



homeforward

hope. access. potential.



*With relocation of Hillsdale Terrace residents complete, the Portland Police Bureau was able to use the site for a training exercise. Structures will be demolished in April and construction of Stephens Creek Crossing starts in August.*

## Board of Commissioners Meeting

Location:

Multnomah County Building  
501 SE Hawthorne Blvd.  
Portland, Oregon

Date & Time:

February 21, 2012  
6:15 PM

[homeforward.org](http://homeforward.org)



**INDEX FOR ELECTRONICALLY DISTRIBUTED BOARD OF  
COMMISSIONERS BOARD MEETING PACKET FOR  
FEBRUARY 21, 2012**

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***PUBLIC NOTICE:***

Home Forward  
BOARD OF COMMISSIONERS  
will meet on  
Tuesday, February 21, 2012  
At 6:15 pm  
At the Multnomah County Building – Commission Room  
501 SE Hawthorne Blvd, Portland

TO: COMMUNITY PARTNERS

FROM: STEVE RUDMAN

DATE: February 17, 2012

The Board of Commissioners of Home Forward will meet on Tuesday, February 21, 2012 at the Multnomah County Building – Commission Room 501 SE Hawthorne Blvd, Portland at 6:15 P.M. The commission meeting is open to the public.

The meeting site is accessible, and persons with disabilities may call 503-802-8423 or 503-802-8554 (TTY) for accommodations (e.g. assisted listening devices, sign language, and/or oral interpreter) by 12:00 pm (noon), Friday, February 17, 2012.

# **AGENDA CONSENT CALENDAR MINUTES**



**BOARD OF COMMISSIONERS MEETING**  
**MULTNOMAH COUNTY BUILDING – BOARD ROOM**  
**501 SE HAWTHORNE BLVD**  
**PORTLAND, OREGON**  
**February 21, 2012 6:15 PM**

**INTRODUCTION AND WELCOME**

**PUBLIC COMMENT**

General comments not pertaining to specific resolutions. Any public comment regarding a specific resolution will be heard when the resolution is considered.

**MEETING MINUTES (Consent Calendar/Minutes TAB)**

Topic
Minutes of January 17, 2012 Board of Commissioners Meeting

**REPORTS / RESOLUTIONS**

Following Resolutions:			
12-02	Topic	Presenter/POC	Phone #
01	Recognize Resident Commissioner Amie Pico	Chair Cormack	
REPORT	Executive Director's Report	Steve Rudman	503.802.8455
REPORT	Aging in Place Update	Dianne Quast Rodger Moore Rosanne Marmor Jenny Weinstein, PSU	503.802.8338 503.802.8360 503.802.8406
REPORT	Procurement and Equity Update	Jerry Walker Cinna'mon Williams	503.802.8509 503.802.8533

02	Accept Contract Review Board Findings and Approve Exemption from Competitive Bidding for a Design/Build Contract with GED with Respect to the Lifeworks NW Project	April Berg Cinna'mon Williams	503.802.8326 503.802.8533
03	Authorize Approval to Submit a 9% Low Income Housing Tax Credit (LIHTC) application for Lifeworks NW	Mike Andrews April Berg	503.802.8507 503.802.8326
04	Authorize Stephen Creek Crossing Abatement and Demolition	Mike Andrews Patrick Rhea	503.802.8507 503.802.8311
05	Authorize Approval to Submit a 4% Tax Credit Application for Stephens Creek Crossing	Mike Andrews Theresa Auld	503.802.8507 503.802.8319
06	Authorize the Receipt of Public Housing Capital Funds	Mike Andrews	503.802.8507

## ADJOURN

## EXECUTIVE SESSION

The Board of Commissioners of Home Forward may meet in Executive Session pursuant to ORS 192.660(2). Only representatives of the news media and designated staff are allowed to attend. News media and all other attendees are specifically directed not to disclose information that is the subject of the session. No final decision will be made in the session.

## THE NEXT MEETING OF THE BOARD OF COMMISSIONERS

The next Board of Commissioners meeting will be Tuesday, March 20, 2012 at 6:15 PM. This meeting will take place at the Multnomah County Building, 501 SE Hawthorne Blvd., Portland.



## **BOARD OF COMMISSIONERS MEETING**

HOME FORWARD

135 SW ASH STREET, PORTLAND, OR 97204

January 17, 2012

### **COMMISSIONERS PRESENT**

Chair Emeritus Lee Moore, Chair Harriet Cormack, Vice Chair David Widmark, Treasurer Jim Smith;  
Commissioners Gretchen Kafoury, David Kelleher, Brian Lessler

### **STAFF PRESENT**

Steve Rudman, Anita Yap, Mike Andrews, Peter Beyer, Robert Dell, Betty Dominguez, Jill Riddle,  
Todd Salvo, Celia Strauss

### **COUNSEL PRESENT**

Michelle DaRosa

Chair Lee Moore called the meeting to order at 6:18 PM.

### **PUBLIC COMMENT**

No attendee requested to deliver public comment.

### **MEETING MINUTES**

#### **Minutes of December 13, 2011**

Commissioner Brian Lessler moved to adopt the minutes; Commissioner Gretchen Kafoury  
seconded the motion.

The vote was as follows:

- Chair Lee Moore – Aye
- Vice Chair Harriet Cormack – Aye
- Treasurer David Widmark – Aye
- Commissioner Gretchen Kafoury – Aye
- Commissioner David Kelleher – Aye
- Commissioner Brian Lessler – Aye
- Commissioner Jim Smith – Aye



**CONSENT CALENDAR**

**RESOLUTION 12-01-01**

**Authorization to Refinance Dawson Park**

**RESOLUTION 12-01-02**

**Authorize Adoption of Compliance Policies for Tax Exempt Bonds**

**RESOLUTION 12-01-03**

**Authorization to Execute Loan Documents for Madrona Place Apartments**

Chair Lee Moore asked if there were any opposition to passing Resolutions 12-01-01, 02, and 03 together in the Consent Calendar. None opposed. Vice Chair Harriet Cormack moved to adopt the resolutions. Treasurer David Widmark seconded the motion.

**The vote was as follows:**

- Chair Lee Moore – Aye**
- Vice Chair Harriet Cormack – Aye**
- Treasurer David Widmark – Aye**
- Commissioner Gretchen Kafoury – Aye**
- Commissioner David Kelleher – Aye**
- Commissioner Brian Lessler – Aye**
- Commissioner Jim Smith – Aye**

**INSTALLATION OF NEW OFFICERS**

Chair Lee Moore passed leadership of the meeting to Vice Chair Harriet Cormack. Vice Chair Cormack announced the installation of the previously selected Board officers for 2012. Commissioner Harriet Cormack would serve as Chair. Commissioner David Widmark would serve as Vice Chair. Commissioner Jim Smith would serve as Treasurer. Commissioner Lee Moore would serve as Chair Emeritus. These officers would constitute the Board's Executive Committee.

**RECOGNITION OF LEE MOORE**

Steve Rudman noted that many Board members gathered on Sunday to honor Chair Emeritus Lee Moore's contribution to the Board. Rudman also announced that the opportunity center at Stephens Creek Crossing would be named after Chair Emeritus Moore. He said that doing so would also recognize the work Chair Emeritus Moore put into New Columbia, Home Forward's first HOPE VI redevelopment. Rudman also expressed appreciation for Moore's collaborative approach to the Board's work, noting that his collaboration with Vice Chair Harriet Cormack would make for a smooth transition of leadership.

Chair Emeritus Moore thanked Board members and staff for their support during his tenure as Chair. He expressed surprise at the recognition given him and emphasized that he had wanted to involve the Vice Chair in leadership matters to ensure continuity for the organization.

## **REPORT**

### **Executive Director's Report**

Executive Director Steve Rudman summarized the night's agenda. The Board would be asked to adopt the FY2013 Moving-to-Work (MTW) Plan after having been presented information on it on several other occasions. Upon adoption, Home Forward would be able to send the plan to the U.S. Department of Housing and Urban Development (HUD) and move forward with its MTW initiatives

The Board would also be presented an update on the HOPE VI redevelopment of Stephens Creek Crossing. Rudman noted that HUD had visited the site and Home Forward had since submitted its Community and Supportive Services (CSS) Plan, which was approved. The CSS Plan would become part of the project's Revitalization Plan, which the Board would be asked to approve that evening.

Beyond the evening's agenda, Rudman indicated that efforts would be made to increase communication with the Board, such as by distributing regular emails summarizing the work of the Executive Committee. Further discussion on that and other matters would take place during the Board's retreat on February 17 and 18.

## **RESOLUTION 12-01-05**

### **Authorization to Submit the FY2013 Moving-to-Work Plan**

Betty Dominguez presented the resolution to the Board. She noted that the coming year would be Home Forward's fourteenth year of participation in the Moving-to-Work (MTW) program. A draft of the plan had been presented to the Board, at a public hearing, and to community stakeholders (at a sparsely attended meeting). What comments were made were included with the Board's packet of materials. The final plan was substantially the same as its earlier draft, though more organized.

Chair Harriet Cormack observed that the sparse attendance at community stakeholder meetings indicated that the stakeholders had no issues with the plan. Dominguez agreed and noted that the FY2013 plan mostly implemented programs that had been approved during earlier MTW Plan submissions. Dominguez also verified for Chair Cormack that Home Forward's MTW authority expires in 2018, though Home Forward was hoping for it to be extended beyond that.

Vice Chair David Widmark moved to adopt the resolution; Commissioner Gretchen Kafoury seconded.

The vote was as follows:

Chair Harriet Cormack – Aye  
Vice Chair David Widmark – Aye  
Treasurer Jim Smith – Aye  
Chair Emeritus Lee Moore – Aye  
Commissioner Gretchen Kafoury – Aye  
Commissioner David Kelleher – Aye  
Commissioner Brian Lessler – Aye

#### RESOLUTION 12-01-06

#### **Authorizing a Contract Modification to On-call Legal Contracts for Foster Pepper PLLC, Ballard Spahr LLP, and Kantor Taylor Nelson Boyd & Evatt PC for Specialized Legal Services**

Mike Andrews presented the resolution to the Board. It would authorize amendments to the stated contracts in the amount of \$1 million, total. The legal firms assist Home Forward with real estate transactions. Ballard Spahr has been used for over 8 years for expertise in HUD-related real estate transactions. Foster Pepper has been used for expertise on taxes and tax-credit transactions. Kantor Taylor has been used for a variety of affordable housing issues. The Board approved Home Forward's original contracts with the firms in 2008. The amount authorized in 2008 has been exhausted. The resolution before the Board would increase the amount authorized for the contracts in order to cover foreseeable real estate transactions. The terms of the contracts had been extended to 2013.

Chair Harriet Cormack asked for details on the use of the firms since originally authorized. Andrews replied that Ballard Spahr and Foster Pepper had each performed up to \$450,000 to \$500,000 worth of work. Kantor Taylor had performed work worth the balance of the original \$1 million authorized for the firms. Work from a fourth firm was also authorized with the original contracts, but it was not used because the firm often had conflicts of interest. Andrews expected that Kantor Taylor would be called upon to perform more work in the future than it had under its original contract. Andrews noted that a complete procurement process was followed for the original contracts. The amendments authorized by this resolution would simply add value to those same contracts.

Chair Emeritus Lee Moore asked the value of the original contracts. Andrews responded that the original four contracts were authorized for \$1 million in total, with the amount allocated per the work assigned. The resolution would authorize addenda to the contracts to authorize an additional \$1 million among the three remaining firms.

Commissioner Brian Lessler asked if the legal expenses were categorized as part of a project's costs and if they were reimbursed in-project. Andrews said that they would be part of a project's

administrative overhead. He noted that engagement with legal counsel is done judiciously so that excessive costs are not incurred before a project's feasibility is certain.

Steve Rudman offered that Home Forward was planning to present the Board with a procurement report summarizing all of the agency's legal costs. He noted that Home Forward uses other legal firms for work not related to real estate transactions.

Chair Emeritus Moore and Andrews clarify that one of the original four contracted legal firms was no longer under contract and was not part of the resolution at hand. Chair Emeritus Moore moved to adopt the resolution. Commissioner David Kelleher seconded the motion.

**The vote was as follows:**

- Chair Harriet Cormack – Aye**
- Vice Chair David Widmark – Aye**
- Treasurer Jim Smith – Aye**
- Chair Emeritus Lee Moore – Aye**
- Commissioner Gretchen Kafoury – Aye**
- Commissioner David Kelleher – Aye**
- Commissioner Brian Lessler – Aye**

## **REPORT**

### **Stephens Creek Crossing Update**

#### **RESOLUTION 12-01-07**

#### **Authorize the Submission to HUD of the Revitalization Plan for Stephens Creek Crossing, the Hillsdale Terrace Redevelopment**

Development Director Mike Andrews delivered the report to the Board. Andrews summarized the process followed with HUD so far: Home Forward was awarded the HOPE VI grant, HUD representatives visited the site, HUD sent Home Forward the questions that arose during its site visit, Home Forward had 90 days to deliver responses to those questions as a “Supplemental Submission to Revitalization Plan” (Revitalization Plan). Resolution 12-01-07 would authorize Home Forward to submit its Revitalization Plan. Andrews noted that the plan was brief because HUD did not have many questions of Home Forward. A substantial part of the plan was Home Forward's strategy for using local blended subsidy at the redeveloped property.

Andrews highlighted the status of the project. Resident relocation would be complete on January 27, which will clear the site in advance of abatement and demolition. Home Forward's relocation team made a concerted effort to provide residents with means of staying in the same neighborhood, and in the same schools, if they chose to do so. Staff had also alerted the relevant schools that more children would attend once the redevelopment was complete. Community

outreach for the project had centered on the Community Advisory Committee (CAC), which was co-Chaired by Board Chair Harriet Cormack. CAC meetings had been held as scheduled, and the next was scheduled for February. The project had received a Finding of No Significant Impact for its environmental review, which was required before funds would be released or work could start. Significant opposition during the environmental review could have halted progress on the project, so completion of the process was eagerly anticipated. The project's schematic design is complete, and design development has begun. One cost estimate has been delivered. A second cost estimate was due the week following the Board meeting. It will help staff work to fit the project's work into its budget. Much work has also been done on construction outreach to meet equity goals for hiring businesses and people.

Commissioner Gretchen Kafoury asked Andrews to speak to the project's cost increasing by a significant amount before construction had begun. Andrews said that the cost estimate used in the HOPE VI application was based on what work was feasible in advance of an award. Once the grant was awarded, the team was able to complete the project's schematic design and obtain an analysis by the contractor and a third-party cost estimator. This revealed how much it would cost to re-grade the heavily sloped site, which was mostly what led to the increase in project costs. The project team was taking the new information and working to reduce other costs and attract more funding so that the redevelopment could still meet its goals. Andrews offered that the current \$28.3 million estimate for construction was more precise and reliable than previous estimates. That amount also contains contingencies for unforeseen circumstances, such as weather or things found during excavation. Andrews did not anticipate any further increases in construction costs. To fund the increase, two changes were made in the project's sources of funds: an increase in the amount received from an equity investor, based on market rates for Low-Income Housing Tax Credits, and allowing the property to carry permanent debt. Andrews added that those two increases would cover the increase in construction costs and would allow Home Forward to reduce its contribution of funds from the Public Housing Preservation Initiative (PHPI), which would allow those funds to be used for other projects.

Commissioner Brian Lessler asked how the project's undertaking debt would affect its cash flow during operations. Andrews replied that the project's cash flow should provide enough to cover the debt and still have an amount that will flow to Home Forward. Commissioner Lessler asked how the construction manager/general contractor (CM/GC) would provide a guaranteed maximum price (GMP). Andrews responded that Home Forward's contract with the CM/GC would be amended when the CM/GC solicits bids for new scopes of work. Each scope of work would produce a GMP, which staff would ask the Board to authorize.

Commissioner David Kelleher asked if the site's topographic complexity could impact the project to such a degree that the redevelopment was no longer feasible. Andrews offered his belief that enough was known about the site at this point to know what it would take to complete the project.

Andrews added that the need to restructure the site was driven by Home Forward's own goal that every unit could be visited by disabled individuals. Commissioner Kelleher asked if a scenario could make the project unfeasible. Chair Harriet Cormack noted the project's contingency budget. Commissioner Lessler made a point of the project's complexity being better understood now. Andrews hesitated to record a definitive answer for an abstract scenario.

Vice Chair David Widmark asked if material from the demolition would be recycled. Andrews said that Home Forward's own maintenance staff would salvage what it could. The Re-Building Center would also take what it could and the cement blocks would be ground and used as fill.

Chair Emeritus Lee Moore asked if the design would be brought back to the Board for review. It was arranged that interested Board members review more about the project at the February Development Committee meeting.

Chair Harriet Cormack asked about the deduction in the City's contribution to the project. Steve Rudman reviewed how the City's contribution to Stephens Creek Crossing had been settled with consideration for what the City had contributed to the Bud Clark Commons.

Chair Emeritus Moore asked if the project's traffic planning would be covered at the Development Committee meeting. Andrews replied that there would be traffic planning for the construction phase and there has been planning for the two adjacent roads: SW California and SW 26<sup>th</sup>. The design for the two adjacent roads could be discussed in-depth at the Development Committee meeting. Andrews noted that the project did not receive the grant it had applied for to install a traffic signal at the intersection of SW 26<sup>th</sup> and Capital Highway. Staff would be investigating other options for the intersection. Commissioner Lessler asked if the Portland Bureau of Transportation (PBOT) had indicated a preference for the treatment of that intersection. Andrews replied PBOT had come to support installation of the signal, but did not have the funds for it.

Chair Cormack pointed out a discrepancy in the budget reported for the Habitat for Humanity homes. Andrews noted that the funding for the construction of the Habitat for Humanity homes would be raised by Habitat for Humanity. Home Forward's role in the development of those homes was primarily assisting with the purchase of the property for them.

Andrews concluded his update by noting that the police and fire departments had made arrangements to use the property for training in advance of demolition. Chair Emeritus Moore suggested notifying neighbors of the training to avoid bad relations.

Andrews reiterated that Home Forward had reached the point in its process with HUD at which it should submit its Revitalization Plan. Commissioner Gretchen Kafoury moved to adopt the resolution. Chair Emeritus Moore seconded the motion.

The vote was as follows:

- Chair Harriet Cormack – Aye
- Vice Chair David Widmark – Aye
- Treasurer Jim Smith – Aye
- Chair Emeritus Lee Moore – Aye
- Commissioner Gretchen Kafoury – Aye
- Commissioner David Kelleher – Aye
- Commissioner Brian Lessler – Aye

**ADJOURN**

There being no further business, Chair Harriet Cormack adjourned the meeting at 7:19 PM.

**EXECUTIVE SESSION**

Following adjournment, the Board of Commissioners of Home Forward did not meet in Executive Session pursuant to ORS 192.660(2).

Attached to the Official Minutes of Home Forward are all Resolutions adopted at this meeting, together with copies of memoranda and material submitted to the Commissioners and considered by them when adopting the foregoing resolutions. A taped recording of the proceedings is also kept on file.

Celia M. Strauss  
Recorder, on behalf of  
Steven D. Rudman, Secretary

**ADOPTED: FEBRUARY 21, 2012**

**Attest:**

**Home Forward:**

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Steven D. Rudman, Secretary

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Harriet Cormack, Chair

# **EXECUTIVE DIRECTOR'S REPORT**





## MEMORANDUM

To: Board of Commissioners

Date: February 21, 2012

From: Steve Rudman

Subject: Executive Director's Report

Board business this month includes two staff reports, the first on one of our strategic initiatives and the second on our procurement efforts as they relate to economic participation. In addition, we have resolutions related to the Stephens Creek Crossing redevelopment, as well as the Project Network development that we are working on in partnership with Lifeworks Northwest.

We also will be recognizing Amie Pico for her service as our Resident Commissioner over the last two years. Amie has resigned from the board effective March 31 so that she can spend more time with her business, A+ Childcare to You. While we are sorry to see her leave, we couldn't be happier that it's business growth that's taking her from us.

We are grateful for all that Amie has done for Home Forward and our residents during her tenure on the board. She was instrumental in helping make the Resident Advisory Committee the invaluable group that it is today. In addition to her board responsibilities, which often stretched to include work on committees and special initiatives, she served as co-chair of the Resident Advisory Committee and helped her fellow residents strengthen their voice in our policy deliberations and decision making. That is the highest purpose our Resident Commissioner can serve, and Amie did it with her considerable wisdom, passion, and determination to persevere in working towards a goal. We will miss her on the board.

The person we hope will be Amie's replacement as Resident Commissioner is Benita Legarza. Benita has served alongside Amie on the Resident Advisory Committee since its inception. On February 22, Portland City Commissioner Nick Fish is recommending to his colleagues on the council that Benita be appointed to our board, effective April 1. If that goes as we hope, I'll introduce Benita more formally in my next report.

### Aging at Home

This report is the last in the series of updates we have provided on initiatives underway to implement our strategic directions. The staff group working on this initiative tackled the question of what Home Forward should do to prepare for an aging resident population. As a start, they commissioned a study from Portland State University to look at demographic trends, housing options for low-income older adults, and the needs of seniors on our waiting lists and in our programs.

The PSU report is in your board materials, and a memo in this packet provides the lessons we learned about this population. We also lay out short and long term recommendations for how we prepare for what is being called the Silver Tsunami: in less than 20 years, the percentage of older adults in Multnomah County is projected to nearly double in size.

You will see that the recommendations range from converting a current property to senior-focused housing to developing physical standards for all of our common areas and apartments and redefining how we engage with our senior residents. Longer term, we believe we need to build stronger partnerships with other entities working with seniors and research the feasibility of developing senior only, permanent housing that provides progressive care.

The person who led the research at PSU will join us at the board meeting for the discussion of the study and its implications for Home Forward.

### Procurement Report on Economic Participation

Each year, we report on our progress meeting our aspiration goals around economic participation and equity. As a reminder, in 2006, the board adopted two goals in this regard. The first is an aspiration to obtain 20 percent participation by target businesses in our contracting overall and the second is an aspiration to have 20 percent of the labor hours in each apprenticeship occupation worked by state-registered apprentices on projects in excess of \$200,000.

I'm very pleased to report that for the 72 competitive contracts we awarded for the fiscal year that ended on March 31, 2011, 32 percent of the total business went to minority-owned, women-owned, or emerging small businesses – about \$8.7 million out of a total of \$26.7 million in business.

We also are including our performance against Section 3 requirements as part of the report. Section 3 refers to a section of the HUD Act of 1968, as amended in 1994, that obliges us to ensure that training, contracting, and other economic opportunities generated by HUD funding are directed to low-income persons and to businesses that employ low-income persons. More simply put: we must help eligible residents find jobs and support businesses that employ them. These requirements extend to our own hiring practices. Overall, this provision was intended to help foster local economic development, and it was specifically intended to benefit our residents, whenever possible.

This year we were successful in winning a grant from HUD to help us increase our efforts around Section 3. Early efforts have included working with Mt. Hood Community College on a business foundations training course for residents who have a small business or are thinking about starting one. Commissioner Smith provided some of the training and nine of our residents, including Commissioner Pico, completed the 10-week course. We also worked with Metro Multifamily Housing Association on a pilot course to prepare bi-literate residents for jobs in property management. Eight of our residents completed the course, and we are working with our property management firms to identify employment opportunities for them.

In addition to presenting the report at the board meeting, we will touch on the policy refinements we hope to bring to you in March to strengthen our efforts in this area.

#### Project Network

We were very pleased to learn that the Portland Housing Bureau has selected Project Network as one of the affordable housing developments they will support in their current funding cycle. This is a major milestone in bringing this development to life and we are very grateful for the City's support.

At the board meeting we are presenting a resolution that asks you, operating as our Contract Review Board, to approve an exemption from competitive bidding so that we may contract with Gerding Edlen Development for project design and construction. When LifeWorks NW asked us to serve as their partner on this development, they had already secured the services of Gerding Edlen. We have weighed a number of factors, outlined in the memo accompanying this resolution, and believe it's unlikely that the exemption will diminish competition. In addition, the memo lists the steps we will take to ensure that competitive pricing is secured for all the different project elements.

The second Project Network resolution authorizes us to submit an application to the Oregon Housing and Community Services department for 9% tax credits to help finance the project.

#### Stephens Creek Crossing

The business related to our HOPE VI redevelopment includes a resolution authorizing us to begin work on abatement and demolition of the Hillsdale Terrace structures and a resolution that authorizes us to apply for 4% tax credits from the Oregon Housing and Community Services department.

#### Upcoming Events

The March work session is on Wednesday, March 7 at 5:00 pm and the board meeting is on Tuesday, March 20 at 6:15 pm.

# STAFF REPORTS



## STAFF REPORT

To: Board of Commissioners Date: February 21, 2012

From: Rodger Moore, Assistant Director  
Real Estate Operations Subject: Aging at Home Initiative

Rosanne Marmor, Program Manager  
Resident Services

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The most profound demographic shift is the increase in the population of those 55 years and older, called the Silver Tsunami. In less than twenty years the percentage of older adults living in Multnomah County is projected to nearly double in size. As the largest provider of affordable housing in Multnomah County, it is critical that Home Forward be prepared to meet the housing needs of current and future aging residents.

Acknowledging this unprecedented demographic shift, in early 2010 Home Forward established an internal working group to consider the challenges and opportunities that will arise with an increasingly aged population. In addition, Home Forward contracted with Portland State University's (PSU) Institute on Aging to collect data and report on the housing needs and preferences of current and future older adult residents. Researchers from PSU conducted a total of eight focus group interviews with older adults: four groups with current residents of Home Forward housing and four groups with low-income older adults living in Multnomah County. To better understand the needs and demographics of future residents, researchers administered a mailed survey to individuals over age 55 on the Section 8 and Public Housing waiting lists. A third component of data collection consisted of a market study by Concepts in Community Living, Inc, which identified independent and assisted housing options for low-income older adults, the current supply and demand for such housing, and areas within Multnomah County where the need is greatest.

Lessons learned about people age 55 and older who are now on the wait list for Public Housing or Section 8:

1. They are diverse
  - Just over half are female, and 42% identify as non-white or multi-racial, they range in age from 55 to 96
  - Over half live alone
  - One-fifth had been homeless in the prior 12 months
  
2. They have very low incomes and are in poor health
  - 62% have annual household incomes of less than \$10,000
  - Most describe their health as fair or poor
  - About 28% report receiving assistance with activities like shopping, getting around the city, household tasks, laundry, and food preparation
  - Over 40% reported food insecurity (as defined by, eating one meal or less a day) in the prior 30 days
  - 71% reported receiving benefits from the Supplemental Nutrition Assistance Program, formerly the food stamp assistance program
  
3. They have varied housing preferences, though most still want to move
  - Nearly 58% applied only to Home Forward, and over 90% are still interested in moving, with over one-fourth wanting to move in the next month
  - Fewer than half want to move into age-restricted housing (e.g., age 55 and older), 44% indicated interest in housing with services such as housekeeping and meals
  - Preference for senior housing was statistically associated with living alone and with poor health, but not with age or gender
  - Public Housing applicants differed from Section 8 applicants, with more Public Housing applicants reporting lower incomes, experiencing homelessness, and food insecurity

A market analysis of low-income households age 55 and older was conducted based on four targeted areas in the Portland metropolitan area (see Appendix E of the PSU report). The four areas, selected with input from Home Forward's Aging in Place Workgroup, includes: Downtown (zip codes 97201, 204, 205, 209), New Columbia (zip codes 97203, 217), Lloyd Center (zip codes 97212, 227, 232), and Gresham (97030, 236). The study calculated availability of affordable units on existing properties that serve persons age 55 and older. It cannot account for occupancy rates within these buildings, nor can it account for the number of older persons who reside in affordable properties not designated for seniors (e.g., single room occupancy hotels, other apartments). In sum, of the four market areas, only Downtown was found to have an adequate number of affordable units. In rank order, the areas with the highest demand include New Columbia (less than 10% served), Gresham (17% currently served), and Lloyd District (25% currently served).

## Recommendations

### **Short Term (FY12)**

1. Convert one Home Forward property to a senior focused establishment.
  - We will designate one high-rise (either a public housing property or an affordable housing property) as senior only. We will use a building comparison matrix to evaluate the future cost of rehab, location of services, and adaptability of building.
2. Transition the Congregate Housing Services Program (CHSP) to Rosenbaum, Unthank and Grace Peck (these three properties are commonly referred to as the RUGs).
  - We have already transitioned all CHSP participants out of NW Towers and beginning in January 2012, we will start transitioning Holgate House CHSP residents to the RUG properties as vacancies arrive. We will try to give incentives to current RUG residents that do not need the CHSP program to transfer to public housing units in an effort to expedite the transition. We will continue to evaluate the CHSP program at Dahlke Manor.
3. Develop aging at home physical standards for common areas and apartment units to improve the livability for our senior residents.
  - Home Forward will develop aging in place standards for common areas and apartment units. These standards will be used as units are vacated and whenever major capital improvement work is planned.
4. Redefine how we engage with our senior residents.
  - Create new procedures for property management/resident services that encourage aging in place within independent living apartment communities. These procedures would support a new level of staff engagement with our senior/disabled residents.
  - Explore ways for staff that work at our senior/disabled properties to be culturally sensitive to the needs of seniors from all backgrounds so that they want to explore Home Forward as a viable housing option.

### **Long term**

1. Develop senior only, permanent housing. The Market Survey conducted by the Institute on Aging at the School of Social Work shows a substantial need for this type of housing in North Portland and East County.



Form a committee composed of internal and external partners to research funding sources to build a new progressive care community. We recommend development of the empty lot at New Columbia.

- Explore feasibility of a progressive care community in East County.

2. Develop external partnerships to enhance continuum of care within our communities.

Create and/or expand partnerships between Home Forward and other government and not-for-profit organizations that provide benefits or services to older residents.

Rosanne Marmor will continue to work closely with David Fuks, CEO of Cedar Sinai Park, in the Housing with Services Consortium to promote co-location of services and creation of new service delivery models that are fully funded. The Consortium is a public/private venture designed to promote best practices, data driven models for low income elders to age in place with safety and dignity. The Consortium is currently working on an application for funding to the State of Oregon to provide funding for services in four senior and disabled high rises in downtown. One priority of this consortium is a replicable model that can be used by other housing providers in Oregon.



**STAFF REPORT**

To: Board of Commissioners Date: February 21, 2012

From: Cinna'Mon Williams and Jerry Walker Subject: Annual Procurement and Equity Update

This report provides an overview of our economic participation in contracting outcomes over the last fiscal year, an agency wide procurement activity update, and a summary of our Section 3 utilization for last fiscal year. This summary report is provided for informational purposes and does not require action from the Board of Commissioners.

**Procurement Activity**

Home Forward executed a total of 72 competitive<sup>1</sup> contracts between the period of April 1, 2010 and March 31, 2011. The types of contract executed were as follows:

<b>Competitive contracts - Fiscal Year 2011</b>				
<b>Type of Contract</b>	<b>Number of Contracts</b>	<b>Total amount of contracts</b>	<b>Total amount of MWESB contracts</b>	<b>Percentage of MWESB utilization</b>
<b>Informal (under \$100K) personal services</b>	45	\$ 1,237,904	\$ 260,275	21%
<b>Formal (over \$100K) personal services</b>	6	\$ 1,333,800	\$ 396,000	30%
<b>Informal (under \$100K) construction/maintenance</b>	14	\$ 385,083	\$ 267,405	69%
<b>Formal (over \$100K) construction/maintenance</b>	7	\$ 23,756,631	\$ 7,756,744	33%
<b>Total</b>	<b>72</b>	<b>\$ 26,713,418</b>	<b>\$ 8,680,424</b>	<b>32%</b>

<sup>1</sup> Competitive contracts do not include intergovernmental agreements, STRA, cooperative procurements, non-profit, or emergency contracts.

Procurement prepares a monthly contract report in an effort to keep the Board apprised of contracting activity. This report is included in the monthly Board packet and includes information on the contract title and description, the cost or not to exceed cost, and the contract originator. In addition, all formal procurements (in excess of \$100,000) require approval from the Board of Commissioners prior to execution of a contract.

### **Economic Equity in Contracting**

In October 2006, Home Forward adopted the Economic Participation in Contracting Policy by the Board's approval of Resolution 06-10-06. Key strategic objectives of the 2006 Economic Participation in Contracting Policy are:

- An aspiration to obtain 20% participation by target businesses<sup>2</sup> in our contracting overall; and
- An aspiration to have 20% of the labor hours in each apprenticeship occupation<sup>3</sup> worked by state registered apprentices on projects in excess of \$200,000.

To achieve these two key objectives, Home Forward attends minority chamber meetings, Oregon Association of Minority Enterprises (OAME) meetings, National Association of Minority Contractors of Oregon (NAMCO) and other outreach meetings and functions to present procurement opportunities and elicit bidding by target businesses.

Home Forward continues to stay active in local minority chambers and other organizations advocating for target businesses. The Procurement and Contracts Department staff has taken on additional responsibilities this year and acts as Home Forward's representative at several of these meetings.

### **Construction Project Targeted Business Participation**

The projects listed below were completed between April 1, 2010 and March 31, 2011. The following table includes target business utilization by construction project:

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<sup>2</sup>Target businesses are those companies certified by the State of Oregon as Disadvantaged, Minority-owned, Women-owned, or Emerging Small Businesses; SBA Small Disadvantaged Businesses and Section 3 Businesses.

<sup>3</sup> ORS 660.010(2):

An apprenticeship occupation is a skilled trade that:

(a) Is customarily learned in a practical way through a structured, systematic program of on-the-job supervised training;

(b) Is clearly identified and commonly recognized throughout an industry;

(c) Involves manual, mechanical or technical skills and knowledge that require a minimum of 2,000 hours of on-the-job supervised training; and

(d) Requires related instruction to supplement the on-the-job training.

Home Forward Major Construction Projects - Fiscal Year 2011			
Project Name	Total amount of contracts	Target amount of MWESB contracts	Percentage of MWESB utilization
James Hawthorne Apartments	\$ 4,816,138	\$ 1,562,111	32%
Martha Washington Apartments	\$ 8,851,532	\$ 2,515,863	28%
Alderwood and Powellhurst Woods	\$ 2,142,492	\$ 602,106	28%
Lexington Court Modernization	\$ 877,443	\$ 232,227	26%
Eastwood and Carlton Court	\$ 2,117,093	\$ 532,240	25%
Jeanne Anne Apartments: Phase 1	\$ 219,024	\$ 43,700	20%
CM/GC for Selected Sites: <i>Demar Downs, Fir Acres, Stark Manor, Townhouse Terrace and Celilo Court</i>	\$ 4,732,909	\$ 2,268,498	48%
<b>Totals</b>	<b>\$ 23,756,631</b>	<b>\$ 7,756,744</b>	<b>33%</b>

### Section 3

While the October 2006 policy has successfully been incorporated into our business operations, it did not include requirements to comply with Section 3<sup>4</sup> of the HUD Act of 1968, as amended in 1994. The requirements of the Section 3 regulation obliges Home Forward to ensure that employment, training, contracting and other economic opportunities generated by HUD financial assistance shall, to the greatest extent feasible, be directed to low and very low income persons, particularly those who are public housing recipients and to businesses which provide economic opportunities to low and very-low income persons.

The Section 3 results for federal fiscal year as submitted to the Department of Housing and Urban Development on January 10, 2012 are:

Home Forward Section 3 - Federal Fiscal Year 2011				
Section 3 Type	Amount of Contracts	Number of New Hires	Section 3 dollars/hours/hires	Section 3 percentage
Employment and training		57	36	63%
Construction Contracts awarded	\$ 35,919,057		\$ 1,278,357	4%

<sup>4</sup> Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual/family self-sufficiency. The Section 3 provision requires that Home Forward provide job training, employment and contracting opportunities for low-income residents in connection with our projects and activities in their neighborhoods. HUD also defines Section 3 contractors as resident-owned firms or contractors whose workforce composition is 51% (or greater) low or very low income employees.

Efforts have been launched to initiate resident/participant training opportunities including:

- A Business Foundations Training consisting of 10 consecutive weeks of classroom training conducted by Mt. Hood Community College's Small Business Development Center. Fourteen Resident/Participant business owners signed up for the training with nine successfully completing all 10 weeks.
- A two track property management training course has been developed by Metro Multifamily Housing Association. Eight bi-literate residents are currently enrolled in this pilot. Employment opportunities have tentatively been identified with third party property management companies under contract to Home Forward.

Construction Workforce Apprenticeship Solutions (CAWS) has established a pool of eligible candidates for employment on public projects. The pool is comprised of graduates from the five State approved pre-apprenticeship programs and includes several residents/participants receiving housing subsidies from Home Forward. Several local government agencies, including Home Forward, have revised workforce training and hiring language in our contracts to require contractors to use the CAWS hiring pool as a first source in securing apprentices to work on our projects. This has been embraced by Contractors who are members of CAWS and does not have any adverse fiscal impacts on the cost of completing construction work for public agencies.

In addition, efforts to increase Section 3 business participation include:

- An expansion/amendment to Home Forward intergovernmental agreements with the City of Portland Bureau of Purchases, which includes Section 3 monitoring and certification.
- Updates to current solicitation and contract documents including weighted criteria for the use of Section 3 businesses on the Stephens Creek Crossing project.
- Targeted outreach in the MWESB and resident owned business community to encourage and communicate information on the benefits of Section 3 certification.

### **Policy Implications**

A proposed policy representing analysis and refinements of Home Forward's prior efforts will be brought to the Board for consideration next month. The Agency's experience in using multiple models for pursuing increased target business participation, the development of strategic initiatives aimed at family self sufficiency, the enhancement of key strategic partnerships with local, state and national partners combined with best practices of other public agencies will result in more effective strategies to increase target business participation, increased economic opportunities for residents/participants and a more robust Section 3 effort that aligns well with Home Forward's strategic initiatives and directions being taken by local and regional community partners.

### **Budget Implications and Financial Impact on Home Forward**

The information contained in this memorandum does not present any unanticipated budget implications or an adverse financial impact on Home Forward.

### **Risks and Opportunities**

The information contained in this memorandum does not present any risks for Home Forward at this time. There are opportunities to increase our strategic partnerships with WSI, Work Source, Metro Multifamily Housing Association and Mt. Hood Community College. An enhanced Section 3 program also provides an opportunity to enhance our strategic partnerships with the City of Portland's Bureau of Purchasing and the Portland Housing Bureau.

### **Conclusion**

Procurement and Equity staff will continue to participate in multi-jurisdictional efforts on behalf of the agency. We believe these relationships will assist in growing our Target Business participation, workforce efforts and relationships with local government agencies. We are also actively participating in a number of purchasing related organizations. These organizations help to connect us with cooperative purchasing opportunities and bulk discount agreements.

By including key members of the Business Services Department on the action team to implement the Families Forward initiative, a more robust effort to comply with Section 3 is evolving. This not only serves to meet our regulatory obligation to HUD, but also provides additional access for education, training and contracting opportunities to our work focused residents/participants.

Direction from the Board of Commissioners and the Executive Team sets a positive tone and framework for real results to occur. In addition to that support, a key to our success has come from the agency's operations staff, in partnership with the procurement team, embracing and implementing creative strategies resulting in increased economic participation from targeted businesses.

	Procurement & Contracts Department		MONTHLY CONTRACT REPORT		Contracts Approved 12/1/11 -1/31/12	
Contract #	Contractor	Contract Amount	Description	Department	Execution Date	Expiration Date
PROFESSIONAL SERVICES						
C1104	Colliers International Valuation & Advisory Services	\$3,000	Provide Additional Market Study for Stevens Creek Crossing	DCR	1/12/2012	3/31/2012
C1093	Bryan Potter Design	\$15,000	On-Call Graphic Design	Executive	1/13/2012	12/19/2012
C1091	Twirl Advertising and Design	\$25,000	On-Call Graphic Design	Executive	1/13/2012	12/19/2012
C1101	Wannamaker Consulting Incorporated	\$65,625	Environmental Services for the LifeWorks Project	DCR	1/17/2012	1/9/2013
C1105	Kay Reid	\$15,500	Provide English as a Second Language and Community Orientation Classes at New Columbia	REO	1/18/2012	1/22/2013
C1102	Janus Youth	\$5,000	Consultant to Create Health Promotion and Food Security Plan for Stephens Creek Crossing	REO	1/18/2012	1/14/2013
C1085	Metro Multifamily Housing Association	\$3,000	Contract to Provide Property Management Leasing Agent and Maintenance Training to Residents/Participants	Executive	12/1/2011	3/30/2012
C1068	Joy DeGruy Publications	\$97,000	Youth Case Management at Humboldt Gardens and New Columbia	REO	12/14/2011	9/30/2012
C1092	Brand Navigation	\$25,000	On-Call Graphic Design	Executive	12/22/2011	12/19/2012
CONSTRUCTION SERVICES						
C1075	We Do Everything	\$23,019	Wainscot and Exterior Fencing at Hawthorne House	REO	12/6/2011	3/1/2012
C1083	K&S Environmental	\$6,550	Tank Decommission at Ainsworth Court	DCR	12/6/2011	3/12/2012
C1086	Belfor USA	\$8,935	Fire Damage Repair at Richmond Place	REO	12/6/2011	1/30/2012
C1077	We Do Everything	\$5,750	Flooring at Hawthorne House	REO	12/12/2011	3/1/2012
C1074	MS Glass Outlet, Inc	\$8,605	Install Windows at Hawthorne House	REO	12/13/2011	3/1/2012
C1095	Point Monitor Corporation	\$5,850	Provide and Install Cameras in Lobbies at Hollywood East	REO	12/16/2011	1/15/2012
C1094	Precision Recreation Contractors	\$12,100	Move Playground Structure from Hillsdale Terrace and Install at Tamarack Apartments	REO	12/27/2011	1/30/2012
INTERGOVERNMENTAL AGREEMENT						
C1081	PSU Portland State University	\$13,776	Survey of Section 8 Voucher Recipients Who Moved Into Unit of Their Choice Within Last 6 Months	RA	12/4/2011	1/31/2012

AMENDMENTS TO EXISTING CONTRACTS						
T0692-2	Works Partnership Architecture		Extends Contract Expiration Date for On-Call Contract for Architectural Services	DBS	1/1/2012	12/31/2012
C0322-10	Holst Architecture		Extends Contract Expiration Date for A&E - Bud Clark Commons	DCR	1/1/2012	12/31/2012
C0639-2	Human Solutions	\$85,000	Extends Contract Expiration Date to Provide Rockwood Residents and Community Services to residents at Rockwood Station and Rockwood Landing	REO	1/1/2012	12/31/2012
C0631-2	Stoel Rives		Extends Contract Expiration Date for On-Call Legal Services	Executive	1/1/2012	12/31/2012
C0560-2	Pacific Innovations		Extends Contract Expiration Date for On-Call Flooring Services	DBS	1/1/2012	7/31/2012
C0490-4	A+ Child Care To You		Extends Contract Expiration Date to Provide On-Site Childcare at Various Locations	REO	1/5/2012	3/31/2012
C0645-2	Language Fusion		Extends Contract Expiration Date for Language Interpretation and Translation Services	DBS	1/6/2012	12/31/2012
C0569-2	City of Portland - Bureau of Purchasing		Extends Contract Expiration Date for City of Portland IGA to Continue to Monitor the Home Forward Workforce Hiring & Training Program	DBS	1/9/2012	12/31/2012
C1051-1	Multnomah County Community Services Division	\$117,161	Weatherization Revenue Funds for Windows - Schrunk Riverview Tower	DCR	1/12/2012	12/31/2012
C0655-2	Cascadia Behavioral Healthcare		Extends Contract Expiration Date for Resident Service Coordination for The Jeffery	REO	1/23/2012	3/31/2012
T0393-1	Interface Engineering Incorporated		Extends Contract Expiration Date for On-Call (Task Order) Contract - Low Voltage Electrical Engineering	DCR	1/24/2012	12/31/2012
C0133-7	Impact NW	\$651,523	Congregate Services Housing Programs	REO	1/25/2012	10/31/2012
C0632-2	Harrang Long Gary Rudnick P.C.		Extends Contract Expiration Date for On-Call Legal Services	DBS	1/25/2012	12/31/2012
C0997-1	Emerge NW	\$80,000	Self Sufficiency Strategic Planning Consultant	REO	12/1/2011	3/13/2012
C1081-1	Portland State University		Extends Contract Expiration Date to Conduct Surveys for Rent Assistance Clients Who Moved Into Unit of Their Choice in the Past Six Months	RA	12/4/2011	2/15/2012
C0016-6	Bittner & Hahns P.C.		Extends Contract Expiration Date for Agency Wide Legal Services	REO	12/21/2011	4/30/2012
T0182-3	CSG Advisors		Extends Contract Expiration Date to Provide On-Call Project Management for Pre-Development Construction	DBS	12/28/2011	3/31/2013



**PHPI: Activity and Investment Summary as of December 31, 2011**

Relocation Project	Unit Size								Means of relocation			Total
	0	1	2	3	4	S8	PH	Private	Purch.	Other		
Relocation to Date	0	4	11	136	11	80	54	15	5	8	162	
Relocation Remaining	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL RELOCATION</b>	<b>0</b>	<b>4</b>	<b>11</b>	<b>136</b>	<b>11</b>						<b>162</b>	

Sales Project	Unit Size				Total Units	Total Properties	Gross Proceeds	Net Proceeds	Internal Costs	Net to HAP
	0	1	2	3						
Actual Sales to Date	4	11	128	10	153	141	\$ 28,170,676	\$ 26,779,406	\$ 1,232,743	\$ 25,546,663
Projected Sales on Remaining Portfolio <sup>(5)</sup>			8	1	9	9	\$ 1,363,000	\$ 1,270,316	(13,719.42)	\$ 1,284,035
Subtotal for PHPI Initiative	4	11	136	11	162	150	\$ 29,533,676	\$ 28,049,722	\$ 1,219,024	\$ 26,830,698
Homes Remaining in HAP's Portfolio <sup>(5)</sup>			(8)		(8)	(8)	\$ (1,205,000)	\$ (1,123,060)	\$ -	\$ (1,123,060)
<b>TOTAL SALES - PROJECTED</b>	<b>4</b>	<b>11</b>	<b>128</b>	<b>11</b>	<b>154</b>	<b>142</b>	<b>\$ 28,328,676</b>	<b>\$ 26,926,662</b>	<b>\$ 1,219,024</b>	<b>\$ 25,707,638</b>

**1:1 Replacement**

Project	Unit Size				# of New PH Units	Total Units	Total Proj. Cost	Total \$/Unit	\$ / New PH Unit	Total Investments
	0	1	2	3						
<b>Current</b>										
The Jeffrey	20				20	\$ 16,600,000	207,500	-	-	-
Martha Washington <sup>(6)</sup>	25				25	\$ 18,043,118	167,066	\$ 52,337	\$	1,308,427
Bud Clark Commons <sup>(6)</sup>	30				30	\$ 46,951,074	361,162	\$ 40,583	\$	1,217,500
Rockwood Station		25			25	\$ 271,514	1,392	N/A	\$	107,920
Madrona Place Apts <sup>(7)</sup>	3	20	22		45	\$ 4,566,487	101,477	\$ 101,477	\$	4,566,487
<b>SUB-TOTAL:</b>	<b>75</b>	<b>3</b>	<b>45</b>	<b>22</b>	<b>145</b>	<b>\$ 86,432,193</b>	<b>\$ 154,896</b>	<b>\$ 49,657</b>	<b>\$</b>	<b>7,200,334</b>
<b>Yet to Replace</b>					<b>9</b>					

**Potential**

Stephens Creek Crossing <sup>(8)</sup>					13	\$ 52,779,058	409,140	\$ 689,962	\$	8,969,512
Lifeworks Northwest	3	13	13		29	tbd		\$ 17,241	\$	500,000
<b>SUB-TOTAL:</b>	<b>0</b>	<b>3</b>	<b>13</b>	<b>13</b>	<b>42</b>	<b>\$ 52,779,058</b>	<b>\$ 409,140</b>	<b>\$ 225,465</b>	<b>\$</b>	<b>9,469,512</b>

Avg. Invest. per PH unit

<b>TOTAL REPLACEMENT:</b>	<b>75</b>	<b>6</b>	<b>58</b>	<b>35</b>	<b>0</b>	<b>\$ 139,211,251</b>	<b>\$ 564,036</b>	<b>\$ 89,144</b>	<b>\$</b>	<b>16,669,846</b>
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**Capital Improvements**

Project	# of PH Units				Total Proj. Cost	Moving to	
	tbd	296	N/A	281		Work Initiative	PHPI Proceeds
Misc Upgrades					\$ 452,200		\$ -
Sweet 16					\$ 12,075,341		\$ 885,000
Demar Downs ADA - Sweet 16 additnl scope					\$ 187,200		\$ 46,800
Tower Trio (Gallagher, Medallion, Williams)					\$ 35,280,892		\$ 3,000,000
Eliot Square - part of the Fam4					\$ 1,461,750	\$ 500,000	\$ 951,000
Fam4 (Carlton, Eastwood, Lexington)					\$ 3,935,615		\$ 2,059,300
<b>TOTAL CAPITAL IMPROVEMENTS:</b>	<b>682</b>	<b>\$</b>	<b>53,392,998</b>	<b>\$</b>	<b>500,000</b>	<b>\$</b>	<b>6,942,100</b>

**ARRA Administration**

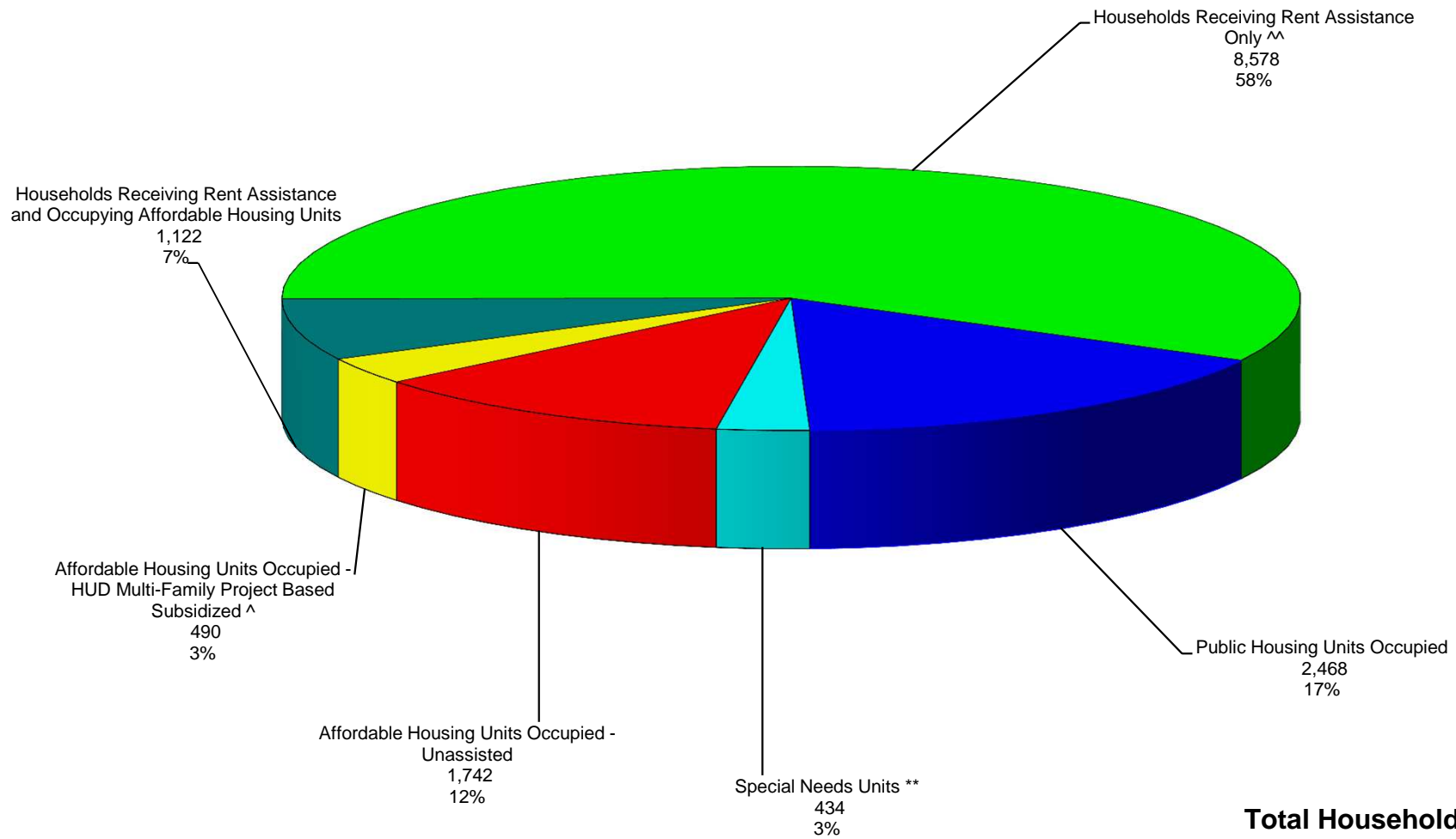
Positions	# of Positions	Total Proj. Cost	HAP Proceeds
<b>TOTAL ARRA ADMINISTRATION:</b>	<b>10</b>	<b>\$ 659,891</b>	<b>\$ 137,382</b>

**NET PROCEEDS AVAILABLE**

- (1) Net Proceeds are Gross Proceeds net of sales commissions, concessions, title and escrow fees and any other costs paid from escrow. Net Proceeds do not include internal selling costs (\$1,232,743 through December 2011).
- (2) Included are four units sold through the American Dream Homeownership program.
- (3) Formerly known as Hillside Terrace. 68 total PH units; replaces existing 60 units, 13 are new. PHPI encompasses 1:1 replacement as well as capital improvements.
- (4) The Property Count now includes 2 of the four units sold through the American Dream Homeownership program. The property sales occurred prior to the sales team initiative and were included in the unit count, but not the property count on prior reports.
- (5) HAP has committed to retaining 7 properties for future project relocation, which is included in the projected sales at \$1,015,000. Additionally, a property with a longtime tenant included at a projected sales amount of \$190,000 will remain in HAP's portfolio. Therefore, approximately \$1,205,000 of the projected gross proceeds is not available to HAP for future projects.
- (6) HAP has submitted an RHF Plan to HUD requesting that RHF Funding in excess of our New Columbia Debt Service be used for the Martha Washington project. HUD's approval of this plan would enable HAP to replenish PHPI funding in the amount of \$681,121.75. The actual PHPI funds for this project was \$1,308,427.25 rather than \$1,902,000.
- (7) Formerly known as Jeanne Anne Apts
- (8) Formerly known as Resource Access Center
- (9) Projected Internal Costs are offset by Asset Repositioning Fee Revenue

# **DASHBOARD REPORT**

## Total Households Served: Rent Assistance and Occupied Housing Units January 2012



<sup>^</sup> Consists of Grace Peck Terrace, Multnomah Manor, Plaza Townhomes, Rosenbaum Plaza, St. Johns Woods, Unthank Plaza

<sup>\*\*</sup> Special Needs are physical units as occupancy levels that are not reported to Home Forward by service providers master leasing these properties.

<sup>^^</sup> Includes Section 8 and Short Term Rent Assistance Programs.

# Households Served

## Households Served Through Housing Supports January 2012

Rent Assistance	All Programs	Moving to Work Programs	Non-MTW Programs
Rent Assistance Vouchers - Home Forward Funded	8,682	7,610	1,072
Tenant Based Vouchers	6,299	6,299	
Project Based Vouchers	1,311	1,311	
Single Room Occupancy (SRO)/MODS	482		482
Veterans Affairs Supportive Housing (VASH)	185		185
Rent Assistance - PORT IN From Other Jurisdiction	405		405
Short Term Rent Assistance Programs	1,018	128	890
Shelter + Care	575		575
Locally Funded Short Term Rent Assistance	315		315
MIF Funded Short Term Rent Assistance	54	54	
Work Systems Inc. - Agency Based Rent Assistance	74	74	
<b>Total Rent Assistance</b>	<b>9,700</b>	<b>7,738</b>	<b>1,962</b>
<b>Subsidized Housing Units</b>			
Public Housing Units Occupied	2,468	2,468	
Traditional Public Housing units Occupied	1,943	1,943	
Public Housing units Occupied - Local Blended Subsidy	-	-	
Public Housing units Occupied - in Owned Affordable	63	63	
Public Housing units Occupied - in Tax Credit Affordable	462	462	
Affordable Housing Units Occupied (excluding PH subsidized)	3,354	3,354	3,354
Affordable Housing Units - Tenant Based Vouchers	535		535
Affordable Housing Units - Shelter + Care	150		150
Affordable Housing Units - Project Based Vouchers	346		346
^ Affordable Housing Units - HUD Multi-Family Project Based	490		490
Affordable Housing Units - VASH Vouchers	37		37
Affordable Housing Units - Agency Based Rent Assistance	-		-
Affordable Housing Units - Section 8 Port In	54		54
Affordable Housing Units - Unassisted	1,742		1,742
Special Needs Units **	434		434
<b>Total Households Occupying Housing Units</b>	<b>6,256</b>	<b>2,468</b>	<b>3,788</b>
<b>Total Housing Supports Provided to Household</b>	<b>15,956</b>	<b>10,206</b>	<b>5,750</b>
Household Occupying Affordable Unit/Receiving Home Forward Rent Assistance	(1,122)		(1,122)
<b>Total Households Served</b>	<b>14,834</b>	<b>10,206</b>	<b>4,628</b>

**Notes:**

- ^ Consists of Grace Peck Terrace, Multnomah Manor, Plaza Townhomes, Rosenbaum Plaza, St. Johns Woods, Unthank Plaza
- \*\* Special Needs are physical units as occupancy levels that are not reported to Home Forward by service providers master leasing these properties.

**Property Performance Measures**

**Occupancy**

	Number of Properties	Physical Units	Rentable Units	Vacant Units	Occupancy Percentage	Unit Mix						Total
						Studio/SRO	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5+ Bdrm	
Public Housing	38	2,009	1,983	103	94.8%	512	841	351	295	10	0	2,009
Public Housing Mixed Financed Owned *	2	65	65	0	100.0%	0	15	40	10	0	0	65
Public Housing Mixed Finance Tax Credit *	8	472	472	0	100.0%	75	146	126	70	48	7	472
<b>Total Public Housing</b>	<b>48</b>	<b>2,546</b>	<b>2,520</b>	<b>103</b>	<b>95.9%</b>	<b>587</b>	<b>1,002</b>	<b>517</b>	<b>375</b>	<b>58</b>	<b>7</b>	<b>2,546</b>
Affordable Owned with PBA subsidy	6	496	496	9	98.2%	72	229	104	91	0	0	496
Affordable Owned without PBA subsidy	12	1,204	1,204	37	96.9%	312	312	412	154	14	0	1,204
<b>Total Affordable Owned Housing</b>	<b>18</b>	<b>1,700</b>	<b>1,700</b>	<b>46</b>	<b>97.3%</b>	<b>384</b>	<b>541</b>	<b>516</b>	<b>245</b>	<b>14</b>	<b>0</b>	<b>1,700</b>
Tax Credit Partnerships	20	2,286	2,286	56	97.6%	851	587	456	230	145	17	2,286
<b>Total Affordable Housing</b>	<b>38</b>	<b>3,986</b>	<b>3,986</b>	<b>102</b>	<b>97.4%</b>	<b>1,235</b>	<b>1,128</b>	<b>972</b>	<b>475</b>	<b>159</b>	<b>17</b>	<b>3,986</b>
Eliminate Duplicated PH Properties/Units	-10	-537	-537	0		-75	-161	-166	-80	-48	-7	-537
<b>Combined Total PH and AH</b>	<b>76</b>	<b>5,995</b>	<b>5,969</b>	<b>205</b>	<b>96.6%</b>	<b>1,747</b>	<b>1,969</b>	<b>1,323</b>	<b>770</b>	<b>169</b>	<b>17</b>	<b>5,995</b>
Special Needs (Master Leased)	33	434	434									
<b>Total with Special Needs</b>	<b>109</b>	<b>6,429</b>	<b>6,403</b>									

\* property/unit counts also included in Affordable Housing Count

**Financial**

Nine months ending 12/31/2011	Per Unit Per Month					Fiscal YTD ending 12/31/2011				12/31/11		
	Property Revenue	Subsidy Revenue	Total Revenue	Operating Expense w/o HMF	HAP Management Fees (HMF)	NOI	# of Properties/units Positive Net Operating Income (NOI)		# of Properties meeting Debt Coverage	# of Properties not meeting DCR	# of Properties DCR Not Applicable	
							Properties	Units				Properties
Public Housing	\$250.38	\$353.58	\$603.96	\$501.17	\$94.62	\$8.18	18	1,240	20	769		
Affordable Owned	\$594.66	\$208.34	\$803.00	\$489.02	\$9.20	\$304.78	18	1,700	0		10	3
Tax Credit Partnerships	\$521.99	\$57.10	\$579.09	\$364.16	\$13.88	\$201.05	20	2,286	0		11	6

**Public Housing Demographics**

	Households				% Family Type (head of household)				Race % (head of household)					
	# of Households	% of Households	Average Family Size	Average Unit Size	Adults no Children	Family with Children	Elderly	Disabled Not Elderly	Black African American	White	Native American	Asian	Hawaiian/Pacific Islnd	Hispanic/ Latino
<b>Public Housing Residents</b>														
0 to 10% MFI	499	21.1%	2.1	1.7	10.8%	10.3%	0.5%	7.0%	6.0%	9.6%	0.8%	0.3%	0.3%	4.0%
11 to 20%	1,086	45.9%	1.6	1.4	36.5%	9.4%	11.7%	25.2%	10.9%	27.6%	1.8%	2.0%	0.3%	3.2%
21 to 30%	488	20.6%	1.8	1.5	15.0%	5.6%	6.7%	9.0%	4.4%	13.2%	0.6%	0.7%	0.1%	1.6%
31 to 50%	230	9.7%	2.3	1.7	5.3%	4.4%	2.7%	2.5%	2.8%	4.7%	0.4%	0.2%	0.1%	1.5%
51 to 80%	57	2.4%	2.7	2.0	1.2%	1.2%	0.2%	0.4%	0.8%	0.7%	0.1%	0.1%	0.0%	0.7%
Over 80%	7	0.3%	2.1	1.6	0.1%	0.2%	0.0%	0.1%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%
All	2,367	100.0%	1.9	1.5	68.9%	31.1%	21.8%	44.2%	25.1%	55.9%	3.7%	3.2%	1.0%	11.1%

**Waiting List**

	#	%	Average Family Size	Average Unit Size	Adults no Children	Family with Children	Elderly	Disabled Not Elderly	Black African American	White	Native American	Asian	Hawaiian/Pacific Islnd	Hispanic/ Latino	Not Reported
0 to 10% MFI	20	90.9%	2.6	2.3			4.5%	9.1%	40.9%	22.7%	0.0%	0.0%	0.0%	0.0%	27.3%
11 to 20%	2	9.1%	2.0	2.0			0.0%	0.0%	4.5%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%
21 to 30%	777	12.7%	2.5	1.7			0.8%	3.9%	4.0%	6.1%	0.3%	1.0%	0.1%	1.0%	0.2%
31 to 50%	397	6.5%	2.5	1.8			0.6%	1.4%	2.5%	2.5%	0.3%	0.4%	0.1%	0.6%	0.2%
51 to 80%	55	0.9%	2.1	1.7			0.1%	0.2%	0.4%	0.4%	0.1%	0.1%	0.0%	0.1%	0.0%
Over 80%	3	0.0%	1.7	1.3			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All	1,254	120.2%	2.5	1.8			6.1%	14.6%	52.3%	36.2%	0.6%	1.5%	0.2%	1.7%	27.7%

\* Race and ethnicity are not required fields on the Waitlist Application in Yard

**Other Activity**

	#s, days, hrs
Public Housing	
Names pulled from Wait List	226
Denials	7
New rentals	86
Vacates	30
Evictions	0
# of work orders received	1,196
# of work orders completed	901
Average days to respond	7.4
# of work orders emergency	1
Average response hrs (emergency)	1

**Rent Assistance Performance Measures**

**Utilization and Activity**

	Current Month Status					Current Month Activity					Calendar Year To Date				
	Vouchers Available	Vouchers Paid	Utilization Percentage	Average Voucher Cost	HUD Subsidy Over(Under) Utilized	Remaining Waiting List Size	Waiting List Names Pulled	New Vouchers Leased	Vouchers Terminated	Voucher Inspections Completed	Utilization Percentage	Average Voucher Cost	HUD Subsidy Over(Under) Utilized	New Vouchers Leased	Vouchers Terminated
Tenant Based Vouchers	6,753	6,483	96%	\$588	-\$242,646	971	45	21	26	708	96%	\$588	-\$242,646	21	26
Project Based Vouchers	1,356	1,310	97%	\$515	-\$138,568			14	10	51	97%	\$526	-\$697,106	14	10
SRO/Mod Vouchers	512	482	94%	\$418				12	14	25	94%	\$414	\$150,704	12	14
All Vouchers	8,621	8,275	96%	\$566	-\$381,214			47	50	784	97%	\$572	-\$1,613,831	47	50

**Demographics**

	Households				% Family Type (head of household)				Race % (head of household)					
	# of Households	% of Households	Average Family Size	Average Unit Size	Adults no Children	Family with Children	Elderly	Disabled Not Elderly	Black	White	Native	Asian	Hawaiian/	Hispanic
Tenant Based Voucher Participants														
0 to 10% MFI	509	8.3%	1.6	1.7	6.5%	1.8%	0.3%	0.5%	3.7%	3.8%	0.3%	0.2%	0.1%	0.3%
11 to 20%	1,946	31.7%	1.8	1.9	21.0%	10.8%	7.4%	11.9%	10.7%	16.2%	1.1%	2.1%	0.2%	1.5%
21 to 30%	2,158	35.2%	2.4	2.2	18.5%	16.7%	7.8%	12.7%	12.0%	18.4%	0.8%	1.9%	0.2%	1.9%
31 to 50%	1,276	20.8%	3.2	2.6	6.2%	14.6%	3.1%	5.0%	8.2%	9.7%	0.4%	1.3%	0.1%	1.2%
51 to 80%	223	3.6%	3.8	2.9	0.8%	2.9%	0.2%	0.5%	1.8%	1.4%	0.1%	0.1%	0.0%	0.2%
Over 80%	19	0.3%	4.1	2.9	0.1%	0.2%	0.1%	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%
All	6,131	100.0%	2.4	2.2	53.0%	47.0%	18.9%	30.7%	36.5%	49.6%	2.7%	5.7%	0.6%	5.0%

**Waiting List**

	# of Households	% of Households	Average Family Size	Not Reported										
				1.2%	9.8%	17.1%	11.8%	1.8%	1.4%	0.5%	1.3%	1.6%		
0 to 10% MFI	346	35.6%	2.3	2.5%	12.9%	9.3%	13.9%	1.0%	1.5%	0.3%	0.6%	0.5%		
11 to 20%	264	27.2%	2.0	3.7%	5.1%	5.5%	10.6%	0.5%	1.4%	0.1%	0.5%	0.3%		
21 to 30%	184	18.9%	2.4	2.1%	4.1%	6.9%	8.4%	0.7%	0.8%	0.1%	0.6%	0.4%		
31 to 50%	174	17.9%	2.5	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%		
51 to 80%	3	0.3%	3.0	9.5%	32.0%	39.0%	44.9%	4.0%	5.1%	1.0%	3.1%	2.9%		
Over 80%														
All	971	100.0%	2.3											

**Short Term Rent Assistance**

	# of Households Participating	\$ Amount of Assistance Provided	Average Cost per Household
Shelter Plus Care	575	\$322,290	\$561
Short Term Rent Assistance	443	\$255,173	\$576

**Resident Services**

**Resident Programs**

	Housing Program Served	Households Served/ Participants	Monthly Funding Amount	Average Funds per Participant								
					# HH Stabilized	# HH Transitioned	Health and Safety Stabilized	Unduplicated Number Served	Crisis Intervention	Support System Enhanced	# Events	# Event Attendees
Congregate Housing Services * as of previous month	Public Housing	69	\$84,474	\$1,224								
Resident Services Coordination	Public Housing	45	20	164	1526	29	131	117	1688			
Community Supportive Services		# HH Enrolled	# in Self Sufficiency	# In GOALS								
	Public Housing	0	0	0								
	Section 8	0	0	0								
GOALS Program		# of Participants	Escrow \$ Held	New Enrollees	# of Graduates	Escrow \$ Disbursed	Terminations or Exits	Escrow \$ Forfeited	Avg Annual Earned Income Increase Over Last Year			
	Public Housing	69	\$96,555	5	0	\$1,187	1	\$0	\$4,070			
	Section 8	164	\$493,818	0	5	\$14,529	1	\$0	\$1,018			

**Agency Financial Summary**

Nine months ending 12/31/2011	Fiscal Year to Date	Prior YTD	Increase (Decrease)
Subsidy Revenue	\$59,223,687	\$59,620,942	(\$397,255)
Grant Revenue	\$7,559,903	\$7,763,951	(\$204,047)
Property Related Income	\$11,211,982	\$10,816,104	\$395,878
Development Fee Revenue	\$185,368	\$3,149,865	(\$2,964,497)
Other Revenue	\$2,889,755	\$2,465,867	\$423,889
Total Revenue	\$81,070,695	\$83,823,503	(\$2,752,809)
Housing Assistance Payments	\$48,937,133	\$47,359,019	\$1,578,114
Operating Expense	\$30,006,636	\$28,682,293	\$1,324,343
Depreciation	\$6,094,413	\$4,539,773	\$1,554,640
Total Expense	\$85,038,182	\$80,581,086	\$4,457,096
Operating Income	-\$3,967,488	\$3,242,417	(\$7,209,905)
Other Income/(Expense)	-\$353,496	\$712,970	(\$1,066,466)
Capital Contributions	\$8,325,032	\$13,329,857	(\$5,004,825)
Increase/(Decrease) Net Assets	\$4,004,049	\$17,285,245	(\$13,281,196)
Total Assets	\$361,641,704	\$356,905,937	\$4,735,767
Liquidity Reserves	\$25,289,164	\$32,260,359	(\$6,971,195)

**Development/Community Revitalization**

**New Development / Revitalization**

	Units	Construction Start	Construction End	Current Phase	Total Cost	Cost Per Unit
Bud Clark Commons *	130	Nov-09	May-11	Post Construction	\$46,951,074	\$361,162
Stephens Creek Crossing ***	122	Aug-12	Feb-14	Pre Construction	\$52,779,058	\$432,615
Madrona Place **	45	Oct-10	Aug-11	Post Construction	\$4,566,487	\$101,477
Lifeworks Northwest	29	Apr-13	Sep-14	Concept	\$9,736,126	\$335,728

**Capital Improvement**

	Units	Construction Start	Construction End	Current Phase	Total Cost	Cost Per Unit
Ainsworth	88	Jul-11	Nov-11	Post Construction	\$2,015,381	\$22,902
Tower Trio (GMW)	281	tdb	tdb	Concept	\$38,528,000	\$137,110
Shrunk Tower - Window Replacement	10	Oct-11	Dec-11	Post Construction	\$198,015	\$19,802
FAM4	151	Apr-11	Jan-12	Construction	\$5,772,365	\$38,228
Dekum Court - Siding Replacement	30	May-12	Sep-12	Concept	\$221,251	\$7,375
Holgate House - Water Heater	80	Dec-11	Feb-12	Preconstruction	\$85,000	\$1,063
Holgate House - Roof replacement	80	Jun-12	Aug-12	Concept	\$182,457	\$2,281
Holgate House - Emergency Generator	80	Nov-11	Dec-11	Construction	\$120,000	\$1,500
Rosenbaum - Kitchen Addition	76	Feb-12	Apr-12	Predevelopment	\$180,796	\$2,379
Misc Upgrades	tdb	tdb	tdb	tdb	\$452,200	

Legend

- \* Formerly known as Resource Access Center
- \*\* Formerly known as Jeanne Anne
- \*\*\* Formerly known as Hillsdale Terrace



# RESOLUTIONS

12-02-01

Recognize Resident Commissioner Amie Pico

Placeholder



## STAFF REPORT

To: Contract Review Board Date: February 21, 2012

From: April Berg, Assistant Director,  
Development Subject: Resolution 12-02-02

Cinna'Mon Williams, Procurement &  
Contracts Manager

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### **Adoption of Findings based on the Report of the Hearings Officer under Contract Review Board Rule 9 and exemption from competitive bidding for selection of a design/build contractor for Project Network**

#### Request

The Contract Review Board is specifically requested to consider and adopt findings based on Hearings Officer Cinna'Mon Williams' report on an exemption from competitive bidding for the selection of Gerding Edlen Development (GED) as the design/build contractor for Project Network.

Board action is necessary to conform to state statutes and Home Forward's Contract Review Board Rules, which require that Home Forward develop draft exemption findings, hold a public hearing to take testimony on the findings, and adopt findings exempting a contract from competitive bidding.

#### Background

In February 2010, LifeWorks Northwest ("LifeWorks") approached Home Forward to discuss Home Forward's interest in working with it, and its existing development partner, Gerding Edlen Development ("GED"), to develop a project (the "Project") that would include space for LifeWorks' existing Project Network and permanent rental housing owned and operated by Home Forward. LifeWorks is a non-profit organization that provides culturally responsive mental health and addiction services to people in the Portland metropolitan area. Project Network is a unique and highly respected program that provides extensive treatment services for women recovering from

alcohol and drug use. It includes 35 studio apartments providing short-term (average six months) housing for women with children under the age of 11 years old. Project Network is currently operating in an obsolete facility (built in 1928) that will not be available after fall 2014, when the lease is set to terminate. The concept proposed by LifeWorks is to build and co-locate the new Project Network units in the same development as approximately 30 Home Forward permanent housing units. These permanent housing units would support the women and their families as they move through their treatment. The Project would be built on a suitable site located in Northeast Portland and GED, serving as the developer, would be responsible for design and construction of the Project. Home Forward is evaluating a site located on Northeast Beech Street that may be suitable. In addition to the Project site, other resources for the Project are likely to include Low Income Housing Tax Credits for the permanent housing and New Market Tax Credits for the treatment facility. Assuming the funding package is assembled as planned and other conditions for the development of the Project are satisfied, construction would commence in June 2013, with a completion date of August 2014. The costs of design and construction of the entire Project Network is estimated at approximately \$18,700,000, of which \$10,400,000 is the cost of Home Forward's permanent housing component.

Because LifeWorks approached Home Forward with their proposal to include permanent supportive housing with their treatment component of Project Network, Home Forward is not able to pursue their typical development process, including competitive procurement of design and build services. In order to take advantage of this opportunity to partner with LifeWorks, Home Forward must avail themselves of the pre-selected services of GED. As such, Home Forward proposes a sole source selection of GED as the design/build contractor for its permanent housing component of Project Network. In order to utilize this contracting method, Home Forward's Contract Review Board Rules require that Home Forward provide 14 days public notice in at least one trade newspaper of general circulation of a public hearing at which a Hearings Officer will receive testimony on draft findings in support of an exemption from competitive bidding. The findings specifically tie the requested exemption to financial considerations, public benefits, value engineering, specialized expertise required, public safety, market conditions, technical complexity, and funding sources.

Notice of a January 27, 2012, public hearing to receive testimony on the findings in support of an exemption was published in the Daily Journal of Commerce on January 13, 2012. A copy of the Notice of Public Hearing and the requisite draft findings are attached to this memorandum. No public testimony was received at the January 27 public hearing as indicated in the Hearings Officer's report.

While GED has been pre-selected by LifeWorks, and as such is a sole source selection by Home Forward, fortunately, GED is a proven contractor with extensive experience and a successful record of design and construction of complex developments. Home Forward has worked previously with GED on the Morrison project with good results. This proven record of success provides support that GED can be expected to perform well. Cognizant of the benefits of competitive procurement, Home Forward will take steps to ensure competitive pricing, resulting in reasonable, allocable and allocated costs for their project elements. Specifically, all contractor (including design team and general contractor) will be selected by way of complete solicitation process. In addition, the trade or the sub-contractors for this project will be selected through means of public bidding through local plan centers. A cost analysis of GED's proposal will be performed. In addition, Home Forward will ensure that all other required contract provisions including but not limited to Minority, Women and Emerging Small Businesses, Section 3 participation, Workforce Hiring and Training Program requirements and prevailing wage requirements are included in all applicable contracts and sub-contracts.

Currently, Home Forward staff is working towards acquiring a suitable parcel in Northeast Portland for Project Network. In addition, an application is being prepared for tax credit financing for Home Forward's permanent housing component. Lastly, LifeWorks is working to secure their required funding. Once all these project requirements are in place and all financing secured, Home Forward expects that final design and engineering would commence.

#### Risks and Opportunities

Utilization of GED as the project's design/build contractor presents little risk to the overall success of Project Network. GED is a qualified provider of these services and has past experience with Home Forward that supports this selection. In addition, the selection of GED as the design/build contractor does not pose significant financial risk as the vast majority of the services will be provided by sub-contractors, all of which will be selected by way of competitive processes, ensuring good pricing. Home Forward staff will conduct a cost analysis of the GED costs to ensure that all costs are reasonable.

The opportunity posed by the unsolicited proposal presented by LifeWorks and their development partner GED is the ability to provide critical permanent housing to families working diligently through addiction. This allows Home Forward to expand its mission of providing housing to those in our community in need by matching the Home Forward mission with the compatible mission of LifeWorks, resulting in a synergy that enhances the work of both.

Conclusion/Recommendation

Home Forward staff recommends approval of the Findings, thereby allowing the sole source selection of GED as the design/build contractor for Project Network.



## RESOLUTION 12-02-02

### CONTRACT REVIEW BOARD FINDINGS REGARDING A CONTRACT WITH GERDING EDLEN DEVELOPMENT, LLC FOR THE DESIGN AND CONSTRUCTION OF PROJECT NETWORK

The Home Forward Hearings Officer duly convened a public meeting at 2:00 PM on January 27, 2012. Notice of such meeting is attached hereto. At a duly convened public meeting of the Contract Review Board, Home Forward staff presented the "Hearings Officer Report under Contract Review Board Rule 9.3.1 regarding a contract with Gerding Edlen Development, LLC" (the "Report") for the design and construction of Project Network, including the attachments thereto. The report is attached hereto and is incorporated herein by this reference.

The Board considered the financial considerations, public benefits, value engineering, specialized expertise required, public safety, market conditions, technical complexity, and funding sources, as described in the Report.

After considering the Report, the Board finds that:

- (1) it is unlikely that exemption from Competitive Bidding will encourage favoritism in awarding Home Forward's contracts or substantially diminish competition for Home Forward's contracts; and
- (2) the awarding of Home Forward contracts pursuant to the exemption will result in substantial cost savings to Home Forward.

Therefore, exemption of the requirements for a contract with Gerding Edlen Development, LLC for the design and construction of Project Network is approved.

ADOPTED: FEBRUARY 21, 2012

Attest:

Home Forward:

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Steven D. Rudman, Secretary

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Harriet Cormack, Chair





## **NOTICE OF PUBLIC HEARING**

In accordance with Rule 9.3.1 – 9.3.4 of the Contract Review Board Rules of Home Forward, a public hearing will be held at:

2:00 P.M., PST  
January 27, 2012  
Metolius Room – 5<sup>th</sup> Floor  
135 SW Ash Street  
Portland Oregon 97204

For the purpose of taking public comments on Home Forward's draft findings for an exemption from competitive bidding requirements for a contract with Gerding Edlen Development, LLC for the design and construction of Project Network.

Draft findings are available at the offices of Home Forward:

135 SW Ash Street  
Portland Oregon 97204  
Procurement and Contracts Department, 5<sup>th</sup> Floor  
8:00 AM to 5:00 PM, Monday through Friday  
Call (503) 802-8533 for further information

Dates: Wednesday, January 13, 2012

# DJC

921 SW Washington, Suite 210 / Portland, OR 97205  
(503)226-1311 FAX (503) 222-5358

STATE OF OREGON, COUNTY OF MULTNOMAH, --ss.

I, KRISTINE HUMPRHIES, being first duly sworn, depose and say that I am a Manager of the DAILY JOURNAL OF COMMERCE, a newspaper of general circulation in the counties of CLACKAMAS, MULTNOMAH and WASHINGTON as defined by ORS 193.010 and 193.020; published at Portland in the aforesaid County and State; that I know from my personal knowledge that the

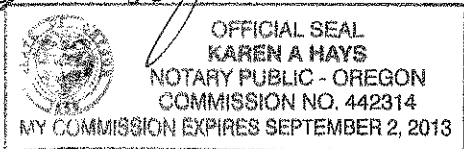
NOTICE OF PUBLIC HEARING  
HOMEFORWARD - EXEMPTION FROM COMPETITIVE BIDDING REQUIREMENTS

a printed copy of which is attached, was published in the entire issue of this newspaper for 1 time(s) in the following issues:

01/13/2012.



Subscribed and sworn to before me this 2nd day of February, 2012.



### NOTICE OF PUBLIC HEARING HOMEFORWARD

In accordance with Rule 9.3.1 - 9.3.4 of the Contract Review Board Rules of Home Forward, a public hearing will be held at:  
2:00 P.M., PST  
January 27, 2012  
Metolius Room - 5th Floor  
135 SW Ash Street  
Portland Oregon 97204

For the purpose of taking public comments on Home Forward's draft findings for an exemption from competitive bidding requirements for a contract with Gerding Edlen Development, LLC for the design and construction of Project Network.

Draft findings are available at the offices of Home Forward:

135 SW Ash Street  
Portland Oregon 97204  
Procurement and Contracts Department,  
5th Floor  
8:00 AM to 5:00 PM, Monday through Friday

Call (503) 802-8533 for further information

Published Jan. 13, 2012. PF10180296-11

HOME FORWARD  
Attn: KRISTEN BENTLEY  
135 SW ASH STREET  
PORTLAND, OR 97204

Order No.: 10180296  
Client's Reference No.:

## **Findings – Contract Exemption**

### *Project: Project Network*

#### ***FINDINGS IN SUPPORT OF USE OF EXEMPTION FROM THE COMPETITIVE BID REQUIREMENT AND USE OF ALTERNATE CONTRACTING METHOD***

##### **A. Exemption From the Competitive Bid Requirement under Oregon Law and Home Forward’s Contracting Rules**

Oregon law and Home Forward’s contracting rules both require all public improvement projects to be procured by competitive low bid, unless the local contract review board approves findings authorizing an exemption. ORS 279C.330 and 279C.335 require the local contract review board to find that: (a) It is unlikely that the exemption will encourage favoritism in the awarding of public improvement contracts or substantially diminish competition for public improvement contracts, and (b) The awarding of public improvement contracts under the exemption will likely result in substantial cost savings to the contracting agency or the public. In making the findings, the local contract review board may consider the type, cost and amount of the contract, the number of persons available to bid and such other factors as may be deemed appropriate.

For public improvement projects, ORS 279C.330 and 279C.335 provide that the agency findings may include, among other things, information regarding the following:

- a. Operational, budget and financial data.
- b. Public benefits.
- c. Value engineering.
- d. Specialized expertise required.
- e. Public safety.
- f. Market conditions.
- g. Technical complexity.
- h. Funding sources.

##### **B. Background Information**

In February 2010, LifeWorks Northwest (“LifeWorks”) approached Home Forward to discuss Home Forward’s interest in working with it, and its existing development partner, Gerding Edlen Development (“GED”), to develop a project (the “Project”) that would include space for LifeWorks’ existing Project Network and permanent rental housing owned and operated by Home Forward. LifeWorks is a non-profit organization that provides culturally responsive mental health and addiction services to people in the Portland metropolitan area. Project Network is a unique and highly respected program that provides extensive treatment services for women recovering from alcohol and drug use. It includes 35 studio apartments providing short-term (average six months) housing for parents with children under the age of 11 years old. Project Network is currently operating in an obsolete facility (built in 1928) that will not be available after Fall 2014 when the lease is set to terminate. The concept proposed by LifeWorks is to build and co-

locate the new Project Network units in the same development as approximately 30 Home Forward permanent housing units. These permanent housing units would support the women and their families as they move through their treatment. The Project would be built on a suitable site located in Northeast Portland and GED, serving as the developer, would be responsible for design and construction of the Project. Home Forward is evaluating a site located on Northeast Beech Street that may be suitable. In addition to the Project site, other resources for the Project are likely to include Low Income Housing and New Market Tax Credits and tax-increment funding from the City of Portland. Assuming the funding package is assembled as planned and other conditions for the development of the Project are satisfied, construction would commence in June 2013 with a completion date of August 2014. The costs of design and construction of the entire Project Network is estimated at approximately \$18,700,000 of which \$10,400,000 is the cost of Home Forward's permanent housing component.

### **C. Factors**

#### **FAVORITISM AND COMPETITION**

The terms and conditions of the design/build contract will be the result of arms length contract negotiations between Home Forward and GED, and will be reviewed and approved by Home Forward's Board, thus discouraging any favoritism in the awarding of the contract. Furthermore, GED is the only party to come forward to initiate a feasible concept for this Project, although Home Forward's interest in pursuing such public housing projects widely known. Under the unique circumstances presented, it is unlikely that an exemption authorizing Home Forward to negotiate a design/build contract with GED for their Project component will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts.

#### **COST SAVINGS**

The ability of Home Forward to provide public housing units to meet the needs of residents in a timely and cost-efficient manner at the lowest cost to taxpayers will be significantly enhanced by the Project, which will enable private entities to undertake all or a portion of the planning, design, development, financing, construction of the public housing units. Specifically, substantial cost savings will be realized by Home Forward and by the public as the result of Home Forward's ability to negotiate a design/build contract with GED, which will allow for a fast-track Project.

Specific costs savings to Home Forward include:

- a) The contract will use a guaranteed maximum price, or fixed-priced structure, either of which will provide Home Forward protection against cost overruns or will also provide a share in cost savings.
- b) Cost savings to Home Forward are anticipated through the use of the design/build method of contracting, by reducing design flaws and misunderstandings, by incorporating

value engineering suggestions into the design phase in a team approach, and in shortening construction time.

- c) Cost savings to Home Forward will be realized through the shared cost of joint facilities within the Project, including the initial construction cost and operational cost after construction is completed.
- d) Having a single entity responsible for both design and construction will help define and contain Project costs by reducing the resources required to coordinate between and among the designers during the design phase and between an among the designers and the contractor during the construction phase.
- e) Anecdotal evidence suggests that the design-build delivery method results in fewer claims during construction, because a single entity is responsible for both design and construction, whereas on a typical design-bid-build project the acts or omissions of the designer or contractor can result in claims against the project owner. Similarly, unless there are changes to Home Forward's original design criteria, excessive change orders and other unanticipated costs likely will be reduced.

The award of a negotiated design/build contract with GED for the Project pursuant to this exemption will result in substantial cost savings to Home Forward.

## **OPERATIONAL, BUDGET, FINANCIAL**

To accomplish the goal of designing and constructing a unified Project, it is imperative that both Home Forward and LifeWorks contract with GED as the single provider of design and construction services. It is also critical that both parties contract with a qualified contractor that is familiar with all Project components and the interrelationship of those components to produce an efficient and appealing Project. GED has been working with LifeWorks since 2007 in pursuit of a new site and building for Project Network. Because this partnership is longstanding and GED has a unique understanding of LifeWorks' needs with respect to the Project, it is beneficial to Home Forward to likewise contract with GED for design and construction services to ensure a successful, fully-integrated Project. GED has the capability and experience to manage the design and construct such a Project, relying primarily on qualified designers and subcontractors.

Because of the unique opportunity presented and GED's close relationship with LifeWorks, GED is necessarily a sole source entity for this contract. If Home Forward wishes to avail itself of this opportunity to align itself with the proven Project Network, it is necessarily restricted to contracting with the parties who have come forward with this joint development offer. As mentioned above, GED, in partnership with LifeWorks, is the only party to come forward to initiate a feasible concept for the Project Network, although Home Forward's interest in pursuing such housing projects is widely known.

## **PUBLIC BENEFIT**

The public will benefit greatly when the proposed new Project Network, including the significant enhancement of the permanent public housing units, is completed and providing services to families. These units will be unique within Home Forward's existing portfolio, as they will be prioritized for Project Network clients. Home Forward will be able to provide housing to some of our area's most needy families as they graduate from treatment services provided by LifeWorks and move into adjacent permanent housing. The close proximity of this permanent housing to LifeWorks' treatment services will increase access to those services, thus enhancing the program. This enhancement to the existing Project Network services will be significant as permanent supportive housing is critical to the ultimate success of the families being served by Project Network.

In addition, establishing a partnership with a qualified design/build contractor early in the Project schedule allows the development of practical approaches that achieve high levels of participation by minority, women-owned and emerging small businesses and by local businesses and allow collaboration with pre-apprenticeship programs to grow workforce opportunities.

With a negotiated design-build contract, the process will allow a fast-track which will save the public money as discussed in the general findings above and deliver the critical public housing in a timely matter.

## **VALUE ENGINEERING**

Constructability and value engineering analysis will be provided during the design phase of the contract. This analysis is not as effective when used on a competitively bid project because the greatest benefits are realized during the design phase, which necessarily precedes the bidding phase. Another advantage of this analysis during the design phase is that cost savings are immediate rather than postponed as with competitive bidding. Value engineering after the bidding phase often requires costly re-design services, which tend to offset any potential savings.

## **SPECIALIZED EXPERTISE**

Contractors, for this type of project, must have expertise and experience managing large complex, multi-phased construction contracts. GED has significant experience developing such projects. In addition, GED and their trade contractors will work closely with design consultants and Home Forward's staff to develop a safe work plan, construction phasing sequence, and temporary facilities. Such specialized expertise cannot be effectively evaluated with competitive bidding.

## **PUBLIC SAFETY**

A negotiated contract will allow Home Forward, LifeWorks, and GED to jointly develop a construction phasing plan and safety plan during the design process. This early planning will ensure that all safety provisions and temporary permanent facilities are clearly identified and included in the contract. Furthermore, having one design/build contractor on the Project site, rather than multiple prime contractors, will allow GED to safely prosecute the work, safeguard hazards on the site, and coordinate construction activities between the Home Forward and LifeWorks areas of the Project, all of which must be performed under tight schedule constraints.

## **MARKET CONDITIONS**

This negotiated contract will have no negative impact on the contracting or subcontracting market in the Portland area. A sufficient number of qualified firms are available to ensure adequate competition at the sub-contracting level, which will be competitively bid. This is a unique opportunity to enhance the local economy because it is unlikely the Project would be built in the near future without this public-private cooperation.

As a single contract exemption, market conditions will not be directly affected, however, positive indirect market impact will occur by creation of jobs generated as a result of the contract. Although the contract with GED will be awarded without direct competition, both the designer and the general contractor will be selected through a competitive process. In addition, the general contractor will in turn subcontract a substantial portion of the construction work. These subcontractors will also be selected through a competitive process. The Project is unique and it is highly unlikely that this procurement will have any effect on or substantially diminish competition for future public contracts.

## **TECHNICAL COMPLEXITY**

The complexity of this Project includes the placement of both Project components on the same site, located in a busy urban neighborhood. The likely site is not overly large and thus will complicate the design; fitting all program elements on the site in a way that works for the separate owners and results in a well-designed, integrated project. This, along with the requirements related to economic participation that comes with federal funding, drive the complexity of the Project. A negotiated contract allows the contractor to better understand operations impacts to the construction and participate in developing the construction phasing, construction site access, and other coordination processes required of projects of this type.

## **FUNDING SOURCES**

The funding sources will primarily consist of highly competitive public funds and, once established, the Project budget and sources will become fixed. A negotiated design/build contract is a better method than low bid for Home Forward to achieve the necessary cost

control required when scarce public funds are in play. Also, because Home Forward expects to apply for competitive Low-Income Housing Tax Credits, selection of a well-established, experienced design/build developer such as GED will assist in attracting Low-Income Housing Tax Credit equity partners and the participation of lenders. The quality of GED and their proven ability to meet schedule requirements will help attract better pricing for private financing.

**Conclusion: Preferred Contracting Method – Direct Selection of Design/Build Contractor**

Contracting directly with GED, the Project’s identified design/build contractor, will allow Home Forward to take advantage of the opportunity presented by LifeWorks to participate in their very successful and essential Project Network. Competition effectively does not exist for this contract and the exemption likely will result in significant cost savings to Home Forward.





**HEARINGS OFFICER'S REPORT**  
**AS REQUIRED BY HOME FORWARD**  
**CONTRACT REVIEW BOARD RULES 9.3.1 – 9.3.4 AND**  
**ORS 279C.330 AND ORS 279C.335**

**REGARDING**

**Exemption from competitive bidding requirements for a contract with Gerding Edlen Development, LLC for the design and construction of Project Network**

As required by ORS 279C.330 and ORS 279C.335, the undersigned duly appointed Hearing Officer convened a public hearing at 2:00 p.m., on January 27, 2012 at 135 SW Ash, 5<sup>th</sup> Floor, Metolius Room, Portland Oregon, 97204. The hearing was held to present and receive public comment on an exemption from competitive bidding requirements for a contract with Gerding Edlen Development, LLC for the design and construction of Project Network. An affidavit of the due Publication of the Notice of Public Hearing is attached.

On January 13, 2012 Home Forward noticed the public hearing and made the proposed finding available to the public. The findings were also made available at the hearing.

Dated:

2/6/12

Attested:

Hearing Officer  
Cinna'Mon Williams



**STAFF REPORT**

To: Board of Commissioners Date: February 21, 2012

From: Mike Andrews, Director, Development and Community Revitalization Subject: Resolution 12-02-03

April Berg, Assistant Director,  
Development and Community  
Revitalization

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A Resolution authorizing the Executive Director to submit an application to the Oregon Housing and Community Services Department through their Consolidated Funding Cycle seeking resources including but not limited to Housing Trust Funds, Low Income Weatherization Program Funds and, 9% Federal Low Income Tax Credits in an amount that can be supported by the eligible basis generated by the project.

Request

The Board of Commissioners is specifically requested to approve a resolution authorizing the Executive Director to submit to Oregon Housing and Community Services (“OHCS”) seeking resources through the Consolidated Funding Cycle (CFC) for the development of approximately 30 housing units at Beech and Mallory Streets in northeast Portland in conjunction with development of a residential treatment center by Lifeworks NW.

Background

Lifeworks NW, a nonprofit organization providing addiction and mental health services in the metro area, is developing a new home for their Project Network residential treatment program. Project Network provides culturally competent treatment for mothers in recovery who are reuniting with their children. Lifeworks NW has engaged Gerding Edlen Development (“GED”) as development consultant to assist in financing, design and construction for the residential treatment center with a deadline for move-in by September 2014. Lifeworks NW approached Home Forward to partner in this development by providing permanent rental housing for recovery program graduates and residents seeking a dry housing community. Home Forward is interested in working with Lifeworks

NW and GED in developing permanent rental housing and residential treatment center in a single site. GED will provide design and construction management and will pursue Home Forward goals, such as Economic Participation.

Home Forward is in the process of purchasing land as previously approved by the Board, Resolution 11-12-02. The development is anticipated to be structured as a condominium ownership containing two units: one condominium unit consisting of a rental housing community with management offices, community spaces and approximately 31 rental housing units; and one condominium unit consisting of the residential treatment center containing program offices, daycare room, exercise room, case management offices, community meeting room and residential units.

Home Forward will apply in the OHCS Consolidated Funding Cycle (CFC) for 9% Low Income Housing Tax Credits (“LIHTC”) and other OHCS resources. LIHTC will generate approximately \$7.37 million in tax credit equity of the \$10 million estimated cost to develop the supportive rental housing. Additional sources include \$527,000 permanent loan, \$500,000 of Home Forward Public Housing Preservation Initiative (“PHPI”) proceeds, waivers of systems development charges, approximately \$900,000 Tax Increment Financing from Portland Housing Bureau (part of a larger award for this project) and \$600,000 from weatherization and other OHCS CFC sources. The rental units will benefit from Home Forward’s Local Blended Subsidy (“LBS”) program, in which public housing operating subsidy of approximately \$282 per unit per month is combined with Section 8 subsidy and tenant paid rents to generate aggregate rental revenues equal to the Section 8 payment standard. The LBS revenue will support property operating expenses, funding of replacement reserves and debt service payments. The Residential Treatment Center will be financed with New Market Tax Credits generating net proceeds of approximately \$1.43 million, \$1.3 million in permanent financing, \$100,000 in waivers of systems development charges approximately \$3.8 Tax-Increment Financing from Portland Housing Bureau (“PHB”) and \$1.3 million from a targeted fundraising campaign.

### Policy Implications

This action is consistent with several policy directions for Home Forward:

1. It furthers the creation of permanent rental housing with supportive services, which targets families seeking dry, affordable rental housing in inner Northeast Portland.
2. It will increase housing choice by creating dry, alcohol-free, substance-free housing to support recovering addicts and their families.
3. It is consistent with Home Forward’s Guiding Principles for Development in developing a partnership with service providers, such as Lifeworks NW and development partners such as GED.

### Budget Implications

The budget for the rental housing of \$9.9 million will be generated from a variety of sources primarily LIHTC equity, other OHCS sources and PHB sources. Home Forward will provide \$500,000 of PHPI proceeds to the project permanently. Home Forward will earn a developer fee of \$897,000 during the course of construction, resulting in net revenues over investment of \$397,000.

### Risks and Opportunities

This site presents a great opportunity to work with Lifeworks NW and co-develop a facility that furthers our shared missions. This site is ideal for its value, location, size, proximity to Lifeworks offices and to Home Forward properties.

The primary risk related to the Lifeworks development is the likelihood that all financing will be secured. The recent award of PHB's Notice of Funding Availability for this project has greatly reduced the risk of not receiving an award from OHCS after submitting a respectable application.

### Operational Implications

Home Forward possess the internal capacity to write a competitive CFC application and to manage our role in this development process. Additionally, the site is located across the street from Maple Mallory a 48-unit public housing property. This proximity provides opportunities for efficiencies in managing and operating both properties.

### Conclusion/Recommendation

Staff recommends approval of Resolution 12-02-03.



## RESOLUTION 12-02-03

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT AN APPLICATION TO OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT (“OHCS”) SEEKING RESOURCES INCLUDING BUT NOT LIMITED TO LOW INCOME HOUSING TAX CREDITS, LOW-INCOME WEATHERIZATION PROGRAM FUNDS, HOUSING TRUST FUND PROCEEDS AND OREGON AFFORDABLE HOUSING TAX CREDITS FOR THE DEVELOPMENT OF APPROXIMATELY 30 UNITS OF SUPPORTIVE RENTAL HOUSING AT BEECH STREET TO BE OWNED BY A TO-BE-DETERMINED LIMITED PARTNERSHIP AND AUTHORIZING AUTHORITY OFFICIALS TO EXECUTE DOCUMENTS RELATED TO FUNDS AWARDED BY OHCS

**WHEREAS**, Home Forward (also known as the Housing Authority of Portland) is a public body corporate and politic of the State of Oregon and is empowered by ORS 456.005 to 456.725 (“Housing Authority Laws”) to purchase any real property and to accept grants from any source public or private for the purpose of developing a housing project; and

**WHEREAS**, Home Forward seeks to encourage the provision of long term housing for low-income persons residing in the City of Portland (“City”); and

**WHEREAS**, Home Forward’s development of the NE Beech Street property (“Property”) will provide an opportunity to create a project and program that will incorporate public housing goals and development guiding principles which include optimization of the number of housing units, balance economic participation goals with cost effective development, as well as incorporate green building practices and energy efficiencies; and

**WHEREAS**, Home Forward seeks to support development and operations of the Property through its Local Blended Subsidy (“LBS”) program to create additional public housing units and provide sufficient rental revenues to support property operations, replacement reserve funding and debt service; and

**WHEREAS**, Home Forward proposed project exemplifies a guiding development principle to partner with those entities who share and support similar mission statements in order to leverage

and maximize resources to better serve a target population; and

**WHEREAS**, Home Forward intends to use Public Housing Preservation Initiative (“PHPI”) scattered sites sale proceeds in the amount of \$500,000 and interim funding of \$325,000 to fund the acquisition of the Property; and

**WHEREAS**, Home Forward stands ready to proceed by having the capacity, experience and ability to complete the successful development of supportive housing units at the Property; and

**WHEREAS**, Section 456.135 of the Oregon Revised Statutes provides that an authority may delegate to one or more of its agents or employees such powers or duties as it deems proper;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of Home Forward authorizes and directs the Executive Director to submit an application to the State of Oregon Department of Housing and Community Services (“OHCS”) in their Consolidated Funding Cycle for an allocation of 9% Low Income Housing Tax Credits, Oregon Affordable Housing Tax Credits, Low-income Weatherization Program Funds and other sources available by CFC application for the development of approximately 31 units of permanent rental housing to be owned by a to-be-determined limited partnership and authorizes Authority officials to execute agreements and other documents related to allocations and funds awarded by OHCS .

**ADOPTED: FEBRUARY 21, 2012**

**Attest:**

**Home Forward:**

\_\_\_\_\_  
Steven D. Rudman, Secretary

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Harriet Cormack, Chair



## STAFF REPORT

To: Board of Commissioners Date: February 21, 2012

From: Mike Andrews, Director, Development and Community Revitalization Subject: Resolution 12-02-04

Patrick Rhea, Senior Project Manager, Construction Services

**A Resolution requesting authorization to execute two Modifications to the Construction Manager/General Contractor (CM/GC) contract to 1) abate hazardous materials, salvage usable goods and 2) demolish the existing buildings at Hillsdale Terrace.**

### Request

The Board is specifically requested to approve Resolution 12-02-05 to authorize the Executive Director to execute two Modifications to the Construction Manager/General Contractor (CM/GC) contract to 1) abate hazardous materials, salvage usable goods and 2) demolish the existing buildings at Hillsdale Terrace.

### Background

In May 2011, Home Forward was notified by HUD that its application for an \$18.5 million HOPE VI Grant to redevelop Hillsdale Terrace was successful. In June of 2011, Home Forward authorized acceptance of the Grant and execution of the Grant Agreement (Resolution 11-06-10).

The \$18.5 million HOPE VI Grant will be combined with other sources to fund a \$ 47.3 million redevelopment project. The redevelopment plan includes relocating existing residents; providing community and supportive services to both existing and future residents; demolishing the existing 60 housing units and site improvements; and building 122 rental units and a community center; and partnering with Habitat for Humanity on the development of seven off-site homeownership units. Total project cost is inclusive of relocation, community and supportive services, land, and soft and hard costs. The financing plan anticipates use of both 4% and 9% Low-Income Housing Tax Credits; tax-exempt bonds; HOPE VI funds; funds from the City of Portland; funds from the Public Housing Preservation Initiative and funds raised by Habitat for Humanity.

On March 16, 2010, the Contract Review Board of Home Forward (then operating as the Housing Authority of Portland) adopted findings, as required by Home Forward's Purchasing and Contracting Rules, prior to initiation of a Construction Manager/General Contractor (CM/GC) selection process. A Request for Proposal was issued via public advertisement resulting in the receipt of two Proposals. The evaluation committee reviewed the written proposals and conducted interviews with both proposers. At the conclusion of the interviews, R&H/Colas (RHC) was selected as the top ranked proposer. Resolution 11-09-06 recommended award of a CM/GC contract and was approved by the Board on September 20, 2011.

The request to abate and demolition the existing buildings will be the first in a series of four resolution requests presented to the Board. RHC is currently working under a pre-construction services contract, which includes cost estimating, scheduling and constructability reviews. The remaining resolutions that will be presented to the Board for action include shoring, site work and building construction.

Michael Willis Architects completed abatement and demolition bid documents in January 2012. These documents were released to RHC to advertise publicly. Award of subcontracts were structured using a 100 point system where bidders could earn five points as a Target Business and five points as a Section 3 Business. The award of a subcontract to the bidders was based on low price, Target Business and Section 3 Business participation.

In addition to a point system selection process, RHC employed outreach through presentations at ethnic associations such as the Oregon Association of Minority Entrepreneurs (OAME) and advertising in ethnic publications. The bidding was also set up where firms could bid on the three different parts of the site allowing smaller firms to compete. Bids were received on January 26, 2012.

Upon receipt of bids, RHC went through a due-diligence process that ensured the bidders were responsive and included the requisite scope in their price. The outcome of the process led to Professional Minority Group performing the abatement with NW Infrastructure performing the demolition. Both companies are Target and Section 3 business. RHC will provide most of the labor for material salvage.

Phase I Construction: Abatement & Demolition

Budget:

MOD 1 Abatement & Salvage	\$443,361
MOD 2 Demolition	<u>\$611,476</u>
	\$1,054,837



GMP:

MOD 1 Abatement & Salvage	\$467,472
MOD 2 Demolition	<u>\$597,054</u>
	\$1,064,526

Target Business Participation	62%
Section 3 Business Participation	57%

Current Contract Amount

Pre-Construction Services	\$65,350
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Additions: MOD 1 & 2

Abatement & Demolition	<u>\$1,064,526</u>
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Revised Contract Amount:	\$1,129,876
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Budget Implications and Financial Impact on Home Forward

This GMP is within 1% of the budget for abatement and demolition. The overall construction budget remains unaffected at \$30.3 million. Funds for the Modification are available from the Portland Housing Bureau via the Community Development Block Grant, and from HOPE VI. Home Forward PHPI will cover soft costs.

Risks and Opportunities

The bids were taken from drawings that were fully developed by the architect and engineers. However, when tearing down old buildings and digging on the site, unknown elements could be encountered. The GMP is carrying contingency to cover unknowns. There is great opportunity to work with certified firms for this phase. In addition, at this time RHC is expecting to hire five to eight Section 3 individuals.

The opportunity to work with the CM/GC on its economic participation plan well in advance of bidding is a key to success with equity goals. Advance planning will allow time to coordinate labor needs with workforce pre-apprenticeship class schedules to make sure labor is available when construction starts, and it will allow target businesses time to prepare for bidding the work.

Conclusion/Recommendation

Staff recommends approval of resolution 12-02-04.



## RESOLUTION 12-02-04

**RESOLUTION 12-02-04 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE TWO MODIFICATIONS TO THE PRE-CONSTRUCTION SERVICES CONTRACT THAT WILL ALLOW FOR THE ABATEMENT AND DEMOLITION OF THE EXISTING HILLSDALE TERRACE BUILDINGS**

**WHEREAS**, in March 2010, with the approval of the Contract Review Board of Home Forward (then the Housing Authority of Portland), the Development and Community Revitalization Department initiated a Construction Manager/General Contractor selection process to select a contractor for the Hillside Terrace redevelopment; and

**WHEREAS**, in June 2011, Home Forward finds that the response of R&H/Colas Construction LLC, combined with their performance on similar projects, including an effective plan for including Target Businesses, Workforce Training and Hiring opportunities, and hiring of Section 3 residents in the execution of the work conforms to Home Forward's requirements; and

**WHEREAS**, in August 2011, Home Forward and R&H/Colas Construction executed a pre-construction services agreement in the amount of \$ 65,350; and

**WHEREAS**, Home Forward and R&H/Colas Construction will execute Modifications for A) Abatement and Salvage in the amount of \$467,472 and B) Demolition in the amount of \$597,054; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of Home Forward hereby authorizes the Executive Director to execute Abatement and Demolition Modifications with R&H/Colas Construction in the amount of \$1,064,526.

ADOPTED: FEBRUARY 21, 2012

Attest:

Home Forward:

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Steven D. Rudman, Secretary

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Harriet Cormack, Chair



**STAFF REPORT**

To: Board of Commissioners Date: February 21, 2012  
From: Mike Andrews, Director, Development and Community Revitalization Subject: Resolution 12-02-05  
Theresa Auld, Finance Manager

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**A Resolution authorizing the Executive Director to submit an application to the Oregon Housing and Community Services Department seeking 4% Federal Low Income Tax Credits in an amount that can be supported by the eligible basis generated by the project for the development of 75 of the 122 units of housing at Stephens Creek Crossing.**

Request

The Board of Commissioners is specifically requested to approve a resolution authorizing the Executive Director to submit to Oregon Housing and Community Services (“OHCS”) an application for 4% Low Income Housing Tax Credits (“LIHTC”) and other OHCS resources for Stephens Creek Crossing.

Background

Home Forward was awarded a \$18.5 million HOPE VI Revitalization Grant for the Hillsdale Terrace redevelopment on May 20, 2011, and executed the grant agreement on July 27, 2011. The new development, named Stephens Creek Crossing, contains an Early Childhood Education Center, management offices, community spaces and 122 rental housing units located in two LIHTC projects. A 9% tax credit allocation has been received to support the development of 47 residential units for the 9% LIHTC project. This resolution authorizes submission of an application for 4% tax credits to support development of 75 of the 122 residential units, the management offices and community spaces totaling 11,000 square feet.

Home Forward has published a solicitation for tax credit equity investors and lenders for both 4% and 9% tax credit projects at Stephens Creek Crossing. Initial responses to the solicitation show

strong interest in our development. Initial proposals are due February 27, 2012, and best and final proposals are due March 9, 2012, with selection to occur on March 14, 2012.

The overall budget for Stephens Creek Crossing is \$52.8 million including \$30.35 million budget for construction and demolition contracts. Within the overall budget the 4% tax credit project has a budget of \$26.1 million including a \$16.5 million budget for construction contracts. This project will be supported with tax exempt bond financing of approximately \$13 million during construction and \$3.1 million of permanent financing; \$7 million of tax credit equity, \$9.4 million of HOPE VI proceeds; \$4.5 million of Home Forward Public Housing Preservation Initiative (“PHPI”) proceeds and \$2.1 million of Home Forward unrestricted proceeds. The 75 rental units will include 11 LIHTC only (no additional subsidy) 64 public housing units that will benefit from Home Forward’s Local Blended Subsidy (“LBS”) program, in which public housing operating subsidy of approximately \$282 per unit per month is combined with Section 8 subsidy and tenant paid rents to generate aggregate rental revenues equal to the Section 8 payment standard. The Local Blended Subsidy revenue will support property operating expenses, funding of replacement reserves and debt service payments.

#### Policy Implications

This action will authorize Home Forward to submit an application for 4% tax credits to Oregon Housing and Community Services and other OHCS resources reflecting a financing structure including Local Blended Subsidy. This will increase the number of public housing units at Stephens Creek Crossing from the 60 units existing on the Hillsdale Terrace site and 73 units proposed in the HOPE VI application to 109 public housing units supported with Local Blended Subsidy. This 4% tax credit project contains 64 public housing units.

#### Budget Implications

The budget for the rental housing of \$26.1 million will be generated from a variety of sources primarily LIHTC equity, HOPE VI sources and PHPI proceeds. Home Forward will provide \$2.1 of unrestricted proceeds to the project permanently. Home Forward will earn a developer fee of \$2.6 million during the course of construction, resulting in net revenues over investment of \$500,000. Additionally, Home Forward will receive \$2.1 million in HOPE VI revenue to support staff and administration costs during construction of the overall HOPE VI development.

The rental subsidy provided by Home Forward will support project operations, fund replacement reserves and support debt service.

#### Risks and Opportunities

Stephens Creek Crossing follows Bud Clark Commons and Madrona Place in implementing Local Blended Subsidy to utilize “banked public housing units” and increase public housing operating

subsidy revenue to Home Forward. The provision of LBS at Stephens Creek Crossing provides the opportunity to create more public housing in southwest Portland. These subsidies will ensure a financially stable and sustainable project for the long term. Permanent loans are underwritten with a 1.6:1.0 debt coverage ratio to ensure sufficient cash flow to support debt service and lender requirements.

Additionally, implementing LBS will free up 36 housing choice vouchers that were proposed in the HOPE VI application.

#### Operational Implications

Home Forward possess the internal capacity to write a 4% application and to manage our role in this development process.

Operational efficiencies will be maximized by reducing regulatory programs from public housing and Section 8 to just public housing. Stephens Creek Crossing will benefit from one comprehensive process for waitlists, inspections and tenant screenings. This property will not be subject to Section 8 regulations.

#### Conclusion/Recommendation

Staff recommends approval of Resolution 12-02-05.



## RESOLUTION 12-02-05

**A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT AN APPLICATION TO OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT (“OHCS”) SEEKING RESOURCES INCLUDING BUT NOT LIMITED TO LOW INCOME HOUSING TAX CREDITS AND OREGON AFFORDABLE HOUSING TAX CREDITS FOR THE DEVELOPMENT OF 75 UNITS OF TO BE OWNED BY A TO-BE-DETERMINED LIMITED PARTNERSHIP AND AUTHORIZING HOME FORWARD OFFICIALS TO EXECUTE DOCUMENTS RELATED TO FUNDS AWARDED BY OHCS FOR STEPHENS CREEK CROSSING, ALSO KNOWN AS HILLSDALE TERRACE REDEVELOPMENT**

**WHEREAS**, Home Forward (also known as the Housing Authority of Portland) is a public body corporate and politic of the State of Oregon and is empowered by ORS 456.005 to 456.725 (“Housing Authority Laws”) to purchase any real property and to accept grants from any source public or private for the purpose of developing a housing project; and

**WHEREAS**, Home Forward has long acknowledged the need to revitalize Hillside Terrace for the benefit of residents and the surrounding community, to improve the quality of Home Forward’s public housing stock and to provide more housing and supportive service opportunities for Home Forward’s residents; and

**WHEREAS**, the U.S. Department of Housing and Urban Development (“HUD”) awarded a HOPE VI grant in the amount of \$18.5 million to Home Forward for the revitalization of Hillside Terrace on May 20, 2011; and

**WHEREAS**, upon being notified of the grant award, Home Forward promptly began planning for the redevelopment of this site by re-engaging with residents, neighbors and community leaders to advise in the development of all aspects of this redevelopment; and

**WHEREAS**, based on suggestions from Hillside Terrace residents and recommendations from the Hillside and Multnomah Neighborhood Associations, Home Forward named the redevelopment Stephens Creek Crossing; and

**WHEREAS**, members of the community at large participated in the development of the master plan and the Stephens Creek Crossing Community Advisory Committee reviewed the preferred plan during their September 15, 2011 meeting and approved by the Board of Commissioners; and

**WHEREAS**, Home Forward stands ready to proceed by having the capacity, experience and ability to complete the successful development of Stephens Creek Crossing; and

**WHEREAS**, Section 456.135 of the Oregon Revised Statutes provides that an authority may delegate to one or more of its agents or employees such powers or duties as it deems proper;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of Home Forward authorizes and directs the Executive Director to submit an application to the State of Oregon Department of Housing and Community Services for an allocation of 4% Low Income Housing Tax Credits and Oregon Affordable Housing Tax Credits for the development of 75 units of permanent rental housing to be owned by a to-be-determined limited partnership and authorizes Home Forward officials to execute agreements and other documents related to allocations and funds awarded by OHCS .

**ADOPTED: FEBRUARY 21, 2012**

**Attest:**

**Home Forward:**

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Steven D. Rudman, Secretary

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Harriet Cormack, Chair





**STAFF REPORT**

To: Board of Commissioners Date: February 21, 2012  
From: Michael Andrews, Director, Development and Community Revitalization Subject: Resolution 12-02-06

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The Board of Commissions is requested to authorize acceptance of public housing capital funds awarded to Home Forward as part of the modernization funding from the Capital Fund program (CFP) by the U.S. Department of Housing and Urban Development (HUD).

Background

In previous years, the annual capital grant award notification has been received in mid-July to early August. This year, the award was announced January 30, 2012, with a March 5, 2012 deadline to execute the Capital Fund Amendment for return to the local field office. Because the deadline will occur before the next scheduled board meeting in March, we are requesting your approval to execute the Capital Fund Amendment in February.

The 2012 Capital Fund amendment includes three awards from HUD:

1. 2012 Base CFP award is \$3,437,796 (approximately 9.5% lower than last year's 2011 grant award)
2. 2012 1<sup>st</sup> increment Replacement Housing Factor (RHF) award is \$458,607 (40.2% higher than last year)
3. 2012 2<sup>nd</sup> increment RHF award is \$98,738 (11.8% higher than last year)

The combined award is 3.3% lower than last year.

A resolution by the Board of Commissions authorizing acceptance of the FY 2012 Capital Fund Grants will be submitted to the Portland HUD field office no later than the date stated in the notice, which is March 5, 2012.

### Policy Implications

This request is critical to further modernize the agency's Public Housing portfolio as planned for FY 2013 and looking forward to FY 2014 to leverage funds for the tower projects and to continue debt service to pay the Trouton bonds.

### Budget Implications and Financial Impact on Home Forward

Home Forward received a 9.5% reduction of 2012 Capital Fund Grant from the previous 2011 grant award. With continuing reductions to the capital fund grants, the capital plan focus was revised to manage the lower level of grant funding and outline a strategy for project prioritization. The next major capital improvement projects focus on at least three tower building properties (Gallagher, Medallion Apartments, Williams Plaza or Hollywood East).

Home Forward received 40.2% and 11.8% increases in the first and second increment 2012 RHF Grants from the previous 2011 grant awards. With the increase in the RHF grants, the RHF debt service schedule will be updated to reflect the early award and to prioritize the use of the RHF increases.

### Risks and Opportunities

Risks regarding the base CFP grant are minimal and revolve around not being able to expend funds within statutory timelines. However, Home Forward is moving forward with scoping out the tower properties in preparation for a mixed finance project with the awarded funds. The reduction in the capital grant will impact Home Forward's ability to execute needed capital improvements in our existing Public Housing portfolio.

Risks regarding the first and second increment RHF awards are also minimal and revolve around adjustment of the debt service schedule to redirect the RHF grants to cover the March 1, 2012 Trouton bond payment. The increase in RHF grants will free up base capital fund grant amounts previously scheduled to cover the excess Trouton bond payment. These additional funds may be re-directed to cover needed capital improvements in our existing Public Housing Portfolio.

### Conclusion / Recommendation

Staff recommends approval of the Resolution 12-02-06.



**RESOLUTION 12-02-06**

**AUTHORIZES ACCEPTANCE OF PUBLIC HOUSING CAPITAL FUNDS AWARDED TO HOME FORWARD FOR 2012 AS PART OF THE MODERNIZATION FUNDING FROM THE CAPITAL FUND PROGRAM (CFP) BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

**WHEREAS**, Home Forward of Portland, Oregon has been notified by the U.S. Department of Housing and Urban Development (HUD) that Home Forward has been awarded modernization funding from the Capital Fund Program (CFP) in the amounts of 3,437,796 (Grant OR16P00250112), 98,738 (Grant OR16R00250212) and 458,607 (Grant OR16R00250112) for Federal Fiscal Year (FFY) 2012, and

**WHEREAS**, HUD requires the adoption of a Board Resolution approving the execution of the CFP Amendment to the Consolidated Annual Contribution Contract (CACC) Number SF – 160, so that Home Forward can receive these CFP funds.

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Commissioners of Home Forward hereby approves funding from the Capital Fund Program (CFP) in the amounts of 3,437,796 (Grant OR16P00250112), 98,738 (Grant OR16R00250212) and 458,607 (Grant OR16R00250112) for Federal Fiscal Year (FFY) 2012, the execution and submission of the CFP Amendment to the Consolidated Annual Contribution Contract Number SF – 160 and certifies that the activities carried out with the funds provided under the Amendment will meet the requirements of the Amendment and the Consolidated Annual Contribution Contract.

**ADOPTED: FEBRUARY 21, 2012**

**Attest:**

**Home Forward:**

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Steven D. Rudman, Secretary

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Harriet Cormack, Chair

