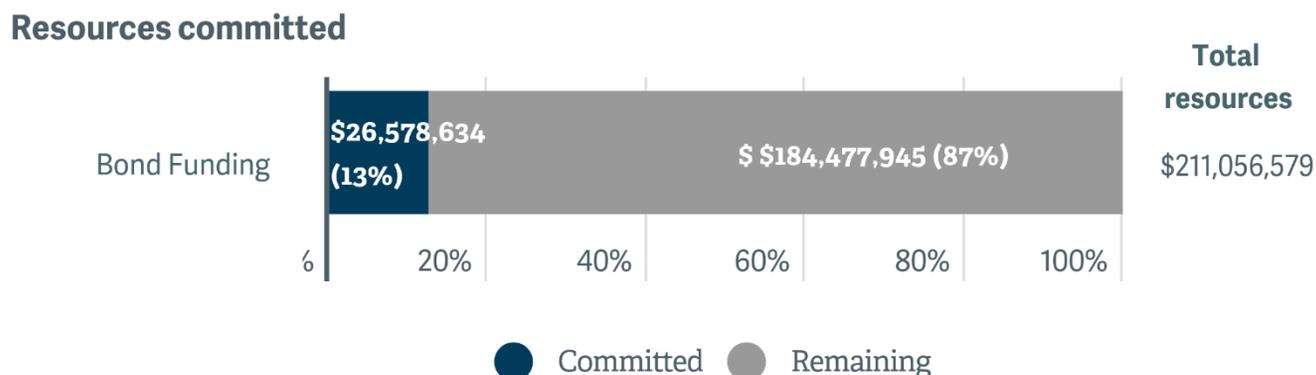


Housing Bond Progress Report for City of Portland | 2020

The purpose of this report is to summarize Portland’s progress toward implementing the strategies in its approved Local Implementation Strategy (LIS), for consideration by Metro’s Affordable Housing Bond Community Oversight Committee.

1. PROJECTS UNDERWAY

As of the end of December 2020, the City of Portland has three projects underway¹. These projects represent 371 new affordable homes, or 25% of Portland’s total production target for the Housing Bond, while using up approximately 13% of its allocated \$211,056,579 in funding.



Of the homes created, 128 will have 2 or more bedrooms, representing 17% of its target for family-size homes; and 83 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 14% of their Housing Bond target for deeply affordable homes.

¹ The Dekum Court project’s units and funding count towards Portland’s allocation and production goals but reporting on metrics progress on this project will be provided by Home Forward.

Table 1a: Summary of projects underway

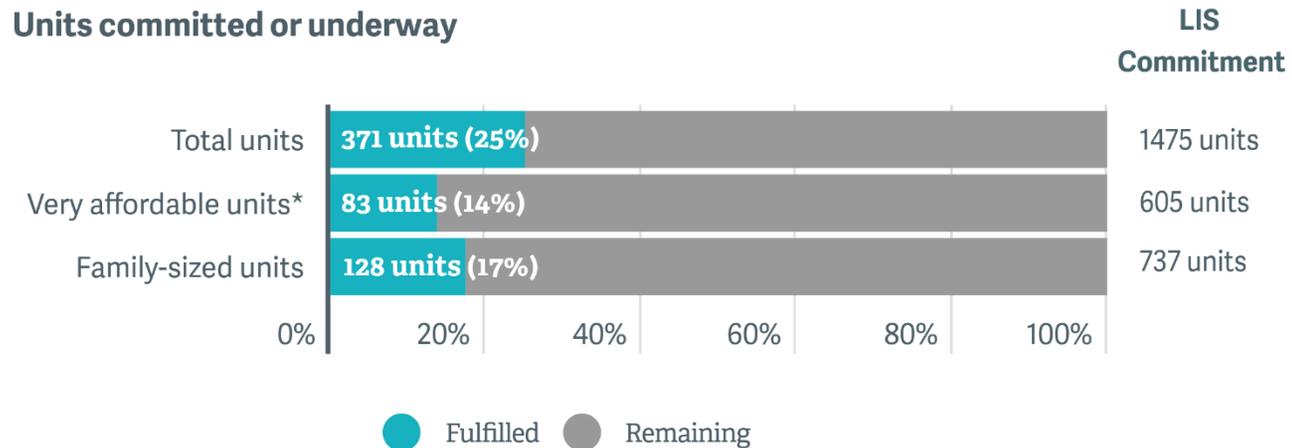
Project	Developer	Metro Bond Funds	Total Project Cost	Status	Anticipated ground-breaking date	Anticipated construction completion date
				<i>concept, final, construction, completion</i>		
RiverPlace Parcel 3	BRIDGE	\$1,739,219	\$80,233,569	Construction	21-Jan	22-Oct
Findley Commons	Home First	\$1,945,175	\$3,976,682	construction	20-Nov	21-Nov
Dekum Court	Home Forward	\$22,894,240	\$78,700,000	concept	Q3 2021	Q3 2024
Total committed or underway		\$26,578,634	\$110,788,885			
Total percentage committed or underway Total bond funding allocated		13%				

 *Shading indicates a Phase 1 project*

Table 1b: Unit production

Tallies include **only** bond-eligible units; manager units or other non-bond funded units are not included in these counts.

Project	Total units	30% AMI units	2+ BR units	30% AMI and 2+ BR units	61-80% AMI units <i>(should be no more than 10% of total units)</i>	# of Project-based Vouchers
RiverPlace Parcel 3	176	17	48	0	0	15 VASH
Findley Commons	35	0	0	0	0	20 VASH
Dekum Court	160	66	80	32	0	0
Total committed or underway	371	83	128	0	0	35
LIS Commitment	1475	605	737	N/A	N/A	0
% of commitment fulfilled	25%	14%	17%	N/A	N/A	N/A
Remaining to achieve local targets	1104	522	609	N/A	N/A	N/A



*refers to households at 30% Area Median Income (AMI)

Narrative 1: Referencing the data above, provide a narrative (appx. 750 words) describing progress toward implementing the development plan in your LIS. Feel free to include additional 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. *Description and results of competitive selections, including who was involved and how LIS criteria were applied and impacted the outcome.*
- b. *Cost containment strategies.*
- c. *Leveraged capital and ongoing operating funding.*
- d. *Approach(es) to aligning resident or supportive services.*
- e. *Plans, strategies and anticipated timelines for achieving remaining unit production targets (total, 30% AMI, 2+ bedrooms).*

Concurrent to the final approval of Portland's IGA and LIS in September 2020, PHB submitted two "Phase 2" projects to Metro for Concept Endorsement and Final Approval. Both projects, Findley Commons and Riverplace Phase 2, were awarded PHB funding through previous competitive solicitations and met the priority populations and production targets for 30% AMI and PSH units in the LIS. Metro Bond funds provided the final gap financing at significantly less than the targeted bond subsidy per unit average of \$143,000 per unit. Collectively, these two projects contribute to Portland's production goals with 211 total affordable units, of which 17 units provide housing for households at 30% AMI and 48 units are 2 bedrooms or larger. Both projects also add 55 new units of supportive housing, representing 18% of Portland's 300-unit PSH goal, with outreach and services to support Veterans.

Prior to the approval of Portland's LIS and IGA, Metro approved a Phase 1 project. This project, Dekum Court, will be developed by Home Forward, another Local Implementation Partner. Production target goals for Dekum Court are included in this progress report, but narrative information regarding the project will be included in Home Forward's annual report. Metro Bond funds were approved to develop 160 units of affordable housing. As the project proceeds through predevelopment activities, the total unit count and mix are subject to change pending PHB and Metro approval.

Cost Containment -Leverage – Progress summary

As described in the LIS, PHB's underwriters, senior construction coordinators, closers, and legal advisors, led by an Executive Team, each play a role to monitor each stage of the development process to reduce the risk of PHB's funding exceeding the awarded amount and subsidy/unit limit. PHB's processes and protocols to oversee project development are in place to establish clear expectations with development teams, including describing the conditions of each award and actively working with teams after the award on cost monitoring throughout predevelopment and construction. The end goal of all these processes and protocols is

to ensure Bond funds will be used to support projects that will provide high quality, sustainable affordable housing for Portland's residents.

The primary stages where cost containment measures are most effective include award, predevelopment and construction. PHB staff work closely with the developer in each stage of a project to ensure a smooth transition from design to construction. For example, Findley Commons experienced additional funding gaps resulting from increased lumber costs, a shortage of subcontractors and a change in city code. PHB staff supported the development team to implement appropriate changes to the project's scope and proforma to minimize the overall impact to the project. Findley Commons broke ground in November 2020 to begin a 12-month construction schedule.

Riverplace Phase 2 is expected to break ground in early 2021 after its financial closing December 17, 2020. This is a larger, more complex construction project with an anticipated completion date in Quarter 3 of 2022.

The Metro Bond award of just over \$3.6 million for these "Phase 2" projects has leveraged an additional \$78.5 million in capital funds for Riverplace Phase 2 and \$5 million in capital funds and \$245,000 per annum in supportive services funding for Findley Commons. Both projects have also been awarded 20 VASH rental-assistance vouchers each.

Approaches to Services

Please refer to the attached **Metro Housing Bond and Metro Supportive Housing Services (SHS) Integration Addendum** for PHB's approach and strategies for supportive housing services. Information on the two Metro-approved projects is below.

Impact NW will provide services to all the residents of the affordable housing at Riverplace Phase 2, with special focus on the most vulnerable, the vouchered Veterans residents and unsubsidized 30% MFI residents. Riverplace Phase 2 includes 20 PSH units. Resident services programs include early childhood and family services that emphasize child well-being, development and school readiness; youth programming that emphasizes mentoring, school success, and opportunities for youth transitioning out of foster care; resources and referral services for at-risk adults, seniors, and families; and supportive assistance for seniors and adults with disabilities so that they can maintain their independence.

Findley Commons aims to serve low-income and very-low-income residents with a preference for formerly homeless Veterans. Services will be provided by Do Good Multnomah and other partners, including the National Association of Black Veterans to provide culturally specific programming to future residents and to provide referrals for individuals in need of housing. Other services will

include case management, art therapy, wellness groups, peer mentoring, drug and alcohol counseling, and employment programs. All 35 of Findley's units are PSH, with 20 one-bedroom units supported by VASH vouchers.

Next Steps – plans, strategies, timelines

In October 2020, PHB released \$15 million of Metro Bond funds through an RFQ for Supportive Housing. The goal of the RFQ is to maximize leverage opportunities of other capital and operations resources and achieve early progress on Portland's 30% AMI and PSH production goals. PHB aims to award contingent commitments of Metro Bond funds to 3-4 projects, supporting the production of an estimated 100-125 new supportive housing units and up to 200 new affordable housing units.

Six proposals were submitted for the RFQ for Supportive Housing totaling over \$35 million in requested Metro Bond funds for 469 units of affordable housing. As described in the LIS, PHB convened two committees to evaluate proposals. A Technical Review and Community Review committee evaluated how each proposal met the requirements and qualifications of the RFQ and made a ranked recommendation for projects to receive a Contingent Award to the PHB Director and Commissioner-in-Charge in December 2020. Selected projects will be announced in early 2021 with final awards contingent on Metro Concept Endorsement and commitments of project financing by 12/31/21.

Starting in 2021, PHB will issue annual Metro bond solicitations that include aligned SHS program funds and supportive housing production goals. This strategy will support the production of an estimated 50-80 new supportive housing units annually until Portland's production goals have been reached.

2. RACIAL EQUITY 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.

Table 2a: Location/access

Project	Location (Address)	Within ¼-mile of frequent service bus?	Within ¼-mile of non-frequent service bus?	Within ½ mile of MAX?	Within 1/3 mile of park or green space?	Walkscore	
RiverPlace Parcel 3	2099 S River Pkwy, Portland OR 97201	Yes	Yes	Yes	Yes	73	
Findley Commons	3440 SE 54th Ave, Portland OR 97206	Yes	Yes	No	No	89	
Dekum Court	2513 NE Saratoga St., Portland OR 97212	Yes	Yes	No	Yes	59	
% of projects that meet criteria:		50%	50%	25%	25%		
						Average walkscore:	74

Proximity should be calculated using the "walk" function in Google Maps.

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

Project name	Notes: Describe access to other amenities, including schools and groceries.
RiverPlace Parcel 3	Project is located in South Waterfront with close access to OHSU, the Waterfront trail and Poet's Beach. Transit options provide easy access to groceries, schools and other services in Southwest and downtown Portland.
Findley Commons	Access to transit and other community amenities, including multiple city parks, a library, and grocery stores. Walkability in the area is improved by buffered sidewalks with curb-ramps, signalized crossings, and recently enhanced street lighting. The site is close to a food pantry and clothing closet on-site, via the St. Marks' Lutheran Church.
Dekum Court	

Table 2b: Equitable Contracting

Project name	General contractor	Contracting goal*	
		% total hard costs to be awarded to COBID firms (required metric)	% total soft costs to be awarded to COBID firms (optional metric)
RiverPlace Parcel 3	Walsh	30%	20%
Findley Commons	Beaudin	24%	20%
Dekum Court	Walsh	28%	20%

* For projects that have a 'minimum' and 'aspirational' goal, please report the minimum goal.

Notes for Table 2b: Please provide interim progress for projects that are under construction. If you have additional contracting goals, please note them here.

Table 2c: Prevailing Wage

Project name	Prevailing wage - Davis Bacon, BOLI
RiverPlace Parcel 3	Yes (BOLI)
Findley Commons	Yes (Davis Bacon)
Dekum Court	Yes (Davis Bacon)

Project name	Workforce Tracking (Y/N)	Goal for % of total work hours worked by apprentices (optional)	Goal for % of total hours worked by women (optional)	Goal for % of total hours worked by POC (optional)
RiverPlace Parcel 3	Yes	20%	22%	6%
Findley Commons	Yes	20%	18%	9%
Dekum Court	Yes	20%	9%	20%

Notes for Table 2d: Please provide additional summary information regarding project-level strategies and goals, and interim progress if available.

Describe progress toward implementing your LIS strategies for advancing racial equity. In addition to data provided in the above tables, feel free to include additional 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.

The development of Riverplace Phase 2, located in the South Waterfront/North Macadam URA, addresses both the production target, priority community and racial equity goals of the Metro Bond and Portland's LIS but also addresses goals that further other City of Portland housing strategies. Riverplace Phase 2 is located within proximity to several transit options, parks/trails along the waterfront, some schools (childcare and public charter) and convenience groceries/farmer's market in the South Waterfront neighborhood. Access to additional public and private schools, a full-service grocery and other services are easily accessible by transit. The building will also provide 60 residential and 7 commercial parking spaces for tenant use with additional access to bike parking at the adjacent building, The Vera Apartments.

The general contractor, Walsh Construction, has a strong track record of achieving the City's equity contracting goals for both hard costs and workforce development and training hours for apprenticeships and journey-level workers. The two most recent projects completed by Walsh met or exceeded the 30% goal for hard costs. Construction on the project will begin in early 2021 and more information on Walsh's progress will be available as construction commences.

To increase racially/ethnically diverse access to services at Riverplace Phase 2, Impact NW will offer low-barrier intake and assessment, supporting trust and rapport building as programs and community development get off the ground. The Affirmative Fair Housing Plan indicates that the households least likely to be an applicant and therefore in need of specialty marketing targeting are Latino, disabled and families. To overcome this, BRIDGE's property management company will engage with Latino Network, El Programa Hispano Catolico, Community Vision, Easter Seals Oregon and Metropolitan Family Service. In addition, final approval for 8 VASH voucher applications will be processed in referral order from the Department of Veterans Affairs.

Findley Commons addresses both the production target goals and priority community goals of the Metro Bond and Portland's LIS. As a 100% PSH project, Findley Commons represents 12% of Portland's 300-unit PSH goal. The focus population for Findley Commons is to serve Veterans and other single adults experiencing homelessness with a disabling condition. Project location, just off SE Powell Blvd in the South Tabor neighborhood, provides easy access to transit and other community amenities, including multiple city parks, a library, and grocery stores. Walkability in the area is improved by buffered sidewalks with curb-ramps, signalized crossings, and recently enhanced street lighting. The site is close to a food pantry and clothing closet on-site at the adjacent St. Marks' Lutheran Church.

Home First Development, the developer and property manager, implements a Housing First model to provide stability and support for individuals and families while they establish additional resources as needed. As a property manager, Home First Development will also utilize a low-barrier model for screening applicants in order to establish a population composed of individuals demonstrating the highest and most immediate of needs, including but not limited to historically underserved and vulnerable populations such as people of color and historically marginalized groups. Affordable non-subsidized applications will be processed in order of lottery number. Accessible units will be offered first to persons with disabilities.

At the time of award, in 2018, PHB's equity contracting goals were 24% for COBID-certified subcontractors, 20% for professional services and 20% for workforce hours. Construction began on Findley Commons in November 2020. The project is on track to meet the contracting goals for hard costs and for professional services.

3. COMMUNITY ENGAGEMENT

Describe your progress toward implementing your LIS strategies for ongoing community engagement (appx 750 words). Where possible, please incorporate engagement data/metrics describing the number of people/organizations engaged and demographics, if available. Please highlight any best practices, lessons learned, or opportunities for improvement. Be sure to address the following:

- a. Number of people engaged, including (where possible) 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 engagement themes/feedback
- d. Themes in how feedback directly informed project implementation and outcomes (emphasis on feedback from communities of color and other marginalized groups)

The community engagement for Findley Commons was completed prior to its approval as a Metro Bond project. Therefore, Metro's racial equity metrics regarding community engagement were not known or applied. Information that is available regarding community engagement for the project does not include any information regarding communities of color and other historically marginalized community members.

The development team partnered with the South Tabor Neighborhood Association to leverage their connections with the community and further outreach efforts to inform the community about the development of Findley Commons. Additionally, the team utilized social media posts, email contact lists and contacted two Parent-Teacher Associations in the area. Project information was distributed to the immediate neighborhood near Findley Commons. Project updates and information were also sent electronically to engage community members online. These efforts resulted in a development informed by community involvement and suggestions. The community engagement used neighborhood meetings, partnerships with faith organizations and CBOs to garner participation of about 25 people who were reported to have "represented a broad spectrum of the community, and a diverse group of perspectives." Themes included "general concerns about negative impacts on the neighborhood from the target population (formerly homeless Veterans) of Findley Commons, parking impacts, building quality, and building aesthetics to match the surrounding area." The on-site supports for future residents, and Do Good Multnomah's wealth of expertise, will help address many of the concerns expressed by neighbors.

Community engagement for Riverplace Phase 2 was completed in 2016 and 2017, prior to the articulation of Metro’s racial equity metrics regarding community engagement and does not include any information regarding communities of color, other historically marginalized community members, or any other demographic data. Community engagement activities conducted to inform the project development and resident services included presentations to three neighborhood groups. Major themes from these meetings centered on concerns with neighborhood safety, access to retail, parking, and native landscaping.

With the project’s change from market rate to affordable housing, additional engagement was conducted in 2020 with stakeholders and neighbors. Public comments received included areas for pets, scarcity of trees, drug testing for residents, and that perhaps washers and dryers should be installed in individual units rather than having community laundry facilities (related to COVID concerns).

The team made efforts to address all these items in the following ways:

- maximizing the allowable parking for the retail and office space,
- focusing on native landscaping and providing a precise planting plan, and
- becoming part of the neighborhood association.

No significant changes were made to the design or programming of the project as a result of community engagement efforts due to cost constraints. No community feedback was focused on shaping the project to support the success of future residents.

Metro Housing Bond and Metro Supportive Housing Services (SHS) Integration Addendum

Housing bond implementation partner jurisdiction: Portland Housing Bureau

Date: December 20, 2020

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

The Portland Housing Bureau (PHB) will use the following strategies to create new supportive housing through alignment of SHS and housing bond resources, as outlined in PHB’s Local Implementation Strategy (LIS):

- a. Portland’s original LIS prioritizes and establishes a goal for 300 supportive housing units, contingent upon operating and services resources becoming available. PHB remains committed to reaching this goal and is not making any change in the city’s production or affordability targets.
- b. PHB is closely coordinating with jurisdictional partners Multnomah County Joint Office of Homeless Services (JOHS) and Home Forward to effectively align and leverage SHS funds to create new supportive housing units through the housing bond and sustain ongoing operation of those units. **SHS funds will be used for supportive services and rent assistance to fill identified operating and service funding gaps as modeled by Metro, PHB, JOHS and Home Forward.**
- c. Additionally, PHB issued a Request for Qualification (RFQ) for Supportive Housing Projects in October 2020 **to identify prospective supportive housing projects in the pipeline to leverage supportive housing funds from resources outside of PHB.** These projects, upon going through the PHB and Metro review and evaluation processes, will be eligible to receive contingent awards for Metro bond funds to further advance process towards our supportive housing production goal.
- d. Finally, PHB plans to issue annual Notice of Funding Availability (NOFA) opportunities starting in 2021. NOFAs will include housing bond capital resources and SHS funds for supportive housing services and operations. PHB anticipates conducting a minimum of two NOFA rounds for Metro bond resources until funds are fully expended.

Summary of Plan for Reach Goal of 300 Supportive Housing Units

Project Name/ Owner	Strategy	Number of SH units	Communities Served
Phase 1: Metro approved project			

Project Name/ Owner	Strategy	Number of SH units	Communities Served
Dekum Court/ Home Forward	Project received early approval by Metro.	0	Families, BIPOC communities
Phase 2: Metro and PHB approved projects with previous awarded PHB funding			
Findley Commons/ Do Good Multnomah	Use of Metro bonds to fill final gap and leverage prior capital and services supportive housing investments.	35	Veterans, families, BIPOC communities
Parcel 3, Phase 2/ BRIDGE Housing	Use of Metro bonds to fill final gap and leverage prior capital and services supportive housing investments.	20	Families, Veterans, BIPOC communities
	Phase 2 Sub-total:	55	
Phase 3: RFQs and NOFAs			
Estimated 3 to 4 projects	RFQ for Supportive Housing Projects	Est. 100	BIPOC communities, single adults
Estimated 7 to 10 projects	Spring 2021 NOFA	Est. 85	BIPOC communities, single adults
Estimated 7 to 10 projects	Spring 2022 NOFA	Est. 60	BIPOC communities, single adults
	Phase 3 Sub-total:	Est. 245	

2. Provide a brief narrative (500 word max) describing the rationale for these approaches and how you arrived at them. As relevant, you may wish to include description of financial modeling and policy considerations that have helped to inform your approach.

PHB focused our strategies to align housing bond and SHS service resources to further advance the following policy priorities of the City of Portland, Multnomah County and Metro:

- Lead with racial equity: Ensure that racial equity considerations guide and are integrated throughout all aspects of program implementation to improve access and outcomes benefiting Black, Indigenous, and People of Color (BIPOC) communities;
- Create opportunity for priority communities: Access and housing opportunities will be prioritized for BIPOC communities, families, people living with disabilities, seniors, Veterans, and households experiencing or at risk of homelessness.
- Create opportunity and investments are distributed throughout the region.
- Ensure long-term benefits and good use of public dollars: Provide community oversight to ensure transparency and accountability in program activities and outcomes.
- Provide strategic alignment and leverage of other system resources for promote production and sustainability of supportive housing capacity.

PHB aligns to the County’s definition of supportive housing and needs analysis² prioritizing increased supportive housing for single adult households from BIPOC communities. Our modeling for Metro housing bond indicates a balanced portfolio is needed that includes properties that have both full (100%) and integrated (up to 30%) supportive housing units within the communities.

In Multnomah County’s [Metro Supportive Housing Services Program: Local Implementation Plan](#), approved on Dec. 19, 2020, the JOHS is committed to meeting the long-term project based rental assistance and/or support service needs of supportive housing units developed with Metro housing bond funds. This includes the 300 supportive housing units and an estimated 120 units identified as “Homeless Preference” units regulated at 30% AMI and prioritized for households exiting from homelessness.

Based on estimates from PHB, JOHS and Home Forward, projected costs for operations and services for the supportive housing and homeless preference units over the first three years is roughly \$10 million.

The tables below summarize cost estimates used for modeling purposes.

Table 1. Cost Estimates on Rent Subsidy and Services Costs for Supportive Housing Units

Cost Per Unit Per Year Estimates (1-bedroom)				
	Rent Subsidy	Services	Total	Notes

² [\(Draft\) Multnomah County Local Implementation Plan: Metro Supportive Housing Services Program \(Dec. 2020\).](#)

Supportive Housing (Built)	\$9,600	\$10,000	\$19,600	Rent based on Metro Bond Cost Model, Deeply Affordable (difference between affordable, average tenant payment and 60% LIHTC rent), includes admin
Supportive Housing (Leased)	\$11,300	\$10,000	\$21,300	Rent based on TBRA Cost Model, Gross Rent (capped at 120% FMR) less Total Tenant Payment, includes admin
Homeless Preference	\$9,600	\$3,000	\$12,600	Rent based on Metro Bond Cost Model, Deeply Affordable, includes admin
Risk Mitigation Pool (RMP)	\$10,000	N/A	\$10,000	One-time investment of \$10,000 per SH unit

Table 2. Metro Bond Cost Modeling for Rent Reserves

Yearly Rent Reserve Estimates for Deeply Affordable Units (30% AMI)					
Unit Type Estimates	150 units	75 units	50 units	25 units	300 units
Year	0-BR	1-BR	2-BR	3-BR	Total
Year 10	1,535,400	756,000	538,200	269,100	3,098,700
Year 11	1,566,000	771,300	549,000	274,500	3,160,800
Year 12	1,596,600	786,600	559,800	279,900	3,222,900
Year 13	1,629,000	801,900	571,200	285,600	3,287,700
Year 14	1,661,400	818,100	582,600	291,300	3,353,400
Year 15	1,693,800	834,300	594,000	297,000	3,419,100
Year 16	1,728,000	851,400	606,000	303,000	3,488,400

Year 17	1,762,200	868,500	618,000	309,000	3,557,700
Year 18	1,798,200	885,600	630,600	315,300	3,629,700
Year 19	1,834,200	903,600	643,200	321,600	3,702,600
Year 20	1,870,200	921,600	655,800	327,900	3,775,500

As described in the earlier sections, PHB will coordinate closely with the JOHS, Home Forward and community partners to implement the following strategies to successfully reach our supportive housing goal:

- Deploy Metro housing bond funds to provide final gap financing of two “Phase 2” projects, which will add 55 new units of supportive housing;
- Through the release of the October 2020 [PHB Metro Bond RFQ for Supportive Housing](#), identify 3-5 projects in the development pipeline and provide contingent commitments of Metro bond funds to these projects to maximize leverage of other capital and operations resources. This strategy will support the production of an estimated 120-150 new supportive housing units.
- Starting in 2021, issue annual Metro bond solicitations that include aligned SHS program funds and supportive housing production goals. This strategy will support the production of an estimated 50-70 new supportive housing units annually