have access to on-site community building and asset building programs designed to strengthen the economic, physical, and emotional health of families.

**Development Team Members:**

Position	Contracted Firm	Years of Experience
Owner/Developer	Community Development Partners	9
Co-Owner	Hacienda Community Development Corp.	28
Construction Manager	Urban Resources Inc.	13
Asset Management	Community Development Partners	9
Compliance Manager	Guardian Real Estate Services	36
Architect	Salazar Architect	13
General Contractor	LMC Construction	16

**Community Engagement**

CDP, Hacienda CDC, Northwest Housing Alternatives, and The Center for Public Interest Design all have roots and experience working in Clackamas County. We have begun building a coalition of residents and service organizations in Clackamas County and Oregon City, and are excited to deepen our outreach and engagement.



Community outreach and engagement is incorporated in our pre-development planning. The goals of our outreach and engagement effort are to both inform the community of this new housing opportunity and encourage participation in the design and development of the project.

Hacienda has great experience in this process, most recently through their Las Adelitas development in NE Portland where they worked with partner organizations as well as the project architects to host a series of listening sessions and charrettes ensuring the community had a say in everything from paint color to space usage to amenities. These sessions were held in English, Spanish, and Somali to accurately reflect our community language needs. Dinner, childcare, and gift cards were provided to ease barriers to access.

CDP and Hacienda CDC are also working with the Center For Public Interest Design (CPID) during the early design phase of the project. The Center for Public Interest Design is a research and action center at Portland State University that aims to investigate, promote, and engage in inclusive design practices that address the growing needs of underserved communities worldwide. Through research and design, fieldwork, and public outreach, CPID promotes a mode of practice that is socially conscious, environmentally sustainable, and economically accessible to all.

CDP has engaged CPID to lead the asset-based development outreach and research. This research identifies existing resident-serving assets that are in the surrounding community, including culturally specific assets that are often overlooked in more traditional analysis, as well as identifying needs that are not being met by those existing assets. The process involves utilizing PSU Master of Architecture students and CPID staff for on the ground outreach. The PSU-OHSU School of Public Health is also often involved in creating a community health needs assessment. The entire process produces an in depth understanding of the community's assets and needs that will then be utilized to inform the concept and design of CDP's project. The result is a project that has been thoughtfully conceived and that provides the greatest benefit to the community.

The Center for Public Interest Design's dialogue and outreach with stakeholders and service-based organizations, as well as demographic data, provide baseline neighborhood and health characteristics. Spatial analyses generate land-use studies to support sustainable, pedestrian-friendly, and community-informed development. The policy and design recommendations that emerge reveal how community assets may orient a community toward a neighborhood rich in safe and meaningful opportunities for living, working, and gathering in ways that address specific community needs.

CPID will build upon existing relationships and research in Oregon City to create an inclusive process and actionable recommendations toward community impact. While the overall process stays malleable in order to respond to specific needs that emerge in research and discussions with stakeholders, the following milestones provide a road map for how this work will be pursued:

- A study of the demographic, social and economic conditions of the area around the development site, as well as Oregon City in general, to identify and frame the needs and assets assessment that will follow.
- An assessment through interviews, charrettes, and stakeholder meetings of community needs and the assets that could address those needs, with a focus on how these inform the programming and design development of the proposed housing project.
- A proposal of which needs and assets should strategically be considered that respond to the needs identified in the research and community engagement processes.

- Conduct a public meeting with service providers and stakeholders to identify and coordinate possible services and support for the projected community.
- Through conversations and research of Oregon City relevant departments, establish a deep understanding of planning and development goals and activities in the city.
- Provide comprehensive report detailing outcomes to serve this specific housing community, as well as information that can serve Oregon City in future developments.

## Advancing Racial Equity

CDP works to create trust and build relationships with culturally specific organizations like Hacienda CDC, Oregon’s largest Latino-led, Latino-serving housing organization, to ensure our projects strengthen households by providing housing and resident services support, economic advancement and educational opportunities. We aim to provide an element of livability, through art, dignity and cultural details that set our developments apart for the residents our communities are designed for, and we can’t do that without working closely with our culturally specific partners. And these partnerships go deeper than providing services. By co-owning, we are ensuring a long-term, mutually beneficial relationship where both organizations have a vested interest in the success and happiness of our residents.

Residents come from all walks of life, and we intentionally work to support the intersectionality of low-income residents of Clackamas County, Latinos, agricultural workers, families, and the homeless. According to ACS 2018 1-Year Data, Clackamas County has a total population of 416,075 people. The County has a Latino population (Mexican, Puerto Rican, Cuban or other Hispanic/Latino) of 9%, Black of 1%, Asian of 5%, and Two or more races of 3%. Clackamas County has a median household income of approximately \$81,278; 7% of the population lives below the poverty line.

Based upon the same data source, Oregon City has a population of 36,040 and similar to Clackamas County, Oregon City has a Latino population of almost 7.1%, followed by African Americans at 1.2%, Asians at 1.2%, Indigenous peoples at 1.4% and 3.9% for two or more races/other. 5.1 % of the residents are foreign-born. 7.8% of the households in Oregon City speak a language other than English in their home. 9.9% of residents fall below federal poverty lines.

Hacienda CDC is prepared to work closely with the diverse population in Clackamas County, and Oregon City, specifically, to ensure that programming and services are culturally sensitive and responsive to community needs. Hacienda has a proven track record of working closely with underserved populations and removing barriers to access to housing, asset building opportunities, and educational opportunities.

As the construction development progresses, CDP and Hacienda will develop an outreach plan targeting the variety of social services/educational/public health/recreational and other community groups to inform them about our planned housing opportunity.

Throughout the pre-development process, neighborhoods, community groups and other stakeholders will be invited to receive up to date information on the progress of the housing. CDP and Hacienda will also plan to participate in various community events to share information about Hacienda’s services and our new housing opportunity. Our plan will start by inviting neighbors and the community to participate in a presentation about The Maple. This presentation will

incorporate an interactive design workshop allowing neighbors and the community to share their concerns, comments, and ideas. This involvement has been effective, based on our experience, and will help our development team design a project that will holistically address community concerns, and ultimately gain their support and excitement for the housing created. Our outreach strategies will also place emphasis on connecting with local organizations such as Clackamas County, OSU Extension, Clackamas Women's Services, Love Inc., Unite Oregon, and Northwest Family Services to share information about this new housing opportunity and who to contact for more information. Further, we will connect with existing trusted organizations serving communities of color. Hacienda has an existing property in Molalla that serves farmworkers and their families. Through our years of service in Molalla we have been fortunate to build relationships with these organizations and look forward to deepening our connection in Clackamas County.

Some households applying for our affordable housing will have problems with language barriers, poor credit, or recent evictions, primarily for non-payment of rent, and low incomes. Hacienda Resident Services staff will work closely with the property management firm to provide culturally specific language services and establish low-barrier screening criteria which allows for some flexibility in the application decision. In some cases, residents with prior evictions for non-payment of rent will be offered options on how to mitigate their past rental history. Options include payment of a security deposit, agreement to participate in financial fitness training, participation in case management services or other support services, depending upon the barriers identified for the family and an evaluation of the applicant's eligibility to obtain any public assistance. Hacienda's Youth and Family Services Resident Advocate will be the primary point of contact for each resident selected for Housing at the Maple apartments.

CDP commits to advancing equity in contracting across all our projects, and we have committed to achieving at least 20% MWESB participation across all our projects. We are confident Maple can exceed this contracting goal. CDP's good faith effort will include utilizing online resources such as COBID Certification Directory, contacting previously contracted MWESB for current opportunities, networking with current and previous consultants in search of MWESB firms, and attending MWESB trade shows such as Metropolitan Contractor Improvement Partnership (MCIP) and OAME's annual lunch to stay abreast of MWESB news.

CDP has enlisted the services of Salazar Architect on Maple. Salazar is a registered MBE, DBE and ESB with the State of Oregon. CDP and Salazar have worked together previously on Cascadian Terrace, where they achieved 90.6% MWESB participation within the A/E team.

CDP recognizes that one of the greatest opportunities to engage in meaningful equity is during the economically intensive work of building our projects. The construction of Maple will be performed by LMC Construction. LMC and CDP have been working together on numerous projects over the past several years. We have been impressed by LMC's commitment to engaging the minority subcontracting community by engaging, mentoring, and fostering growth at a wide, local level.

LMC will maximize their MWESB participation target of greater than 20% by; providing pre-bid outreach to the community to prepare them for the upcoming bid opportunities, partnering with local membership groups, utilize their network of qualified DMWESB and Section 3 firms that have experience in similar work, creating opportunities for sub-tier contracts by teaming up smaller contracting firms with larger ones, provide cash flow assistance through an expedited payment process, and by partnering with community groups and participating in community events to

increase awareness of this project. LMC’s projects completed in 2018 show between a 29% and 48% participation rate, up from 2017 which included a range of 25% to 45%.

We have included LMC’s Diversity Plan in the Appendix. The plan describes LMC Construction’s strong commitment to diversity as it relates to their operations as a General Contractor. The Plan outlines specific procedures aimed at ensuring equal opportunity, as well as diversity in employment, contracting, operations and community relations. The Plan also emphasizes their commitment to diversity as it relates to their employees, vendors, business partners, and community.

## Partnerships and Services

Key Service Providers	
Hacienda Youth and Family Services	Lead Service Provider
Northwest Housing Alternatives	Homeless and Recently Homeless Service Provider
Guardian Real Estate Services	Property Management

CDP and Hacienda have designed Maple to house and support several high barrier groups. More details can be found in our service MOU and AWHTC reservation letter.

*Agricultural Workers Set Aside* - CDP applied and received an estimated \$862,400 equity from AWHTCs to set aside 12 units for agricultural workers and their families. Maple will provide year-round, off-farm, permanent housing with programmatic elements designed with farmworkers in mind—unit sizes for large families, outdoor/garden spaces, and programming through Hacienda Youth and Family Services

*Field Laborers Affirmative Marketing Strategy* - Hacienda will target 31 units for field laborers and their families. Similar to agricultural workers, but not included as part of the AWHTC award, synergies include year-round, off-farm, permanent housing, outdoor/garden spaces, unit sizes for large families, and programming through Hacienda Youth and Family Services. Funding for services targeted to field laborers and their families will come out of Maple’s \$165,000 annual resident services and case management operating budgets.

*Families at or below 30% AMI* - Our team, supported by Hacienda Youth and Family Services and Northwest Housing Alternatives, is asking HACC for 70 PBVs to house 70 of Clackamas Counties most vulnerable families at Maple.

*Permanent Housing for Homeless Households* - CDP and Hacienda are partnering with Northwest Housing Alternatives’ (NHA) Home Base program to set aside 9 units as permanent housing for homeless households. Please refer to our Support Services Plan and our MOU with NHA for more details.

*Project-based Section 8 Voucher* - Maple is designed to provide a home to those who have barriers such as adverse credit, rental and legal histories, and have struggled finding housing elsewhere. To achieve this, we have set aside 70 units to serve households at 30% AMI. To ensure we can meet this goal sustainably for decades to come, we are asking HACC for 70 project-based Section 8 vouchers and a PBV HAP contract term of 20 years.

Details on the requested rent to owner are included in the Excel portion of this application. Requests are in line with the HACC Voucher Payment Standards. Maple is located in an eligible census track.

### **Hacienda Youth and Family Services**

Hacienda CDC's Youth and Family Services department has provided community programming to residents of their housing since 1992. Hacienda is continuously developing Equity, Diversity and Inclusion best practices, and staff is trained on federal fair housing regulations to ensure all people being served in our communities are being treated in a manner consistent with our values. Hacienda prides itself on being flexible in our programming and responsive to community needs. Hacienda is in the process of building relationships with other community organizations and will be adept at navigating resources and community services available in the area to leverage the existing neighborhood assets and will strive to fill gaps where services are lacking.

Hacienda CDC has over 26 years of experience providing culturally specific services and engaging our communities in meaningful ways. We believe firmly in the value of culturally specific services which eliminate structural, cultural, and linguistic barriers and foster a sense of safety, understanding and belonging for residents and program participants. These practices ultimately lead to better outcomes for clients such as increased housing and family stability as well as increased social capital. 99% of Hacienda's direct services staff are bilingual and bicultural, with invaluable lived experience, who have been well-trained in best practices of trauma-informed care. We also believe firmly in providing multiple forms and opportunities for meaningful community engagement to build trust and demonstrate a commitment to quality program improvements.

We are committed to ongoing learning when providing services to populations outside of the Latino community. Hacienda recognizes that we cannot provide culturally specific services to every population nor should we. Because of this, we have a long history of formally partnering with organizations who match the population we're serving. For example, we look to our partners at IRCO for guidance and to provide workshops grounded in Somali and East African traditions, practices and norms at our properties in NE Portland where we have a larger Somali population. Other culturally specific organizations we partner with include Portland Community Reinvestment Initiatives and Native American Youth and Family Center.

#### **Target Population:**

The target population proposed for Maple will be low income families earning an average income of 60% of Area Median Income (AMI). Forty-three units will be targeted to families earning less than 30% AMI. In addition, 12 units will be set aside for Agricultural Workers and 9 homeless households. We also anticipate a culturally diverse population will be serviced. Based on Clackamas County's 2010 census population data, the community is currently 88% White, 8.5% Hispanic or Latino, 4.2% Asian, 0.9% Black or African American, 0.8% Indigenous peoples, 0.3% Pacific Islander, 2.0% from other races, and 3.8% from two or more races.

Given this population mix, Hacienda anticipates serving primarily low income white and Latino families as well as Asian, Black, and folks who identify as having multiple races/ethnicities in this proposal. Many of the Latino communities we anticipate serving will be immigrants challenged by language and cultural obstacles, which we are uniquely positioned to serve. Hacienda will concentrate its programmatic outreach to ensure Asian, Black/African American and our Indigenous people are welcomed.

With such a diverse tenant population there are many culturally specific needs that must be addressed including language, legal and living habits. Hacienda's Youth and Family Services are all bilingual and has diverse and highly skilled staff trained in working with diverse populations to address the culturally specific need of each household.

#### Marketing and Lease Up:

Hacienda CDC will work side by side with CDP and the design team during the pre-development phase to understand community residents and to develop a resident services program that responds to their needs and aspirations. We will reach out to nonprofit, civic and local agencies to create an informed network and once in construction, Hacienda will assist with promoting the housing and our culturally enriched services in Clackamas County. Through this process, we anticipate forming new partnerships with organizations, such as: Clackamas County, CASA, and Hispanic Interagency Networking Team, as well as leveraging existing partnerships in the County like OSU Extension, Clackamas County 4-H, Northwest Family Services, Clackamas Workforce Partnership, Unite Oregon, and the Children's Center.

Hacienda CDC, will work closely with Guardian's property management staff as they begin to accept applications for Maple well in advance of the project's anticipated construction completion. Hacienda's Resident Advocate will be available to prepare each client for occupancy and arrange for any services the resident will need, including language translation, resolving old debts, short term rental assistance, application fees and deposits, and furnishings. Families may also need connection to behavioral healthcare, physical healthcare and assistance with food, clothing and household furnishings to help each family establish a new home. To begin to assist each household, an individualized assessment will be made in advance of their housing placement to triage their needs, identify resources, and then arrange for coordination of services by Resident Services and other Youth and Family Services staff. Assistance with school enrollment may also be coordinated by Hacienda staff, as needed by the family.

#### Resident Services for Children and Families:

Hacienda's existing network of services and service partnerships are able to support our community building empowerment model and provide a path for their overall success and development. Hacienda firmly believes that a stable, affordable home is just the first step in creating a supportive architecture that positions families and individuals for success.

#### Additional Resident Services:

Hacienda's Resident Services Advocates will connect with Oregon City Parks and Recreation department, North Clackamas Parks & Recreation District, Oregon City School District, Clackamas County Public Health Centers, Clackamas Community College, Oregon City Public Libraries, Oregon City Food pantries, property management and other partners connecting residents to resources through referrals and advocacy.

Housing Stabilization through eviction prevention is a large part of this work. Our in-house programming has been very successful in demonstrating positive outcomes for youth and families participating in our programs and has received support over the years from over 30 partners, and many long-time funders.

In 2019 these Youth and Family Services outcomes included:

- 260 students under age 15, assisted with educational support and cultural enrichment services
- 95 children under age 5, received early child development support
- 35 at risk middle school children received academic support, cultural enrichment, service learning opportunities and parent involvement
- 203 residents assist with housing stabilization services, including eviction prevention
- 231 residents attended the National Night Out event

For those residents who are ready to strive for greater economic achievement and independence, Hacienda plans to also offer our Economic Opportunity and Entrepreneurship Services. These program services include:

- Economic Opportunity
- Financial coaching
- Pre-purchase counseling
- Lending circles
- Credit building
- EARN Saver Program - IDAs
- Entrepreneurship

Business coaching and small business development services to current and aspiring entrepreneurs through:

- Bilingual business boot camps.
- One-on-one long-term business advising.
- Monthly advanced business seminars

Hacienda CDC's bilingual Resident Services Advocate will be continuously engaged in educating and collaborating with property management staff about our culturally specific services and methods of implementation. The advocate consistently visits sites and provides their contact information to the tenants along with information about our various programs.

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

The Director of Youth and Family services, working closely with the Advocate, continuously reviews and evaluates the effectiveness of Hacienda programs and services, along with property management services. They have also recently begun utilizing a new Hacienda database program to further enhance review and evaluation of the resident services program.

### **Northwest Housing Alternatives**

Northwest Housing Alternatives' Annie Ross House is an emergency shelter for families experiencing homelessness in Clackamas County. Founded in 1982, Annie Ross House has been Clackamas County's only emergency shelter for whole families experiencing homelessness for over 35 years. To be eligible to stay at Annie Ross House, households must include at least one adult aged 18 or older and at least one minor aged 17 or younger. Families must be experiencing homelessness with no option for diversion to other housing resources in order to qualify to stay at Annie Ross House. Once enrolled in ARH, families experience an average length of stay of 60 days. Each family works one on one with a case manager from Northwest Housing Alternatives' HomeBase program, setting incremental goals which will lead to placement in stable, permanent, affordable housing. Because each individual family has their own barriers and capacity, goals are individualized in order to ensure effective and long-term stability.

Case management is often coupled with financial assistance, although this varies based on funding availability and the needs of the individual household. Case managers will assist the families with identification of appropriate housing options, applications, appeals of denials if necessary, reasonable accommodations, and the move-in process. In addition to this front-end work, case managers remain in contact with the families they serve for up to 12 months to assess needs on an ongoing basis, ease the transition from homelessness to housing, and orient the family to their rights and responsibilities as tenants. Case managers will work in conjunction with Hacienda CDC's Resident Advocate and Maple's Property Manager to address any issues which may threaten tenancy or housing stability for a period of up to 12 months from the time of housing placement.

NHA's services will be bolstered by Hacienda Youth and Family Services' culturally responsive and culturally specific services, supporting tenants and the larger housing community.

#### **Service Team's Overall Capacity:**

Having operated Annie Ross House for over 35 years and HomeBase case management since 2009, Northwest Housing Alternatives' services team is well equipped to support the households they place at Maple. Our deep roots in Clackamas County include ongoing partnerships with Northwest Family Services, Clackamas Women's Services, Clackamas County Social Services, Oregon Food Bank, The Living Room, and many more. These partnerships with community organizations help households to stabilize by allowing them to utilize those resources and benefits available to them, leading to critical costs such as rent and utility payments being prioritized.

#### **Types and Level of Services to be Offered:**

Annie Ross House is staffed 24/7 by six staff members comprising 4.6FTE. HomeBase consists of 2 case managers totaling 2.0FTE who have caseloads of approximately 25 households. Each household referred to Maple will have a designated HomeBase case manager who will be responsible for payments, should any be made from the program, as well as responding to issues that may lead to housing instability for those households they refer.

#### **Brief Overview of Anticipated Services Outcomes for Target Population:**

Over 90% of households served by Annie Ross House and HomeBase will be in stable, permanent housing 12 months after their exit from HomeBase services. This expected outcome is based on historical outcomes for the program.



## Marketing and Lease Up Plan

The vast majority (more than 98%) of households that enroll in Annie Ross House and HomeBase are referred by Clackamas County’s Coordinated Housing Access (CHA) system. Referrals from CHA are assessed for vulnerability and options to ensure that emergency shelter is truly needed. Because we know that communities of color are disproportionately represented in experiencing homelessness, we expect that referrals to Maple will match demographic data from the Clackamas County point-in-time (PIT) count.

## Budget and Sources of Funding for Services

Annie Ross House and HomeBase and the related services provided to Maple are fully funded through NHA.

## Anticipated Timeline

Below is the anticipated timeline.

Activity	Proposed Date	Completed Date
<b>Site</b>		
Option/Contract Executed		3/2020
Site Acquisition	11/2020	
Zoning Approval		3/2020
Site Analysis		3/2020
Building Permits & Fees	7/2021	
Off-Site Improvements	7/2021	
<b>Pre-Development</b>		
Plans Completed	03/2021	
Final Bids	6/2021	
Contractor Selected		3/2020
<b>Financing</b>		
Construction Loan Proposal		4/2020
Construction Loan Firm Commitment	6/2021	
Construction Loan Closing/Funding of Loan	7/2021	
Permanent Loan Proposal		4/2020
Permanent Loan Firm Commitment	6/2021	
Permanent Loan Closing/Funding of Loan	7/2021	
<b>Development</b>		
Syndications/Partnership Agreement (LIHTC)	6/2021	
Construction Begins	7/2021	

Construction Completed	3/2023	
Certificate of Occupancy	7/2022*	
Marketing		
Lease Up Begins	7/2022	
Lease up Completed	7/2023	

\*multiple buildings allow for the first TCO 12 months after the construction start and one additional building coming online every 30 days thereafter

# Washington County Concept Endorsements

**Metro Affordable Housing Bond Program**  
**Concept Endorsement**

**Project Name:** Aloha Housing Development

**Implementing Jurisdiction:** Washington County

**Metro IGA Contract Number:** 936591

**Anticipated construction start:** July, 2021

**Anticipated construction completion:** September, 2022

**Action:**

Metro hereby provides Washington County with Concept Endorsement for \$10,230,000.00 Metro Affordable Housing Bond funds for the development of the Aloha Housing Project, a regulated affordable housing project located at 3575 SW 174th Avenue, Beaverton. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Washington County, including the following Project unit mix:

Number of Units	Number of Bedrooms	AMI Level	Project Based Vouchers
7	Studio	30%	0
24	One-bedroom	30%	0
2	Two-bedroom	30%	0
48	Two-bedroom	60%	0

The proposed project includes a preliminary commitment of housing bond subsidy per bond eligible unit of \$126,296 which is lower than the allocated amount of \$139,420 bond subsidy for Washington County.

Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and Washington County, following Metro’s Final Approval of the Project.



\_\_\_\_\_

Marissa Madrigal

Chief Operating Officer

9/17/20 \_\_\_\_\_

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Aloha Housing Development



Drafted by: Ted Reid, Principal Regional Planner, Valeria McWilliams, Housing Bond Program Analyst, and Choya Renata, Senior Communications Specialist, Metro  
Date: September 4, 2020

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for the BRIDGE Aloha Development. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Washington County (HAWC).

## Contribution to unit production targets

BRIDGE Aloha Development will utilize 11.1% of HAWC's total allocation of bond funds while delivering the following unit production outcomes:

- 10% of HAWC's overall unit production target;
- 9.9% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 12.4% of HAWC's family sized unit target.

When combined with HAWC's first project, Viewfinder, the BRIDGE Aloha Housing Project, Basalt Creek Development, Forest Grove Family Housing, Tigard Senior Housing, Plaza Los Amigos, Terrace Glen and South Cooper Mountain, the County is on a path to have utilized 75.6% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 86.7% of HAWC's overall unit production target;
- 67.9% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 96.3% of HAWC's family sized unit target.

## Eligibility and readiness to proceed

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

- A purchase and sale agreement valid until November 4<sup>th</sup>, 2020
- A preliminary project pro forma dated 05/25/2020
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon and California
- Zoning certification letter dated 05/08/2020 confirming development feasibility of the site
- Equity plan

Staff has not identified any unusual risks to project feasibility and readiness and will continue to request updates from the HAWC regarding how work is proceeding. The project assumes additional funding from Metro's TOD Program which has yet to be reviewed and approved by the TOD Steering Committee.

### Advancing racial equity

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

- **Location:** The project is located within half a mile from a full service grocery stores, close proximity (less than 0.5) to medical services, public school (elementary, middle and high school), and parks, recreation and community centers. The site will also give residents access to a high number of jobs within a 30-minute transit commute as it is highly connected to public transportation as well as being in located in a neighborhood that is highly walkable and bikeable.
- **Transit access:** The project will be in proximity to public transit, specifically within 300 feet from frequent service bus stop and 1.5 miles from a MAX station stop.
- **Diversity in contracting/hiring:** The developer has committed to 25-30% COBID-certified subcontractor and 25-30% COBID-certified professional services participation.
- **Access for historically marginalized communities:** The project will be one of the first regulated affordable communities in Aloha. To this end, BRIDGE has partner with Hacienda CDC to expand its network of engagement and community connection.
- **Culturally appropriate services:** Resident services will be led by Hacienda Youth and Family Services and APANO and potentially with organizations like Community Action, Virginia Garcia, WorkSystems, and Centro Cultural.

### Community engagement to inform project implementation

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

Partnerships exist with Hacienda CDC (which has experience with farm-worker housing and serving other marginalized groups), APANO, and PSU's Center for Public Interest Design.

In addition, Washington County will be conducting listening sessions with BIPOC community groups to complement the engagement activities the developer will conduct.

There is room for this developer to demonstrate a stronger understanding of Metro's requirements regarding community engagement with communities of color and other oppressed groups that informs the project. Metro staff will work with HAWC and Bridge to support on this, and look forward to seeing more specific plans on which groups will be prioritized for engagement, what outreach methods and activities will be used, and how feedback will inform the project.

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

The plan describes four meetings including focus groups to give input on design, resident services planning and affirmative marketing. The developer is still working to identify features of the project that have flexibility and can be impacted by community engagement input. Metro staff look forward to supporting HAWC and Bridge, and to seeing more at final approval.

# Exhibit B: Project summary submitted by Housing Authority of Washington County | Metro bond concept endorsement for Aloha Housing Development



Submitted by: Shannon Wilson, Interim Housing Development Manager,  
Housing Authority of Washington County,  
shannon\_wilson@co.washington.or.us  
Submitted on: August 18, 2020

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## Project Overview

BRIDGE Housing Corporation is proposing a new 4-story Type V 82-unit development on a 1.1 acre site in the unincorporated Aloha neighborhood. 33 of the total 82-units will be available for households earning less than 30% of the Area Median Income (AMI), and 62% of the units will be two-bedroom or larger units. The site contains an existing residential home that will be demolished once construction commences.

BRIDGE Aloha Housing Project is requesting \$10,230,000 in Metro bond allocation, which is \$124,756 per unit. This development delivers 33 apartments (40% of total units) targeted to be affordable to households at or below 30% of the AMI. This development also delivers 50 family-sized two-bedroom units (62% of total units).

BRIDGE housing executed a purchase and sale contract in May 2020 and expects to close on the acquisition in November 2020 upon successful reward of Metro bond funds and OHCS 4% application/tax-exempt bonds.

## Preliminary Development Program

Bridge Aloha Housing will deliver 82 units consisting of 7 studio units at 440 square feet, 24 one-bedroom units at 565 square feet and 50 two-bedroom units at 800 square feet. 40% of the units will serve households earning 30% AMI or less. Total building square footage is 74,140 square feet, which includes 15,408 of common areas.

Building amenities will include a common laundry room, secure bike room, a community room on the ground-floor, garden plots and a playground. The building will be served by an elevator. 41 parking spaces will be provided for the use of residents.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
Studio	7	30%		440	\$483
One-bedroom	24	30%		565	\$518
Two-bedroom	48	60%		800	\$1140
Two-bedroom	1			868	Manager
<b>Total</b>	<b>82</b>				

## Background

In November 2018, voters authorized Metro to issue \$652.8 million in bonds to support affordable housing. Washington County will receive about \$116 million to construct 814 affordable housing units in the Washington County Metro Service area outside Hillsboro and Beaverton. The County



developed a Local Implementation Strategy (LIS) and, in March 2020, issued a Notice of Funding Availability (NOFA) offering \$80 million of the \$116 million. To be approved for funding, proposed projects must be consistent with the LIS. BRIDGE applied to this NOFA for this Aloha project. The project has proceeded through the NOFA evaluation process which has included:

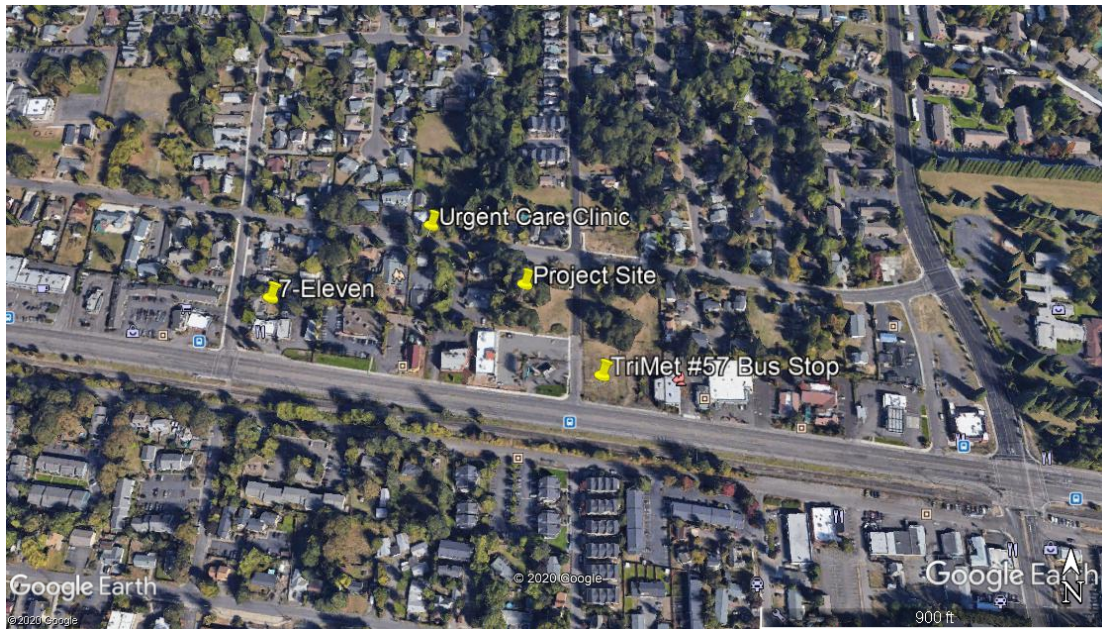
- Staff threshold review
- Third-party financial feasibility analysis
- Evaluation committee review
- Housing Advisory Committee review.

The project has been recommended to the Washington County Board of Commissioners for Concept Endorsement Approval.

Due diligence performed to date includes an investigation of past uses to determine any potential environmental contamination, a preliminary title report, and Clean Water Services preliminary site assessment. The development team has coordinated a geotechnical engineering for a geotechnical report and an environmental consultant for the Phase I Environmental Site assessment, which will be utilized upon receipt of Washington County and Metro concept endorsement.

### Location and Neighborhood

The subject site is accessed from SE Alexander Street and is near Tualatin Valley Highway, which serve the TriMet 57 frequent service bus with a stop located 300 feet from the site. There is access to food markets in the area, including Philippine Market, Fruteria El Campesino and Viet & Thai Market. It is also in direct proximity to One-Stop urgent care and Kaiser Permanente Aloha Dental Care. The site is a half-mile from the Tualatin Hills Nature Park, and approximately 1.3 miles from Kinnaman Elementary, Mountain View Middle School, and Aloha High School.



## Site

The proposed project is located at 3575 SW 174<sup>th</sup> Avenue in the unincorporated community of Aloha. The property is zoned Community Business District which allows multi-family housing and provides flexible development standards for regulated affordable housing and is located on one tax lot. BRIDGE housing executed a purchase and sale contract in May 2020 and expects to close on the acquisition in November 2020. The 1.1-acre site contains an existing single-unit residential home that will need to be demolished prior to the commencement of construction. The site is in a Difficult Development Area (DDA) which will provide a boost to the eligible basis.

## Project Financing

Total project costs are anticipated to be \$27.9 million at \$339,677 per unit, and \$375.69 per gross SF. The equity financing will be from 4% LIHTC credits, debt from the sale of Metro bonds, the OHCS LIFT funds Washington County HOME funds and allocation of Metro regional affordable housing bond funds. In addition, BRIDGE is making an equity contribution of 33% of developer fee and deferring 18% of its developer fee.

<b>Funding Source</b>	<b>Amount</b>
<i>OHCS Programs</i>	
4% LIHTC (Equity)	\$9,398,213
Weatherization	\$143,000
<b>Total OHCS Grants and Equity</b>	<b>\$12,578,713</b>
<i>Non-OHCS Grants</i>	
Energy Trust	\$30,059
Metro TOD	\$500,000
<b>Total Non-OHCS Grants</b>	<b>\$530,059</b>
<b>Permanent Loan</b>	<b>\$2,125,416</b>
<b>Total Applicant Contribution</b>	<b>\$1,689,313</b>
<b>Total Fund Sources</b>	<b>\$27,853,500</b>
<b>Uses of Funds</b>	<b>Amount</b>
Acquisition Costs	\$1,030,500
Construction Costs	\$18,014,384
Total Development Cost	\$8,808,616
<b>Total Project Cost</b>	<b>\$27,853,500</b>

The development team is assuming 100% SDC waivers for the Tualatin Hills Parks and Recreation District for their 30% units and is compiling a unit mix and building programmatic elements to be eligible for the discretionary waiver of Parks SDCs for the 60% units.

## Development Team

### **BRIDGE Housing Corporation - Developer, Owner**

BRIDGE Housing Corporation is the largest nonprofit developer of affordable and workforce housing on the West Coast and has participated in the development of 17,000 housing units throughout California, Oregon, and Washington. BRIDGE brings a 35-year track record of building high-quality affordable and mixed-income housing together with local partners.

BRIDGE's Portland office is headed by Executive Vice President Kurt Creager, who was formerly the

Director of the Portland Housing Bureau and Executive Director of the Vancouver Housing Authority, and Senior Vice President of Development. Aruna Doddapaneni, who has overseen BRIDGE's work in the Portland area since 2013. BRIDGE's Portland staff is currently managing 658 units in operations and 450 units in construction, including Woodland Park in Downtown Hillsboro and Cornelius Place in Cornelius. For this project, Kurt and Aruna are joined by Project Manager Ben Sturtz, who joined BRIDGE in January 2020 and brings 16 years of experience as a Housing Development Project Manager for REACH CDC and a Housing Specialist for Washington County.

#### **BRIDGE Property Management Company - Property Manager**

In addition to developing housing, in 1987, BRIDGE launched an in-house property management company ("BPMC"), which manages or asset manages nearly 109 developments with nearly 11,895 rental and condominium homes. As a nonprofit, mission-oriented company, BPMC's management of BRIDGE properties also better serves BRIDGE residents: revenues in excess of costs generated by BPMC are reinvested to support resident and community services, and to create new affordable housing opportunities.

#### **Hacienda CDC - Resident Services Provider**

Hacienda CDC was formed in 1986 to provide necessary housing and supportive services for predominantly low-income Latinx communities. As a resident service provider for its own portfolio of housing and a partner for organizations like BRIDGE, Hacienda is well-versed in the needs of tenants as well as the requirements of the public funding. Hacienda is guided by the belief that the provision of culturally specific and culturally responsive services is an essential component to eliminating structural, cultural, and linguistic barriers, and fostering a sense of safety, understanding and belonging for residents and program participants. These practices ultimately lead to better outcomes, such as increased housing and family stability and increased social capital. 99% of Hacienda's direct services staff are bilingual and bicultural and have been trained in best practices of trauma-informed care. Hacienda provides multiple forms and opportunities for meaningful community engagement to build trust and demonstrates a commitment to quality program improvements.

National Association of Minority Contractors Oregon – COBID/Equity Consultant: Established in 2007, NAMC-Oregon is the local affiliate of the National Association of Minority Contractors (NAMC). The NAMC is a nonprofit trade association founded in 1969 to address the needs and concerns of minority contractors. Though membership is open to people of all races and ethnic backgrounds, the organization's mandate, "Building Bridges—Crossing Barriers," focuses on construction industry issues common to African Americans, Asian Americans, Latinx Americans, and Native Americans. Nate McCoy, Executive Director, and his staff has partnered with BRIDGE to draft and implement our Equity Plan, specifically outreach to COBID-certified subcontractors.

Scott Edwards Architecture – S|EA is an award-winning design firm that provides full-service architecture, interior design and planning services. S|EA has been doing business throughout the Northwest for two decades on a wide range of project types, including multi-family housing, civic, healthcare, educational, recreational, commercial, community-based, non-profit, mixed-use, and master planning experience. S|EA has extensive experience in affordable and specialty housing for public agencies and non-profit groups throughout the Pacific Northwest.

### **Community Engagement**

BRIDGE will work with Hacienda and S|EA during the pre-development phase to engage community residents in the diverse and underrepresented low-income communities in

Washington County and to develop a resident services program that responds to their needs and aspirations. Given the diversity of the anticipated population, BRIDGE will leverage its existing relationship with the Asian Pacific American Network of Oregon to complement Hacienda's experience with Latinx residents. They also anticipate forming new partnerships with organizations such as Community Action, Virginia Garcia, WorkSystems, and Centro Cultural to provide a range of services. We have a time-tested and effective public outreach process to garner public input, inform design, and build consensus.

### **Advancing Racial Equity**

BRIDGE is committed to 25% COBID subcontractor participation for the Aloha housing project, and is setting a 30% aspirational goal. In addition, BRIDGE is committed to ensuring the utilization of apprenticeship programs, workforce training, and tracking the diversity of the workforce for this project. BRIDGE plans on accomplishing this by, among other items, assigning a Project team staff to take the lead on recruitment and engagement of MWESB-DV subcontractors, apprenticeship, and workforce training, planning and preparing for pre-bid meetings with NAMC-OR, and demonstrated internal process and specific plan to track workforce diversity, including identifying lead staff accountability.

### **Partnerships and Services**

BRIDGE Property Management will be the property manager for the Aloha housing project. Staff will establish face-to-face relationships with community leaders, culturally specific organizations, service providers, schools, churches, community centers, and others serving communities of color in Aloha and Washington County. These connections will be an important conduit for publicizing opportunities when leasing information is available. Other marketing and leasing channels will include phone calls, in-person visits, and attendance at community groups' regular meetings and gatherings, and housing or resource fairs. BRIDGE will translate fliers into Spanish and Chinese to reach the target population. A language line translation service will be utilized in the property management office.

BRIDGE is partnering with Hacienda CDC to provide community connections and on-going resident services for the Aloha housing project. As a resident service provider in its own portfolio of housing and for partners like BRIDGE, Hacienda is well versed in the needs of tenants and the requirements of the public funder. Hacienda is guided by the belief that the provision of culturally specific and culturally responsive services is an essential component to eliminating structural, cultural, and linguistic barriers, and fostering a sense of safety, understanding and belonging for residents and program participants. These practices ultimately lead to better outcomes, such as increased housing and family stability and increased social capital. 99% of Hacienda's direct services staff are bilingual and bicultural and have been trained in best practices of trauma-informed care. Hacienda will provide services coordination, housing stabilization management, after school programming, and early childhood education to the residents of Aloha.

### **Anticipated Timeline**

The option contract was executed on May 7, 2020 with site acquisition dependent on receiving planned Metro bond funding and OHCS 4% LIHTC award, with property closing expected to occur November 2020. Financing will be finalized by summer 2021 and construction to commence July 2021 and final occupancy in September 2022. Project lease up will begin on June 1, 2022 with completion scheduled to occur March 1, 2023.

**Metro Affordable Housing Bond Program**  
**Concept Endorsement**

**Project Name:** South Cooper Mountain Development

**Implementing Jurisdiction:** Washington County

**Metro IGA Contract Number:** 936591

**Anticipated construction start:** April, 2021

**Anticipated construction completion:** June, 2022

**Action:**

Metro hereby provides the Washington County with Concept Endorsement for \$8,700,000.00 Metro Affordable Housing Bond funds for the development of BRIDGE South Cooper Mountain Development, a regulated affordable housing project located at SW 172<sup>nd</sup> Terrace and SW Goldcrest Lane, Beaverton. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Washington County, including the following Project unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
8	One-bedroom	30%	0
21	One-bedroom	60%	0
4	Two-bedroom	30%	0
35	Two-bedroom	60%	0
2	Three-bedroom	30%	0
4	Three-bedroom	60%	0

The proposed project includes a preliminary commitment of housing bond subsidy per bond eligible unit of \$117,568 which is lower than the allocated amount of \$139,420 bond subsidy for Washington County. Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and Washington County, following Metro's Final Approval of the Project.



9/17/20

Marissa Madrigal

Date

Chief Operating Officer

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for South Cooper Mountain Development



Drafted by: Ted Reid, Principal Regional Planner, Valeria McWilliams,  
Housing Bond Program Analyst, and Choya Renata, Senior  
Communications Specialist, Metro  
Date: September 4, 2020

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for the South Cooper Mountain project. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Washington County (HAWC).

## Contribution to unit production targets

South Cooper Mountain will utilize 7.5% of HAWC's total allocation of bond funds while delivering the following unit production outcomes:

- 9.2% of HAWC's overall unit production target;
- 3.6% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 11.4% of HAWC's family sized unit target.

When combined with HAWC's first project, Viewfinder, the BRIDGE Aloha Housing Project, Basalt Creek Development, Forest Grove Family Housing, Tigard Senior Housing, Plaza Los Amigos, Terrace Glen and South Cooper Mountain, the County is on a path to have utilized 75.6% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 86.7% of HAWC's overall unit production target;
- 67.9% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 96.3% of HAWC's family sized unit target.

## Eligibility and readiness to proceed

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

- A Purchase and Sale Agreement, demonstrating site control
- A preliminary project pro forma dated 06/26/2020
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing in Oregon and Washington
- Equity plan

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

### Advancing racial equity

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

- **Location:** The site is located on one existing tax lot in the South Cooper Mountain Concept Plan area and will provide an opportunity to provide housing in a high opportunity area. The site is vacant with adjacent infrastructure including roads and utility systems being delivered as the area is developed.
- **Transit access:** TriMet plans to connect bus #56 to serve South Cooper Mountain and connect to the Beaverton Transit Center and the Tigard Transit Center.
- **Diversity in contracting/hiring:** BRIDGE is committed to 25% COBID subcontractor participation for the South Cooper Mountain housing project, and is setting a 30% aspirational goal. In order to achieve this goal, BRIDGE developed a set of expectations for the ways in which the general contractor must track and meet equity goals, a methodology for outreach, mentoring and technical assistance to prospective MWESB subcontractors, and an outline of the ways to encourage the involvement of the community through apprenticeship programs and workforce training.
- **Access for historically marginalized communities:** This project will be one of the first regulated affordable housing projects in Southwest Beaverton. Prior to the application period, BRIDGE staff will establish relationships with community leaders, service providers, schools, churches, community centers, and others serving communities of color in Beaverton and Washington County. Hacienda will enhance these efforts utilizing their existing relationships and provide continuity of connection with formal and informal community institutions once the building is open. In order to help prospective residents overcome common barriers to accessing stable housing, BRIDGE has a three-pronged approach to low-barrier screening: starting marketing and outreach early so that prospective residents can mitigate issues that might be a barrier to acceptance, providing alternative methods to meet screening criteria, and adopting an open appeal process.
- **Culturally appropriate services:** Hacienda CDC (with 99% direct services staff who are bilingual, bicultural and have been trained in best practices of trauma-informed care) will provide resident services programming which will include: resources to connect residents to behavioral healthcare, physical healthcare, and assistance with food, clothing, and housing furnishings as well as connection to resources to ensure housing stabilization and eviction prevention, youth and family services and economic opportunity, entrepreneurship and homeownership services.

### Community engagement to inform project implementation

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

Hacienda and Salazar have a plan to engage Latinx communities and other marginalized groups using participatory community design processes. Each group has experience directly reaching

communities of color and also partnering with other organizations to reach those who may be beyond their own scope. Salazar references experience creating participatory processes that prioritize social justice and equity in the built environment. In addition, Washington County will conduct listening sessions with BIPOC community groups to complement the engagement activities the developer will complete.

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

The project has taken into account themes from LIS engagement (referencing Latinx night and Arabic open houses) specifically the need for family sized units and housing for those on extremely low/fixed incomes. One change that was made due to themes from LIS engagement seems to be distributing the 30% units among all unit sizes – a strong move to support low income families as well as individuals.

Partnerships described above will engage community to help define and plan for resident service needs. Other activities planned show opportunity for community engagement themes to shape the physical design and amenities of the project.



# Exhibit B: Project summary submitted by Housing Authority of Washington County | Metro bond concept endorsement for South Cooper Mountain Development



Submitted by: Shannon Wilson, Housing Development Coordinator,  
Housing Authority of Washington County,  
shannon\_wilson@co.washington.or.us  
Submitted on: August 24, 2020

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## Project Overview

BRIDGE Housing Corporation (BRIDGE) is requesting \$8.7 million in Metro Housing Bond funds for construction of a four-story, Type V wood-framed, 75-unit affordable housing project in South Cooper Mountain — a high opportunity area in Southwest Beaverton with no pre-existing affordable housing and excellent access to retail, groceries, parks and high-performing schools. The proposed project will include 29 one bedroom, 39 two bedroom and 7 three bedroom apartments (including a manager's unit). Twelve of the units will be affordable to households earning 30% of the Area Median Income (AMI) and these units will be distributed evenly amongst different unit sizes.

BRIDGE has a Purchase and Sale Agreement with South Cooper Apartments, LLC (an affiliate of A.G. Spanos) to acquire the proposed site, a 2.15 acre vacant parcel located on the southwest corner of Goldcrest Lane and 172nd Terrace. The site is currently used as a staging area for A.G. Spano's project immediate to the south and must be vacated with a 90 days notice from BRIDGE.

The bulk of project financing is provided by equity from 4% Low Income Housing Tax Credits, debt from sale of tax-exempt bonds, the OHCS Multifamily Energy Program, support from the City of Beaverton, and Metro Bond funds from Washington County's allocation. BRIDGE envisions a modest offset to the City of Beaverton a portion of this project's System Development Charges. BRIDGE is also contributing to or deferring approximately 54% of its developer fee.

## Preliminary Development Program

The building is a four-story Type V wood-framed construction development totaling 74,792 square feet including 18,305 square feet of residential common areas. Exterior amenities include a sizeable play area, a courtyard with ample surface parking and proposed community gardens. Interior amenities include a community room with a warming kitchen, lounge areas, resident service room, offices, bike rooms, and laundry facilities on every floor. The development will provide 109 parking spaces.

Unit size (no. of bedrooms)	No. of units	AMI %	Square feet/unit	Gross monthly rent/unit
1 Bedroom	8	30%	608	\$518
1 Bedroom	21	60%	608	\$1,036
2 Bedroom	4	30%	802	\$621
2 Bedroom	35	60%	802	\$1,243
3 Bedroom	2	30%	1072	\$718
3 Bedroom	4	60%	1071	\$1,437
3 Bedroom	1	Manager	1072	-
<b>Total</b>	<b>75</b>			

## Background

BRIDGE originally applied to the City of Beaverton in February 2020 for Metro Affordable Housing Bond funds as a part of the City's Project D Solicitation (released in late December 2019). While this project was not selected in that evaluation process, the City has committed \$400,000 of its own resources to the project and asked the County to support the project with \$8.7 million in Metro Affordable Housing Bond funds from the County's \$116,465,532 allocation. These units will count towards the County's unit production targets; they will not count toward Beaverton's unit production targets.

Recognizing that many community partners serve the larger Washington County area, and that many community members perceive that their needs could be met without respect to jurisdictional boundaries, the three implementing jurisdictions of Washington County, the City of Beaverton and the City of Hillsboro signed an intergovernmental agreement to collaborate on community engagement efforts and on developing the partnerships that will help to ensure the success of all bond projects in Washington County.

The project has been recommended to the Washington County Board of Commissioners for Concept Endorsement Approval.

## Location and Neighborhood

The subject site is located in the Southwest neighborhood of the South Cooper Mountain Community Plan Area, which is 544 acres located at the southwest edge of the City of Beaverton and a key part of an overarching greenfield development urban expansion added to the Metro Urban Growth Boundary and annexed into Beaverton. Nearby amenities include the high-achieving Mountainside High School across from the property, Cooper Mountain Nature Park and Paul and Verna Winkleman Park. Although transit amenities are not readily available, TriMet plans to extend that Bus #56 to South Cooper Mountain and connecting it with the whole system.



## Site

The development team has a purchase and sale agreement with a commitment to purchase upon receipt of Metro Housing Bond funds. The anticipated executed Site acquisition costs are \$2,476,294. The site is located on one existing tax lot in the South Cooper Mountain Concept Plan area and will provide an opportunity to provide housing in a high opportunity area. The site is vacant with adjacent infrastructure including roads and utility systems being delivered as the area is developed. Trimet plans to connect bus #56 to serve South Cooper Mountain and connect to the Beaverton Transit Center and the Tigard Transit Center.

## Project Financing

The total project development cost is \$28.24 million, which is approximately \$376,476 per unit and \$377.52 per square foot.

<b>Funding Source</b>	<b>Amount</b>
4% LIHTC (Equity)	\$8,988,875
OHCS Multifamily Energy Program	\$70,000
Beaverton SDC Offset	\$929,435
Energy Trust of Oregon	\$48,008
Metro Housing Bond	\$8,700,000
City of Beaverton	\$400,000
Permanent Loan	\$5,875,000
Washington County HOME	\$1,146,260
Cash	\$1,661,900
Deferred Developer Fee	\$322,618
<b>Total Fund Sources</b>	<b>\$28,142,095</b>

<b>Uses of Funds</b>	<b>Amount</b>
Acquisition	\$2,431,200
Construction Costs	\$16,194,575
Development Costs	\$9,516,320
<b>Total Project Costs</b>	<b>\$28,142,095</b>

The City of Beaverton's Affordable Housing Tax Exemption Program is an economic development tool that provides nonprofit developers, providing rental housing to low - income residents, a property tax exemption. The project team has corresponded with the City of Beaverton anticipating program eligibility, which reflects the \$929,435 SDC offset in the project pro forma.

## Development Team

### **BRIDGE Housing Corporation - Developer, Owner**

BRIDGE Housing Corporation is the largest nonprofit developer of affordable and workforce housing on the West Coast and has participated in the development of 17,000 housing units throughout California, Oregon, and Washington. BRIDGE brings a 35-year track record of building high-quality affordable and mixed-income housing together with local partners.

BRIDGE's Portland office is headed by Executive Vice President Kurt Creager, who was formerly the Director of the Portland Housing Bureau and Executive Director of the Vancouver Housing Authority, and Senior Vice President of Development Aruna Doddapaneni, who has overseen

BRIDGE's work in the Portland area since 2013. BRIDGE's Portland staff is currently managing 658 units in operations and 450 units in construction, including Woodland Park in Downtown Hillsboro and Cornelius Place in Cornelius. For this project, Kurt and Aruna are joined by Project Manager Ben Sturtz, who joined BRIDGE in January 2020 and brings 16 years of experience as a Housing Development Project Manager for REACH CDC and a Housing Specialist for Washington County.

#### **BRIDGE Property Management Company - Property Manager**

In addition to developing housing, in 1987, BRIDGE launched an in-house property management company ("BPMC"), which manages or asset manages nearly 109 developments with nearly 11,895 rental and condominium homes. As a nonprofit, mission-oriented company, BPMC's management of BRIDGE properties also better serves BRIDGE residents: revenues in excess of costs generated by BPMC are reinvested to support resident and community services, and to create new affordable housing opportunities.

#### **Hacienda CDC - Resident Services Provider**

Hacienda CDC was formed in 1992 to provide necessary housing and supportive services for predominantly low-income Latinx communities. As a resident service provider for its own portfolio of housing and a partner for organizations like BRIDGE, Hacienda is well-versed in the needs of tenants as well as the requirements of the public funding. Hacienda is guided by the belief that the provision of culturally specific and culturally responsive services is an essential component to eliminating structural, cultural, and linguistic barriers, and fostering a sense of safety, understanding and belonging for residents and program participants. These practices ultimately lead to better outcomes, such as increased housing and family stability and increased social capital. 99% of Hacienda's direct services staff are bilingual and bicultural and have been trained in best practices of trauma-informed care. Hacienda provides multiple forms and opportunities for meaningful community engagement to build trust and demonstrates a commitment to quality program improvements.

#### **National Association of Minority Contractors Oregon - COBID/Equity Consultant**

Established in 2007, NAMC-Oregon is the local affiliate of the National Association of Minority Contractors (NAMC). The NAMC is a nonprofit trade association founded in 1969 to address the needs and concerns of minority contractors. Though membership is open to people of all races and ethnic backgrounds, the organization's mandate, "Building Bridges-Crossing Barriers," focuses on construction industry issues common to African Americans, Asian Americans, Latinx Americans, and Native Americans. Nate McCoy, Executive Director, and his staff has partnered with BRIDGE to draft and implement BRIDGE's Equity Plan, specifically outreach to COBID-certified subcontractors.

#### **Salazar Architect Inc. – Architect**

Salazar Architect Inc. is a certified Oregon MBE /ESB/ DBE firm and is licensed in Oregon, California and Washington. This firm also has extensive experience with U.S Department of Housing and Urban Development (HUD) and Low-Income Housing Tax Credit-funded multi-family housing. Lastly, Salazar Architect's work integrates sustainable design principles such as LEED, Earth Advantage and Enterprise Green Communities criteria.

#### **Otak - Civil Engineer, Landscape Architect, Planning/Entitlements**

Since 1981, Otak has worked to create vibrant, inclusive neighborhoods through progressive design and responsible growth. Otak has designed and built affordable housing projects for several long-term clients, and they look forward to building on their work with BRIDGE for the South Cooper Mountain project. Otak was previously engaged by West Hills Development and A.G. Spanos to prepare the master plan and plats for their South Cooper Mountain communities. As such, Otak is well versed in the City of Beaverton's land use entitlement and design review process.

## **Community Engagement**

Feedback from the City of Beaverton’s open house, Latinx Night and Arabic community sessions were instrumental in shaping BRIDGE’s proposed project. The feedback received at these community gatherings highlighted a need for two- and three-bedroom apartments and housing for working households and those on Social Security and fixed incomes. Based on this feedback, BRIDGE sought to prioritize the number of two- and three-bedroom units and distributed the 14 units serving 30% AMI households evenly amongst different unit configurations.

Hacienda will work with BRIDGE and Salazar Architect during the pre-development phase to engage community residents in the diverse and underrepresented low-income communities in Beaverton in order to develop a resident services program that responds to their needs and aspirations. Additionally, there will be opportunities for current residents of the South Cooper Mountain project to provide input on how the resident services programming can adequately address their needs.

## **Advancing Racial Equity**

The Local Implementation Strategy for both Washington County and the City of Beaverton prioritizes investments in high opportunity areas with limited or no affordable housing options. This project aligns well with those priorities and will be one of the first regulated affordable housing project in Southwest Beaverton. Per the City's inventory of regulated affordable housing, all of the City's existing inventory is located Downtown or in North Beaverton (near SW 170th Avenue). There is currently no regulated affordable housing in South Beaverton, Neighbors Southwest, Sexton Mountain, or the newly incorporated South Cooper Mountain area.

Prior to the application period, BRIDGE staff will establish relationships with community leaders, service providers, schools, churches, community centers, and others serving communities of color in Beaverton and Washington County. Hacienda will enhance these efforts utilizing their existing relationships and provide continuity of connection with community formal and information institutions once the building is open. These connections will be an important conduit for publicizing opportunities when leasing information is available. In order to help prospective residents overcome common barriers to accessing stable housing, BRIDGE has a three-pronged approach to low-barrier screening: starting marketing and outreach early so that prospective residents can mitigate issues that might be a barrier to acceptance, providing alternative methods to meet screening criteria, and adopting an open appeal process.

BRIDGE is committed to 25% COBID subcontractor participation for the South Cooper Mountain housing project, and is setting a 30% aspirational goal. In order to achieve this goal, BRIDGE developed a set of expectations for the ways in which the general contractor must track and meet equity goals, a methodology for outreach, mentoring and technical assistance to prospective MWESB subcontractors, and an outline of the ways to encourage the involvement of the community through apprenticeship programs and workforce training.

## **Partnerships and Services**

BRIDGE Property Management will be the property management provider and Hacienda CDC will be the resident services provider. The resident services programming will include:

- resources to connect residents to behavioral healthcare, physical healthcare, and assistance with food, clothing, and household furnishings.

- connection to resources to ensure housing stabilization and eviction prevention, such as emergency rental assistance, food pantry, utility assistance, financial fitness class, medical or behavioral healthcare referral
- youth and family services, such as afterschool programming and early childhood education
- economic opportunity, entrepreneurship, and homeownership services, such as financial coaching, pre-purchase counseling, lending circles, credit building, one-on-one long term business advising, monthly advanced business seminars

### **Anticipated Timeline**

An option to purchase the property was executed in October 2019. Construction plans will be completed in March 2021 and will go out to bid with a contractor selected in May 2021. The project will close on a construction loan in April of 2021 and commence construction with anticipated completion in June of 2022. Lease up will begin in March of 2022 and conclude in December 2022.

**Metro Affordable Housing Bond Program**  
**Concept Endorsement**

**Project Name:** Basalt Creek

**Implementing Jurisdiction:** Washington County

**Metro IGA Contract Number:** 936591

**Anticipated construction start:** May, 2022

**Anticipated construction completion:** September, 2023

**Action:**

Metro hereby provides Washington County with Concept Endorsement for \$14,320,000.00 Metro Affordable Housing Bond funds for the development of Basalt Creek, a regulated affordable housing project located at 23500 SW Boones Ferry Rd, Tualatin. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Washington County, including the following Project unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
26	One-bedroom	30%	0
30	One-bedroom	60%	0
15	Two-bedroom	30%	2
27	Two-bedroom	60%	0
6	Three-bedroom	30%	6
12	Three-bedroom	60%	0

The proposed project includes a preliminary commitment of housing bond subsidy per bond eligible unit of \$123,448 which is lower than the allocated amount of \$139,420 bond subsidy for Washington County. Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and Washington County, following Metro's Final Approval of the Project.



\_\_\_\_\_

9/17/20

Marissa Madrigal

Date

Chief Operating Officer

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Basalt Creek



Drafted by: Ted Reid, Principal Regional Planner, Valeria McWilliams,  
Housing Bond Program Analyst, and Choya Renata, Senior  
Communications Specialist, Metro  
Date: September 4, 2020

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for the Basalt Creek Development. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Washington County (HAWC).

## Contribution to unit production targets

Basalt Creek will utilize 12.3% of HAWC's total allocation of bond funds while delivering the following unit production outcomes:

- 14.3% of HAWC's overall unit production target;
- 14.1% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 14.9% of HAWC's family sized unit target.

When combined with HAWC's first project, Viewfinder, the BRIDGE Aloha Housing Project, Basalt Creek Development, Forest Grove Family Housing, Tigard Senior Housing, Plaza Los Amigos, Terrace Glen and South Cooper Mountain, the County is on a path to have utilized 75.6% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 86.7% of HAWC's overall unit production target;
- 67.9% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 96.3% of HAWC's family sized unit target.

## Eligibility and readiness to proceed

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

- A Statutory Warranty Deed recorded on March 30, 2020, demonstrating site ownership
- A preliminary project pro forma dated 05/24/2020
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon and Washington
- Zoning certification letter dated 05/22/2020 confirming development feasibility of the site once annexed to the City of Tualatin



- Equity plan

Staff has identified the following risks to project feasibility and readiness and will continue to request updates from the HAWC regarding how work is proceeding:

- The zoning is in place but there will be a longer than typical development timeline due to the project needing to be annexed into the City of Tualatin which requires City Council approval.

In addition, the project assumes additional funding from Metro's TOD Program that has yet to be reviewed and approved by the TOD Steering Committee.

### Advancing racial equity

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

- **Location:** The site is in Tualatin's newly approved Basalt Creek Concept Plan Area, and is the only site within the plan area designated for high density development.
- **Transit access:** The Property will be in close proximity to the proposed light rail, the WES, and new bus lines as the Basalt Creek area develops.
- **Diversity in contracting/hiring:** The developer, Community Partners for Affordable Housing (CPAH) has gained commitment from MWESB firms for 20% MWESB participation on soft costs, which puts the project on the way to achieve an aspirational goal of 30% MWESB participation.
- **Access for historically marginalized communities:** The proposed CPAH Basalt Creek project will offer a variety of apartment types including 56 one-bedroom units, 42 two-bedroom units, and 18 three-bedroom units for a total of 116 units. The project hopes to provide eight family units of permanent supportive housing associated with the request for eight project-based vouchers. The projects mixture of unit types will allow it to effectively serve both baby boomers who are down-sizing and millennial families. The property will also include design features, such as extra storage, education space, and a space for large family gatherings, and other amenities that will serve the community that have yet to be finalized awaiting input from community partners.
- **Culturally appropriate services:** CPAH will be partnering with Centro Cultural to be sure that employment related services are available as well as staying connected to WorkSystems Inc. and the programs that they offer community-wide. Centro Cultural is a culturally specific community organization and will assist us in ensuring that employment services are culturally specific as well. Centro Cultural proposes to meet with residents on-site in the community center to provide career coaching for adults, along with business development and start up technical assistance. CPAH will be working to be sure that the community center is reflective of the needs of this program, including some classroom space and a commercial kitchen. CPAH will also work with health providers to ensure that health and wellness activities are available onsite. This includes a new partnership with Neighborhood Health Center, which is providing services at Tualatin High School. CPAH currently has a partnership with the Naturopathic University of Oregon, which provides clinics at two of CPAH's communities, and a developing partnership with Virginia Garcia that serves CPAH's family properties. CPAH will continue to develop these kinds of partnerships at the Basalt Creek Site.

## Community engagement to inform project implementation

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

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

The project narrative shows a solid understanding of the demographics and barriers in the project geographic area. Partnerships with Unite Oregon, Centro Cultural, NARA, and others will help reach communities of color and other oppressed groups, specifically with a focus group of community members. CPAH will also utilize their Resident Advisory Committee for input to inform the project. Washington County's listening sessions with BIPOC community groups will complement the engagement activities the developer will conduct.

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

Input from CPAH's Southwest Corridor community engagement has been considered, as well as City of Tualatin's housing needs assessment. The need for large family units, support for microenterprise and employment, education and health, and outdoor and indoor gathering spaces to build community are all themes that have been noted, gleaned from these other engagement processes. Laundry facilities will be included in each three-bedroom unit to support larger families. Future engagement will involve focus groups and input from Resident Advisory Committee. Themes from this feedback will be provided to architect and contractor who will use it to inform the project.

# Exhibit B: Project summary submitted by Housing Authority of Washington County | Metro bond concept endorsement for Basalt Creek



Submitted by: Shannon Wilson, Interim Housing Development Manager,  
Housing Authority of Washington County,  
shannon\_wilson@co.washington.or.us  
Submitted on: August 25, 2020

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## Project Overview

Basalt Creek is a new construction, 116-unit affordable housing project sponsored by Community Partners for Affordable Housing (CPAH). The project includes three three-story apartment buildings and one community building in Tualatin, OR. 116 total units are provided with the development including 47 units at 30% AMI (includes eight PBVs) and 69 units at 60% AMI. The Basalt Creek project will consist of three newly constructed, nearly identical three-story apartment buildings and one community building.

The 4.66 acre site is currently vacant and is part of the Basalt Creek Concept Plan Area, which is a planned urban expansion area spanning the Cities of Wilsonville and Tualatin. CPAH purchased the site early this year. Financing structure for the project includes 4% LIHTCs and weatherization funds from OHCS, METRO TOD funds, deferred developer fee and permanent debt, all leveraged by Metro bond funds.

## Preliminary Development Program

The development will consist of three mirrored three-story apartment buildings totaling 116 units, including 47 units at 30% AMI (includes eight PBVs) and 69 units at 60% AMI. Total square footage is 124,220 square feet. 56 One-bedroom units will be approximately 600 square feet, the 42 two-bedroom units will be approximately 800 square feet, and the 18 three-bedroom units will be approximately 1,400 square feet.

The community building will be a single story. The residential buildings will each have an elevator so that each unit can be adapted for ADA accessibility. Approximately 165 parking spaces will be provided, including approximately 18 garage spaces. The property will also include design features, such as extra storage, education space, and a space for large family gatherings, and other amenities that will serve the community. The Community building and other site amenities will be designed to foster skill development. Other community amenities include a basketball court, a large play area, community gardens, and expansive landscaping designed to bring residents together and create connections with each other and nature.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit
One-bedroom	26	30%		600
One-bedroom	30	60%		600
Two-bedroom	15	30%	2	800
Two-bedroom	27	60%		800
Three-bedroom	6	30%	6	1,400
Three-bedroom	12	60%		1,400
<b>Total</b>	<b>116</b>	<b>---</b>	<b>8</b>	<b>---</b>

## **Background**

In November 2018, voters authorized Metro to issue \$652.8 million in bonds to support affordable housing. Washington County will receive about \$116 million to construct 814 affordable housing units in the Washington County Metro Service area outside Hillsboro and Beaverton. The County developed a Local Implementation Strategy (LIS) and, in March 2020, issued a Notice of Funding Availability (NOFA) offering \$80 million of the \$116 million. To be approved for funding, proposed projects must be consistent with the LIS. The project has proceeded through the NOFA evaluation process which has included:

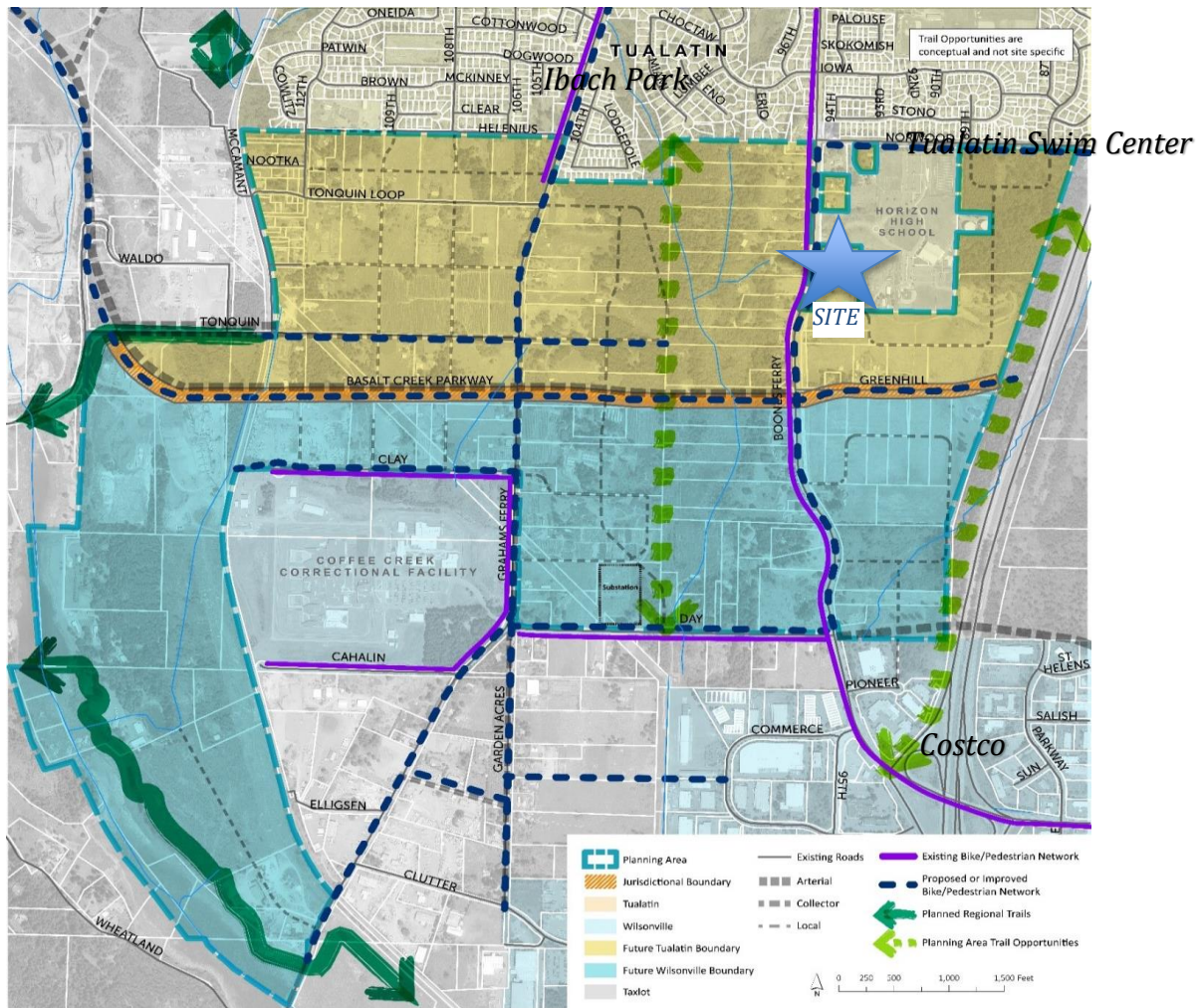
- Staff threshold review
- Third-party financial feasibility analysis
- Evaluation committee review
- Housing Advisory Committee review.

The project has been recommended to the Washington County Board of Commissioners for Concept Endorsement Approval.

In January 2020, a Phase I Environmental Site Assessment was conducted by Maul Foster & Alongi, Inc. for the Property. An underground storage tank (“UST”) was discovered on the site. This was the only recognized environmental condition noted. A Phase II was conducted prior to site acquisition and no evidence of soil contamination was found. The UST should be decommissioned in accordance with DEQ regulations. Testing for lead and asbestos has not been completed at this time but will be completed before the existing structures are demolished. Mitigation plans will be put in place according to the results of those tests. The Oregon Fish and Wildlife Service has identified eight species which could potentially exist within the surrounding geographic area. Based on the National Environmental Policy Act (NEPA), a Biological Assessment is required to determine whether the project may affect these species. A purchase and sale agreement was executed in December 2019 with site acquisition occurring by CPAH in March, 2020.

## **Location and Neighborhood**

The 4.66 acre site is currently in unincorporated Washington County, however it is within Basalt Creek Concept Plan area and will need to be annexed into the City of Tualatin prior to development. This annexation and development will require the extension of sanitary, storm and water services to serve the site. The Property will be in close proximity to the proposed light rail, the WES, and new bus lines as the Basalt Creek area develops. This site is also near Tualatin High School, where the Neighborhood Health Center has a school based clinic. Nearby property is zoned Neighborhood Commercial in the Basalt Creek Comprehensive Plan which will provide future opportunities for services and shops within close proximity for residents.



## Site

The site is currently vacant and is comprised of one tax lot. The site is in the newly approved Basalt Creek Concept Plan Area, and is the only site within the plan area designated for high density development. The Basalt Creek Planning Area consists of 847 acres located in Washington County between the Cities of Tualatin and Wilsonville. This annexation and development will require the extension of sanitary, storm and water services to serve the site.

The site is located near the Basalt Creek Natural area, which will provide recreational opportunities. The site is in a HUD defined “difficult to develop area” or DDA, which provides a 30% boost to LIHTC basis, increasing the available leverage for the development. The property is currently owned by Community Partners for Affordable Housing (CPAH). The property was acquired in March 2020 with the intent to develop affordable housing. CPAH will be selling the property to a newly formed limited partnership (LP) created by CPAH to be the general partner and controlling member of the LP. It will be a non-arm’s length sale. The transaction is currently anticipating a \$500,000 sponsor note for funds contributed by Washington County from the Housing Production Opportunity Fund.

## Project Financing

\$14,320,000 is requested in Metro bond funding for this project. This project leverages several other resources including a 4% LIHTC allocation, two OHCS sources, Metro funds, Housing Opportunity Production Funds (HPOF), SDC waivers from the city of Tualatin, and contributions from foundations. Total project cost is \$43,583,824 which is \$375,722 per unit and \$471.68 per building square foot. The HPOF has already contributed \$500,000 to the project to assist with the purchase of the site. As the site is in a Difficult to Develop Area (DDA) the LIHTC credits receive a 30% boost and it is anticipated that about \$16,162,086 in tax credits will be brought into the project. The project intends to apply for \$650,000 in the OHCS PSH pilot next year to help support the eight PSH units.

<b>Funding Source</b>	<b>Amount</b>
<i>OHCS Programs</i>	
4% LIHTC (Equity)	\$16,162,086
Weatherization	\$150,000
OHCS PSH	\$650,000
<b>Total OHCS Grants and Equity</b>	<b>\$16,962,086</b>
<b>NON-OHCS Grants</b>	
Metro Bond	\$14,320,000
HPOF	\$500,000
City of Tualatin	\$300,000
<b>Total Non-OHCS Grants</b>	<b>\$15,120,000</b>
<b>Loans</b>	
Permanent Loan	\$8,300,000
Metro	\$200,000
Foundations	\$300,000
<b>Total Non OHCS Loans</b>	<b>\$8,800,000</b>
Deferred Developer Fee	\$2,701,738
<b>Total Applicant Contribution</b>	<b>\$2,701,738</b>
<b>Total Fund Sources</b>	<b>\$43,583,824</b>
<b>Uses of Funds</b>	
Acquisition Costs	\$2,594,375
Construction Costs	\$27,447,277
Total Development Cost	\$13,542,172
<b>Total Project Cost</b>	<b>\$43,583,824</b>

## Development Team

Community Partners for Affordable Housing (CPAH) has developed six affordable housing projects in its 25-year history. CPAH has added expertise to its development team by hiring an associate developer, Rachel Loftin, who joins CPAH's Executive Director, Rachael Duke, and Housing Development Director Jilian Saurage Felton as the in house development team. Rachael joined CPAH after fifteen years at Home Forward, the Housing Authority of Multnomah County, gaining varied experience in planning, program, and policy work. Jilian Saurage Felton has over twelve years of experience in nonprofit and affordable housing finance, analysis, and project team management with projects of varying size and scope including residential construction, land development, and commercial real estate projects. Ms. Duke and Ms. Saurage Felton have secured funding for four projects with a combined budget of over \$50MM since joining CPAH in January of

2018. Two projects are in construction and will be completed in 2020, a third, a rehab of a current property within the portfolio, will begin in fall 2020 and be completed in spring 2021. The fourth, a major renovation in downtown Portland, will begin in summer 2021 and be completed in 2022 when this project is scheduled to begin.

Carleton Hart Architecture (CHA) has completed more than 50 affordable-housing developments in its 26-year history five of which were designed for CPAH, including The Knoll at Tigard, Barcelona, and Oleson Woods, and two projects under construction Red Rock Creek Commons and Cedar Grove. The project's general contractor, LMC Construction, has completed 25 similar buildings to date, including CPAH's The Knoll at Tigard and The Barcelona at Beaverton, as well as CPAH's two projects currently in construction in Washington County.

## **Community Engagement**

For over two years Rachael Duke, the executive director of CPAH, has worked with colleagues from Unite Oregon and the Community Alliance of Tenants as well as the Muslim Education Trust, Home Forward, and the cities of Tigard, Portland and Tualatin to understand housing needs along the SW Corridor as well as within the city of Tualatin, which informed the project goals and selected project location. Based on the housing needs analysis from the City of Tualatin in addition to these conversations and outreach, CPAH understands the need to include large family units along with supports for microenterprise and employment, educational opportunities and health.

CPAH is committed to assuring that the Basalt Creek project serves people of color and immigrant Populations. They plan to market to residents who are living in the area and along the corridor and who are experiencing rising rents and gentrification as rents are rapidly increasing. CPAH will provide information about how to successfully apply for housing and will work with Unite Oregon to do outreach and a focus groups to provide information about the housing and to ensure we are able to serve diverse populations. CPAH will do an additional outreach in conjunction with the City of Tualatin, following up with those who indicated interest in affordable housing through Tualatin's recent public hearing and the Community Advisory Committee that vetted and supported the ECO Northwest Report and the city's 2040 plan.

## **Advancing Racial Equity**

CPAH has gathered a development team composed of MBE-certified and equity-oriented firms. During its 27-year history providing high-quality affordable housing in the Portland region, CPAH has formed working relationships with MWESB firms and community partners with strong equity policies.

In addition to forming a development team composed of MBE-certified and equity-oriented firms, CPAH plans to address equity and diversity in the Basalt Creek project by setting MWESB subcontractor goals for LMC Construction. Throughout its 16-year history, LMC has provided MWESB subcontractors with stable work opportunities to grow. In partnership with Metropolitan Contractors Improvement Partnership, National Association of Minority Contractors Oregon, Oregon Association of Minority Entrepreneurs, Hispanic Metropolitan Chamber, and Asian American Business Association, LMC Construction is consistently able to meet goals to hire a workforce that includes over 25 percent MWESB subcontractor/suppliers on all projects. LMC and CPAH have committed to exceed 25 percent MWESB participation for the proposed project.

An established process for assuring successful MWESB participation. To achieve this goal, the team will identify potential barriers for contractors and subcontractors, including the size of project, cash

flow, estimating, and personnel. Understanding these barriers allows LMC to work with subcontractors to identify areas of the project that are a good fit for their capacities. LMC will assist with early payments and work with banking institutions to increase lines of credit. The team will involve contractors/subcontractors early in the bidding process, giving them ample time to plan and bid the project.

## **Partnerships and Services**

CPAH has a well-developed resident services program that is able to provide eviction prevention for vulnerable households, thriving in place activities for our seniors, workforce support for those with their working lives ahead of them, services for young people to support learning and positive social engagement, and connections to service partners for residents who need permanent supportive housing. Eight apartments will be set aside for people coming from the Washington County Coordinated Access List and CPAH will be partnering closely with Community Action to ensure that residents have access to supportive services and that the team is working together to provide a platform for success for these vulnerable households.

Additionally, CPAH will be partnering with Centro Cultural to be sure that employment related services are available as well as staying connected to WorkSystems Inc. and the programs that they offer community-wide. Centro Cultural is a culturally specific community organization and will assist us in ensuring that employment services are culturally specific as well. Centro Cultural proposes to meet with residents on-site in our community center to provide career coaching for adults, along with business development and start up technical assistance.

CPAH will also work with health providers to ensure that health and wellness activities are available on site. This includes a new partnership with Neighborhood Health Center, which is providing services at Tualatin High School. CPAH currently has a partnership with the Naturopathic University of Oregon, which provides clinics at two of their communities, and a developing partnership with Virginia Garcia that serves CPAH properties.

Pinehurst Management have over 65 years of affordable housing experience and is comprised of Terry Wilson, Phil Hedrick, and Paul Johnson. Cascade Housing Group, LLC was formed in 1195 and its two members, Phil Hedrick and Paul Johnson, have substantial experience in affordable housing. Terry Wilson is the managing member of Pinehurst Management and has over 20 years of experience in commercial real estate.

## **Anticipated Timeline**

An option was executed on December 2019 and the site was purchased by CPAH on March 2020. The site needs to go through formal City annexation and extension of needed utilities to serve the site prior to development. Closing on the construction loan is anticipated to occur May 2022. Building permit submission is scheduled for February 2021 and construction to occur in May of 2022 with occupancy occurring September 2023 and lease-up completed March 2024.



## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** Forest Grove Family Housing  
**Implementing Jurisdiction:** Washington County  
**Metro IGA Contract Number:** 936591  
**Anticipated construction start:** January, 2021  
**Anticipated construction completion:** January, 2022

**Action:**

Metro hereby provides Washington County with Concept Endorsement for \$3,792,088.00 Metro Affordable Housing Bond funds for the development of Forest Grove Family Housing a regulated affordable housing project located at 2525 A Street, Forest Grove. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Washington County, including the following Project unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
4	One-bedroom	30%	4
2	One-bedroom	60%	0
4	Two-bedroom	30%	4
20	Two-bedroom	60%	0
6	Three-bedroom	60%	0

The proposed project includes a preliminary commitment of housing bond subsidy per bond eligible unit of \$105,336 which is lower than the allocated amount of \$139,420 bond subsidy for Washington County.

Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and Washington County, following Metro's Final Approval of the Project.



\_\_\_\_\_  
Marissa Madrigal  
Chief Operating Officer

9/17/20  
\_\_\_\_\_

Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Forest Grove Family Housing



Drafted by: Ted Reid, Principal Regional Planner, Valeria McWilliams,  
Housing Bond Program Analyst, and Choya Renata, Senior  
Communications Specialist, Metro  
Date: September 4, 2020

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for the Forest Grove Family Housing (FGFH). Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Washington County (HAWC).

## Contribution to unit production targets

FGFH will utilize 3.3% of HAWC's total allocation of bond funds while delivering the following unit production outcomes:

- 4.4% of HAWC's overall unit production target;
- 2.4% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 7.4% of HAWC's family sized unit target.

When combined with HAWC's first project, Viewfinder, the BRIDGE Aloha Housing Project, Basalt Creek Development, Forest Grove Family Housing, Tigard Senior Housing, Plaza Los Amigos, Terrace Glen and South Cooper Mountain, the County is on a path to have utilized 75.6% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 86.7% of HAWC's overall unit production target;
- 67.9% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 96.3% of HAWC's family sized unit target.

## Eligibility and readiness to proceed

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

- A Statutory Warranty Deed recorded on January 13 2020, demonstrating site ownership
- A preliminary project pro forma dated 05/19/2020
- Development team resumes
- Equity plan

Staff has not identified any unusual risks to project feasibility and readiness and will continue to request updates from the HAWC regarding how work is proceeding.

### Advancing racial equity

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

- **Location:** FGFH will be constructed on a 1.36-acre site located in a high-opportunity neighborhood in central Forest Grove. The site is two blocks from Harvey Clarke elementary school and within walking distance of other schools. It is across the street from Lincoln Park and within two blocks of Sites City Park. The site is adjacent to Pacific University and is within an easy walk to downtown Forest Grove, as well as food markets, services, and employment opportunities in the immediate neighborhood. Other amenities and services include Forest Grove City Library (1.0 mi.), Jr. High School (2.8 mi.), High School (0.8 mi.), an aquatic park (0.6 mi.), police station (0.7 mi.), fire station (0.8 mi.), emergency medical services (1.8 mi.) and hospital (1.8 mi.).
- **Transit access:** The new development will be serviced by Tri-Met and Mid-Columbia bus stops (0.7 mi.).
- **Diversity in contracting/hiring:** The developer, LMC, proposes a goal of 35% DMWESB involvement, as many of their past projects exceeded 30 and 40% goals. LMC is committed to working with DMWESB subcontractors in all phases of the project. LMC and Bienestar will work with LatinoBuilt to hold informative sessions with local MWESB-SDV contractors who are based in Washington County. LMC is also a Registered Training Agent with the Northwest College of Construction and currently has both carpenter and laborer apprentices enrolled in their program. The project also has a goal of 30% MWESB participation for professional services and have already identified that their civil engineer and landscape architect will be certified Women Owned firms and their geotechnical engineer from an ESB firm. LMC is targeting an MBE for the structural engineer work. LMC maintains an MWESB consultant database which is continually updated and expanded to provide an additional resources from which project teams may refer for selecting teaming partners.
- **Access for historically marginalized communities:** A comprehensive multi-lingual marketing and lease-up plan is proposed to ensure equal and fair access to affordable housing opportunity. There will be a special focus to reach out the Latinx community. Bienestar will market availability of units through in-person strategies, word of mouth through its 'Promotores' (resident leaders) and direct referrals from their tenants through their social and professional networks.
- **Culturally appropriate services:** Bienestar will work with HAWC to provide appropriate on-site services to the families and individuals on site. A trained Bienestar staff member, with part-time presence at the property, will provide information and referral services, coordinate community events, and connect with other service providers to bring a wide array of opportunities to residents. Services will be provided bilingual to residents, with special emphasis to continue working relationships with Adelante Mujeres, Centro Cultural, and Virginia Garcia Memorial Health Center. Once the project has been fully funded, Sequoia Mental Health Services, Inc. will hire a bilingual and bicultural service case manager/service coordinator which will work with the Bienestar resident service staff and 'Promoters' on ongoing operations.

## Community engagement to inform project implementation

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

Partnership with Bienestar is strong and bodes well for comprehensive engagement. Bienestar as an organization shows incredible depth of community knowledge and connections that will facilitate reaching communities of color and other marginalized groups. The project narrative demonstrates good foresight in anticipating and planning for online engagement, given the ongoing pandemic. Their plan for disseminating information is solid.

In addition, Washington County conduct listening sessions with BIPOC community groups to complement the engagement activities the developer and partner will conduct.

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

The narrative describes a plan to form a design task force with various stakeholder groups; this seems well thought out and fitting as a way to gather input to inform this project. Open community meetings will augment the design task force. The plan shows a clear connection between input to be gathered and ways it will inform the project.

# Exhibit B: Project summary submitted by Housing Authority of Washington County | Metro bond concept endorsement for Forest Grove Family Housing



Submitted by: Shannon Wilson, Housing Development Coordinator,  
Housing Authority of Washington County,  
shannon\_wilson@co.washington.or.us  
Submitted on: August 18, 2020

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## Project Overview

Forest Grove Family Housing (FGFH) is a proposed affordable multi-family housing development located on a 1.36-acre site at 2525 A Street in Forest Grove, Oregon. Prior to purchase by DCM, the property was owned and operated by Van Doren Red-E-Mix, Inc. (a ready-mix concrete manufacturer). The former facility consisted of a vehicle and equipment maintenance shop, a concrete batch plant, a wastewater settling pond, and a single-family residence used as a rental property and office. The concrete batch plant was demolished in 2015 and the settling pond removed by 2016, but the maintenance shop and single-family are currently onsite and will be demolished as a part of this project development.

The project will consist of five two-story apartment buildings containing a total of 36 units, ranging in size from one-bedroom to three-bedrooms. The project will serve families whose incomes are at or below 60% of medium area income (MFI), with 8 units serving families whose incomes are at or below 30% of MFI, consisting of (4) one-bedroom and (4) two-bedroom units designated as Permanent Supportive Housing (PSH) units.

The team is led by DCM Communities, who owns the site and will act as the Developer and Sponsor for the project. DCM will provide turn-key development services to The Housing Authority of Washington County (HAWC), who will be the eventual owner of the development.

Total Project Costs are \$10.99 million anticipated to be financed with \$3.792 million in Metro Bond funds, a \$350,000 deferred developer fee, \$2.75 million in a 4% LIHTC equity, and a \$4.1 million permanent loan.

## Preliminary Development Program

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
One-bedroom	4	30%	4	585	\$481
Two-bedroom	4	30%	4	775	\$577
One-bedroom	2	60%		585	\$1036
Two-bedroom	20	60%		775	\$1243
Three-bedroom	6	60%		990	\$1437
<b>Total</b>	<b>36</b>			<b>28,050</b>	

The project unit breakdown consists of (6) one-bedroom units, (24) two-bedroom units, and (6) three-bedroom units. The three-bedroom units will be designed as two-story townhomes, giving our larger families the experience of living in a more traditional, house-like structure. 22% of units will serve households at 30% or less of AMI and will request site-based rental assistance from Washington County. Forest Grove has a higher share of four or more person households than

Washington County and a much higher share than the state with 28.7% of the Forest Grove population in a household that is four-person or larger. To that end, 83% of all units in the development will serve households in a two- or three-bedroom unit.

The development features five two-story buildings clustered around community amenity and outdoor spaces. Three buildings are centrally located within the site with a north-south orientation towards 26th Avenue and two additional buildings are located south of the drive-aisle along the site's southern perimeter. Centralized outdoor areas include multiple concrete accessible walkways, while the southern side of the development features access aisles and approximately 40 parking spaces.

Other building amenities include a community facility consisting of an activity room, a resident service office, and laundry room. Site amenities include an ample playground area, garden plots/boxes, adult sitting area, and lawn for outdoor recreation. These facilities will promote community and gathering, as well as accommodation of culturally specific social activities. The project will meet or exceed the requirements for Earth Advantage Gold certification.

## **Background**

In November 2018, voters authorized Metro to issue \$652.8 million in bonds to support affordable housing. Washington County will receive about \$116 million to construct 814 affordable housing units in the Washington County Metro Service area outside Hillsboro and Beaverton. The County developed a Local Implementation Strategy (LIS) and, in March 2020, issued a Notice of Funding Availability (NOFA) offering \$80 million of the \$116 million. To be approved for funding, proposed projects must be consistent with the LIS. DCM applied to this NOFA for this Forest Grove project. The project has proceeded through the NOFA evaluation process which has included:

- Staff threshold review
- Third-party financial feasibility analysis
- Evaluation committee review
- Housing Advisory Committee review.

The project has been recommended to the Washington County Board of Commissioners for Concept Endorsement Approval.

FGFH will be ready to close on construction financing before year-end 2020 with project completion anticipated before year-end 2021. Site acquisition and environmental due diligence has been completed. The preliminary application for 4% tax credits and conduit bond has been submitted.

Preapplication meetings have occurred with the City of Forest Grove and a geotechnical engineering has provided preliminary soil opinions with a full soils study to be completed prior to funding award.

The development team has been awarded preapplication financing from Community Housing Fund (CHF) and are prepared upon award to launch into full design development and begin the process of collecting financial letters of intent (LOI) for construction and permanent lending that accompanies the LOI for tax credits already received. The project has an executed MOU's through a Teaming Agreement with HAWC, Cascade Management, Bienestar, and Sequoia Mental Health. Architectural and engineering designs have begun and will continue through the summer, with plans expected to be completed by October 2020. Closing of the loan is expected by the end of 2020 and a contractor to be selected and construction to commence by January 2021.

## Location and Neighborhood



The site is in a walkable, centralized neighborhood two blocks from Harvey Clarke Elementary School, across the street from Lincoln Park and two blocks from Sites City park. The walkable neighborhood contains sidewalks and pedestrian-scaled buildings. The residential area includes small single homes, middle housing and garden apartment buildings.

The site is adjacent to Pacific University and within an easy walk to downtown Forest Grove, as well as food markets, services, and employment opportunities in the immediate neighborhood. Other amenities and services include Forest Grove City Library, Tri-Met and Mid-Columbia bus stops, Jr. High School, High School and an aquatic park.

### Site

The site is zoned Residential Multi-family High Density (RMH) which allows up to 34 units outright and 38 units with a Planned Unit Development density bonus, which the development plans to pursue in order to entitle the proposed 36 units. The 1.36 acre site currently contains industrial accessory buildings, heavy equipment storage and is secured with a metal perimeter fence. This equipment and buildings were part of the Van Doren Red-E-Mix facility that began operations in 1946. Most of that facility was demolished in 2015. The remaining site buildings will be demolished as part of the development. Prior to 1946, the property consisted of agricultural fields and an associated residence previously located on the eastern portion of the site. A Phase I Environmental report for the site indicates no Recognized, Historical or Controlled Environmental Conditions.

The subject site contains three tax lots: Lots 2100, 2200 and 2300 on Washington County Tax Assessor's Map 1N2-33CB and is specifically identified as Lots 12,12 and 14 of the Branford Addition to Forest Grove. The Project Developer/Sponsor, DCM Communities, purchased the property in January 2020. The existing lots will be consolidated as part of the development process.

## Project Financing

Total Project Costs are \$10.99 million with total hard costs for construction projected \$6.909 million, and the development team is requesting \$3.792 million in Metro Bond funds. Other sources of income include a \$350,000 deferred developer fee, and \$2.75 million in a 4% LIHTC award. A \$4.1 million permanent loan is anticipated for the project. Total cost per unit is \$305,398; cost is \$385.77 per gross SF.

With HAWC's involvement in the project, it will receive ongoing property tax exemption. The City of Forest Grove also provides a density bonus, which the development team will pursue.

<b>Funding Source</b>	<b>Amount</b>
OHCS Programs	\$2,752,258
<b>Total OHCS Grants and Equity</b>	<b>\$2,752,258</b>
Non-OHCS Grants	
Metro Housing Bond	\$3,792,088
<b>Total Non-OHCS Grants</b>	<b>\$3,792,088</b>
Loans	\$4,100,000
Deferred Developer Fee	\$350,000
<b>Total Fund Sources</b>	<b>\$10,994,346</b>

<b>Uses of Funds</b>	<b>Amount</b>
Acquisition Costs	\$791,500
Construction Costs	\$6,909,620
Total Development Cost	\$3,293,226
<b>Total Project Cost</b>	<b>\$10,994,346</b>

## Development Team

The team is led by DCM Communities, who will act as the Developer and Sponsor for the project. DCM will provide turn-key development services to The Housing Authority of Washington County (HAWC), who will be the Owner of the development. Service partners include Bienestar and Sequoia Mental Health. Cascade Property Management is also part of the team.

DCM Communities, LLC is a newly formed, mission-driven development company that represents a unique collaboration between dedicated professionals representing the various disciplines involved in developing affordable housing. Principals Stephen McMurtrey, Brian Carleton, and Chris Duffin bring decades of experience in design, construction, development, and financing of affordable housing throughout Oregon and Washington. Partners in affordable housing development, the beginning idea for this venture was forged when they collaborated through the Meyer Memorial Trust Cost-Efficiencies Workgroup in 2014. As a result, they have come together to provide an integrated development model focused on capacity building design, construction, and management that can deliver successful projects efficiently and holistically to smaller communities in the region.

The Housing Authority of Washington County (HAWC) has been providing and developing affordable housing opportunities in Washington County for nearly 50 years. Begun in 1970, the effort has continued in the County's Department of Housing Services (DHS). The Department of



Housing Services was formed in 1992 to administer housing activities and programs of the County and the Housing Authority. HAWC remains a separate legal entity and contracts with the County to implement and administer Housing Authority programs and all support services. This mission of the Department of Housing Services/HAWC is to provide a continuum of affordable housing options that promote community strength. Currently, DHS/HAWC administers 2,828 Section 8 Rental Assistance Vouchers and has a portfolio of 1,818 affordable housing (developed independently and in partnership with developers) and public housing units with 264 units in the pipeline.

Bienestar, an experienced affordable housing provider based in Washington County, will collaborate with DCM during the development process to lead the effort in community outreach and inclusion as well as equitable marketing and lease-up. Long term, Bienestar will collaborate with HAWC to provide on-site services to the families and individuals who live at this development.

Sequoia Mental Health Services, Inc. is a nonprofit organization incorporated in the State of Oregon, providing mental health and substance use services for the residents of Washington County. The parent agencies of Sequoia were founded in the 1980s (Homestreet in 1981 and Banyan Tree in 1984). Sequoia MHS currently provides an array of behavioral health services for adults and children and believes that individuals have the right to culturally competent, accessible, person-centered treatment and that anyone can recover, resume and maintain a life full of hope and meaning. Services are provided by licensed medical practitioners (MDs and Nurse Practitioners), licensed clinical social workers, Qualified Mental Health Professionals with master's degrees, Qualified Mental Health Associations with bachelor's degrees and certified peer specialists.

Cascade Management has created a tradition of excellence with over 45 years of experience in property management, development, resident relocation, capital planning, affordable housing and beyond. Cascade Management has made social equity and diversity a priority and is committed to providing equal access to all with regard to employment, vendor relationships and contracting opportunities. Cascade Management works to assure they are providing the highest level of service to these diverse resident groups and communities.

## **Community Engagement**

A design task force will be created to provide feedback throughout the design process from a cross-section of culturally diverse people. Participants will also act as liaisons, helping to disseminate information back to their constituent groups. This group will meet monthly throughout the design process, and then meet periodically during the construction phase.

Additionally, the development team will host a minimum of three open community meetings during project design. Information regarding the meetings will be displayed throughout the community, published in local news sources, and promoted on our project website. A project website that will provide community members with real-time updates on the progress of the project, dates for upcoming meetings, and leasing opportunities.

The development team will pursue a Planned Unit Development in order to achieve a density bonus to provide 36 units for the development. As part of that entitlement process a public hearing will be needed for approval.

## **Advancing Racial Equity**

The development team and project partners submitted an equity plan that prescribes a how a comprehensive multi-lingual marketing and lease-up plan to ensure racial and economic equity,

that all classes of disadvantaged populations will have equal and fair access to rent units at FGFH, and that the project is furthering affordable housing choice in Washington County. Forest Grove and adjacent Cornelius have been a center for the Latinx community since WWII, when the implementation of the “Bracero” program allowed Mexican immigrant workers to build the agricultural workforce during the war. Latinxs represent over 30% of the Forest Grove/Cornelius population, which makes this group the area’s largest community of color. At the same time, gentrification and displacement pressures on the Latinx community and other communities of color are intensifying as the cost of living in Forest Grove/Cornelius has consistently increased year over year.

Bienestar’s historical model consists of marketing availability of units through the following in-person strategies: in-person visits to major employment centers, communication at places of worship, libraries, and stores owned by Latinx entrepreneurs or frequented by Latinx target populations. Additionally, Bienestar will rely on word of mouth via its Promotores as part of their normal volunteer activities and in their respective places of work and direct referrals from our 2,000 tenants from among their social and professional networks. Bienestar’s Promotores are resident leaders who connect other residents to needed services, coordinate service provision at properties with Bienestar staff and advocate for their communities’ interests in public forums and processes.

Bienestar will partner with LatinoBuilt, a trade association for Latinx Contractors in Oregon seeking to build a community that empowers and supports the voices of Latinx-owned businesses in their efforts to overcome barriers, develop capacity, promote and enrich lives. Bienestar and LMC will work with LatinoBuilt to hold informative sessions with local MWESB-SDV contractors who are based in Washington County.

LMC will engage personally with the target subcontractors to reach and potentially exceed a goal of 35% DMWESB involvement. In order to maximize participation, the development team will provide pre-bid outreach to the community to prepare them for the upcoming bid opportunities and offer support to any firms interested in getting involved, partner with local membership groups to include their resources and networking opportunities, utilize LMC’s network of qualified MWESB & Section 3 firms that have experience in similar work. In addition to outreach and marketing strategies, LMC will provide cash flow assistance through an expedited payment process ahead of monthly project draws, provide prevailing Wage, Section 3 and Workforce Training support and reporting guidance, and allow for on-the-job training in order to include persons with minimal previous work experience.

As the project Architect, Carleton Hart Architecture is committed to social equity in projects and business practices. CHA spent 24 years certified with the State of Oregon as a Disadvantaged Business Enterprise and Minority Business Enterprise. Though no longer certified, equity and diversity remain intrinsic to operations and project. They also provide equity training to staff and have Community Agreements posted throughout the office. They have identified that project civil engineer and landscape architect will be certified Women Owned (WBE) firms, the geotechnical engineer is an ESB firm and are targeting an MBE for structural engineering work.

## **Partnerships and Services**

Bienestar will collaborate with HAWC to provide on-site services to the families and individuals who live at this development. A trained Bienestar staff member will provide information and

referral services, coordinate community events, and connect with other service providers to bring a wide array of opportunities to residents. This staff will have a part-time presence at the property to support residents who need connections to Bienestar's many partner organizations. They will also work with the Resident Services Director and other Bienestar staff to provide presentations, community building events, and youth enrichment services at Forest Grove Family Housing.

Services will be provided in partnership with Bienestar to ensure that culturally specific, bilingual care is provided to the residents. Special emphasis will be placed on developing relationships with culturally specific service providers that already maintain a working relationship with Bienestar, such as Adelante Mujeres and Centro Cultural and Virginia Garcia Memorial Health Center, to ensure that a diverse resident population will have their needs met. Once the project is funded, Sequoia will hire a service case manager/service coordinator who is bilingual and bicultural. Sequoia staff and Bienestar resident service staff will consult routinely to share information, problem solve issues and avoid or mitigate crisis situations. Additionally, Sequoia staff will work hand in hand with Bienestar's Promotores to provide outreach and watch for signs that a resident may be experiencing a crisis, and will meet regularly with Bienestar resident services staff and on-site property management staff to coordinate services PSH residents and the property as a whole.

### **Anticipated Timeline**

FGFH is ready to move forward and is prepared to break ground and begin construction within the next eight (8) months. FGFH will be ready to close on construction financing before year-end 2020 with project completion anticipated before year-end 2021. Site acquisition and environmental due diligence has been completed. The preliminary application for 4% tax credits and conduit bond has been submitted.

Preapplication meetings have occurred with the City of Forest Grove and a geotechnical engineering has provided preliminary soil opinions with a full soils study to be completed prior to funding award. Architectural and engineering designs have begun and will continue through the summer, with plans expected to be completed by October 2020. Closing of the loan is expected by the end of 2020 and a contractor to be selected and construction to commence by January 2021.

**Metro Affordable Housing Bond Program**  
**Concept Endorsement**

**Project Name:** Tigard Senior Housing  
**Implementing Jurisdiction:** Washington County  
**Metro IGA Contract Number:** 936591  
**Anticipated construction start:** October, 2021  
**Anticipated construction completion:** January, 2023

**Action:**

Metro hereby provides Washington County with Concept Endorsement for \$6,270,000.00 Metro Affordable Housing Bond funds for the development of Tigard Senior Housing, a regulated affordable housing project located at 8815 SW Omara St, Tigard. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Washington County, including the following Project unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
23	One-bedroom	30%	23
34	One-bedroom	60%	0

The proposed project includes a preliminary commitment of housing bond subsidy per bond eligible unit of \$117,895 which is lower than the allocated amount of \$139,420 bond subsidy for Washington County.

Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and Washington County, following Metro’s Final Approval of the Project.



\_\_\_\_\_

9/17/20 \_\_\_\_\_

Marissa Madrigal

Date

Chief Operating Officer

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Tigard Senior Housing



Drafted by: Ted Reid, Principal Regional Planner, Valeria McWilliams, Housing Bond Program Analyst, and Choya Renata, Senior Communications Specialist, Metro  
Date: September 4, 2020

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Tigard Senior Housing. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Washington County (HAWC).

## Contribution to unit production targets

Tigard Senior Housing will utilize 5.4% of HAWC's total allocation of bond funds while delivering the following unit production outcomes:

- 7.1% of HAWC's overall unit production target;
- 6.9% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 0% of HAWC's family sized unit target.

When combined with HAWC's first project, Viewfinder, the BRIDGE Aloha Housing Project, Basalt Creek Development, Forest Grove Family Housing, Tigard Senior Housing, Plaza Los Amigos, Terrace Glen and South Cooper Mountain, the County is on a path to have utilized 75.6% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 86.7% of HAWC's overall unit production target;
- 67.9% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 96.3% of HAWC's family sized unit target.

## Eligibility and readiness to proceed

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

- An executed exclusive negotiation with the City of Tigard that terminates on 12/31/2020. Both entities are working towards entering into a Disposition and Development Agreement, which will culminate with NHA, as General Partner in an LIHTC partnership, having site control through a 99-year ground lease.
- A preliminary project pro forma dated 04/20/2020

- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon
- Zoning letter dated 04/20/20 confirms that development is permissible in mixed-use portion
- The project narrative indicates that the site has appropriate zoning for the proposed use
- Equity plan

Staff has identified the following risks to project feasibility and readiness and will continue to request updates from the HAWC regarding how work is proceeding:

- There are no family sized units produced but 40% of the units are 30% AMI or below, supported by 23 PBVs, five of which are Veteran Affairs Supportive Housing (VASH) vouchers. There is some financial risk since VASH allocation is not committed yet.
- Land transaction is contingent on finalizing a DDA with the City of Tigard

In addition, the project assumes additional funding from Metro's TOD Program that has yet to be approved by the TOD Steering Committee.

### Advancing racial equity

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

- **Location:** The project is located in downtown Tigard, directly adjacent to the existing Tigard Senior Center and Fanno Creek Park, and is in close proximity to Tigard City Hall and the Tigard Public Library.
- **Transit access:** The Southwest Corridor Light Rail is currently being planned to connect Downtown Tigard to Portland. The site, which is less than a quarter mile from frequent TriMet #76 bus stop, will be located 0.5 miles from the planned light rail station. Additionally, the existing Tigard Transit Center is presently served by seven TriMet bus lines, Yamhill County Transit and the WES Commuter Rail service and is located approximately 0.75 miles away from our proposed development site.
- **Diversity in contracting/hiring:** NHA will work with its General Contractor, Walsh Construction Co., to ensure that at a minimum, the following contracting policies and goals are achieved with Tigard Senior Housing: 30% M/W/DBE/ESB construction contracting with at least 50% of the total value of DMWESB-SDV subcontracts are awarded to minority firms; 25% of workforce jobs and hours created by the project are completed by women and/or minorities.
- **Access for historically marginalized communities:** The project includes 57 units designated for seniors aged 62 and older. Prioritizing housing for Veterans, seniors with disabilities, and households at risk or coming from homelessness, fully 23 (40%) of the homes are requested to have Project Based Rental Assistance and serve as Permanent Supportive Housing. All the apartments will be one bedroom, and all will be fully accessible.
- **Culturally appropriate services:** Resident Services will be available on site 6-8 hours per week and the team will meet with residents and property management, collaborate with community providers, and organize events that will be held at Tigard Senior Housing. These events, which are available to all residents, include preventive health checks, information sessions, and recreation/socialization opportunities.

## Community engagement to inform project implementation

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

This project shows strong awareness of gentrification and displacement issues. The developer clearly foregrounds racial equity as a priority in community engagement and in the project overall. Partnerships with community organizations and the City of Tigard will help reach priority communities.

NHA will reach communities of color and other marginalized groups through: internet media, print advertising with specifically named culturally specific newspapers, property fliers and physical outreach in the surrounding areas. There are plans for language access for engagement activities. In addition, Washington County will be conducting listening sessions with BIPOC community groups to complement the engagement activities the developer will conduct.

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

The narrative shows a clear three-prong plan engaging current and potential future residents and other stakeholders at a variety of levels, and partnerships with culturally specific organizations that ground the plan. No specific themes are reported yet as community engagement has yet to be carried out.

# Exhibit B: Project summary submitted by Housing Authority of Washington County | Metro bond concept endorsement for Tigard Senior Housing



Submitted by: Shannon Wilson, Interim Housing Development Manager,  
Housing Authority of Washington County,  
shannon\_wilson@co.washington.or.us  
Submitted on: August 18, 2020

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## Project Overview

Tigard Senior Housing will be a new construction, four story, Type VI wood-framed structure that will provide 58 affordable apartment homes to seniors, 62 and older. The project is located on a site owned by the City of Tigard, directly adjacent to the existing Tigard Senior Center. The 1.7 acre site is currently improved with a 10,700 square foot building that houses the Tigard Senior Center, and approximately 49,000 square feet of paved parking and circulation area.

The project was awarded to Northwest Housing Alternatives (NHA) through a competitive Request for Qualifications process by the City of Tigard in June 2019 and entered into an exclusive negotiating agreement in October 2019. The total development cost for the project is \$19.76 million, with a request of \$6.27 million from Metro funds.

Tigard Senior Housing will serve high needs households through provision of 40% of the units with Project Based Vouchers. NHA anticipates award of five HUD-VASH vouchers at the property. Residents of units with HUD-VASH subsidy at Tigard Senior Housing will receive supportive services from the VA. VA provides intensive case management and services, which emphasize housing stability and health and wellness.

## Preliminary Development Program

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
One-bedroom	23	30%	23	600	\$483
One-bedroom	35	60%		600	\$1036
<b>Total</b>	<b>58</b>		<b>23</b>		

This project takes advantage of Universal Design principals in many ways including but not limited to: every unit is designed to meet ADA accessibility standards; the common spaces are designed to meet ADA accessibility standards; units and grounds are further designed to meet UFAS federal standards; a subset of units are designed with special Auditory and Visual accommodations, and additional units can easily be adapted;

The project will trigger Davis-Bacon Residential wage requirements since the project will incorporate more than 8 HUD Project Based Rental Assistance vouchers and those wage requirements have been included in costing. The project will pursue a Gold level certification in the Earth Advantage Multifamily Standards program with the hopes of achieving Platinum level.



## Background

In November 2018, voters authorized Metro to issue \$652.8 million in bonds to support affordable housing. Washington County will receive about \$116 million to construct 814 affordable housing units in the Washington County Metro Service area outside Hillsboro and Beaverton. The County developed a Local Implementation Strategy (LIS) and, in March 2020, issued a Notice of Funding Availability (NOFA) offering \$80 million of the \$116 million. To be approved for funding, proposed projects must be consistent with the LIS. NHA applied to this NOFA for this Tigard project. The project has proceeded through the NOFA evaluation process which has included:

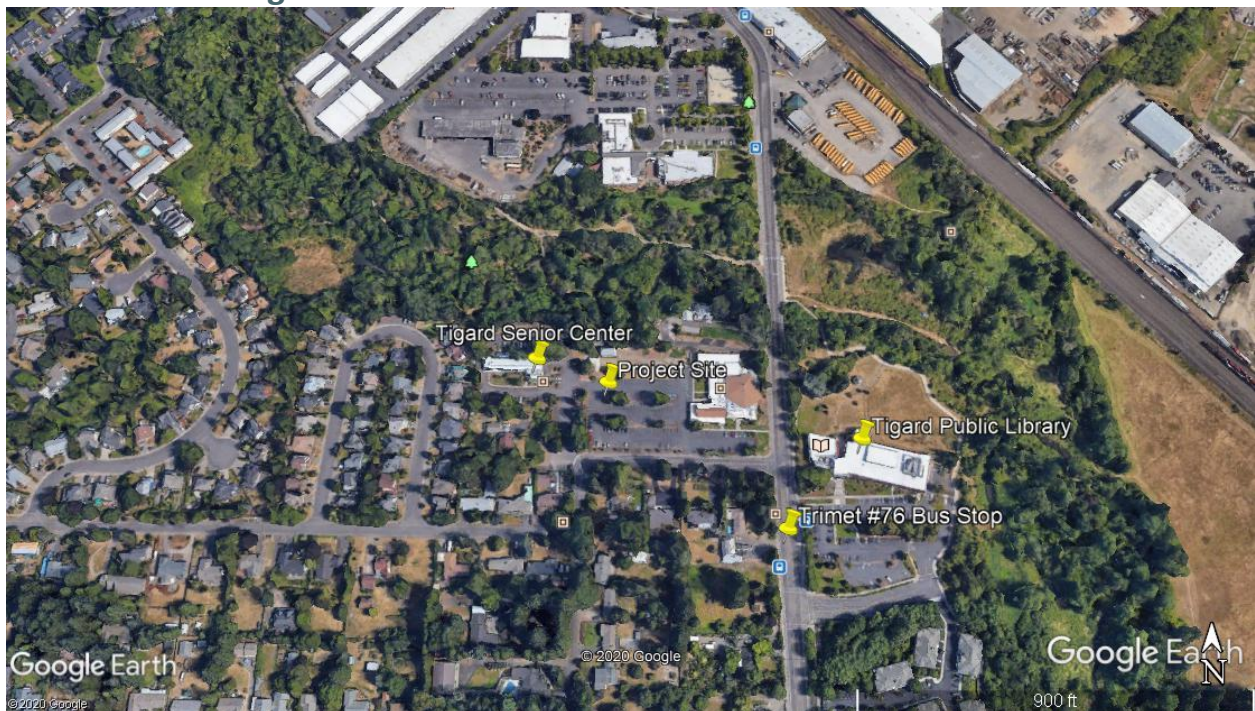
- Staff threshold review
- Third-party financial feasibility analysis
- Evaluation committee review
- Housing Advisory Committee review.

The project has been recommended to the Washington County Board of Commissioners for Concept Endorsement Approval.

The City of Tigard invited responses to a Request for Qualifications and selected NHA as their development partner for the site. The City provided rezoning to MU-CBD Mixed-Use Central Business District to facilitate additional site density, completed an ALTA survey, wetlands review and delineation; and is partnering on outreach and community education.

The property is under site control via an Exclusive Negotiating Agreement (ENA) that NHA has with the property owner – the City of Tigard. Per standard LIHTC deal structure, the property will be leased to a newly formed limited partnership needed to admit a tax credit equity investor into the project.

## Location and Neighborhood



The site is adjacent to Fanno Creek Park, Tigard City Hall and Tigard Public Library and within easy walking distance of public transit, providing a unique opportunity for a transit-oriented development project in a community that is rapidly evolving into a more walkable and livable hub. The site is less than a quarter mile from frequent TriMet #76 bus stop and will be located 0.5 miles from the planned Southwest Corridor light rail station.

The City is currently planning the Universal Plaza project, which is planned to be located approximately 0.5 miles from the site, which will host the Tigard Area Farmers Market and other cultural attractions.

## Site

The project is located on a site owned by the City of Tigard, directly adjacent to the existing Tigard Senior Center. The project was awarded to Northwest Housing Alternatives (NHA) through a competitive Request for Qualifications process by the City of Tigard.

The City provided rezoning to MU-CBD Mixed-Use Central Business District to facilitate additional site density, completed an ALTA survey, wetlands review and delineation; and is partnering on outreach and community education. The site is currently undeveloped with no existing buildings.

## Project Financing

Total project costs are anticipated to be \$19.21 million, at \$331,201 per unit and \$433.14 per residential square foot.

<b>Funding Source</b>	<b>Amount</b>
<b>OHCS Programs</b>	
4% LIHTC (Equity)	\$5,115,692
Weatherization	\$173,866
<b>Total OHCS Grants and Equity</b>	<b>\$5,289,558</b>
<b>Non-OHCS Grants</b>	
Metro Bond	\$6,270,000
Metro TOD	\$200,000
<b>Total Non-OHCS Grants</b>	<b>\$6,470,000</b>
<b>Permanent Loan</b>	<b>\$5,609,000</b>
<b>Total Applicant Contribution</b>	<b>\$1,841,150</b>
<b>Total Fund Sources</b>	<b>\$19,209,708</b>
<b>Uses of Funds</b>	<b>Amount</b>
Acquisition Costs	\$1
Construction Costs	\$13,020,363
Total Development Cost	\$6,189,344
<b>Total Project Cost</b>	<b>\$19,209,708</b>

The City of Tigard is offering donated land by providing the land through a \$1 99-year ground lease, the terms of which were executed through an ENA on October 15, 2019. Additionally, the City has enacted SDC and CET Waivers for affordable housing consisting of \$222,813 in waived Tigard Transportation SDC charges, and \$380,646 in waived Tigard Parks SDCs charges. The project assumes an award of \$200,000 of Metro TOD grant based on program eligibility and conversations with Metro staff.

The other funding sources listed in the proforma are all non-competitive and available for the project upon award of the funds in this NOFA. Metro TOD has reviewed and provided a conservative estimate of their funding level. ORMEP has provided a commitment reservation letter.

## **Development Team**

NHA Housing Development work has included the successful completion of over 37 projects across 16 Oregon counties; including both rural and urban projects that encompass rehabilitation and new construction in all jurisdictions. These projects have been built to serve a wide variety of households including working families, seniors, veterans, people living with mental illness, permanent supportive housing, and extremely low-income households. This skillset is unique to affordable housing developers and development in Oregon and is a testament to the ability of NHA to properly estimate and complete projects on schedule and within budget.

The NHA Asset Management team and the success of its portfolio management fully establishes NHA's focus on maintaining initial capital investments and planning for continued capital improvement efforts is appropriate for projects to continue to operate at the highest, and most self-sufficient level. NHA's direct service work with Resident and Homeless Services provides a unique and informed involvement and reporting on resident housing development desires, impacts, use, and service facilities needed.

Contractor, Walsh Construction (Walsh). Walsh will be involved at all stages of the development and design process through a negotiated bid process as the general contractor for the project. Walsh has 58 years of experience in the construction industry and 479 full time employees. In FY2019, the value of work completed by Walsh was \$416 million and is anticipated to be \$410 million in FY2020. They have an excellent record of delivering projects on time or ahead of schedule. Notable highlights include the completion of over 160 "green" construction projects and numerous affordable housing projects in the Portland metro area.

SERA Architects (SERA) will serve as the Architect for the project. Over the last 15 years, SERA's Urban Design + Planning Studio has worked on nine different efforts with the City of Tigard – many of which focused on how to facilitate the revitalization to facilitate the revitalization of its Downtown district into a vital, mixed-use, multi-modal center for the surrounding community. As a result of this experience, SERA has a deep understanding of Tigard's policies, building and zoning codes, which is fundamental to efficient and informed design and optimizing the design durations and milestones as well as the general flow of the project. Moreover, SERA has earned a favorable reputation and built trust with local municipalities while working on affordable and other housing projects; this includes successful projects with the Portland Housing Bureau, METRO, City of Gresham, City of Portland and the City of Tigard.

Income Property Management (IPM) will be the property manager for the project. IPM is a well-known property management firm that has successfully managed affordable properties since 1981. In that time, they have come to manage more than 8,000 residential units - 4,500 of which are affordable - in Oregon and Washington. IPM provides a full range of affordable housing management services. This includes lease-up of new properties; compliance certifications; recertification of residents; adherence to state and federal inspections; compliance and file audits; reporting and detailed accounting.

## **Community Engagement**

NHA will conduct outreach throughout the design process with the community and our culturally specific partnerships to identify the community's specific housing needs and test for solutions to assure the design's responsiveness, and the City of Tigard will partner on outreach and community engagement activities.

The project team also plans on utilizing various internet media (i.e. property management websites, apartmentsmart.com, craigslist.com), print advertising through culturally specific newspapers (i.e. Asian Reporter, El Latino News, etc.), and property flyers and physical outreach distributed throughout local surrounding areas. NHA successfully manage language access plans for all properties within its portfolio. These plans ensure nondiscrimination by taking proactive steps to ensure meaningful access to the property for individuals with limited English proficiency. These activities include, but are not limited to translation services, language assistance, as well as providing standard documentation in predominant non-English languages.

## **Advancing Racial Equity**

NHA is a recognized affordable housing industry leader in equity procurements, equity-related practices, and implementation. The Oregon Opportunity Network (now named Housing Oregon) selected NHA twice as the "Strides for Equity" award winner for our innovative equity plan and implementation. This project will utilize NHA's innovative and proven marketing and outreach model designed for service to Communities of Color (COC) in the Portland Metro Area. Using an analysis of both existing resident demographics and census data, NHA will identify and market to those groups and communities that are underrepresented and least likely to apply. Using this approach at other NHA properties, NHA has achieved impressive results in diversifying NHA applicant pools to include historically disenfranchised populations. In 2019, 33% of the NHA partner pool were culturally specific organizations. At the close of 2019, social equity efforts achieved 147 referrals from socially specific providers and over 20% were from Communities of Color.

Referrals into the VASH units are made by the VA, so there is no specific marketing of those units, However, the project team has committed to the creation of a clear Memorandum of Understanding (MOU) between NHA as the project sponsor, IPM as the property management agent, the VA as the referring agency and ongoing service provider, and the Housing Authority of Washington County as the administrator of the VASH rental subsidy. The MOU will clearly spell out expectations for each party and outline measures designed to help applicants overcome barriers to housing and support ongoing stability after move-in. This includes: A low-barrier screening criteria; An individualized review process for appeals of denied applications; Clear communication protocols for all.

Additionally, with the help of the constituencies of the Coalition of Communities of Color, NHA will provide outreach services to underserved communities in Washington County and partner with culturally specific organizations to make sure that those least likely to apply will apply for tenancy.

## **Partnerships and Services**

NHA will offer comprehensive Resident Services to all residents of Tigard Senior Housing. The Resident Services Plan offered at Tigard Senior Housing will be informed by NHA's experience providing Resident Services to 34 multifamily affordable housing properties across 10 counties in Oregon. Of those 34 properties which already receive NHA Resident Services, 16 are designated for seniors and 2 are located in Washington County.

The primary goal of Resident Services at Tigard Senior Housing will be housing stability and eviction prevention. In alignment with the organization's best practices, a Resident Services Coordinator will form new partnerships and build on existing partnerships in order to ensure that residents of Tigard Senior Housing are able to access the resources needed to maintain their housing stability and remain in compliance with their lease agreement. Resident Services will be available on site 6-8 hours per week and NHA will meet with residents and property management, collaborate with community providers, and organize events that will be held at Tigard Senior Housing. These events, which are available to all residents, include preventive health checks, information sessions, and recreation/socialization opportunities. Every resident at Tigard Senior Housing, including those residents in HUD-VASH units, will have access to the Resident Services Coordinator for the property. The coordinator will both respond to individual needs and organize events and activities for the overall property. Case managers work closely with on-site Resident Services and Property Management to understand roles and responsibilities and ensure that no needs are left unmet.

NHA is currently engaged in talks with Unite Oregon, SAGE, and Disability, Aging, and Veteran Services of Washington County to arrange formal partnerships for the Tigard Senior Housing project, and the Washington County March 2020 NOFA application included MOUs from the following organizations: Tigard Senior Center / Meals on Wheels, SAGE Metro Portland, Pathways and Disability, Aging, and Veteran Services of Washington County.

### **Anticipated Timeline**

The option agreement for the 99-year ground lease was executed between the City of Tigard and NHA on October 2019, with expected land use entitlement to occur in August 2021. Construction is anticipated to begin in October 2021 and Certificate of Occupancy to be granted in January 2023.

## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** Plaza Los Amigos  
**Implementing Jurisdiction:** Washington County  
**Metro IGA Contract Number:** 936591  
**Anticipated construction start:** March, 2021  
**Anticipated construction completion:** May, 2022

**Action:**

Metro hereby provides the Washington County with Concept Endorsement for \$12,830,000.00 Metro Affordable Housing Bond funds for the development of Plaza Los Amigos, a regulated affordable housing project located at 2000 N Davis St, Cornelius. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B.

This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Washington County, including the following Project unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
22	One-bedroom	30%	12
18	One-bedroom	60%	0
4	Two-bedroom	30%	4
57	Two-bedroom	60%	0
12	Three-bedroom	60%	0

The proposed project includes a preliminary commitment of housing bond subsidy per bond eligible unit of \$113,540 which is lower than the allocated amount of \$139,420 bond subsidy for Washington County.

Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and Washington County, following Metro's Final Approval of the Project.



\_\_\_\_\_  
Marissa Madrigal  
Chief Operating Officer

9/17/20

\_\_\_\_\_  
Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Plaza Los Amigos



Drafted by: Ted Reid, Principal Regional Planner, Valeria McWilliams,  
Housing Bond Program Analyst, and Choya Renata, Senior  
Communications Specialist, Metro  
Date: September 4, 2020

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Plaza Los Amigos. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Washington County (HAWC).

## Contribution to unit production targets

Los Amigos will utilize 11% of HAWC's total allocation of bond funds while delivering the following unit production outcomes:

- 13.9% of HAWC's overall unit production target;
- 7.8% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 18.1% of HAWC's family sized unit target.

When combined with HAWC's first project, Viewfinder, the BRIDGE Aloha Housing Project, Basalt Creek Development, Forest Grove Family Housing, Tigard Senior Housing, Plaza Los Amigos, Terrace Glen and South Cooper Mountain, the County is on a path to have utilized 75.6% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 86.7% of HAWC's overall unit production target;
- 67.9% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 96.3% of HAWC's family sized unit target.

## Eligibility and readiness to proceed

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

- An executed Real Estate Purchase and Sale Agreement effective May 26, 2020.
- A preliminary project pro forma dated 05/21/2020
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing development in Oregon

- Zoning letter dated May 13, 2020 confirming that the proposed development is likely permissible in Cornelius' Gateway Mixed Use zone.
- Equity plan

Staff has not identified any unusual risks to project feasibility and readiness and will continue to request updates from the HAWC regarding how work is proceeding. The project assumes additional funding from Metro's TOD Program which has yet to be reviewed and approved by the TOD Steering Committee.

### Advancing racial equity

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

- **Location:** The project is located in the City of Cornelius, adjacent to Fred Meyer, a major grocer and home goods retailer, and an established single-family neighborhood. The property provides close proximity to schools, commercial districts, and parks. Located in Cornelius' business district, the site has a high walkability score of 73, which allows most errands to be accomplished on foot. Several public parks and an elementary school are also within walking distance.
- **Transit access:** A high frequency bus line provides access to downtown Hillsboro in 15 minutes and central Beaverton in 40 minutes.
- **Diversity in contracting/hiring:** REACH and project partners will ensure at least 20% of total project costs go to COBID-certified MWESB-SDV businesses as part of this project, with a stated goal of LMC Construction to reach 35% MWESB-SDV participation. LMC recently achieved over 40% MWESB-SDV contracting on the Montebello rehab project in Hillsboro.
- **Access for historically marginalized communities:** The development will provide 113 new apartments prioritizing families by developing larger 2- and 3-bedroom units. Among the units, 16 will be dedicated to Permanent Supportive Services for people with psychiatric, emotional and developmental impairments with services provided by Sequoia Mental Health.
- **Culturally appropriate services:** Home visits would be provided to each household at least once a year, with follow up visits, as necessary. Two trained resident leaders (Bienestar Promotores) would be recruited to help provide culturally specific and linguistically appropriate services to Plaza Los Amigos' diverse households. All services are culturally specific and will be provided in both Spanish and English by Bienestar's 100% bilingual, bicultural resident services staff. Sequoia Mental Health will provide compassionate, person-centered, and individually tailored supportive services to the formerly homeless residents of Plaza Los Amigos who reside in the project's 16 PSH units.

### Community engagement to inform project implementation

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

This project demonstrates a strong partnership between REACH and Bienestar, and documents Bienestar's deep community service and relationships. Latinx communities will be prioritized and



are already at the table with these partners. The plan is simple yet incorporates linguistic access and addresses other participant needs regarding access to full participation. In addition, Washington County will be conducting listening sessions with BIPOC community groups to complement the engagement activities the developer will conduct.

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

The narrative reports several themes from LIS-stage engagement and ways this project will address them. Major themes and strategies to address them include:

- Barriers – reduced screening criteria and culturally specific support
- Service needs – permanent supportive housing and culturally specific bilingual services
- Location – ideally located with full amenities very nearby
- Marketing – specific community outreach and marketing efforts for the highest barrier populations

Bienestar will utilize community meetings as a primary engagement activity. There is a clear plan for linguistic and other access. Supplemental information provides great detail into engagement activities planned, and how input can inform this project in areas such as physical design, future resident services, outdoor space, and others. The plan for low barrier screening is impressive and has clearly been influenced by community input and experiences.

## **Exhibit B: Project summary submitted by Housing Authority of Washington County | Metro bond concept endorsement for Plaza Los Amigos**



Submitted by: Shannon Wilson, Interim Housing Development Manager,  
Housing Authority of Washington County,  
shannon\_wilson@co.washington.or.us  
Submitted on: August 24, 2020

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### **Project Overview**

The project will be delivered through collaboration between REACH and Bienestar, two trusted affordable housing developers with experience in Washington County to provide needed affordable housing in Cornelius. REACH will leverage its financial and development capacity to acquire the site for development of Plaza Los Amigos, and to serve as guarantor, with Bienestar, for financing of the project. Plaza Los Amigos will be owned and operated by Bienestar once the project is developed. Bienestar executed a purchase and sale agreement in May 2020 for the 9.98 acre site located on one tax lot, with planned acquisition occurring in October 2020 upon receipt of Washington County and Metro concept endorsement. The project is requesting \$12.8 million in Metro Bond funds.

The site is currently vacant and is adjacent to a Fred Meyer shopping center. Financing structure for the project includes 4% LIHTCs and Weatherization funds from OHCS, Washington County HOME funds, deferred developer fee and permanent debt, all leveraged by Metro Bond funds.

### **Preliminary Development Program**

The development will provide 113 new apartments prioritizing families by developing larger 2- and 3-bedroom units. Among the units, 16 will be dedicated to Permanent Supportive Services for people with psychiatric, emotional and developmental impairments with services provided by Sequoia Mental Health. The building will be a 3-story double loaded corridor building served by elevators and trash chutes and surface parking. Among the 113 units, 86 will be reserved for tenants (predominantly Latinx families) earning 60% AMI, 10 will be for those earning 30% AMI without project vouchers, while the remaining 16 units (12 1-bedroom/4 2-bedroom) will be set aside for Permanent Supportive Housing. Total square footage is 105,065 SF. The project proposes 164 parking spaces, which meets the code-required ratio of 1:1.44.

Additional design features include on-site laundry, property management offices and a 2,500 sq. ft. of community space for programming and community use. Approximately 30,000 square ft of the site, per the requirement of the Gateway Master Plan, will be developed and dedicated to the City of Cornelius for the development of a park and a trailhead for a planned regional trail system. New streetscapes and traffic control improvements will provide a safe and attractive home for the residents.

<b>Unit size (no. of bedrooms)</b>	<b>No. of units</b>	<b>AMI %</b>	<b>PBVs</b>	<b>Square feet/unit</b>
One-bedroom	22	30%	12	600
One-bedroom	18	60%		600
Two-bedroom	4	30%	4	800
Two-bedroom	57*	60%		800
Three-bedroom	12	60%		1,250
<b>Total</b>	<b>113</b>	<b>---</b>	<b>16</b>	<b>---</b>

\* includes Manager's unit

## Background

In November 2018, voters authorized Metro to issue \$652.8 million in bonds to support affordable housing. Washington County will receive about \$116 million to construct 814 affordable housing units in the Washington County Metro Service area outside Hillsboro and Beaverton. The County developed a Local Implementation Strategy (LIS) and, in March 2020, issued a Notice of Funding Availability (NOFA) offering \$80 million of the \$116 million. To be approved for funding, proposed projects must be consistent with the LIS. REACH/Bienestar applied to this NOFA for this Cornelius project. The project has proceeded through the NOFA evaluation process which has included:

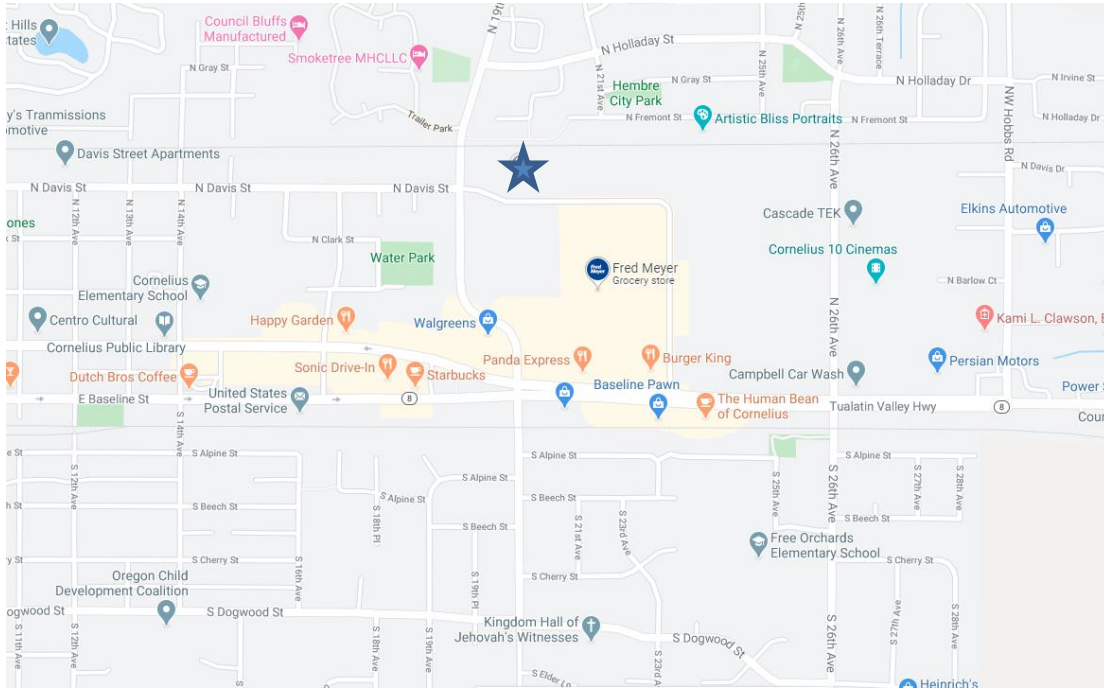
- Staff threshold review
- Third-party financial feasibility analysis
- Evaluation committee review
- Housing Advisory Committee review.

The project has been recommended to the Washington County Board of Commissioners for Concept Endorsement Approval.

Due diligence performed to date includes an investigation of past uses to determine any potential environmental contamination, and a preliminary title report. The development team has coordinated a geotechnical engineering for a geotechnical report and an environmental consultant for the Phase I Environmental Site assessment, which will be utilized upon receipt of Washington County and Metro concept endorsement.

## Location and Neighborhood

Located immediately adjacent to Fred Meyer, a major grocer and home goods retailer, and to an established single-family neighborhood, the property provides close proximity to schools, commercial districts, high frequency transit and parks. Located in Cornelius' business district, the site has a high walkability score of 73, which allows most errands to be accomplished on foot. Several public parks and an elementary school are also within walking distance. The business district provides employment opportunities and a high frequency bus line provides access to downtown Hillsboro in 15 minutes and central Beaverton in 40 minutes.



## Site

The site is relatively flat and vacant. The cost of acquisition was determined by negotiation with the seller to identify the current market rate price for commercial land in the area. The seller also agreed to provide the exact amount of land required for the development’s size. The development team worked closely with the City of Cornelius to establish the required public works and entitlement fees for the project. The site is located within a master planned mixed-use zoning district and comes with special requirements for any new development. Offsite costs are high because of the requirements of the zoning district, including dedication of a portion of the property to implement a City planned Park and trail component. Approximately \$670,000 of SDC credits will be granted to partially offset the dedication requirements.

## Project Financing

Total project costs are anticipated to be \$39.2 million. Total development cost per unit is: \$346,981, which is \$373.19 per gross square foot. The project anticipates an award of \$1.2 million in HOME funds from Washington County with a 30 year amortization and one percent interest rate. The funding application should be available in late August with awards in early 2021. The project will continue with due diligence and design development prior to the application and funding award. To maximize the financial efficiency of Washington County’s Bond allocation the project assumes the use of 4% Bond financing for construction debt issued by OHCS with a draw down provision.

<b>Funding Source</b>	<b>Amount</b>
<i>OHCS Programs</i>	
4% LIHTC (Equity)	\$9,887,170
Weatherization	\$114,000
<b>Total OHCS Grants and Equity</b>	<b>\$10,001,170</b>
<i>Non-OHCS Grants</i>	
Metro Bond	\$12,830,000
SDC Credits	\$600,000

Washington County HOME	\$1,200,000
<b>Total Non-OHCS Grants</b>	<b>\$14,630,000</b>
Other- Freddie TEL	\$217,974
<b>Permanent Loan</b>	<b>\$12,109,664</b>
<b>Total Applicant Contribution</b>	<b>\$2,250,000</b>
<b>Total Fund Sources</b>	<b>\$39,208,808</b>

<b>Uses of Funds</b>	<b>Amount</b>
Acquisition Costs	\$1,465,000
Construction Costs	\$26,484,470
Development Costs	\$11,259,338
<b>Total Project Cost</b>	<b>\$39,208,808</b>

The project site is within a master planned district that requires the dedication of land for public improvements including a roundabout, a park and trailhead. The additional expense associated with the purchase and dedication of Plaza Los Amigos. This land and any improvements on the land are allowed to offset the associated system development charges. For example, the dedication of land for the future park will create a credit against the parks SDC.

### Development Team

REACH Community Development is one of the region’s largest and most successful affordable housing developers and a national leader in affordable green building. Established in 1982 by Southeast Portland neighbors and community activists, REACH believes strongly that innovative community partnerships are essential to the accomplishment of our mission. REACH has never sold a rental property and are now stewards of over 2,300 units of affordable rental housing across the Portland metropolitan region, including Southwest Washington.

Bienestar and Sequoia Mental Health Services will provide culturally responsive services and support to the residents. This includes Spanish language services and programming designed to address the challenges of ESL (English as a Second Language) populations, low-income families with children, the unbanked and those who generally would fail housing application screening criteria.

LMC will act as the General Contractor for this project. LMC is a general contractor based out of Tualatin OR and operating in Oregon and Washington with a primary focus on and passion for Affordable Housing. LMC has over 100 employees and a \$250,000,000 bonding capacity. Winner of the 2019 Multi-housing News Award of Excellence for Design + Development. LMC is a firm committed to equity, and MWESB-SDV participation in most LMC projects exceed 25%, and often 40%, as was the case on their work with Bienestar to redevelop the Montebello Apartments in Hillsboro.

Ankrom Moisan Architects will provide architectural services for the project. Formed in 1983, Ankrom Moisan offers integrated architectural, interior design, and urban design services to clients. The mission of Ankrom Moisan is simple: Create Places Where People and Communities Thrive. They believe that when they achieve this, they help our clients achieve success. Ankrom Moisan is a national firm of more than 350 staff members and offices in Portland, Seattle, and San Francisco with a portfolio of award-winning mixed-use housing, condominiums, apartments, affordable housing, senior housing, student housing, healthcare, offices, hospitality, and retail.

## **Community Engagement**

This project will focus on serving communities of color in Washington County with a culturally specific response to the population and housing needs of Forest Grove and Cornelius. Specific efforts will be made to engage the residents of these cities around the design and lease up process well ahead of the beginning of lease up to make sure the opportunity is known; the leasing process is understood; and the additional time and support required to prepare applications is provided. Bienestar's screening criteria is designed to increase access based on their significant experience and understanding of the regional populations' challenges.

Post-award, and during the planning and construction period, Bienestar will host community meetings to inform neighbors, potential tenants, and stakeholders, on project progress and community benefits and review project plans/renderings. Childcare and refreshments will be provided during these meetings, with professional Spanish-language interpretation available, and other language interpretation as needed. As a community-based nonprofit, it is important to Bienestar to receive input and feedback from community residents, stakeholders, and partners. A primary outcome of these meetings will be to familiarize the community with Plaza Los Amigos as well as to educate potential residents about leasing requirements and the timeline for applications. Additionally, resources for community agencies that assist with transitional and supportive housing will be highlighted.

Specific community outreach and marketing efforts for the highest barrier populations will be provided. For almost 40 years Bienestar has internally created and disseminated English and Spanish language advertising, instruction, counseling, and general communication to lease up, educate and inform disadvantaged populations in Washington County. Bienestar will work with partners in the Racial Equity Collaborative, the Forest Grove School District, the Immigrant Solidarity Collaborative, the Plaza Los Amigos, Somali Empowerment Circle, and other partnerships to ensure that information is distributed to other communities of color in the area, and will produce, as needed, leasing and other informative materials in languages other than Spanish and English. Partnerships with organizations such as Open Door and Family Promise will support Bienestar's outreach to the homeless population and others who may qualify for PSH units.

In addition to utilizing traditional marketing channels (e.g. social media, advertisements in local print media), Bienestar employs the following strategies to affirmatively market available units and increase access for communities of color: Communication with or in-person visits to major employment centers (e.g. farms, nurseries), Communication through its peer network of other community service providers that work with a primarily Latinx or diverse population, Flyers and direct communication at places of worship, libraries, and stores owned by Latinx entrepreneurs or frequented by Latinx target populations, Word of mouth via engaged Bienestar residents as part of their normal volunteer activities and in their respective places of work and direct referrals from our 2,000 tenants from among their social and professional networks.

## **Advancing Racial Equity**

REACH and project partners will ensure at least 20% of total project costs go to COBID-certified MWESB-SDV businesses as part of this project, with a stated goal of LMC Construction to reach 35% MWESB-SDV participation. LMC recently achieved over 40% MWESB-SDV contracting on the Montebello rehab project in Hillsboro.

Further, to promote MWESB-SDV and local involvement and ensure that Plaza Los Amigos maximizes the input of local community members of color and reflects characteristics valued by

those same communities, the project team is committing to take the following steps: work with LatinoBuilt, a trade association for Latino Contractors in Oregon, to identify MWESB-SDV firms to bid on project components and use local workers/subcontractors LatinoBuilt - Bienestar and REACH will partner with LatinoBuilt, a trade association for Latinx Contractors in Oregon seeking to build a community that empowers and supports the voices of Latinx-owned businesses in their efforts to overcome barriers, develop capacity, promote and enrich lives. Bienestar will work with LatinoBuilt to hold informative sessions with local MWESB-SDV contractors who are based in Washington County with specific encouragement and recruitment of firms from the Forest Grove - Cornelius area.

Bienestar and partners will create and carry out a comprehensive, multi-lingual marketing and lease-up plan that ensures racial and economic equity is achieved, that all classes of disadvantaged populations will have equal and fair access to rent units at Plaza Los Amigos, and that the project is furthering affordable housing choice in Washington County.

### **Partnerships and Services**

Bienestar – A Linguistically and Culturally-Competent Service Provider: Bienestar is a Community Development Corporation and 501c3 nonprofit organization based in Washington County with a focus on providing culturally specific, bilingual services for Latinx, farmworker, immigrant, and other households in its affordable housing properties in Cornelius, Forest Grove, Hillsboro, and unincorporated Washington County, as well as one property in Columbia County. Bienestar currently houses 509 families (approximately 2,000 tenants) within its 12 affordable housing properties. Furthermore, it provides bilingual wrap-around resident services to those same families as well as an additional 110 households served through a joint agreement with the Housing Authority of Washington County at Willow Creek Crossing Apartments in Hillsboro.

This outreach and service delivery is led by Bienestar Promotores, trained resident leaders. Bienestar’s Promotores Program is a long standing, successful program for providing on-site information and referral services to residents of Bienestar’s affordable housing properties. The Promotores Program leverages the leadership potential of outstanding Bienestar residents (the “Promotores”) by training them to act as strategic liaisons between Bienestar staff, Board, critical community services and their fellow residents living at each Bienestar property. Since Promotores are also residents of Bienestar housing, their inherent connection to the community allows them to reach residents who might otherwise face language or cultural barriers to service, while their greater understanding of the challenges residents face ensures that they are able to more precisely identify a family’s needs and connect them to relevant services. In turn, this allows Bienestar staff to better understand evolving resident needs and shift efforts or catalyze change accordingly.

At Plaza Los Amigos, home visits would be provided to each household at least once a year, with follow up visits, as necessary. Two Promotores would be recruited to help provide culturally specific and linguistically appropriate services to Plaza Los Amigos’ diverse households. In addition to recruiting, training, and supporting the Promotores at the Plaza Los Amigos, Bienestar will provide the following resident services. All services are culturally specific and will be provided in both Spanish and English by Bienestar’s 100% bilingual, bicultural resident services staff.

Sequoia Mental Health will provide compassionate, person-centered, and individually tailored supportive services to the formerly homeless residents of Plaza Los Amigos who reside in the project’s 16 PSH units. Sequoia Mental Health Services has served Washington County adults with severe and persistent mental disorders since 1981 and has decades of experience serving both

individuals and families. As Plaza Los Amigos' PSH units are a mix of one- and two-bedroom sizes, this core competency is essential. Sequoia is a culturally competent provider with a diverse, multilingual staff, making them well suited to providing services to the diverse population that will reside at Plaza Los Amigos. A partnership with Bienestar will help Sequoia further grow in this area, increasing their cultural competency and providing capacity for translation and culturally specific service provision.

### **Anticipated Timeline**

Reach CDC has a purchase and sale agreement to be executed in October 2020 and plans on completing construction plans in February 2021 with construction to begin shortly after in March 2021. Construction will be completed in May 2022 with final lease up completed October 2022.



## Metro Affordable Housing Bond Program Concept Endorsement

**Project Name:** Terrace Glen

**Implementing Jurisdiction:** Washington County

**Metro IGA Contract Number:** 936591

**Anticipated construction start:** August, 2021

**Anticipated construction completion:** December, 2022

**Action:**

Metro hereby provides Washington County with Concept Endorsement for \$17,484,000.00 Metro Affordable Housing Bond funds for the development of Terrace Glen, a regulated affordable housing project located at 9640 SW Greenburg Road, Tigard. Metro staff findings are attached in Exhibit A, and a more detailed description of the Project, as provided by Washington County, is attached as Exhibit B. This Concept Endorsement is based upon the information contained in the concept endorsement request provided to Metro by Washington County, including the following Project unit mix:

<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>AMI Level</u>	<u>Project Based Vouchers</u>
24	SRO	60%	0
12	Studio	30%	0
24	Studio	60%	0
12	One-bedroom	30%	0
23	One-bedroom	60%	0
12	Two-bedroom	30%	0
46	Two-bedroom	60%	0
6	Three-bedroom	30%	0
6	Three-bedroom	60%	0
1	Four-bedroom	30%	0
2	Four-bedroom	60%	0

The proposed project includes a preliminary commitment of housing bond subsidy per bond eligible unit of \$121,417 which is lower than the allocated amount of \$139,420 bond subsidy for Washington County. Disbursement of funds for the Project will be processed in accordance with the terms and conditions set forth in the Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and Washington County, following Metro's Final Approval of the Project.



\_\_\_\_\_  
Marissa Madrigal

Chief Operating Officer

9/17/20  
Date

# Exhibit A: Metro staff findings and recommendations | Metro bond concept endorsement request for Terrace Glen



Drafted by: Ted Reid, Principal Regional Planner, Valeria McWilliams,  
Housing Bond Program Analyst, and Choya Renata, Senior  
Communications Specialist, Metro  
Date: September 4, 2020

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## Criteria for funding approval

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

## Staff recommendations

Staff recommends the Metro Chief Operating Officer (COO) provide Concept Endorsement of funding for Terrace Glen. Findings from Metro's staff review are summarized below. Additional information about the project can be found in Exhibit B, the project narrative submitted by the Housing Authority of Washington County (HAWC).

## Contribution to unit production targets

Terrace Glen will utilize 15% of HAWC's total allocation of bond funds while delivering the following unit production outcomes:

- 17.7% of HAWC's overall unit production target;
- 12.9% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 18.1% of HAWC's family sized unit target.

When combined with HAWC's first project, Viewfinder, the BRIDGE Aloha Housing Project, Basalt Creek Development, Forest Grove Family Housing, Tigard Senior Housing, Plaza Los Amigos, Terrace Glen and South Cooper Mountain, the County is on a path to have utilized 75.6% of total allocation of bond funds while delivering on the following cumulative unit production outcomes:

- 86.7% of HAWC's overall unit production target;
- 67.9% of HAWC's target of units affordable to households making 30% or less of area median income (AMI); and
- 96.3% of HAWC's family sized unit target.

## Eligibility and readiness to proceed

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

- A Purchase and Sale Agreement with an effective date of 10/17/19, demonstrating site control
- A preliminary project pro forma dated 05/26/2020
- Development team resumes and developer schedule of real estate owned, demonstrating track record with affordable housing in Oregon and Washington

- Zoning certification letter from the City of Tigard dated 05/11/2020 confirming the site's current Mixed-Use Employment zoning.
- Equity plan

Staff has not identified any unusual risks to project feasibility and readiness and will continue to request updates from the HAWC regarding how work is proceeding. The project assumes additional funding from Metro's TOD Program which has yet to be reviewed and approved by the TOD Steering Committee.

### Advancing racial equity

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

- **Location:** Terrace Glen is in Tigard's Washington Square District and is adjacent to retail, grocery, and entertainment amenities. The project is responsive to rapid gentrification in the neighborhood. Metzger Elementary school is three blocks to the south.
- **Transit access:** The Washington Square Transit Center, a TriMet high-frequency bus hub is located across the street. Bus lines 43, 45, 56, and 62 service this hub. A MAX light rail station is one mile from the site.
- **Diversity in contracting/hiring:** The Partners are committed to meeting the 20% minimum DMWESB target and based upon the scope of the project and prior experience, have set an aspirational goal of 25% DMWESB subcontractor utilization. Additionally, the project intends to achieve 20% DMWESB participation goal on professional services.
- **Access for historically marginalized communities:** The target population is young adults, ages 18 to 24, that are houseless or at risk of becoming houseless. Outreach to this population will be conducted by HomePlate and the Immigrant and Refugee Community Organization (IRCO).
- **Culturally appropriate services:** Service partner, EngAGE will be provided with a space on site for co-generational classes for residents. HomePlate's Youth Employment Program (YEP), which guides homeless youth to gain meaningful employment and stability, will be a component of the services. Residential Services will be coordinated by a Resident Services Manager ("RSM") and provided by EngAGE. All resident services programs and activities will be provided at no cost to residents. 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, and EngAGE and the Quantum staff.

### Community engagement to inform project implementation

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

Partnerships with IRCO, Community Action, HomePlate and the service provider on the project, EngAGE, will help reach communities of color and other oppressed groups. Mention is made of the Coalition of Communities of Color, but the relationship has not been established. Developer seems open to and in need of additional support on this part of engagement. Metro staff is working with HAWC staff to provide this support and generate more of a plan.

In addition, Washington County will be conducting listening sessions with BIPOC community groups to complement the engagement activities the developer will conduct.

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

Several themes from contextual information were included in supplementary information provided, but these do not reflect the community engagement with oppressed groups that is required by Metro work plan. Metro staff have requested additional information showing a timeline of developing the plan for engagement activities, demonstrating reach to communities of color and other oppressed groups, and showing how themes will inform the project.

## Exhibit B: Project summary submitted by Housing Authority of Washington County | Metro bond concept endorsement for Terrace Glen



Submitted by: Shannon Wilson, Interim Housing Development Manager,  
 Housing Authority of Washington County,  
 shannon\_wilson@co.washington.or.us  
 Submitted on: August 24, 2020

### Project Overview

Related NW is proposing to develop and co-own Terrace Glen, a 144-unit new construction affordable housing development located in Tigard. The proposed project site is located in the Metzger neighborhood within Tigard in the Washington Square District along Greenburg Road. The site is adjacent to retail, grocery, rapid public transit hub, and entertainment amenities. The site is a 2.88 acre sloped site and the developer has site control via an executed purchase and sale agreement. The site is partially improved with two structures that are vacant. The project developer is partnering with the Housing Authority of Washington County as limited partner in the project. The project will be financed with \$16,773,713 of 4% LIHTC equity, \$17,484,000 of Metro Housing Bond funds, developer cash contribution, partially deferred developer fee, permanent loan and various grants including Metro Transit Oriented Development (TOD) funds and an OHCS Weatherization grant.

### Preliminary Development Program

The 144 total unit building consists of 36 studios, 35 one-bedrooms, 58 two-bedrooms, 12 three-bedrooms and 3 four-bedroom units. 43 units will be provided at 30% AMI, and 87 units at 60% AMI. Two buildings are designed to best utilize the parcel shape and size. In total the two buildings will consist of 141,000 SF. The site will provide 141 parking stalls and 83 bike parking spaces. This design is formed around a courtyard to further create a central communal area that provides a line of sight to building entrances and on the courtyard which enhances security and customer service. The project also includes a significant amount of amenities to the serve the range of residents that will reside at the community. A multipurpose room will provide a vibrant space for the residents to informally connect with neighbors or gather for formal events and will flex as an Art Center. The space will be home to service partner, EngAGE’s co-generational classes for residents.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit
Studios	13	30%	1	425
Studios	23	60%		425
One-bedroom	14	30%	2	625
One-bedroom	21	60%		625
Two-bedroom	12	30%		775
Two-bedroom	46	60%		775
Three-bedroom	6	30%		1,175
Three-bedroom	6	60%		1,175
Four-bedroom	1	60%		1,350
Four-bedroom	2	60%		1,350
<b>Total</b>	<b>144</b>	<b>---</b>	<b>3</b>	<b>---</b>

## Background

In November 2018, voters authorized Metro to issue \$652.8 million in bonds to support affordable housing. Washington County will receive about \$116 million to construct 814 affordable housing units in the Washington County Metro Service area outside Hillsboro and Beaverton. The County developed a Local Implementation Strategy (LIS) and, in March 2020, issued a Notice of Funding Availability (NOFA) offering \$80 million of the \$116 million. To be approved for funding, proposed projects must be consistent with the LIS. Related NW applied to this NOFA for this Tigard project. The project has proceeded through the NOFA evaluation process which has included:

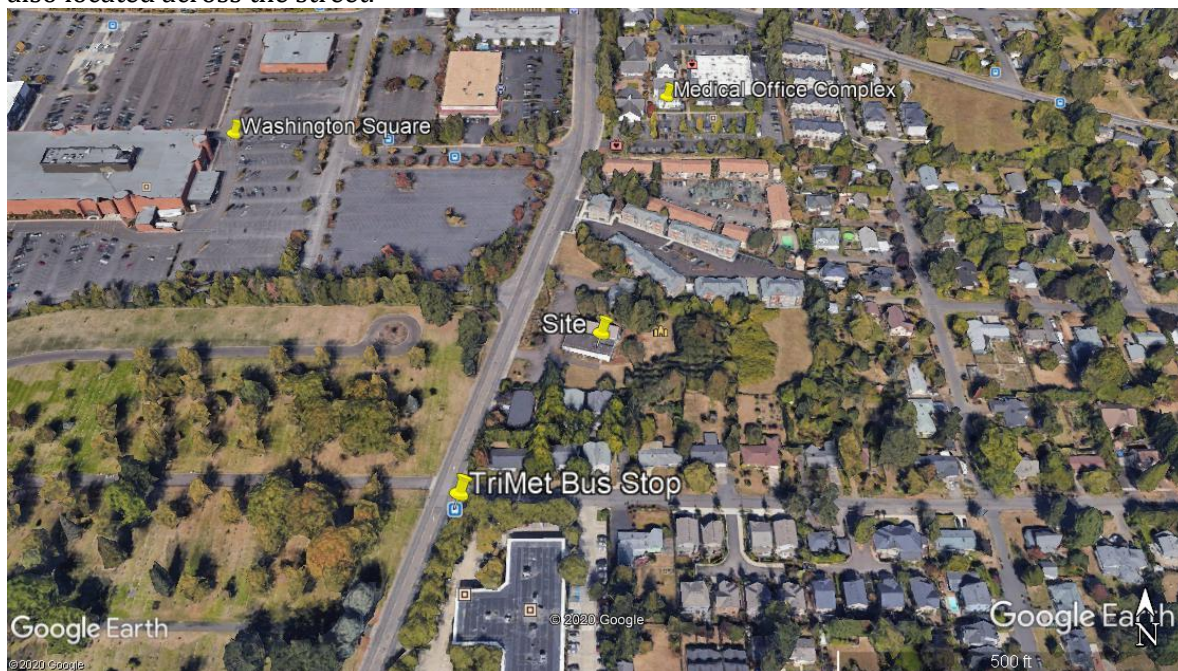
- Staff threshold review
- Third-party financial feasibility analysis
- Evaluation committee review
- Housing Advisory Committee review.

The project has been recommended to the Washington County Board of Commissioners for Concept Endorsement Approval.

The development team has spent the past six months performing concept design work and site due diligence. The property does not have any anticipated development restrictions. A Phase I Environmental Assessment has been completed, which identified recognized environmental conditions requiring a follow-up Phase II report.

## Location and Neighborhood

The property is well supported by parks and public amenities that include Metzger Park, Garden Home Community Library and Park, and the Conestoga Recreation and Aquatic Center. Retail amenities, including Washington Square Mall with its large entertainment and recreation hub, are located directly across the street from the site. There is a TriMet stop less than 100 ft. from the site which provides direct access to the Beaverton Transit Center. The Washington Square Transit Center, a TriMet high frequency bus line hub serving four major lines (lines 43, 45, 56 and 62) is also located across the street.



## Site

The site was previously a Holly Tree farm, and most recently a church. There are two existing buildings that will be demolished at the commencement of site construction. Due to the concentration of pesticides and chemicals typically associated with farm use the Phase I ESA recommended a Phase II ESA be conducted to further analyze these existing impacts. A purchase and sale option was executed on October, 2019 and the expected site acquisition is estimated to occur July 31, 2021. The property consists of one tax lot and is zoned MUE Mixed Use Employment, which allows multi-family housing as proposed for the concept endorsement application. The site is in a Qualified Census Tract (QCT) and is eligible for a 30% boost in LIHTC equity.

## Project Financing

Total project costs are \$48,389,878 which is \$336,040 per unit and \$336 per gross square foot. Metro Housing bond fund total are requested funds are \$17,484,000 at \$121,417 per unit.

<b>Funding Source</b>	<b>Amount</b>
4% LIHTC (Equity)	\$16,773,713
OHCS Weatherization	\$150,000
Metro Bond	\$17,484,000
Metro TOD	\$500,000
Permanent Loan	\$10,645,000
Cash	\$25,000
Deferred Developer Fee	\$2,812,165
<b>Total Fund Sources</b>	<b>\$48,389,878</b>

<b>Uses of Funds</b>	<b>Amount</b>
Acquisition Costs- Land	\$2,400,000
Construction Costs	\$34,935,052
Total Development Cost	\$11,054,826
<b>Total Project Cost</b>	<b>\$48,389,878</b>

The City of Tigard has identified a shortage of affordable housing, and according to their Affordable Housing Strategy Report approximately 33% of the City's residents earned less than \$35,000, making them eligible for housing reserved for households at 60% AMI. In addition, 51.4% of Tigard renters pay more than 30% of gross household income on housing costs. In response to this shortage in order to encourage the development of affordable housing the City adopted in 2019 an Affordable Housing Plan which included policy goals such as the waiver of City SDCs, which is tentatively anticipated to reduce this project cost by \$500,000. Additionally, Metro has provided a letter of support for the project and its funding contribution given the project's prime location in a TOD corridor.

## Development Team

Related Northwest is one of the leading privately-owned multifamily apartment owners and developers in the country and has recently expanded into the Northwest as an affordable housing provider. Related has been acquiring and developing apartment properties for over 40 years and has over 15,000 units of affordable housing completed or in construction under its ownership and management on the west coast. Related is expanding its affordable housing footprint along the west coast to lend its expertise to emerging markets that are in need of affordable housing.

C2K – Architects C2K was formed in 2010 to offer architectural, planning and interior design services to private companies, real estate developers, building contractors and nonprofits. Their portfolio includes mid- and high-rise residential, mixed-use developments, offices and retail centers. Principal Kevin Sauser has over 24 years of experience in the architectural field, in a variety of locations along the West Coast and across the United State. Recent work in the Portland area includes Homeroom Apartments, a 39-unit 4-story rental building at SE 14th and SE Stark St.

Walsh Construction is a long established reputable local area builder with over 59 years of contracting in the northwest. Walsh was selected by Related NW through a competitive process as their competency and reliability for quality construction will lend well to the project goals and site challenges. This will be Related NW's third project with Walsh Construction.

### **Community Engagement**

The development team will work with IRCO for outreach and marketing services. IRCO provides their clients a number of services to assist with housing and housing stability, from access and navigation services to rental and energy assistance. Africa House is IRCO's culturally and linguistically-specific one stop center that serves African immigrants and refugees. Each year more than 5,000 community members from 22 ethnic and cultural backgrounds receive services at Africa House. In addition to Africa House and Asian Family Center, one stop service centers, IRCO serves clients in a broad array of programs, from employment and training to health education and antipoverty assistance, including housing resources. As such, IRCO can cast a wide net in marketing availability at the project. Further, IRCO's multilingual, multicultural staff, is able to offer culturally and linguistically specific assistance in help families access housing at Terrace Glen.

### **Advancing Racial Equity**

The proposal is committed to meeting the 20% minimum DMWESB target and based upon the scope of the project and prior experience, have set an aspirational goal of 25% DMWESB subcontractor utilization. Additionally, the project intends to achieve 20% DMWESB participation goal on professional services. Walsh has been the general contractor for two other Related NW projects where they are reaching above their 24% MWESB goals.

Terrace Glen will set aside three (3) units as permanent supportive housing to serve young adults experiencing, or at risk of, homelessness. A Road Home, Washington County's multi-year project to address homeless issues, has recently re-affirmed the need to provide new PSH units in its 2018 report A Road Home: Community Plan to Prevent and End Homelessness. The plan prioritizes a "Housing First" model, which relies on new affordable permanent housing to facilitate rapid exits from shelters and life on the streets, and Client-centered Services which address the multi-dimensional social medical and mental health needs of people who are homeless. To address the varied needs of homeless young adults, PSH residents will receive relevant services from HomePlate, the only agency in Washington County with the mission of serving youth and young adults ages 12- 24 with drop-in centers, outreach, mentorship and connection to resources. HomePlate's Youth Employment Program (YEP), which guides homeless youth to gain meaningful employment and stability, will be a component of the services.

Accessible housing will be at the core of all screening activities with a commitment to affirmatively furthering fair housing. This commitment will be evident in the screening criteria for the project. The project specific screening criteria will be reviewed by Related, service providers, and Quantum to ensure that it meets all required fair housing laws, works to advance racial equity, and does not directly or indirectly create disadvantages to the target populations.



## **Partnerships and Services**

Established in 1999, EngAGE is a national award winning service provider that serves over 6,000 residents, both seniors and families in 50 projects across the country. EngAGE provides enriched intergenerational programming that focuses on the whole person approach. Services provided are after-school supervision and tutoring, health and wellness, lifelong learning art and creativity, support groups, intergenerational classes and referral and advocacy.

HomePlate Established in 2004, HomePlate serves over 500 youth annually ages 12-24 in Washington County. As the area's only homeless youth service provider, HomePlate serves food, clothing and hygiene supplies along with their robust wrap around services including counseling, mentorship, job skills/ placement, housing assistance and home outreach.

Immigrant Refugee Community Organization IRCO was founded in 1976 by refugees for refugees and has over 40 years of history and experience working with Portland's refugee and immigrant communities. With a focus on delivering innovative programs by compassionate staff, IRCO strives to empower children, youth, families, and elders from around the world to build new lives and become self-sufficient by providing more than 200 culturally and linguistically specific social services.

Residential Services will be coordinated by a Resident Services Manager ("RSM") and provided by EngAGE. 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. The project operating budget includes staffing for an on-site RSM, who will develop a resident services program customized to the resident population based on input from stakeholders, including, residents through surveys; the service providers, and EngAGE 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.

## **Anticipated Timeline**

The project has gone through necessary due diligence measures and upon receiving funding anticipate closing on the permanent loan in June of 2021 and preparing building permits in summer 2021. Construction will commence in August 2021, with completion occurring December 2022. Lease-up will begin shortly after completion in January 2023.