

Housing Authority of Portland Board of Commissioners Meeting



October events at Hillsdale Terrace included an open house, a walking tour of the neighborhood, and a bus tour of other HOPE VI redevelopment projects. We are on track to submit our HOPE VI grant application by November 17.

Housing Authority of Portland
Board of Commissioners Meeting
Multnomah County Building
501 SE Hawthorne Blvd.
(located at the east end of the Hawthorne bridge)
Portland, Oregon
November 17, 2009, 6:15 PM



HOUSING AUTHORITY OF PORTLAND

INDEX FOR ELECTRONICALLY DISTRIBUTED BOARD OF COMMISSIONERS BOARD MEETING PACKET FOR NOVEMBER 17, 2009

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PUBLIC NOTICE:

THE HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS

will meet on

Tuesday, November 17, 2009

At 6:15 pm

At the Multnomah County Building – Commission Room
501 SE Hawthorne Blvd, Portland

TO: COMMUNITY PARTNERS

FROM: STEVE RUDMAN

DATE: November 12, 2009

The Board of Commissioners of the Housing Authority of Portland will meet on Tuesday, November 17, 2009 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), Monday, November 16, 2009.

CONSENT CALENDAR MINUTES



**HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING
Multnomah County Building – Board Room
501 SE Hawthorne Blvd
Portland, Oregon
November 17, 2009 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 October 20, 2009 Board of Commissioners Meeting

CONSENT CALENDAR (Consent Calendar/Minutes TAB)

Following Resolutions:			
09-11	TOPIC	Presenter/POC	Phone #
01	Authorize the Guarantee Maximum Price (GMP) for Work on Stark Manor and Townhouse Terrace	Mike Andrews John Manson	503.802.8535 503.802.8511
02	Authorization to Enter into a Revised Intergovernmental Agreement with Housing Authority Risk Retention Pool (HARRP)	Todd Salvo	503.802.8535

REPORTS / RESOLUTIONS

Following Resolutions:			
09-11	TOPIC	Presenter/POC	Phone #
REPORT	Executive Director’s Report (Exec Director TAB)	Steve Rudman	503.802.8455
REPORT	Selection of Strategic Plan Consultant	Steve Rudman Michael Buonocore	503.802.8455 503.802.8546
03	Authorize Changes to HAP Bylaws Related to Appointment of Resident Commissioner Position	Lee Moore, Vice Chair Harriet Cormack, Treasurer	
REPORT	Resident Advisory Committee Quarterly Report	Caroline Fitchett Darrell La Valle, RAC Chair	503.802.8574

REPORT	American Recovery and Reinvestment Act (ARRA) Update	Michael Buonocore Shelley Marchesi	503.802.8546 503.802.8427
04	Authorize the Purchase of a Voice Over Internet Protocol Telephone System	Rebecca Gabriel Julius Yu	503.802.8502 503.802.8539
05	Authorization for Bond Restructure for the Peter Paulson	Dianne Quast Donna Kelley	503.802.8338 503.802.8485
	Recognize Commissioner Nathan Teske	Jeff Bachrach Steve Rudman	

ADJOURN

EXECUTIVE SESSION

The Board of Commissioners of the Housing Authority of Portland 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 BOARD OF COMMISSIONERS MEETING

The Board of Commissioners will meet on **Wednesday, December 2 at 4:00-6:00 PM** as a combined Work Session and December Board meeting. This meeting will take place at the Housing Authority of Portland, 135 SW Ash in Columbia Room on the 6th floor.



**HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING MINUTES
October 20, 2009
Housing Authority of Portland
135 SW Ash Street, Portland, OR 97204**

COMMISSIONERS PRESENT

Chair Jeff Bachrach, Vice Chair Lee Moore, Treasurer Harriet Cormack, Commissioners Gretchen Kafoury and Jim Smith

STAFF PRESENT

Michael Andrews, Michael Buonocore, Robert Dell, Rachael Duke Rebecca Gabriel, Pamela Kambur, John Keating, John Manson, Shelley Marchesi, Jill Riddle, Julie Satterwhite, Celia Strauss, Katie Such

Chair Bachrach called the meeting to order at 6:22 PM.

Chair Bachrach introduced the topic of electing officers for 2010. The Executive Committee recommended election of Lee Moore as Chair, Harriet Cormack as Vice Chair, and David Widmark as Treasurer. Bachrach asked for a motion to elect the officers as recommended. Commissioner Kafoury moved to do so; Commissioner Smith seconded the motion.

The vote was as follows:

**Chair Bachrach – Aye
Vice Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Smith – Aye**

MEETING MINUTES

Chair Bachrach asked for comments on the minutes from the regular September 15, 2009, Board of Commissioners Meeting and for a motion to adopt them if there were no comments. Treasurer Cormack moved to adopt the minutes. Commissioner Kafoury seconded the motion.

The vote was as follows:

**Chair Bachrach – Aye
Vice Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Smith – Aye**

REPORT

Executive Director's Report

Katie Such delivered the Executive Director's report. She noted that Executive Director Steve Rudman was in Washington DC, and he had visited the Philadelphia Housing Authority on the way. As a member of the board of the Council of Large Public Housing Authorities, Rudman had met with representatives of the U.S. Department of Housing and Urban Development to discuss the Moving-to-Work program and other issues. Such expected that the Board could look forward to hearing about the trip at their next meeting.

Such noted that, since the last regular Board meeting, HAP had been awarded grants via the competitive rounds of the American Recovery and Reinvestment Act (ARRA) funding. HAP will receive over \$3 million in gap financing for the Resource Access Center development (RAC) and nearly \$200,000 for ADA improvements at Demar Downs. The total amount that HAP has received due to ARRA was nearly \$14 million, a transformative amount.

Such introduced the meeting's agenda. The Board would be asked to authorize actions that would result in closing the financial transaction for the Resource Access Center (RAC) in November. Construction could commence shortly thereafter. The Board would also be presented with a report on the development of a housing program for the RAC. Lastly, regarding the RAC, the Board would be asked to authorize the guaranteed maximum price (GMP) for the construction contract. Such highlighted that the agreement anticipated achieving 20% participation by target businesses and use of the Evening Trades Apprenticeship Preparation program (ETAP). Bob Walsh was present as a representative of Walsh Construction, the construction manager/general contractor, in case the Board had any questions of him.

The Board would also be asked to authorize submission of an application for HAP's third HOPE VI project, Hillside Terrace. The application would be submitted mid-November, and a great deal of work has gone into it. Such noted the list of commitments referred to in the Executive Director's written report—commitments that were requested by the Board.

Such directed the Board's attention to the attendance of several candidates for the resident commissioner seat. The selection process was underway and would continue through October with Caroline Fitchett helping to coordinate and Treasurer Cormack and Vice Chair Moore on the Selection Committee.

Chair Bachrach complimented the ARRA-tracking webpage that had been developed. Shelley Marchesi confirmed that the test page Bachrach had seen would go live the day after the Board meeting. Bachrach asked her to ensure that all of the Board members received a link to the page once it was launched.

CONSENT CALENDAR

Resolution 09-10-01

Authorization to Sign Construction Contract for Fir Acres and Demar Downs

Chair Bachrach asked for a motion to adopt the resolution. Commissioner Kafoury moved to adopt it. Treasurer Cormack seconded the motion.

The vote was as follows:

Chair Bachrach – Aye

Vice Chair Moore – Aye

Treasurer Cormack – Aye

Commissioner Kafoury – Aye

Commissioner Smith – Aye

Resolution 09-10-02

Authorization to Submit HOPE VI Application for Hillsdale Terrace

Michael Andrews and John Keating presented the resolution to authorized HAP's application for a HOPE VI grant to redevelop Hillsdale Terrace. Andrews noted that staff have been focusing on presenting a good application. The desire to redevelop the property has long been present, due to operational challenges inherent to it—the construction methods used and the natural features of the property. Moreover, the property is physically and socially isolated. Recognizing the problems, the Board gave staff permission to begin preparing the application in March of 2009. The notice of funding availability (NOFA) was released over the summer, and staff began tailoring an application to it. Included in that process were meetings with residents, partner organizations, churches, and other members of the community. Andrews noted that Keating had taken the lead in pulling together community support, while others have worked to present an enticing financing structure.

The Board had been given a handout with details on the current plan for the property. The current buildings would be razed; the grades at the site would be modified; and the ringing road would be relocated so that the housing will interface with the rest of the neighborhood. The result would contain 122 one- to four-bedroom units, some subsidized as public housing and some subsidized as project-based Section 8. The expected cost of \$41.5 million would come primarily from the HOPE VI grant and 4% and 9% low-income housing tax credit equity. Portland would also contribute \$5 million as a grant—due to be voted on by the Portland City Council on November 4. Funds (\$6 million) from HAP's Public Housing Preservation Initiative (PHPI) would also be part of the mix—helping fulfill two of the PHPI's goals, creating new units and addressing capital needs at distressed units. Conceptual designs in the handout were developed as staff worked with residents and the community. The designs would undergo refinement before construction, but were needed as part of the application package. The handout also contained a complete list of the commitments HAP would make as part of the redevelopment plan.

Keating relayed that Hillsdale Terrace residents were growing excited about the relocation plan and seeing construction as early as 12 months from today. A resident

who had been involved in the New Columbia redevelopment affirmed that Hillsdale Terrace needed the investment. Keating noted that his focus had been on getting support from the community to match the funds HUD could contribute. He planned to be in front of the Multnomah County Board of Commissioners in one week to get their support and a commitment for more than \$800,000. Given the economy, it has been harder to get organizations to commit support for the four years required for the application, but organizations are stepping up to do it. An adjacent church will contribute part of its lot for a community garden. Big Brothers and Sisters will match children with mentors and PCC Sylvania has discussed setting aside slots for family self-sufficiency. These are the types of community support necessary for a winning application. Ours is due November 17; then we hold our breath and wait for announcements in February.

Andrews added that HAP was conducting a tour of Humboldt Gardens and New Columbia for residents and community members on Saturday, October 24.

Chair Bachrach commended Andrews, staff, and Keating, in particular, for pulling together diverse groups to focus on a single project. He called for a motion to adopt the resolution. Treasurer Cormack moved to adopt it. Commissioner Kafoury seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Vice Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Smith – Aye

Resolution 09-10-03

Authorization to Sign Construction Contract for Resource Access Center

Mike Andrews acknowledged the presence at the meeting of Bob Walsh as the representative of the construction manager/general contractor (CM/GC) with which HAP has the contract at issue. He introduced John Manson to provide the relevant background.

Manson summarized how the CM/GC contract for the RAC would be amended. Up to \$28,750,000 would be authorized to be spent on construction. A schedule added to the contract includes a 2% contingency, while HAP would also carry a 5% contingency outside of the contract. The revised resolution handed to the Board before the meeting added information about allowances for potential contaminated soil, ornamental metals, and work estimates that came in higher than the parties expected. The scope included the goal of LEED platinum certification and target business participation at 20%. The amendment also includes \$185,000 in early work that would take place before the financial closing—sewer work, shop drawings, and rebar preparation.

Treasurer Cormack noted that the revised resolution specifies \$100,000 in early work. Manson confirmed that it should be \$185,000.

Commissioner Kafoury expressed thanks to Treasurer Cormack for having served on the Community Advisory Committee and helping foster the project to this point.

Treasurer Cormack noted that past projects built with concrete and steel involved difficulties in meeting target business participation goals, so staff should be commended for having those goals ready to be met. Andrews commented that HAP and the CM/GC worked to break out parts of the projects so that HAP's goals could be met.

Vice Chair Moore moved to adopt the resolution as amended to reflect the \$185,000 early costs. Commissioner Kafoury seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Vice Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Smith – Aye

Resolution 09-10-04

Authorization for Resource Access Center Partnership and Financing

Mike Andrews covered the structure for the financial transaction that will support construction of the RAC. He highlighted that the construction loan HAP will be giving to the partnership will be proceeds from tax-exempt bonds and that the loan would be completely paid off through low-income housing tax-credit (LIHTC) equity from Wells Fargo and contributions from the City of Portland, so there would be no permanent debt. Funding sources also include what HAP received for the RAC from the Capital Fund Recovery Competition of ARRA, which will allow HAP to spend less of the funds from its sale of surplus property than it otherwise would have.

Regarding the property interests in the development, the Portland Development Commission (PDC) will transfer that half of Block U to HAP. The building will be split into two condos—one with the shelter and one with everything else, including the common areas—so LIHTC's are maximized. The building's housing would then be leased to the housing limited partnership. This will be a different structure than previous HAP projects, but it will allow HAP to maintain its ownership interest in the land.

Andrews added that the challenge to the urban renewal area had been resolved, and the City's financial contribution would come in two forms: cash made available at closing that will be drawn down as construction progresses and funding to close the construction loan.

Vice Chair Moore and Andrews clarified how the revised versions of the resolution given to the Board reflect the changes made to it.

Chair Bachrach asked about the change to HAP's maximum capital contribution. Andrews responded that change helped to accommodate the investor's counsel, and the additional amount was actually funds that were coming to HAP from PDC. The loan documents will specify the source of the funds, but it is not shown on the resolution.

Treasurer Cormack asked if HAP still had a right of first refusal for the other half of Block U. Andrews confirmed that HAP did, and that it would be used for staging along with the adjacent Block R.

Andrews noted that the closing would be on November 11 and 12, and that there was still a lot of work to prepare the documents before then. Chair Bachrach commended Andrews and his staff. He noted that it was gratifying to be at this point two years after City Commissioner Sten had asked HAP to take on the project. Treasurer Cormack moved to adopt the resolution; Commissioner Kafoury seconded it.

The vote was as follows:

Chair Bachrach – Aye
Vice Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Smith – Aye

Resolution 09-10-05

Authorizes an Agreement with Portland General Electric (PGE) for the Resource Access Center Electric Service Infrastructure

John Manson summarized the resolution as regarding an agreement whereby HAP would pay PGE to install the electrical infrastructure necessary to provide service to the RAC. The agreement provided that HAP could recover up to half of the costs if an adjacent site were developed within five years. The agreement also provided that work could begin immediately so HAP could avoid having to temporarily lease power.

Chair Bachrach called for a motion to adopt the resolution. Commissioner Kafoury moved to do so. Commissioner Smith seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Vice Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Smith – Aye

REPORT

Permanent Supportive Housing at the Resource Access Center

Katie Such and Rachael Duke presented a report on the housing program for the RAC. Such noted that initiating the housing and keeping it operating will take a lot of work, so updates on the program will continue periodically.

Duke categorized the work done so far as focused on services, on access to the housing, and on wait list management. She expected HAP's approach to each would gel as more elements of the project and interested parties were defined. Much of the work to date has gone into determining how referrals into the building's housing will be run, which will affect the wait list. Partnering with community clinics is the latest approach. Assessment tools that could work with such an approach are being explored, and HAP staff is planning to join the community clinic and City of Portland staff in a tour of similar Seattle facilities. The mechanics of the referral process should be set by spring, at which point it will be introduced to community partners. Work on getting agreement among them, the property manager, and service managers will progress through the summer and into next fall.

Duke acknowledged that there were questions about what services would be available with the housing. Those questions had to be expected if HAP is to focus on a health-challenged population. The goal would be to allow those residents access to the services they need and getting them engaged so that they can support themselves—not to the point of moving out, just to the point of maintaining their health.

Treasurer Cormack asked if there were lessons HAP had learned from its experiences with the Morrison. Duke and Such affirmed that, though the RAC would likely have fewer screening criteria, lessons on how staff from different organizations worked together would carry over from the Morrison.

Chair Bachrach asked if HAP should anticipate delegating services to care providers. Duke noted that the RAC would not be care-giving housing, so intensive services would not be provided in-house. Also the housing would be open to everyone, not set-aside for clinics alone—staff was just trying to get a tool that would make referrals from clinics easier. Bachrach asked how the focus on a medically vulnerable population connected to the shelter and the Resource Access Center. Such specified that the focus on the medically vulnerable was at the request of the City of Portland. Duke added that many of the people who would use the shelter and the center would be medically vulnerable as well; the task now is just to figure out how to get them referred to the housing. On the other hand, many people who will need the shelter and the center will not need RAC housing because they could get market-rate housing if not for some temporary credit or deposit problem. Such clarified that there could be no units set aside for particular service providers in an LIHTC-financed building. Bachrach cautioned that the focus on the medically vulnerable could be seen as yet one more ambitious challenge for the project. Such offered that the City intended to provide HAP with \$500,000 per year to focus on the medically vulnerable population it had identified. Commissioner Kafoury stated that HAP should be careful not to end up with an unfunded mandate. Duke noted that a properly formulated assessment tool would adapt to accommodate changes in funding.

Commissioner Kafoury asked if the Wallace clinic were among those with which HAP staff was working. Duke noted that Wallace was in the process of working to fit with the

homeless-focused clinics HAP has approached, but has not gotten to the same level yet.

Commissioner Smith asked if there had been any gearing up for population changes that could be anticipated—such as a potential increase in veterans from Iraq and Afghanistan. Duke noted that staff and partner organizations already accustomed to getting veterans to the resources available to them could help with such an increase. Also, the population of homeless people can shift quickly, so all organizations that try to help out are designed to adapt. A well programmed assessment tool is part of the process of adapting.

Chair Bachrach noted that he expected operating the property to be an ongoing challenge, as it is at all properties. He asked if there were any other comments from the Board. There were none. Such noted that additional updates would be forthcoming.

ADJOURN

There being no further business, Chair Bachrach adjourned the meeting at 7:22 p.m.

EXECUTIVE SESSION

The Board of Commissioners of the Housing Authority of Portland did not meet in Executive Session pursuant to ORS 192.660(2)(c).

Attached to the Official Minutes of the Housing Authority of Portland 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: November 17, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

ATTEST:

Steven D. Rudman, Secretary

EXECUTIVE DIRECTOR'S REPORT

M E M O R A N D U M



DATE: November 17, 2009

TO: Board of Commissioners

FROM: Steve Rudman

SUBJECT: November Executive Director's Report

This month we say good-bye to one of our commissioners, Nathan Teske, and welcome our candidate for resident commissioner, Amie Pico. We will report on our selection of a consultant to help develop our next strategic plan, hear the first quarterly report from the Resident Advisory Committee, present our economic recovery web page, and ask for authorization for a Year 15 bond restructure for the Peter Paulson apartments.

Board Transitions

Nathan Teske is leaving the board after three years of dedicated service. With the experience he has gained at his very busy full-time job at El Programa Hispano, Nathan provided invaluable insights about the people we house. We will miss his perspective on all matters involving our residents and his heartfelt commitment to HAP's mission. We wish him the best and look forward to working together in the future.

Gresham Mayor Shane Bemis has asked Commissioner Widmark to work with him to replace Nathan and fill the Gresham seat.

I'm pleased to report that we have selected a strong candidate for our open resident commissioner position. We had 21 people across HAP's housing programs apply for the position. That group was narrowed down to four finalists. Commissioners Moore and Cormack interviewed the finalists along with me and Caroline Fitchett, our liaison to the Resident Advisory Committee, who staffed the selection process. Amie Pico emerged as the person we will bring forward to the City of Portland for formal appointment.

I am confident you will find Amie an engaged, dedicated, and lively addition to the board. She is a Section 8 participant who used the GOALS family self-sufficiency program to help her graduate from PSU with a Bachelors of Science degree, and start her own child care business. With her background, she is in a terrific position to advise us as we look for ways to link residents to work opportunities and expand the strategies for our self-sufficiency programs.

Until she is formally appointed to the board by a vote of the Portland City Council, Amie will attend meetings and work sessions to offer her perspectives on the business at hand but will refrain from voting. As a part of her Resident Commissioner role, Amie will co-chair the Resident Advisory Committee.

Strategic Planning Support

We are planning to award Decisions Decisions the contract to help us develop our next strategic plan. We were pleased with the volume and the quality of responses to our informal request for proposals. We received 17 solid proposals, and selected four finalists to be interviewed by the selection committee consisting of Chair Bachrach, Commissioner Kafoury, Commissioner Smith, Katie Such and myself.

Decisions Decisions was our top choice for several reasons. Their project team, led by Joe Hertzberg, has deep experience in both strategic planning and housing, they are well-established in the community, and they proposed an extensive, iterative constituent engagement process that embraces residents, community partners, HAP board, and HAP staff.

We will spend the remaining month and a half of the year working with Joe and his team to prepare for the engagement phase, which will start in January.

Our timing couldn't be better for this work, as it allows us to seriously consider how we might align ourselves with some of the new initiatives being pursued by the Obama administration in the area of affordable housing. Last week, I was honored to be among 50 industry leaders invited to attend a meeting to discuss Housing Choice Voucher policy sponsored by Shaun Donovan, secretary of the U.S. Department of Housing and Urban Development (HUD).

The voucher program serves two million households and has more families with children than all of HUD's other rental assistance programs combined. This alone makes it critically important to an administration determined to tackle the roots of intergenerational poverty. At the meeting in Washington, we were asked to break into small groups and make recommendations to Secretary Donovan on everything from how to improve location choices for voucher holders to how to better align with partners providing other types of support to the same households.

It was clear to all of us attending the meeting that HUD is considering fundamental ways to streamline and consolidate rent assistance programs. They may move toward competitive demonstration programs or work for Congressional authorization for new approaches, or both. These are intriguing new directions with significant benefits for participants that we may well want to consider as we develop our strategic plan.

Resident Advisory Committee

I am truly thrilled with the Resident Advisory Committee, its progress, and the difference it is starting to make in just a few months of operation. Staff who have met with the group have found its members very engaged, with great questions and suggestions. You will learn in the committee's quarterly report that they have selected the first policy matter of their choosing – each year they can add one policy area to those that staff or board bring to them for consideration. After generating, researching, and discussing several options, they have chosen to tackle bed bugs – a growing problem in rental housing across our community. The committee will be represented at the board meeting by Chair Darrell LaVallee, and Co-chairs Terry McLain and Patrick Smith, and they will tell you more about their plans in this area. Their work has the full support of our real estate staff, who have been wrestling with this issue for some time now.

While the credit for the RAC's early progress has to go to the dedication and commitment of its members, I also want to recognize the good work of Caroline Fitchett, who took the idea of greater resident engagement from a goal in our business plan to a fully operational committee.

HAP Economic Recovery Web Page

At the September board meeting, we discussed the ways in which we might present information on how we are spending the funding we have received from the American Recovery and Reinvestment Act. We have developed a web page that we think does a good job of providing the basic information in a visual and interactive format. It will be updated quarterly in conjunction with the quarterly reports that the recovery act mandates.

Commissioner Romero has worked with staff to review the page and suggest improvements to fine tune it. Staff will present the page for discussion at the November board meeting. While it was developed for a wide range of audiences, we are interested in knowing whether it might also meet the board's information requirements in this area.

If you wish to review the page ahead of the meeting, go to www.hapdx.org/recovery.

Peter Paulson Reaches Year 15

Katie Such and the real estate team have been hard at work on a bond restructuring that will allow us to assume ownership of the Peter Paulson at Year

15. This will be the second property for which we have assumed full ownership. Each of these transactions is proving to be somewhat unique, with its own set of financial complexities and hurdles. In each case, our intent is to negotiate with the property's long-term interests in mind, so that we can operate it on a financially healthy basis in perpetuity.

Upcoming Events

There are several noteworthy events in the coming month. I hope that all of you can join us at the groundbreaking for the Resource Access Center on Friday, November 20 at 10:30 a.m. Parking is limited to on street parking, so we are encouraging guests to take the yellow or green MAX lines and get off at the Union Station stop. We also hope that guests can bring an article of clothing – jackets, mittens, or hats – for folks who will struggle to stay warm on the streets this winter.

In December, we will be combining our work session and board meeting on Wednesday, December 2 at 4:00 PM at HAP's offices downtown. Our annual awards celebration for employees is on Friday, December 11 at the Doubletree Hotel at Lloyd Center. This is always a special time, and employees truly appreciate having board members join them.

Finally, we are arranging for a special showing of *Imagining Home*, a documentary that tells the story of Columbia Villa's transformation to New Columbia through the eyes of some of its residents. This film has been many years in the making and is a moving look at the human effects of urban redevelopment. We will be showing the film on Tuesday, December 15 at 6:00 PM and will have more information for you as we finalize the location.

STAFF REPORTS

Purchasing Department		MONTHLY CONTRACT REPORT		Contracts Approved 9/1/09 -- 10/31/09		
Contract #	Contractor	Contract Amount	Description	Department	Execution Date	Expiration Date
STIMULUS CONTRACTS						
S0601	Walsh Construction / Great Kate Construction	\$37,784	CMGC Services for Selected Sites: Fir Acres, Demar Downs, Townhouse Terrace and Celilo Court; Preconstruction services; RFP 06/09-78.	Development & Community Revitalization	9/14/2009	10/31/2010
S0601, #1	Walsh Construction / Great Kate! Construction	\$1,907,131	CMGC Services for Selected Sites: GMP Amendment #1 for Fir Acres and Demar Downs; RFP 06/09-78.	Development & Community Revitalization	10/14/2009	10/31/2010
PROFESSIONAL SERVICES						
C0570	Alliance One Receivables Management, Inc.	Est. \$1,200	Provide collection services in compliance with State of Oregon Contract #5250-PA; Fee to be paid at the rate of 23%.	Finance & Accounting	9/2/2009	6/30/2011
C0576	Roxanne Genevieve Quist	\$1,000	Prepare early childhood education section of the HOPE VI grant application for Hillsdale Terrace.	Development & Community Revitalization	9/10/2009	12/31/2009
C0578	ieSolutions InfoExperience LLC	\$5,000	Prepare a TAAG System Gap Assessment and coordinate with HAP staff and contractors as necessary.	Information Technology	9/18/2009	12/31/2009
C0588	Regional Arts and Culture Council	\$250,008	Percent for Art program to coordinate artist selection process, design, fabricate and install and provide long-term maintenance for permanent artwork; also to assist with an artist-in residency program design. Services are for the RAC Resource Access Center building.	Development & Community Revitalization	9/25/2009	9/21/2016
C0587	Knighthawk Protection	\$16,200	Security guard patrols at Williams Plaza, Medallion Apartments and Gallagher Plaza.	Real Estate Operations	10/2/2009	9/30/2010
C0586	Central City Concern	\$2,500	Spraying for pest control in wall cavities at University Place.	Development & Community Revitalization	10/16/2009	12/31/2009
C0592	Cathey Briggs	\$3,000	Review, edit and make recommendations for the HOPE VI HUD Application for HAP's Hillsdale Terrace development.	Development & Community Revitalization	10/19/2009	12/31/2009
C0594	City Steward	\$10,620	Fencing at Tamarack Apartments.	Real Estate Operations	10/27/2009	11/20/2009
INTER-AGENCY AGREEMENTS						
C0593	Easbey Consulting, LLC	\$10,000	Contract between Humboldt Gardens Limited Partnership and Easbey Consulting.	Real Estate Operations	10/27/2009	12/31/2010
C0595; C0596; C0597; C0598; C0600; C0605; C0606; C0607; C0608; C0609; C0610; C0611; C0612; C0613; C0614; C0617; C0616; C0617	Neighborhood House; SE Works; Native American Rehabilitation Assoc; Impact Northwest; Cascade AIDS Project; Catholic Charities / El Programa Hispano; Transition Projects; Northwest Pilot Project; Self-Enhancement; Volunteers of America; IRCO; Cascadia Behavioral Healthcare; JOIN; Native American Youth & Family; Human Solutions; Central City Concern; Insights Teen Parent Program; Multnomah County Developmental Disabilities	\$1,957,057	Short-term Rent Assistance awarded to various agencies to deliver a flexible, transitional, tenant based rent assistance program in pursuit of the goal of helping participants achieve an increased level of housing stability. Contracts include Amendment #1 to incorporate new provisions in scope of work and updated compensation amounts. Report may include additional amendments during next few months, prior to recording final aggregate totals.	Rent Assistance	Oct-09	6/30/2010
INTER-AGENCY AGREEMENTS -- Revenue						
C0581	City of Portland - Portland Housing Bureau	n/a	Sub recipient Contract to access the Risk Mitigation Pool for the Morrison Project; reimbursement for costs to repair physical damages beyond normal wear and tear; extraordinary operating costs or rental losses and other specific additional costs.	Executive	9/3/2009	11/30/2014
C0582	City of Portland - Portland Housing Bureau	n/a	Sub recipient Contract to access the Risk Mitigation Pool for Humboldt Gardens; reimbursement for costs to repair physical damages beyond normal wear and tear; extraordinary operating costs or rental losses and other specific additional costs.	Executive	9/3/2009	10/31/2015
PUBLIC IMPROVEMENTS/CONSTRUCTION						
C0580	Portland Fence Company	\$2,329	New fence at Tamarack Apartments	Real Estate Operations	9/9/2009	12/31/2009
C0579	Kodiak Pacific Construction	\$37,736	Paving at Dahlke Manor and Williams Plaza; IRFB 08/09-81	Development & Community Revitalization	9/22/2009	12/31/2009
C0572	Cola's Construction	NTE \$99,999 annually	On-Call Building Maintenance Services; RFP 09/08-82	Purchasing	9/29/2009	10/14/2010
C0590	Given Contracting, Inc.	\$11,000	Painting of metal railings at Medallion Apartments	Real Estate Operations	10/5/2009	10/30/2009
C0584	M & M Construction	\$20,903	Sewer Replacement at Williams Plaza; IFB 08/09-84	Development & Community Revitalization	10/6/2009	10/31/2009
C0583	Glumac, Inc.	\$14,000	Commissioning Service in support of LEED certification at Martha Washington Building	Development & Community Revitalization	10/29/2009	12/31/2010

Contract #	Contractor	Contract Amount	Description	Department	Execution Date	Expiration Date
EQUIPMENT AND SUPPLIES						
C0585	Canon Business Solutions, Inc.	\$4,080 annually	Canon iR5050N Multi-function machine for New Market West, 6th Floor; \$340 per month for 48 months	Human Resources	9/4/2009	9/30/2013
C0591	Canon Business Solutions, Inc.	\$261 annually	Canon iR3235i Multifunction Machine for Rent Assistance Office at Hollywood East Bldg.; \$21.75 per month for 48 months	Rent Assistance	9/28/2009	9/30/2013
C0602	Canon Business Solutions, Inc.	\$1,428 annually	Canon iR3045 Multifunction Copier for New Columbia Career Center; \$119 per month for 48 months	Real Estate Operations	10/26/2009	11/29/2013
C0603	Canon Business Solutions, Inc.	\$1,428 annually	Canon iR3045 Multifunction Copier for office staff at New Columbia Career Development Center \$119 per month for 48 months	Real Estate Operations	10/26/2009	11/29/2013
AMENDMENTS TO EXISTING CONTRACTS						
c0304, #2	William Wilson Architects PC	\$16,280	Change Order No. 2 for AE at University Place	Development & Community Revitalization	1/20/2009	3/1/2010
C0395, #5	R & H Construction	\$52,641	Change Order No. 5 for University Place	Development & Community Revitalization	9/10/2009	2/25/2010
C0133, #3	Impact Northwest	\$48,257	Budget revision for staffing changes and other budget changes (adjustments) in amounts allocated for personal assistance, elder place revenue and participant fee revenue for CHSP services	Real Estate Operations	9/14/2009	9/30/2009
C0557, #1	Boys & Girls Club		Extends contract term.	Executive	9/21/2009	12/31/2009
C0013, #4	Webb Service Company		Extends contract term.	Real Estate Operations	9/16/2009	3/31/2010
C0405, #1	Dena Marshall		Extends contract term.	Purchasing	9/23/2009	8/27/2010
C0397, #1	G & L Janitorial	\$31,733	Extends agency contract term and adds \$31,733.	Real Estate Operations	9/23/2009	3/31/2010
C0509, #3	R & H Construction		Adds electronic reporting requirements for Elations	Purchasing	9/25/2009	7/25/2010
C0395, #6	R & H Construction	\$52,641	Change Order No. 6 for University Place	Development & Community Revitalization	10/6/2009	2/25/2010
C0397, #2	G & L Janitorial		Revises Attachment B HUD Wage Determination	Purchasing	10/9/2009	3/31/2010
C0532, #2	Seabold Construction	\$28,73.41	Modifications at Cora Park and Chateau Modernization	Development & Community Revitalization	10/13/2009	10/18/2009 ¹
C0562, #1	North Pacific Construction	\$29,08.15	Materials and construction for SE Townhomes (Tillicum North, Tillicum South, Hunter's Run and Harold Lee Village).	Development & Community Revitalization	10/16/2009	12/31/2009
c0497, #1	LRS Architects	\$28,000	Change Order No. 1 for A&E at Martha Washington; LEED Services modification	Development & Community Revitalization	10/16/2009	6/30/2010
c0497, #2	LRS Architects	\$7,097	Change Order No. 2 for A&E at Martha Washington; Unit plan changes	Development & Community Revitalization	10/16/2009	6/30/2010
c0497, #3	LRS Architects	\$6,855	Change Order No. 3 for A&E at Martha Washington; Design, review structural changes.	Development & Community Revitalization	10/16/2009	6/30/2010
c0497, #4	LRS Architects	\$5,800	Change Order No. 4 for A&E at Martha Washington; Revised courtyard landscape design due to tree removal.	Development & Community Revitalization	10/16/2009	6/30/2010
C0195, #1	Karen Gibson		Extends term to 12/31/09	Real Estate Operations	10/23/2009	12/31/2009
C0590, #1	Given Contracting, Inc.	\$4,442	Painting of additional surfaces at Medallion Apartments	Real Estate Operations	10/27/2009	10/30/2009
¹ Field orders gathered into change order at end of contract; 10/16/09 is the substantial completion date.						

PHPI: Activity and Investment Summary as of September 30, 2009

Relocation

Project	Unit Size					S8	PH	Means of relocation			Total
	0	1	2	3	4			Private	Purch.	Other	
Relocation to Date	0	4	11	107	10	63	44	14	3	8	132
Relocation Remaining	0	0	0	29	1						30
TOTAL RELOCATION	0	4	11	136	11						162

Sales

Project	Unit Size					Total Units	Total Properties	Gross Proceeds	Net Proceeds	Internal Costs	Net to HAP
	0	1	2	3	4						
Actual Sales to Date		4	11	78	6	99	87	\$ 19,094,126	\$ 18,280,196	\$ 1,083,969	\$ 17,196,226
Projected Sales on Remaining Portfolio				58	5	63	61	\$ 11,767,203	\$ 11,104,925	\$ 1,049,294	\$ 10,055,631
TOTAL SALES - PROJECTED	0	4	11	136	11	162	148	\$ 30,861,329	\$ 29,385,121	\$ 2,133,263	\$ 27,251,858

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	4						
Current											
The Jeffrey	20					20	80	\$ 16,600,000	207,500.00	-	-
Martha Washington	25					25	108	\$ 17,953,118	166,232.57	\$ 76,080	\$ 1,902,000
Resource Access Center	30					30	130	\$ 46,620,902	358,622.32	\$ 40,000	\$ 1,200,000
Rockwood Station			25			25	195	\$ 271,514	1,392.38	N/A	\$ 271,514
SUB-TOTAL:	75	0	25	0	0	100	513	\$ 81,445,534	\$ 158,763	\$ 33,735	\$ 3,373,514
Potential											
Hillsdale Terrace ⁽³⁾						8	122	\$ 41,460,112	339,837	\$ 750,000	\$ 6,000,000
SUB-TOTAL:						8	122	\$ 41,460,112	\$ 339,837	\$ 750,000	\$ 6,000,000

	0	1	2	3	4	# of New PH Units	Total Units	Total Proj. Cost	Total \$/Unit	Avg. Invest. per PH unit	Total Investments
TOTAL REPLACEMENT:	75	0	25	0	0	108	635	\$ 122,905,646	\$ 498,600	\$ 86,792	\$ 9,373,514

Capital Improvements

Project	# of PH Units	Total Proj. Cost	HAP Proceeds
Misc Upgrades	tbd	\$ 452,200	-
Sweet 16	296	\$ 12,340,813	\$ -
Demar Downs ADA - Sweet 16 addtl scope	N/A	\$ 187,200	\$ 46,800
Hollywood East	288	\$ 1,700,000	\$ -
TOTAL CAPITAL IMPROVEMENTS:	584	\$ 14,680,213	\$ 46,800

NET PROCEEDS AVAILABLE	\$ 17,831,544
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- (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 (\$1,060,177.17 through August 2009).
- (2) Included are four units sold through the American Dream Homeownership program.
- (3) 68 total PH units; replaces existing 60 units, 8 are new. PHPI encompasses 1:1 replacement as well as capital improvements.

DASHBOARD REPORT

Housing Authority of Portland - Dashboard Report For October of 2009

Property Performance Measures

	Number of Properties	Physical Units	Rentable Units	Vacant Units	Occupancy Percentage	Unit Mix						
						Studio/SRO	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5+ Bdrm	Total
Public Housing	44	2,072	2,006	42	97.9%	513	844	352	348	15	0	2,072
Public Housing Mixed Financed Owned *	1	40	40	0	100.0%	0	15	15	10	0	0	40
Public Housing Mixed Finance Tax Credit *	5	425	424	18	95.8%	0	154	134	81	49	7	425
Total Public Housing	50	2,537	2,470	60	97.6%	513	1,013	501	439	64	7	2,537
Affordable Owned with PBA subsidy	6	496	496	11	97.8%	72	229	104	91	0	0	496
Affordable Owned without PBA subsidy	9	948	948	66	93.0%	108	244	448	133	15	0	948
Total Affordable Owned Housing	15	1,444	1,444	77	94.7%	180	473	552	224	15	0	1,444
Tax Credit Partnerships	20	2,327	2,327	100	95.7%	785	658	492	230	145	17	2,327
Total Affordable Housing	35	3,771	3,771	177	95.3%	965	1,131	1,044	454	160	17	3,771
Eliminate Duplicated PH Properties/Units	-6	-465	-464	-18		0	-169	-149	-91	-49	-7	-465
Combined Total PH and AH	79	5,843	5,777	219	96.2%	1,478	1,975	1,396	802	175	17	5,843
Special Needs (Master Leased)	36	422	422									
Total with Special Needs	115	6,265	6,199									

* property/unit counts also included in Affordable Housing Count

Six months ending 9/30/2009	Per Unit Per Month					Fiscal YTD ending 9/30/2009				09/30/09			
	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/units Negative Net Operating Income (NOI)		# of Properties meeting Debt Coverage Ratio (DCR)	# of Properties not meeting DCR	# of Properties DCR Not Applicable
							Properties	Units	Properties	Units			
Public Housing	\$200.06	\$320.27	\$520.33	\$424.74	\$59.92	\$35.67	20	1,281	24	804			
Affordable Owned	\$522.27	\$198.20	\$720.47	\$462.01	\$5.02	\$253.44	15	1,444	0	0	7	5	3
Tax Credit Partnerships	\$532.63	\$40.69	\$573.31	\$344.98	\$10.78	\$217.55	20	2,327	0	0	13	7	0

Public Housing Demographics

	Households				% Family Type (head of household)				Race % (head of household)					Ethnicity % (hoh)	
	# 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 Island	Hispanic/Latino	Non Hispanic/Latino
Public Housing Residents															
0 to 10% MFI	462	19.7%	2.2	1.7	10.7%	9.0%	0.5%	5.8%	4.8%	13.5%	0.8%	0.3%	0.6%	4.2%	15.5%
11 to 20%	1,015	43.2%	1.7	1.4	32.4%	10.8%	11.8%	20.9%	10.0%	30.3%	1.8%	1.6%	0.3%	3.8%	39.4%
21 to 30%	544	23.2%	1.8	1.5	16.6%	6.6%	7.0%	10.7%	4.8%	16.9%	0.7%	0.9%	0.2%	2.7%	20.5%
31 to 50%	252	10.7%	2.3	1.8	5.4%	5.4%	2.2%	3.4%	2.7%	7.7%	0.2%	0.4%	0.1%	1.5%	9.2%
51 to 80%	66	2.8%	2.9	2.2	1.2%	1.7%	0.3%	0.5%	0.8%	1.8%	0.0%	0.2%	0.0%	0.6%	2.2%
Over 80%	11	0.5%	2.3	2.0	0.3%	0.2%	0.1%	0.0%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.4%
All	2,350	100.1%	1.9	1.6	66.5%	33.7%	22.0%	41.2%	23.3%	70.4%	3.5%	3.4%	1.2%	12.9%	87.3%

Waiting List

0 to 10% MFI	1,974	49.0%	2.3	1.8			1.3%	17.9%	19.5%	24.8%	2.9%	1.3%	1.1%	4.9%	42.8%
11 to 20%	1,151	28.6%	2.4	1.8			1.4%	12.5%	11.4%	14.4%	1.5%	1.1%	0.5%	2.4%	25.9%
21 to 30%	509	12.6%	2.5	1.8			0.9%	4.3%	5.1%	6.5%	0.4%	0.6%	0.1%	1.4%	10.9%
31 to 50%	332	8.2%	2.8	2.2			0.7%	1.9%	3.8%	3.8%	0.2%	0.4%	0.1%	1.2%	6.9%
51 to 80%	57	1.4%	2.5	1.9			0.2%	0.3%	0.5%	0.8%	0.1%	0.1%	0.0%	0.1%	1.3%
Over 80%	2	0.0%	3.5	2.5			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All	4,025	100.0%	2.4	1.8			4.5%	36.9%	40.3%	50.3%	5.1%	3.4%	1.9%	10.0%	87.8%

Other Activity

	#s, days, hrs
Public Housing	
Names pulled from Wait List	85
Denials	7
New rentals	28
Vacates	27
Evictions	0
# of work orders received	1,233
# of work orders completed	1,101
Average days to respond	6.8
# of work orders emergency	6
Average response hrs (emergency)	14

Housing Authority of Portland - Dashboard Report For October of 2009

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	6,647	6,720	101%	\$582	\$55,453	2,310	67	9	35	707	103%	\$580	\$1,157,006	213	457
Project Based Vouchers	1,148	1,073	93%	\$473	-\$158,531			16	15	120	92%	\$472	-\$1,670,273	232	146
SRO/Mod Vouchers	512	485	95%	\$362				10	10	29	89%	\$348	-\$132,613	124	109
All Vouchers	8,307	8,278	100%	\$555	-\$103,078			35	60	856	101%	\$554	-\$645,879	569	712

Demographics

	Households				% Family Type (head of household)				Race % (head of household)					Ethnicity % (hoh)	
	# of Households	% of Households	Average Family Size	Average Unit Size	Adults no Children	Family with Children	Elderly	Disabled Not Elderly	Black	White	Native American	Asian	Hawaiian/Pacific Island	Hispanic	Non Hispanic
Tenant Based Voucher Participants															
0 to 10% MFI	972	15.0%	2.1	2.0	7.4%	7.6%	0.3%	1.0%	7.0%	7.5%	0.6%	0.4%	0.2%	1.1%	13.8%
11 to 20%	2,446	37.7%	2.0	2.0	22.9%	14.8%	7.4%	15.5%	13.2%	21.8%	1.2%	2.3%	0.2%	2.0%	35.7%
21 to 30%	1,660	25.6%	2.4	2.1	14.0%	11.6%	6.7%	9.2%	7.8%	15.5%	0.6%	1.8%	0.1%	1.5%	24.1%
31 to 50%	1,211	18.7%	3.0	2.5	6.3%	12.4%	2.8%	4.1%	7.2%	10.1%	0.5%	1.1%	0.1%	1.0%	17.7%
51 to 80%	185	2.9%	3.5	2.9	0.5%	2.3%	0.2%	0.4%	1.2%	1.5%	0.0%	0.1%	0.0%	0.1%	2.7%
Over 80%	15	0.2%	4.4	3.5	0.0%	0.2%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
All	6,489	100.0%	2.4	2.1	51.1%	48.9%	17.4%	30.2%	36.6%	56.4%	3.0%	5.8%	0.6%	5.7%	94.3%

Waiting List

	# of Households	% of Households	Average Family Size	Average Unit Size	Adults no Children	Family with Children	Elderly	Disabled Not Elderly	Black	White	Native American	Asian	Hawaiian/Pacific Island	Hispanic	Non Hispanic
0 to 10% MFI	804	34.8%	2.0				1.1%	10.1%	16.4%	14.1%	1.9%	1.4%	0.4%	2.3%	27.8%
11 to 20%	622	26.9%	2.1				2.9%	11.9%	9.1%	14.4%	1.8%	1.6%	0.3%	1.5%	23.3%
21 to 30%	439	19.0%	2.3				3.1%	6.1%	5.6%	11.2%	0.6%	1.3%	0.1%	1.6%	15.0%
31 to 50%	428	18.5%	2.5				1.9%	3.7%	7.3%	9.7%	0.5%	0.8%	0.1%	1.4%	15.2%
51 to 80%	16	0.7%	2.4				0.0%	0.1%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.7%
Over 80%	1	0.0%	1.0				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All	2,310	100.0%	2.2				9.1%	32.0%	38.7%	49.8%	4.9%	5.0%	1.0%	6.8%	82.0%

Short Term Rent Assistance

	# of Households Participating	\$ Amount of Assistance Provided	Average Cost per Household
Shelter Plus Care	507	\$259,616	\$512
Short Term Rent Assistance	228	\$122,588	\$538

Resident Services

Resident Programs

Housing Program Served	Households Served/Participants	Monthly Funding Amount	Average Funds per Participant							
Congregate Housing Services * as of previous month	Public Housing	89	\$85,748	\$963						
		# HH Stabilized	# HH Transitioned	Health and Safety Stabilized	Unduplicated Number Served	Crisis Intervention	Support System Enhanced	# Events	# Event Attendees	
Resident Services Coordination	Public Housing	31	0	77	199	3	22	95	1298	
		# HH Enrolled	# in Self Sufficiency	# In GOALS						
Community Supportive Services	Public Housing	136	72	3						
	Section 8	33	18	0						
		# of Participants	Escrow \$ Held	New Enrollees	# of Graduates	Escrow \$ Disbursed	Terminations or Exits	Escrow \$ Forfeited	Avg Annual Earned Income Increase Over Last Year	
GOALS Program	Public Housing	44	\$117,133	3	1	\$4,306	7	\$0	-\$3,268	
	Section 8	287	\$828,108	21	1	\$55,349	22	\$430	\$284	

Housing Authority of Portland - Dashboard Report For October of 2009

Agency Financial Summary

Six months ending 9/30/2009	Fiscal Year to Date	Prior YTD	Increase (Decrease)
Subsidy Revenue	\$36,081,880	\$35,926,017	\$155,862
Grant Revenue	\$5,043,192	\$4,018,524	\$1,024,668
Property Related Income	\$6,259,655	\$6,330,265	(\$70,610)
Development Fee Revenue	\$100,000	\$455,412	(\$355,412)
Other Revenue	\$1,455,165	\$1,012,352	\$442,813
Total Revenue	\$48,939,891	\$47,742,571	\$1,197,321
Housing Assistance Payments	\$29,975,313	\$28,075,581	\$1,899,732
Operating Expense	\$18,286,485	\$17,608,689	\$677,795
Depreciation	\$2,489,380	\$2,256,578	\$232,802
Total Expense	\$50,751,178	\$47,940,848	\$2,810,330
Operating Income	-\$1,811,286	-\$198,277	(\$1,613,009)
Other Income(Expense)	\$3,429,306	\$4,660,006	(\$1,230,701)
Capital Contributions	\$13,547,902	\$5,334,239	\$8,213,663
Increase(Decrease) Net Assets	\$15,165,921	\$9,795,968	\$5,369,953
Total Assets	\$311,136,780	\$333,436,258	(\$22,299,478)
Liquidity Reserves	\$26,499,438	\$19,951,941	\$6,547,497

Development/Community Revitalization

New Development / Revitalization

	Units	Construction Start	Construction End	Current Phase	Total Cost	Cost Per Unit
Pine Square	143	tbd	tbd	Concept	\$13,800,000	\$96,503
Rockwood Station	195	May-09	Aug-09	Post Construction	\$271,514	\$1,392
Hawthorne Apartments *	48	Apr-09	Apr-10	Construction	\$7,945,500	\$165,531
Multnomah Village Lots	tbd	tbd	tbd	Concept	tbd	tbd
The Resource Access Center	130	Oct-09	Apr-11	Predevelopment	\$46,620,902	\$358,622
Hillsdale Terrace	tbd	tbd	tbd	Concept	tbd	tbd
Martha Washington	108	Aug-09	Jun-10	Construction	\$17,953,118	\$166,233
The Jeffrey	80	Feb-10	Apr-10	Predevelopment	\$16,600,000	\$207,500

Capital Improvement

	Units	Construction Start	Construction End	Current Phase	Total Cost	Cost Per Unit
Ainsworth	88	tbd	tbd	Predevelopment	\$4,500,000	\$51,136
Sweet 16	296	May-09	Nov-10	Construction	\$12,528,013	\$42,324
Hollywood East	288	Apr-10	Dec-10	Predevelopment	\$1,700,000	\$5,903
Misc Upgrades	tbd	tbd	tbd	tbd	\$452,200	

* Legend
Formerly known as University Place

RESOLUTIONS

M E M O R A N D U M



DATE: November 17, 2009

TO: Board of Commissioners

FROM: Michael Andrews, Director, Development and Community Revitalization
John Manson, Assistant Director, Construction Services

SUBJECT: Authorizes Capital Improvements at Stark Manor and Townhouse Terrace
Apartments
09-11-01

The Board of Commissioners is requested to authorize a contract modification to the Scattered Sites CM/GC contract adding construction services for capital improvements at Stark Manor and Townhouse Terrace.

Background

In July of 2007 HAP adopted its Public Housing Preservation Initiative (PHPI) designed in part to plan, fund, and implement strategies to address unmet capital needs. The two properties included in this construction authorization are part of a group of sixteen public housing sites scheduled for renovation during an 18 month period commencing May 2009 and ending October 2010. As of today, construction is complete at nine of the sixteen sites. Design, construction, and associated work for the sixteen sites is partially funded with \$ 6.3 million in federal economic stimulus granted HAP under the American Recovery and Reinvestment Act of 2009.

HAP's contracting strategy for the sixteen sites is a combination of design-bid-build and the CM/GC method. The first eleven sites were designed, bundled into four separate bid packages, and advertised for bidding. Four different general contractors were awarded work out of that effort. The final five project sites were reserved for work by a CM/GC, selected to provide design stage input, value engineering, and cost estimating, and conduct competitive subcontractor bidding in conformance with a plan that will deliver HAP's economic participation goals. A CM/GC selection process was completed in July and HAP authorized selection of the team of Walsh Construction/Great Kate Construction in August (Resolution 09-08-01).

The first two Walsh/Great Kate sites, Fir Acres and Demar Downs, bid in September and HAP approved a guaranteed maximum price for the work in October (Resolution 09-11-01). Stark Manor and Townhouse Terrace bid in October and the resulting guaranteed

maximum price is presented for Board approval in this resolution. The final site is scheduled to bid in January with Board approval in February 2010.

The two properties included in this contract authorization are (1) Stark Manor, a 30 unit development consisting of five buildings, built in 1974 and located in Gresham, and, (2) Townhouse Terrace, a 30 unit development with twelve buildings constructed in 1974 and located in outer southeast Portland. The two properties were grouped together based on similarities in work scope, age and construction type, geographic proximity, and as a strategy to meet schedule timelines attached to use of economic stimulus funds.

Development and Community Revitalization staff, working in conjunction with Real Estate Operations, engineering consultants, and the CM/GC, conducted needs assessments for each property and developed work programs to address major system deficiencies, life safety, operational efficiencies including energy upgrades, and resident quality of life. Drawings, specifications, and contract documents were completed by Iselin Architects and PBS Environmental and Engineering.

Walsh Construction/Great Kate Construction issued plans and specifications for subcontractor bids on October 8th, and it advertised bid opportunities in The Skanner, The Daily Journal of Commerce, Portland Observer, and the Asian Reporter. A pre-bid meeting was held at the Oregon Association of Minority Entrepreneurs (OAME) conference room on October 1st, and the CM/GC received subcontractor bids on October 28th.

Subcontractor bidding was competitive with pricing lower than pre-bid estimates. Bid results and negotiations with the CM/GC resulted in a not-to-exceed price of \$2,109,774. The only allowance included in the GMP is \$ 5,000 for subcontractor public works bonds. Average construction cost is \$ 35,163 per unit. After tabulation of subcontractor bids, Target Business participation is tracking at 60% vs HAP's 25% goal for the CM/GC managed work.

Budget Implications and Financial Impact on HAP

Planned improvements at Stark Manor and Townhouse Terrace will correct deferred maintenance conditions and building deficiencies and thereby decrease ongoing maintenance calls and expenses incurred at unit turnover.

Installation of energy efficient appliances and lighting will reduce energy consumption. HAP will benchmark utility use prior to renovation and then monitor post construction utility bills as part of its measurement and verification process.

The proposed construction contract amount is within the pre-bid estimate and within budgeted resources. The cost of the work will be funded with formula grant economic stimulus funds awarded HAP under the American Recovery and Reinvestment Act (ARRA). Energy star rated refrigerators, and attic insulation will be provided by the Multnomah County Weatherization Program at no cost to HAP.

Risks and Opportunities

Inadequate funding, cost overruns, project delay, contractor non-performance, and impact on residents are concerns when working at occupied sites. This project is starting construction within budgeted resources and HAP has reserved a 10% owner's contingency to account for unforeseen conditions.

Since the majority of the work takes place inside units, residents will be relocated off-site while their units are undergoing renovation and will return when work is finished. Individual relocations are scheduled for 50 days for each unit. HAP's relocation staff has met with each household to plan and coordinate relocations, and HAP's resident communications staff will work with families to mitigate impacts during site construction. Construction Services staff will monitor the Contractor's work schedules. Liquidated damages will apply to the Contractor if it does not meet relocation schedule requirements.

Conclusion/Recommendation

Staff recommends approval of resolution 09-11-01.



RESOLUTION 09-11-01

RESOLUTION 09-11-01 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT MODIFICATION TO THE SCATTERED SITES CM/GC CONTRACT ADDING CONSTRUCTION SERVICES FOR RENOVATION OF STARK MANOR AND TOWNHOUSE TERRACE APARTMENTS

WHEREAS, the Housing Authority of Portland, Oregon (HAP) owns and operates Stark Manor Apartments, a 30 unit public housing property and Townhouse Terrace Apartments, another 30 unit public housing property; and

WHEREAS, the joint venture team of Walsh Construction Co., Oregon/Great Kate Construction was selected in August of 2009 as construction manager/general contractor (CM/GC) for capital improvements at Stark Manor and Townhouse Terrace; and

WHEREAS, HAP Construction Services and Real Estate Operations staff collaborated on a scope of improvements consistent with goals and priorities established in HAP's Public Housing Preservation Initiative, and

WHEREAS, the CM/GC received bids for capital improvements at Stark Manor and Townhouse Terrace, and successful bidders will meet HAP's goals for participation by target businesses, workforce diversity and workforce participation; and

WHEREAS, the bidding was competitive and the guaranteed maximum price for the work was judged reasonable and within project resources; and

WHEREAS, approval by the Board of Commissioners of the Housing Authority of Portland is required prior to the execution of construction contracts exceeding \$100,000, and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of Portland hereby authorizes the Executive Director to execute a contract modification to the Walsh Construction Scattered Sites contract in the not-to-exceed amount of \$ 2,109,774 for capital improvements at Stark Manor and Townhouse Terrace Apartments.

Adopted: November 17, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

M E M O R A N D U M



DATE: November 17, 2009

TO: Board of Commissioners

FROM: Todd Salvo, Chief Financial Officer

SUBJECT: Authorizes the Executive Director to execute an Intergovernmental Cooperation Agreement relating to Agency existing membership in Housing Authority Risk Retention Pool (HARRP)
Resolution 09-11-02

The Board of Commissioners is requested to approve Resolution 09-11-02 authorizing execution of an amended Intergovernmental Cooperation Agreement replacing the Agreement currently in force.

Background

The Housing Authority Risk Retention Pool (HARRP) is a non-profit entity providing risk sharing and insurance coverage to member housing authorities in Oregon, Washington, California and Nevada. There are 90 housing authorities currently participating as members of this insurance pool. Insurance coverage products consist of property/casualty, liability, errors and omissions (which includes employment practices), fidelity/crime and auto.

HAP has been a member and has been insured by HARRP for 22 years. In addition to the errors and omissions, fidelity/crime and auto that covers HAP operations, public housing, special needs and the New Market West property are covered by HARRP's property and liability insurance. Costs for this coverage are considerably lower than can be obtained through private market insurers and HARRP staff provides ongoing risk management training and claims handling that serves the unique interests of the housing authority members.

HARRP has been limited by insurance statutes in the four states that allowed their insurance risk pooling to only cover properties directly owned by public housing authorities. As more housing authorities have sold public housing units and converted units to tax credit entities, HARRP has recognized the need to adjust to this changing landscape.

Recent legislation has been enacted in Oregon and Washington allowing for the establishment of risk pooling that more broadly allows for coverage of other entities (non-profits, LLC's, LLP's) engaged in providing affordable housing. Similar legislation is before California and Nevada. With these legislative changes, HARRP has been evaluating the feasibility of creating a new risk sharing pool and intends to do so if the results of the evaluation show that this new pool can provide coverage to members with pricing favorable to private market alternatives. In HAP's case, this new pool could provide insurance coverage to our tax credit properties in which the Agency acts as the general partner.

HARRP's ability to move forward with this effort will require a revision to our existing Intergovernmental Cooperation Agreement adopted in 1992. While there are a number of changes that update language from the 1992 version, the major change to this agreement will allow HARRP to assist in the organization and capitalization of the Affordable Housing Risk Pool as authorized by Oregon Senate Bill 539 and Washington Senate Bill 5665 which become effective on January 1, 2010. The adoption of this new agreement will require the consent of two-thirds of HARRP members (60 of the current 90 housing authority members). Each of the 90 members will be submitting a consent form either approving, disapproving or abstaining. If this agreement is approved by 60 or more members, the path forward is to conclude the feasibility analysis and submit to members a request for final approval to create the new entity and create this new risk sharing pool.

Policy Implications

The creation of this new pool has the potential to move the existing insurance coverage on HAP's tax credit properties from private market insurers to a members controlled risk sharing pool.

Budget Implications and Financial Impact on HAP

There is no immediate financial impact to HAP. If the new pool is created it is anticipated that the cost of insuring our tax credit properties will decline.

Risks and Opportunities

The initial capitalization of the new pool will come from reserves held by HARRP. These reserves represent funds that support the capacity to absorb losses and pay claims on behalf of housing authorities under existing coverage agreements. Initial actuarial assessments conclude that reserve levels held by HARRP after capitalization of the new pool will be sufficient to safely provide continuing support for future loss and claim projections.

Operational Implications

No material impact.

Conclusion/Recommendation

This resolution requests Board approval to provide the Executive Director the authority to execute the revised Intergovernmental Cooperation Agreement and take

such further action as may be necessary to perform obligations under the Intergovernmental Cooperation Agreement. Staff recommends approval of Resolution 09-11-02.



RESOLUTION 09-11-02

RESOLUTION 09-11-02 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE AN INTERGOVERNMENTAL COOPERATION AGREEMENT RELATING TO AGENCY EXISTING MEMBERSHIP IN HOUSING AUTHORITY RISK RETENTION POOL (HARRP)

WHEREAS, the Housing Authority of Portland is a member of Housing Authorities Risk Retention Pool (“HARRP”), an intergovernmental entity created by agreement, which provides indemnification against risk of loss;

WHEREAS, the Board of Directors of HARRP has proposed that HARRP’s members enter into an Intergovernmental Cooperation Agreement (the “Intergovernmental Cooperation Agreement”), which amends and restates the Amended and Restated Intergovernmental Cooperation Agreement dated July 15, 1992; and

WHEREAS, the Intergovernmental Cooperation Agreement, which sets forth the powers, duties and functions of HARRP, shall become effective upon the approval of at least two-thirds of HARRP’s members.

RESOLVED, that the Housing Authority of Portland shall be authorized to enter into the Intergovernmental Cooperation Agreement;

RESOLVED FURTHER, that the Executive Director is authorized to execute and deliver the Intergovernmental Cooperation Agreement on behalf of the Housing Authority of Portland; and

NOW, THEREFORE, BE IT RESOLVED FURTHER, that the Executive Director shall be authorized and directed on behalf of the Housing Authority of Portland to do the following:

(a) Take such action as shall be necessary or appropriate for the Housing Authority of Portland to perform its obligations on a timely basis under the Intergovernmental Cooperation Agreement or as otherwise required by HARRP;

(b) Take from time to time such other action as is necessary or desirable to effect the purposes for which HARRP is organized as provided in the Intergovernmental Cooperation Agreement;

(c) Approve any amendments to the Intergovernmental Cooperation Agreement; and

Execute and deliver any agreements, instruments or documents (or amendments thereto) necessary or desirable to carry out the foregoing resolutions.

Adopted: November 17, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

M E M O R A N D U M



DATE: November 17, 2009

TO: Board of Commissioners

FROM: Lee Moore, Vice Chair
Harriet Cormack, Treasurer

SUBJECT: Authorizes changes to the HAP Bylaws related to the Appointment of the Resident Commissioner position and waives the requirements of subsection 2 to allow appointment of the Resident Commissioner pending City Council approval
Resolution 09-11-03

The purpose of this memorandum is to disclose to the Board of Commissioners information pertaining to the appointment of the individual for the Resident Commissioner position and request the Board to authorize changes to the 2003 Restated Bylaws of the Housing Authority of Portland as it seeks to fill the Resident Commissioner position with an individual who is a Section 8 tenant.

Background

The Housing Authority of Portland's by-laws govern potential, apparent, or actual conflicts of interest. The proposed Resident Commissioner (pending City Council appointment) currently provides occasional child care services for HAP. In reviewing the applicable section, legal counsel does not believe that Section 1 in the Conflict of Interest provision applies, as there is not a formal contract. The proposed Resident Commissioner acts as an independent contractor who is on-call. These circumstances, acknowledging an abundance of caution, appear to be more analogous to an employee relationship, which is also covered by the Conflict of Interest provisions.

Legal counsel's review suggests that with appropriate disclosure and consultation with the Board of Commissioners, the proposed Commissioner is eligible for appointment to the board. This memo describes the applicable provisions and provides background, as well as correcting a typographical error.

The proposed Resident Commissioner's work for HAP has been relatively modest in scope, related to providing on-call child care services. In the event there is a conflict of interest with any business that comes before the Board of Commissioners, real or interest, the Resident Commissioner would recuse herself from the vote. Please note that HAP staff have advised the board that they do not currently project any imminent business that would prompt a real or apparent conflict of interest.

Specifically assuming the provisions of Section 2 (Employment) are applicable, Section 2.1 provides:

“The Authority may not hire an employee if the perspective employee is an immediate family member of any person belonging to one of the following classes:

2.1.1 “Any present or former Commissioner.”

We believe this provision contains a typo and the word “of”, underlined above, should actually be “or.” Reading the provision correctly, therefore, the provision would not allow HAP to hire an employee if the prospective employee is a present or former Commissioner. While the Bylaws do not address an existing employee who wishes to become a Commissioner, we think the prohibition is equally applicable.

However, there is an exception at Paragraph 2.4 which provides:

“Requirements of this subsection 2 may be waived by the Commissioners for good cause.”

Conclusion/Recommendation

We believe that the Commissioners under subsection 2 can waive the restriction for good cause and, that good cause exists because of the limited compensated relationship that exists and the fact that prospective commissioner would be recused from participating in any matter involving the compensated relationship. Staff therefore, recommends approval of Resolution 09-11-03.



RESOLUTION 09-11-03

RESOLUTION 09-11-03 AUTHORIZES CHANGES TO THE HAP BYLAWS RELATED TO THE APPOINTMENT OF THE RESIDENT COMMISSIONER POSITION

WHEREAS, Legal counsel does not believe that the employment relationship constitutes a “contact” under Section 1;

WHEREAS, The applicable provisions related to this matter include the “Conflict of Interest” provisions contained at Article VII of the Bylaws. Specifically, the provisions of Section 2 (Employment) are applicable;

WHEREAS, “The Authority may not hire an employee if the perspective employee is an immediate family member of any person belonging to one of the following classes” contains a typo and the of should be corrected to read or;

WHEREAS, the Board of Commissioners finds under subsection 2, “Requirements of this subsection 2 may be waived by the Commissioners for good cause” can waive the restriction for good cause, and the Board believes good cause exists.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of Portland that the Board agrees that there is no conflict of interest with the appointment of the proposed Resident Commissioner and corrections to the 2003 Restated Bylaws should be made.

Adopted: November 17, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

M E M O R A N D U M



DATE: November 17, 2009

TO: Board of Commissioners

FROM: Rebecca Gabriel, Director of HR & Administration
Julius Yu, IT Manager

SUBJECT: Authorizes Purchase of Voice Over Internet Protocol (VoIP) Telephone System
Resolution 09-11-04

The Board of Commissioners is requested to authorize a contract with Black Box in the amount of \$266,878 to purchase and implement a VoIP telephone system.

Background

The current telephone system at HAP is more than 15 years old; our maintenance agreement ends in September 2010, at which time it will not be possible to get a new maintenance agreement at a reasonable cost to the agency. The telephone system is antiquated and does not provide a good technology solution to give residents and participants efficient access to information.

In 2006, HAP conducted a comprehensive study of the Information Technology infrastructure. It identified the phone system as a vulnerable area in terms of business continuity and service effectiveness. The recommendation was to move to a VoIP telephone system within a 5 year window. Since the report was issued, HAP has invested in recommended upgrades to switches and network capability to allow for implementation of VoIP.

The business continuity plan, commissioned from the Finance and Accounting Department further identified the current telephone system as one of the most significant factors in being able to continue operations in the event of a catastrophic event. There is, simply, no way to restore the current phone system if something should happen to New Market West (NMW). In addition, Northwest Towers (NWT) shares the telephone line with NMW; a failure in this building would mean the loss of telephone service (including ability to call 9-1-1) to that building as well.

Early this year, HAP Information Technology (IT) Department began defining the requirements for a new telephone system. This was done by meeting with key stakeholders in each department/functional area to define current business processes, systems and work flow. From this work, a list of requirements was developed. Procurement then issued a Request for Qualifications to vendors. Our procurement rules specifically exclude contracts for telephone services from competitive bidding; however, we wanted to secure a vendor who would provide us with the highest quality product, service and support at a competitive price. We received seven bids and narrowed the field to two finalists, who made presentations and demonstrations to a group of agency-wide representatives. The group concurs with the recommended vendor.

Policy Implications

This project is mission critical in the sense that it will provide seamless business continuity from multiple locations in the event of a major disaster or even a simple power outage. A recent incident at Hollywood East where a tenant's bath overflowed and the phone lines (in the server room below) were saturated resulted in a loss of telephone service over several days. A VoIP system would have allowed seamless continuity of service.

Budget Implications and Financial Impact on HAP

The Board-adopted budget for FY 2010 includes \$110,000 devoted to implementation of a VoIP telephone system. We had anticipated an implementation that stretched over two fiscal years' time. We propose reallocating approximately \$60,000 from the PC replacement fund to the VoIP project and use cash reserves for any remainder. This is an appropriate use of reserves, since the system is critical to on-going operations of the agency.

The savings to HAP in on-going maintenance costs relative to the telephone system is anticipated to be approximately \$25,000 annually.

Operational Implications

Capacity: We are so close to physical capacity at NMW with our existing telephone system that it is only possible to add one additional phone without expending several thousand dollars to increase our capacity.

Service: While Siemens has said they will renew our maintenance agreement, they will no longer support our voice mail system. This particular voice mail system was discontinued several years ago; they agreed to support it during the current maintenance agreement, but will not do so in the future. If the current voice mail system ceases to work, we would be faced with moving to a new one. It would not be integrated with our telephone system – it will be more like an answering machine. Additionally, the Automatic Call Distribution system would no longer work, increasing the workload on reception desk staff.

Hollywood East: We will not be able to get a maintenance contract for the telephones at Hollywood East due to the recent incident of water damage. HAP has been informed that

ongoing maintenance issues which could possibly be traced back to this recent incident will not be covered and will be based on a time and materials basis.

Conclusion/Recommendation

This is truly the time to make the investment in HAP's infrastructure. The entire agency will benefit from improved technology and access to telephone communications. Our ability to manage the system will be greatly enhanced, freeing up much needed IT resources for other projects. The entire system will be able to be moved to a new location, if necessary. There will be redundancy in the system to allow for continuity of service and business operations. Attached is a Fact Sheet developed by IT Manager, Julius Yu, to provide additional technical information.

Staff recommends approval of Resolution 09-11-04.

Attachment A

Fact Sheet for Voice Over Internet Protocol (VoIP) Telephone System

Why replace HAP phone system?

1. 15 year+ old system.
2. Out of date technology and end-of-life equipment; hard to get replacement parts.
3. Difficult to extend maintenance contract at a cost-effective contract with full coverage.
4. Auto-Call Distribution (ACD) is incapable of meeting business units' requirements.
5. Very vulnerable to minor disaster (ex: HWE recent incident).
6. Vulnerable, single point of failure in any major disaster AND unrecoverable in major disaster.
7. Major IT resource and HAP's expense consumption for any Adds, Moves, and Changes (rely on third party to do phone moves, changes).
8. Old voice mail system, capacity is exhausted.

Why not "upgrade" current system instead of complete replacement?

1. Technology difficulty and expensive to "patch" current phone system. (We would spend an unreasonable amount of money but will get nothing additional to what we have from current phone system; therefore, no ROI).
2. Almost all current enterprise phone systems include VoIP technology. An "upgrade" means we will have to make a VERY old phone system and equipment compatible with new components and technology, resulting in a loss of needed functionality.
3. Almost no vendors are willing to "upgrade" our current phone system because of difficulty and potential problems.
4. With New Columbia, the RAC and potentially other facilities going to the same operational model, HAP-IT is facing challenges with managing multiple phone back-end systems and will be required to rely heavily on 3rd party services for changes and moves.

Why VoIP Phone System?

- 1) Main stream and fast growing technology in the market.
- 2) Cost-benefit proven phone system.
- 3) Huge ROI to HAP (none of following can be achieved with continuing current phone system/technology)
 - a. Voice mail integration (NMW, HWE, New Columbia, and all HAP remote sites).
 - b. Voice mail and e-mail integration.
 - c. Resiliency for disaster recovery (either NMW or HWE can act as HAP phone center in a critical event with very minimal HAP-IT support).
 - d. ACD in any way HAP business units want.
 - e. Built-in "Panic-button" feature and customizable 9-1-1 calls.
 - f. Follow-me, office phone anywhere (tremendous value for HAP management staff and employees who are very mobile) and integration with cell phones.

- g. Conference capability, multiple calls at the same time with switch back-n-forth.
 - h. Integrated Voice Response (IVR)
 - i. Ease of use. All HAP properties would be accessible by 3-or 4-digit dialing.
 - j. Optional integration between phone and computer (Softphone).
 - k. Low maintenance cost (annual fees and repair).
 - l. Low installation and deployment cost to any new HAP facilities (portable).
 - m. One back-bone phone system with multiple virtual phone systems to meet organizational and/or business needs at locations such as New Col, RAC.
 - n. Easy management and support by a lean IT crew.
- 4) Solid proof-of-concept by HAP and by reference cases. Load testing showed no degradation of voice quality; staff at remote sites tested phones for several days and reported very high quality and ease of use.
 - 5) Implementation can be done incrementally, resulting in little to no disruption of service availability and capability.

Why now?

- 1) The current telephone system cannot be maintained for another 2-3 years while we are contemplating a move to a new location (if that comes out of any strategic planning recommendations).
- 2) By replacing the phone system now, we will save annual maintenance costs on the old phone system. In the event we move, this system can simply move with HAP. If we were to keep the old system or simply upgrade the old system, we would have to purchase a new phone system for a new location, which would be equivalent of replacing it twice.
- 3) IT budgeted money to begin this project in this fiscal year's budget and will modify the computer replacement schedule to provide up to \$180,000 for implementation.



RESOLUTION 09-11-04

RESOLUTION 09-11-04 AUTHORIZES HAP TO PURCHASE A VOICE OVER INTERNET PROTOCOL (VOIP) TELEPHONE SYSTEM

WHEREAS, the current telephone system is more than 15 years old and is both at capacity and at the end of its technological life; and

WHEREAS, the current maintenance agreement for the telephone system is set to expire; and

WHEREAS, future maintenance agreements will not cover all components; and

WHEREAS, the telephone system represents a significant vulnerability to HAP's business continuity plans; and

WHEREAS, the 2006 comprehensive study of the Information Technology infrastructure identified the phone system as a vulnerable area in terms of business continuity and service effectiveness and recommended a VoIP telephone system within a 5 year window.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of Portland the Executive Director is authorized to enter into an agreement with Black Box for \$266,878 for implementation of a Voice over Internet Protocol telephone system at HAP.

Adopted: November 17, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

M E M O R A N D U M



DATE: November 17, 2009

TO: Board of Commissioners

FROM: Dianne Quast, Director of Real Estate Operations
Donna Kelley, Asset Manager

SUBJECT: Authorization to loan approximately \$290,000 in HAP funds to the Peter Paulson to pay off the current bond debt and to execute the necessary amendments to loan documents with Portland Development Commission to allow for the repayment of this loan Resolution 09-11-05

The Board of Commissioners is specifically requested to authorize the following actions necessary to reposition this property:

- Authorize the loan of approximately \$290,000 in HAP funds from general reserves to the property, which when combined with project resources, will allow for the retirement of the outstanding bond debt
- Authorize the execution of modifications to the Operating Deficit Reserve Agreement and Note with the Portland Development Commission (PDC), which will allow for the HAP loan to be repaid prior to making additional payments to PDC or making additional deposits to the Operating Deficit Reserve

Background

With Resolution 09-04-06 the Board authorized the transfer of Enterprise Community Partners' interest in the Thirteenth Avenue Building Limited Partnership to HAP and the transfer of ownership of the Peter Paulson Apartments from the partnership to HAP. In that resolution we indicated that we anticipated bringing a proposal to the Board to restructure the long-term debt on the property to ensure the property's viability. Here is that proposal.

This property has had negative cash flow for the past several years. We can only anticipate modest increases in rental revenue over the next few years as we have increased rents to the maximum the market will bear while renting exclusively to

persons below 40% of Area Median Income. Based on our analysis this situation is unlikely to improve. Compounding this issue is the looming balloon payment of \$465,000 that will be due on the bonds in February 2015. Based on our review of this situation, we have determined that the best course of action is to pay off the bonds effective with the close of the “Year 15” transaction. The property currently cannot afford the debt service; the bonds are at a high interest rate (6.9%); transaction costs to refinance would be very high for a small amount of debt that the property can carry; and the transaction costs to change the borrower on the bonds from the partnership to HAP are estimated at \$10,000 to \$20,000.

In addition to the bond debt, the property has three loans from PDC, with a total principal balance of approximately \$2 million. Each of the loans accrues interest at a different rate; to date, total accrued interest is approximately \$1 million. An interest only payment of \$5,106 is due each year on April 15. No additional payments of principal or interest are required until January 1, 2024. Currently excess cash flow beyond operating expenses and the bond debt is required to be deposited to the Operating Reserve account.

It is in the best interest of HAP’s mission to stabilize the operations of this property. All of the units are set aside for individuals earning less than 40% of area median income. The overwhelming majority of the residents are case-managed and on fixed incomes. By restructuring the debt on this property, we are preserving this valuable housing resource for the community and serving an extremely vulnerable resident population with limited alternative housing options.

Budget Implications and Financial Impact on HAP

The chart below summarizes how the bonds would be paid off:

Outstanding balance at 1/1/10	\$580,000
Unrestricted Reserves at Property	\$134,000
Withdrawal from Operating Reserve	\$100,000
Debt Service Reserve	\$ 65,000
Transaction Costs	\$ 10,000
HAP loan to the property	\$290,000

In consideration for HAP’s loan to the property, PDC has agreed to make several changes to the terms of their loans that will allow for this loan to be repaid over a six-year period at \$48,333 per year. Our analysis indicates that with the bond debt retired, the property should generate sufficient cash to make this payment to HAP. PDC has agreed to defer the current annual payment of \$5,106 on their loan for the next six years. Also, they have agreed to defer additional deposits of operating cash flow to the Operating Reserve until the annual payment is made to HAP. We

would execute the modifications to the current Note and Operating Deficit Reserve as part of the “Year 15” closing that will occur in early January 2010.

Risks and Opportunities

The primary risk is that the property will not generate the cash flow we anticipate to pay off the HAP loan as scheduled. In that situation, the repayment to HAP will take an additional year or two and we will have to negotiate a continued deferral of the annual interest payment and Operating Reserve deposits with PDC once again. Longer term, we will have to reach agreement with PDC on repayment terms for the nearly \$3 million in outstanding principal and deferred interest on their loans to the property prior to the maturity date of January 1, 2024.

The opportunity is to stabilize the operations of the property from a financial perspective for the long haul and to avoid the looming crisis of the balloon payment on the bonds in 2015, for which there are no resources to pay. Since this property serves some of the most vulnerable members of our community, using our resources to protect this property is a good investment for HAP.

Conclusion/Recommendation

Staff recommends approval of Resolution 09-11-05.



RESOLUTION 09-11-05

RESOLUTION 09-11-05 AUTHORIZES THE USE OF APPROXIMATELY \$290,000 IN AUTHORITY FUNDS TO MAKE A LOAN TO THIRTEENTH AVENUE BUILDING LIMITED PARTNERSHIP FOR THE PURPOSE OF RETIRING THE PARTNERSHIP BOND DEBT IN CONNECTION WITH THE PETER PAULSON PROPERTY AND TO AUTHORIZE THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO THE DEBT FROM THE PORTLAND DEVELOPMENT COMMISSION LOANS TO THE PARTNERSHIP

WHEREAS, the Housing Authority of Portland (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing in the City of Portland, Oregon (the “City”);

WHEREAS, the Authority is the general partner of Thirteenth Avenue Building Limited Partnership (“Partnership”), which Partnership is the owner of the Peter Paulson Apartments;

WHEREAS, pursuant to Resolution 09-04-06, the Authority authorized the transfer of the limited partners’ interests in the Partnership (“Interests”) to the Authority and the subsequent dissolution of the Partnership and distribution of its assets to the Authority effective January 1, 2010;

WHEREAS, the partnership is the obligor of those Multifamily Housing Revenue Bonds, Series 1995 (Thirteenth Avenue Building Project) (“Bonds”) under which the Partnership currently owes a principal amount of \$580,000;

WHEREAS, the liability for the outstanding Bonds would be transferred to the Authority effective with the dissolution of the Partnership and the distribution of its assets to the Authority;

WHEREAS, the property has insufficient cash flow to make the annual payments of principal and interest;

WHEREAS, on February 1, 2015, final payment of \$465,000 will be due on the bonds and the property will not have sufficient resources to make this payment, nor will it be prudent to refinance this debt at that time;

WHEREAS, the Portland Development Commission (“PDC”) has made certain loans to the Partnership in the approximate aggregate amount of \$2,155,940 (“PDC Loan”), and pursuant to a promissory note evidencing a portion of the PDC

Loan, the Partnership is required to make certain payments of interest to PDC (“Interest Payments”);

WHEREAS, pursuant to that certain Operating Deficit Reserve Agreement dated April 28, 1994 by and between the Partnership and PDC, the Partnership is required to make certain deposits to the Project’s operating reserve (“Operating Reserve Deposits”);

WHEREAS, PDC has agreed to defer Interest Payments and Operating Reserve Deposits for a period of six years in consideration of a loan made by the Authority to the Partnership in the approximate amount of \$290,000 for the purpose of retiring and redeeming the Bonds;

WHEREAS, ORS 456.135 authorizes the Authority to delegate to one or more of its agents and employees such powers as it deems proper;

NOW, THEREFORE, BE IT RESOLVED:

1. The Authority hereby approves the making of a loan in the approximate amount of \$290,000 in Authority general reserves to be used together with an approximate amount of \$300,000 of funds from the Project’s reserves; to redeem and retire the outstanding Bonds in the amount of \$580,000, effective with the date of the dissolution of the Partnership; the Authority’s acquisition of the Interests from the Partnership’s limited partners; and the transfer of the Partnership’s assets to the Authority (including, without limitation, the Project); the dissolution of the Partnership; the payment of \$10,000 in transaction costs in connection with the foregoing actions. In furtherance of this transaction, the Authority further resolves as follows:
2. The Authority further authorizes the execution of documents necessary to transfer the Partnership’s rights and obligations under the PDC Loan to the Authority, to amend the terms and conditions of the PDC loan for purposes of deferring the Interest Payments and the Operating Reserve Deposits for a period of six years, allowing the Partnership to redeem and retire the Bonds, and to obtain PDC’s consent to the transfer of the Project to the Authority.
3. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) any affidavits, certificates, letters, government forms, documents, agreements and instruments that any such Authorized Officer determines to be necessary or desirable: (i) to give effect to this resolution and/or (ii) to consummate the transactions contemplated herein.
4. The Authority is authorized to expend such funds (and to cause the Partnership to expend such funds) as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

5. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may, in the absence of such person, be taken by the duly authorized acting Chair of the Board or acting Executive Director of the Authority, respectively.
6. Any and all actions taken by any of the officers of the Authority, for and on behalf and in the name of the Authority, or for or on behalf of the Partnership in connection with the foregoing prior to the adoption of these resolutions, are hereby ratified, confirmed and approved in all respects as the acts and deeds of the Authority.
7. This resolution shall be in full force and effect from and after its adoption and approval.

Adopted: November 17, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary