



Portland Housing Bureau

AFFORDABLE HOUSING PRESERVATION REQUEST FOR INTEREST (RFI) FALL 2023

Available Resources:
\$4,825,000

Issue Date: September 26, 2023
Submission Deadline: October 24, 2023

General Information

Solicitation Title:	Fall 2023 Preservation RFI
Solicitation Coordinator:	Danell Norby and Brian Yarne PHBSolicitation@portlandoregon.gov
RFI Webpage:	www.portland.gov/phb/fall-2023-preservation-RFI
Link to Application Package:	View/download Preservation RFI materials
Proposal Delivery Location: (electronic submittal)	Submit Preservation proposal

Schedule

Solicitation Issued:	Tuesday, September 26, 2023
Optional Applicant Information Session: (held via Zoom)	Tuesday, October 3, 2023 at 11:00 am (PDT)
Proposals Due:	Tuesday, October 24, 2023 at 3:00 pm (PDT)
Anticipated Notice of Results:	November 13, 2023

All proposals must be received by the date and time proposals are due to be considered. PHB reserves the right to change any dates to serve the goals of the RFI.

Civil Rights and Access Statement: The City of Portland is committed to equity and meaningful access, and prohibits discrimination on the basis of race, color, national origin (including limited English proficiency), disability, age, sex, sexual orientation, gender identity, religion, source of income, or familial status in accordance with local, state, and federal laws. To request translation, interpretation, accommodations, modifications, or other auxiliary aids or services, or to file a complaint of discrimination, contact the Portland Housing Bureau (503-823-2375) or 311 (503-823-4000), for Relay Service & TTY: 711.

Traducción e Interpretación | Biên Dịch và Thông Dịch | अनुवादन तथा व्याख्या | 口笔译服务
Устный и письменный перевод | Turjumaad iyo Fasiraad | Письмовий і усний переклад
Traducere și interpretariat | Chiaku me Awewen Kapas
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I. Introduction and Current Opportunity

The Portland Housing Bureau (“PHB”) has an interest in funding existing affordable rental housing developments located in the City of Portland to preserve their use serving low- and moderate-income residents. PHB regulates more than 15,000 affordable housing units in more than 400 buildings. 60-year and 99-year regulatory agreements govern the vast majority of these units and buildings. Like any capital asset, these buildings wear out and need to be repaired or rehabilitated.

Through this Request for Interest (“RFI”), PHB seeks proposals from owners of regulated affordable multifamily properties that need rehabilitation work, including health, fire, life and safety repairs and improvements that modernize the building, increase livability for residents, and/or extend the useful life of the housing asset. Proposals are limited to projects in PHB’s existing portfolio. Successful proposers will have identified capital needs and be positioned to move quickly to implement the scope of work before December 31, 2024.

This RFI is not intended for owners seeking funds only (or mostly) for ongoing maintenance and repair costs, nor are funds available for significant seismic retrofitting since the cost of seismic work exceeds available resources.

Funding for projects identified through this RFI includes up to \$4.825 million in sources that may include, but are not limited to, City general funds and/or federal Community Development Block Grant (CDBG) funds. PHB anticipates providing awards as subordinated cash flow share loans. In addition, Portland Clean Energy Funds (PCEF) are available through this RFI as grants for energy-efficient and renewable energy project components.

Preservation Projects

For the purposes of this RFI, Preservation Projects are defined as the following:

- Project consists of at least 21 units.
- Project has an existing regulatory agreement and/or debt encumbrance with PHB (may have been assigned to PHB from PDC).
- Project was constructed and first occupied prior to 2008 and needs major repairs as detailed in at least one of the following:
 - a third-party capital needs assessment completed in the last 5 years, or
 - a contractor’s estimate completed in the last 12 months.
- Project is currently owned by the applicant or an entity closely related to the applicant, such as a tax credit partnership in which the applicant holds a partnership interest.
- Funding may only be used for units restricted/rented to households earning 60% of area median income (AMI) or less.

Equity

PHB has a strong interest in ensuring equity in all aspects of its work. Applicants to this RFI will be expected to describe how their project aligns with PHB’s Equity in Contracting and Apprentice & Workforce Diversity Program goals. In addition, applicants should consider how equity is addressed throughout their projects and within their organizations, including:

- How staff and board members reflect the community the organization serves.
- Organizational equity and diversity plans and policies and their implementation.
- Training within organizations around equity, diversity, inclusion, cultural competency, etc.

- Outreach, including during marketing and lease-up, to communities of color, immigrants/refugees and special needs populations.
- Diversity in professional services and vendor contracting.
- Tenant screening criteria.

II. Investment Requirements

In addition to meeting the Preservation Projects definition contained in Section I, all projects responding to this RFI will be evaluated against the following Investment Requirements.

Requirement	
Minimum Units	21 units per project
Minimum Capital Needs	Project has identified capital replacement costs greater than \$250,000 via a third-party capital needs assessment completed in the last 5 years, or a contractor’s estimate completed in the last 12 months.
Maximum PHB Subsidy (excluding PCEF)	Up to \$50,000 per eligible unit, defined below. If preservation would require more than \$50,000 per unit, please explain in Form C: Project Overview Narrative.
Eligible Units	Units supported by PHB funding must be restricted/rented at or below 60% AMI at the time of application.
Debt	Project is current on all debt/loan payments.
Reporting	Applicant is in compliance with all PHB reporting requirements
Screening	Rental units must be made available to households in accordance with the Fair Access in Renting Ordinance (FAIR Ordinance 189580)
Relocation	Projects involving the permanent relocation of existing tenants will not be accepted. Temporary relocation not to exceed 12 months for the purpose of completing renovations is allowed. If applicable, proposal must describe and account for the cost of fair and reasonable temporary relocation terms in accordance with the Uniform Relocation Assistance and Real Property Acquisition Act (URA) requirements and provide a General Information Notice (GIN) to tenants at the time a proposal is submitted in response to this RFI. See Appendix A: Federal Funds Compliance and Appendix G: General Information Notices.
Expenditure Deadline	PHB funds must be spent no later than December 31, 2024. Final project completion may occur after that date. (Form F: Project Schedule and Form G: Readiness to Proceed Checklist required)

Additionally, all projects awarded funding through this RFI will be subject to the following requirements:

- Projects must agree to a minimum 60-year affordability period. Projects receiving this funding will have a new regulatory agreement or existing restrictions extended so affordability is a minimum of 60 years from the date of initial restriction (i.e., door-to-door restriction of 60-years or longer).
- Projects must comply with Davis-Bacon and Oregon Bureau of Labor and Industries (BOLI) requirements, as applicable. Project teams must receive a BOLI determination of prevailing wage requirements prior to financial closing.

- Applicants should assume that federal standards will apply. Projects awarded federal funds must comply with all applicable federal requirements, including but not limited to Davis-Bacon; Section 3 program; HUD Environmental Review requirements; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200); lead-based paint requirements; and Uniform Relocation Assistance and Real Property Acquisition Act (URA) requirements. Refer to Appendix A: Federal Funds Compliance, Appendix F: Lead-Based Paint Requirements, and Appendix G: General Information Notices.
- PHB may reasonably require an updated capital needs assessment prior to financial closing.

III. Preference Criteria

PHB may prioritize projects that meet any or all of the following:

- Projects at risk of loss due to building condition and/or health and safety repair needs;
- Projects that are permit-ready or otherwise demonstrate readiness to proceed;
- Projects that will leverage additional resources beyond PHB's;
- Projects whose regulatory agreement includes units restricted at 30% AMI or less;
- Projects whose regulatory agreement includes Permanent Supportive Housing (PSH) units;
- Projects providing culturally specific/responsive services;
- Projects demonstrating significant effort toward meeting PHB's Equity in Contracting goals as specified in Appendix C;
- Projects incorporating cooling strategies and/or energy-efficient or renewable energy features as part of the rehabilitation scope.

IV. Application and Submittal Requirements

Owner/applicant teams must submit the following minimum application materials. For each project submitted, the total combined page limit for the Project Overview Narrative (#3) is **ten (10)**.

1. PHB Funding Application (**Form B**)
2. Project Overview Narrative (**Form C**)
3. Sponsor Statement of Financial Capability (**Form D**)
4. Budget / Proforma Template (**Form E**) – Only the five tabs labeled *Budget Sources*, *Construction Cost SOV*, *Budget Uses*, *Rents and Incomes*, and *Operating Budget* are required for this RFI. Form E must be submitted in electronic/"live" (not PDF) format.
5. Proposed Project Schedule (**Form F**)
6. Readiness to Proceed Checklist (**Form G**)

All pages in the application must be numbered. Pages should use a minimum of 12pt font and ½" margins. Signed and dated proposals must be submitted by **3:00 p.m. on Monday, October 23** to be considered responsive.

Electronic submission of complete proposal packages, including all narrative forms and documentation, should be uploaded to PHB's secure applications folder here:

<https://hcpaw.portlandoregon.gov/u/pVptdmnabWS3Wm11/74a3497b-e310-4cc3-893a-26b2e1999a34?l>

Application items #1-6 above should be submitted as separate files rather than one combined file. PHB recommends saving each application document with the name of the project and owner/applicant team and uploading a zip file folder containing all components of the proposal package. Proposals will not be visible to applicants after uploading. *If teams are unable to submit electronically, contact the Solicitation Coordinator by October 13, 2023 to discuss alternatives.*

V. Evaluation Criteria and Selection Process

Upon receipt, all applications will be reviewed for adherence to this RFI's submittal requirements.

PHB, at its sole discretion, may employ the following selection process and criteria in recommending projects for an award of RFI resources.

PHB will review applications for projects that meet the minimum RFI criteria and contain all required documentation. Proposals meeting the minimum threshold requirements will be reviewed and evaluated by a review committee comprised of representatives from PHB and potentially non-conflicted community partners.

Except as otherwise stated in this RFI, proposals will be evaluated based on the following Evaluation Criteria:

- Investment Requirements
- Preference Criteria
- Content and quality of the Project Overview Narrative
- Qualifications and experience of the Development Team
- Content, quality, and appropriateness of the current Operating Budget and preliminary Sources and Uses and the assumptions contained therein
- Readiness to proceed with the project, including the assumptions in the Proposed Project Schedule and Readiness to Proceed Checklist and non-reliance on other competitive funding

The review committee will use an ordinal ranking system with proposals ranked 1 considered the highest ranked. Proposals receiving higher rankings will have a greater likelihood, though are not guaranteed, of being recommended for a funding award.

PHB anticipates the total number of projects recommended and awarded will be a function of the evaluation process combined with the availability of funding. PHB reserves the right to increase funding available for this solicitation in order to meet any City production/preservation targets.

PHB recognizes there is a "creative tension" inherent in publicly financed projects. PHB strongly discourages manipulation of the Operating Budget or Sources and Uses assumptions to produce a particular desired outcome, e.g., depleting replacement reserves to make it appear projects have insufficient resources to address capital needs. PHB reserves the right to reject proposals that appear to portray misleading financial information.

VI. General Conditions

1. This RFI is not a solicitation of competitive bids. Failure to abide by the General Conditions is grounds for disqualification. PHB by this RFI specifically reserves the right in its sole discretion to determine which proposals best serve the public good, and to:
 - A. Revise the solicitation, evaluation, or selection process including extending the deadline or canceling without selecting any projects.

- B. Waive informalities and irregularities in the proposals received in response to this RFI.
- C. Disqualify without recourse or appeal any or all proposals.
- D. Reject any or all proposals with or without cause.
- E. Determine the timing, arrangement and method of any presentation throughout the process.
- F. Verify and investigate the qualifications and financial capacity of the development team, and any of the information provided in the proposal.

Every effort has been made to provide current and correct information; however, unless citing a specific PHB approved resolution or plan, PHB makes no representation or warranty with respect thereto.

2. All proposals received shall become the property of PHB and considered an official public record subject to inspection by the public in accordance with ORS 192.502 and PHB's Public Records Access Policy after the completion of the RFI process; and may be used for any purposes relevant to the decisions and actions undertaken by PHB towards development of the property being offered. Entities are advised that confidential financial information should be clearly labeled and submitted separately from the remainder of their proposal (both paper and digitally). Similarly, if any entity responding to this RFI believes that a specific portion of its response constitutes a "trade secret" under Oregon Public Records Law (ORS 192.501.2) and is, therefore, exempt from disclosure, the entity must clearly identify that specific information as a "trade secret" and submit it together with the confidential financial information. Identification of information as a "trade secret" does not necessarily mean that the information will be exempt from disclosure. PHB will make the determination of exemption from disclosure based on the nature of the information and the requirements of the Oregon Public Records Law.
3. Restrictions on communication. Every effort has been made to include herein all the information necessary to prepare and submit a responsive proposal to this RFI. However, in the event additional information is desired, or if you have a question about any of the information or requirements contained in this RFI, direct your question to:

Danell Norby and Brian Yarne, Housing Portfolio Finance Coordinators
Portland Housing Bureau
1900 SW Fourth Avenue, Suite 7007
Portland, OR 97201
PHBSolicitation@portlandoregon.gov

4. During the course of this RFI, development teams are prohibited from undertaking any activities or actions to promote or advertise their proposals except in the course of PHB-authorized presentations; or to make any direct or indirect (through others) contact with review committee members (if named), staff or elected members of the City of Portland, PHB or other funding partners regarding the proposals. Attempts to compromise the review process regarding proposals submitted with public communications or advocacy to PHB leadership or any elected official will disqualify proposals from funding awards under this solicitation. Development teams may only initiate contact with the person named in #3 above who will assess inquiries and determine further actions, if any.
5. PHB will not hold "one-on-one" meetings with any development teams during the evaluation process. PHB may, however, ask individual development teams clarifying questions or obtain additional information about some specific point of a proposal.

6. PHB accepts no responsibility or obligation to pay any costs incurred by any potential or eventual development teams in the preparation or submission of a proposal; or in complying with any subsequent request by PHB for information or participation throughout the evaluation process.
7. Respondents to this RFI are prohibited from employing or retaining a former employee of the City including without limitation, PHB, to assist in the preparation of a proposal to this RFI if during the course of her/his employment with the City the former employee worked in a position that provided access to information concerning the site that is the basis of the proposal.
8. The selected developer is further prohibited from employing or retaining a former PHB employee to assist in the preparation or negotiation of the terms of a proposal to this RFI who has been separated from the City for less than two years or who during the course of their employment with the City, worked substantially with the site that is the basis of a proposal:
 - A. To work on or receive any financial gain related to the project; or
 - B. To work in a capacity responsible for influencing, or trying to influence, the actions of PHB other than through public testimony.
9. Funded projects will be required to:
 - A. Comply with 60-year affordability agreement and annually submit compliance reporting as specified in agreement.
 - B. Federal Lead Regulations: All projects proposing rehabilitation of structures built before 1978 will be subject to federal Lead-Based Paint regulations per 24 CFR Part 35.
 - C. Other PHB policies and requirements may apply, depending on the specific project.
 - D. Existing PHB funded projects: Any applicant with previously funded PHB (or PDC) projects in their portfolio must be current on reporting requirements and required loan payments. PHB, in its sole discretion, may elect not to award project teams that are not current with reporting requirements.
 - E. Additional information regarding project criteria is contained within the Appendices.

VII. List of Forms and Appendices

FORM	LOCATION
Form A – Not required	<p data-bbox="987 516 1360 583" style="text-align: center;">View/Download 2023 Preservation RFI Forms</p>
Form B – PHB Funding Application	
Form C – Project Overview Narrative	
Form D – Sponsor Statement of Financial Capability	
Form E – Budget / Proforma Template	
Form F – Proposed Project Schedule	
Form G – Readiness to Proceed Checklist	

APPENDICES	LOCATION
Appendix A – Federal Funds Compliance	<p data-bbox="954 1272 1393 1339" style="text-align: center;">View/Download 2023 Preservation RFI Appendices</p>
Appendix B – PHB Underwriting Metrics	
Appendix C – PHB Equity in Contracting, Section 3 and Apprentice & Workforce Diversity Program <i>(Aspirational Goals for Preservation RFI, except Section 3)</i>	
Appendix D – PHB Affordable Housing Green Building Policy <i>(Aspirational Goals for Preservation RFI)</i>	
Appendix E – PHB Air Conditioning Requirements <i>(Aspirational Goals for Preservation RFI)</i>	
Appendix F – Lead Based Paint Requirements	
Appendix G – General Information Notices (GIN) for Residential and Nonresidential Tenants Not Displaced	