

Housing Authority of Portland Board of Commissioners Meeting



The official opening of HAP's second HOPE VI redevelopment, Humboldt Gardens, took place on September 9. Over 400 residents and guests turned out for an afternoon block party, including live music, bar-b-que, tours and remarks by community leaders.

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
October 21, 2008, 6:15 PM



HOUSING AUTHORITY OF PORTLAND

INDEX FOR ELECTRONICALLY DISTRIBUTED BOARD OF COMMISSIONERS BOARD MEETING PACKET FOR OCTOBER 21, 2008

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PUBLIC NOTICE:

THE HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS

will meet on

Tuesday, October 21, 2008

At 6:15 pm

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

TO: COMMUNITY PARTNERS

FROM: STEVE RUDMAN

DATE: October 14, 2008

The Board of Commissioners of the Housing Authority of Portland will meet on Tuesday, October 21, 2008 at the Multnomah County Building – Commission Room 501 SE Hawthorne Blvd, Portland at 4:00 P.M. The commission meeting is open to the public.

The meeting site is accessible, and persons with disabilities may call 503-802-8501 or 503-802-8554 (TTY) for accommodations (e.g. assisted listening devices, sign language, and/or oral interpreter) by 12:00 pm (noon), Friday, October 17, 2008.

CONSENT CALENDAR MINUTES

**HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING
Multnomah County Building – Board Room
501 SE Hawthorne Blvd
Portland, OR
October 21, 2008 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 September 16, 2008 BOC Meeting

REPORTS / RESOLUTIONS

08-10-	TOPIC	Presenter/POC	Phone #
Report	Executive Director's Report (Exec Director TAB)	Steve Rudman	503.802.8455
Report	Oregon Legislative Briefing by Phil Donovan, NW Public Affairs	Shelley Marchesi	503.802.8427
01	Authorization for Public Housing to Modify the Admissions & Continued Occupancy Policies (ACOP) to Give Priority to Permanent Supportive Housing Referrals	Dianne Quast	503.802.8455
02	Authorize On-Call Mechanical, Electrical and Plumbing Engineering	Mike Andrews John Manson	503.802.8507 503.802.8511
Report	HAP Three-Year Business Plan Update	Steve Rudman Katie Such	503.802.8423 503.802.8505

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 regular meeting** of the Board of Commissioners is scheduled for **November 18, 2008 at 6:15 PM** and it will take place at the Multnomah County Building, 501 SE Hawthorne Blvd., Portland.



**HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING MINUTES
September 16, 2008
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, Nathan Teske, Shelli Romero, Jim Smith

STAFF PRESENT

Steve Rudman, Catherine Such, Shelley Marchesi, Michael Havlik, Todd Salvo, Peter Beyer, Jill Riddle, Ben Wickham, Veronica Sherman-King, Kenny Combs, Melissa Richardson Erin Robb, Trent Marsh, Grant Walter, Julie Satterwhite, Martha Armstrong, Rachael Duke, Celia Strauss, Pamela Prideaux

LEGAL COUNCIL

Steve Abel

Chair Bachrach called the meeting to order at 6:17pm.

PUBLIC COMMENT

Lou Eva Burton lives in subsidized housing for seniors and disabled persons. Although this is not one of our properties, she attended the Board meeting as a last resort to complain about a female resident in her building. This resident has been diagnosed as bi-polar, and bullies residents for money to pay for her rent, utilities, cigarettes, etc. Many residents are fearful of this person, who received an eviction notice but was then given a second chance to correct her behavior. Although residents have approached management about this resident, who screams at people at all hours of the night, they have only been told to fill out the proper paperwork and submit it to the management office. Lou Eva and two other residents have restraining orders against this person. She is quite frustrated and felt she has nowhere to turn for help. Katie Such, HAP's Assistant Deputy Director, took Lou Eva aside and spoke with her further about her predicament. Such told the board she would report back to them about the situation.

Deborah Olson attended the board meeting as an advocate for a former neighbor, who is a resident of Rosenbaum Plaza. This person has issues with clutter and has been told to find someone to help clean the unit, which she was unable to do. Management located an outside person to clean this person's apartment for a cost of \$150 for three hours of work. The resident was forced to pay for these services and according to Olson, the job was not satisfactory. Ms. Olson came to the board asking for help for this person.

Ms. Olson also brought to the board an incident involving a resident who suffered a heart attack and ended up in the hospital for three weeks. The resident had rescued several birds and kept them in her apartment. During the time the resident was in the hospital, no one took care of the birds and she came home to find that all the birds had died.

Chairman Bachrach thanked Deborah for bringing these issues to the Board's attention and said that although the Board could not provide an immediate response, that it would be brought to staff and looked into further.

Vice-Chair Moore suggested reinstating a reporting mechanism to let the Board know the outcome issues that are brought to the attention of the Commissioners.

Executive Director Rudman said that HAP does not own the building that Lou Eva Burton resides, but that we will see what we can do, if anything. Rosenbaum Plaza is a HAP property and Rudman said we will contact the property management firm and look into the matter further and report back to the Board.

MEETING MINUTES

Chair Bachrach called for a motion to adopt the minutes of the regular August 19, 2008 Board of Commissioners meeting; Commissioner Kafoury moved to adopt and Commissioner Cormack seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Vice-Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Teske – Aye
Commissioner Romero – Aye
Commissioner Smith – Aye

REPORT – Executive Director's Report

Steve Rudman

Executive Director Rudman reviewed the September report, highlighting the Humboldt Gardens Grand Opening event. It was very successful and enjoyed by many residents who attended, as well as several of HAP's community partners and employees.

Rudman went on to say that the agency is finishing negotiations for a 10-year extension of our Moving To Work agreement. Although nothing is certain, HAP is hopeful that after the public hearing is held our application will be approved. Regarding the recent Building Trades negotiations, Rudman recognized the sea change they have worked under during the past 7-8 years. He explained that they have worked to maintain all of HAP's public housing properties for the past 60 years. Rudman acknowledged Melissa Richardson and Kenney Combs for the great job they did during the negotiation process in reaching an agreement that more mirrors the private sector, but acknowledging that trades has maintained our properties better than anyone in the private sector.

Regarding the audit, Rudman said there is a lot of information containing anything

anyone would want to know about HAP's finances, adding that our auditors, TKW, were very pleased with the results, showing the extent of internal controls that have been implemented. He suggested everyone read the report and if anyone has questions, to please ask. Changes taking place in rent assistance is another topic that will be discussed in greater detail later during the meeting. Rudman acknowledged Jill Riddle, Director of Rent Assistance, has implemented many changes, some of which are improvements in working with partners and landlords, and administrative changes, which will be brought to the Board in October. Rudman thanked Riddle for her leadership. Excess Section 8 funds will also be discussed and the reason for it, partly due to HUD's fiscal year beginning in January and HAP's begins in March. Rudman said this makes it complicated trying to guess how much participants will need. Finally, The Clegg Report will be discussed. This report studies policies and priorities regarding who receives assistance when so many need housing; more than we can afford.

Chair Bachrach thanked everyone for the grand opening at Humboldt Gardens, adding that the event had a good feel to it, especially honoring Denny West and Helen Barney.

PUBLIC HEARING

Moving To Work Agreement

Micky Ryan, representing the Oregon Law Center, introduced herself, stated her background and provided written testimony regarding HAP's Moving To Work Ten Year Agreement and the Section 8 surplus, which she reviewed for the Board. Ryan began by saying that many issues related to our MTW agreement have been addressed in the past, but tonight she wanted to discuss the Section 8 surplus and the concern that people on Section 8 carry much of the burden for rent and utilities. Ryan feels this would inhibit people with no or very little income from using Section 8. She stated that advocates do not want to see the Section 8 program become a resource that only higher income tenants can access and that the Section 8 surplus might be a good source to lower the rent burden. Ryan also brought up the issue of no income tenants being allowed to live in buildings with project based Section 8. She suggested that because solving this problem might be an expense for HAP, that the surplus could be used for this as well. Another suggestion was using part of the surplus to assist in landlord mitigation. She said tenants are concerned that if they challenge a landlord, would they be protected from having it used against them in any way. Ryan reminded the Board that when HAP asked the community to support MTW that HAP made a commitment against the use of time limits and even though this new agreement allows HAP to use time limits, she asked that HAP refrain from using this authority until there is proof that time limits increase the number of participants who gain family wage jobs and are able to pay market rent.

Chair Bachrach thanked Ryan for her testimony and asked about her concern for the program based vouchers and Ryan answered that the concern is about giving free reign to partners. Executive Director Rudman said that the agency has allocations for specific populations, namely those who do not succeed in the open market adding that program based vouchers are not as attractive to landlords as project based vouchers. Rudman concluded by telling Ryan that they can continue to agree to disagree, and that there is

a need to continue discussions to try and better define the strength of the program. Ryan said she wants there to be a fair admission and termination process.

Jill Riddle then explained that the program goes above and beyond regular vouchers and said HAP would create special programs to house people who can't get a voucher. She said HAP is trying to fill in the gaps and tailor a program that goes above and beyond what a regular voucher could provide and assuring Ryan there will always be a hearing process. Ryan said that she understood this, but that she is looking for due process. Commissioner Teske asked Ryan if she would prefer HAP only use project-based vouchers and Vice Chair Moore said he has no issue with HAP delegating authority to the program, although questions the extent of the responsibility. Ryan said she is looking for the same rights as with the regular voucher program. Chair Bachrach ended the public hearing portion of the meeting by saying he is comfortable not allocating all Section 8 resources on a random lottery basis and understands Ryan's policy concerns.

Before the resolutions were presented Commissioner Romero suggested the public hearing session be formally closed. Chair Bachrach closed the public hearing session.

RESOLUTION 09-08-01

Authorize Moving To Work 10-Year Agreement

Executive Deputy Director Katie Such outlined what the authorization represents. Public Affairs Director Shelley Marchesi explained that this authorizes HAP's Executive Director to sign the new MTW 10-year agreement, providing language to move forward and giving us the flexibility as we move forward, adding that she felt it is still to HAP's advantage to sign the agreement.

Chair Bachrach reiterated that first we are signing the agreement and then we will talk about the specifics of the plan. Commissioner Romero summarized that this allows us flexibility to have further discussions about the plan, which, Chair Bachrach added, relates to 09-08-04.

Chair Bachrach moved for a motion to adopt. Commissioner Kafoury moved to adopt and Commissioner Teske seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Vice-Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Teske – Aye
Commissioner Romero – Aye
Commissioner Smith – Aye

RESOLUTION 09-08-02

Authorization to Ratify Trades Labor Agreement

Commissioner Kafoury began by saying that the Board appreciates Brenda Carpenter's mark on the labor agreement.

Deputy Executive Director Such outlined the resolution and turned it over to Melissa Richardson, Human Resources Analyst, who said there is a lot of information in the packet. She then introduced Kenney Combs, Core Maintenance Manager. Combs gave thanks to Brenda Carpenter, Melissa Richardson, and Katie Such. He recognized Richardson and Such for stepping in for Brenda during the negotiation process. Combs also provided some statistics on the make up of the building trades. Richardson then provided some key moves toward a more sustainable business model and making sure our labor partners are aware of more flexibility in the job classifications. Eighteen different job classifications were narrowed down to nine, increasing job flexibility. Two wage schedules will now be used. Schedule A is the current schedule and will remain applicable to all current Trades employees. Schedule B will be used for all employees hired after the contract ratification. Another important change was the agreement reached in that all Trades will contribute 5% of the actual cost of their medical/dental insurance premiums for all levels of coverage, which is closer to that of AFSCME and non-represented employees. HAP was able to reach agreement with Trades on two grievances filed regarding work at Humboldt Gardens and the Plaza.

Thanks were given to Dianne Quast, Jacob Fox and Rodger Moore, all of whom were out of town, for their work on the new contract, as well as Kathy Kodis and the Finance and Accounting staff. Jack Roy, from the labor side was introduced and said that although negotiations are sometimes difficult, it was a pleasure working with HAP. Deputy Executive Director Such said HAP appreciates our partners in Trade and Chair Bachrach said, "Thank you from this side of the table, it looks like we are on the same team." Vice Chair Moore said he echoes those sentiments and Executive Director Rudman added his thanks to everyone involved.

Chair Bachrach moved for a motion to adopt. Commissioner Teske moved to adopt and Commissioner Smith seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Vice-Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Teske – Aye
Commissioner Romero – Aye
Commissioner Smith – Aye

RESOLUTION 09-08-03

Authorizing the approval of the FY2008 Financial Audited Financial Statements; Auditors' OMB A-133 Compliance Report and Auditors' Report to the Audit and Finance Committee

HAP's accounting firm, TKW, was represented by Tim Gillette and Bill Barker. Gillette began by saying that this year's audit was different than in previous years due to more

internal controls within the agency, even though there was more work required on the front end. Peter Beyer added that there was more effort in the preparation and clarifying of information. Gillette went on to point out specifics throughout the report, which can be found on HAP's website. Overall, Gillette reported that HAP did a great job, having found only two comments; one due to a misplaced file, which is not a big deal but requires reporting, and the other involved corrective action, which will be followed up with a report to the Finance Committee.

Treasurer Cormack said it was a great delight to have such a clean, thorough report and gave thanks to everyone involved in the audit. Commissioner Smith echoed those sentiments. Chair Bachrach announced that Commissioner Smith has agreed to join HAP's Audit and Finance committee. Todd Salvo said staff is always available to answer questions.

Chair Bachrach moved for a motion to adopt. Commissioner Romero moved to adopt, with a typo corrected, and Commissioner Kafoury seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Vice-Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Teske – Aye
Commissioner Romero – Aye
Commissioner Smith – Aye

REPORT – F2008 Financials Compared to Budget

Julie Satterwhite provided a brief, but thorough review and explanation of HAP's 4th Quarter financial results. The reports, Statement of Revenues, Operating Revenue, Operating Expenses, Other Income, and Net Assets are included in the Board packet for review.

Chair Bachrach had no comments and Treasurer Cormack said thank you for good performance and good reports.

REPORT – Changes to the Section 8 Administrative Plan

Deputy Executive Director Such began by stating that the Section 8 Administrative Plan forms the way we communicate our policy to participants and that it was seven years since it has been addressed.

Jill Riddle, Director of Rent Assistance then addressed the Board by adding that the Administrative Plan ensures that we stay on track. The Section 8 department is made up of 55 employees serving 8,000 clients. The policy will be posted on our website, at our front desk, and each Section 8 employee will have a copy of the policy at their workstation.

Chair Bachrach said the policy seems to be more about administration than policy and asked if anyone had concerns. Riddle wanted to make the Board aware of an upcoming meeting with HCDC and residents at New Columbia where she would be bringing the minutes from tonight's meeting to see how the community feels. Deputy Executive Director Such added that many current practices were put into the policy. Chair Bachrach said he had no further questions. Treasurer Cormack added that the document seems like common sense and that it is part of good housekeeping and contains good principles.

RESOLUTION 09-02-04

Authorize Proposed Uses of Fungible Funds

Deputy Executive Director Such reviewed the resolution and explained why HAP has these funds, adding that this is not the first year we have had them and we might not have them next year. Such said HAP needs to commit the \$1.5 million by the end of September and report it to HUD as utilized this year. Staff recommends the creation of a MTW Special Projects Fund to assist several recommended programs under the main categories of rental assistance and opportunity housing. HAP would like to use \$400,000 to be used to set up a landlord mitigation fund and \$100,000 used for Ready to Rent classes. The \$1million would be committed to public housing, the specifics of which will be discussed at the October Board work session. Commissioner Kafoury asked if landlord mitigation funds would stay at \$400,000 and if the Board will have the opportunity to see how the mitigation fund will play out? Riddle said she has a meeting with the landlord association to involve them in establishing guidelines. Commissioner Kafoury said her concern is that she does not expect the mitigation fund to be used as a slush fund for the agency to nickel and dimed away on routine expenses. Riddle answered that very strict criteria would be established and added that she hopes this fund will last for several years. Commissioner Teske asked how they came up with the \$400,000 figure. Such said that we need to commit the funds and we looked at the City's permanent supportive funds as a guideline. She said in November the Board will be presented with ideas of how the additional \$1million would be used. Shelley Marchesi asked Riddle if she would report back to the Board on the usage of the landlord mitigation fund and she said that she would, as well as with the Ready to Rent classes to see if things are working.

Vice Chair Moore said he felt as if we were missing a step in the process and asked about the criteria to determine if this is successful and what indicators we will use to measure success. Deputy Executive Director Such said we met with the landlord association, legal aid, housing assistance to determine criteria adding that it will be easier to address our various issues if we pass this resolution. Commissioner Kafoury said we need to build up our landlord program, which was a Denny West mandate 16 years ago.

Commissioner Teske asked, as a resident of Gresham, how the funds will help those who live outside Portland. Executive Director Rudman asked what about the Section 8 program makes landlords want to be a part of a the discussion. Riddle said 70% of our landlords are mom and pop landlords and the larger operations don't want to work with us. This will help us open bigger doors. Chair Bachrach said the concern is the

\$400,000 and that the number seems to have been pulled out of the air. Such said that until we get more data it's an arbitrary number, but that it signals interest. Commissioner Kafoury suggested adding "whereas, up to \$400,000 would be available," to the resolution. Commissioner Romero suggested adding, "be it resolved."

Rudman said that next month there will be more flesh on the bones of these initiatives and will bring back to the Board where we are on the three initiatives, adding that success can be measured in many different ways, but that there are limitations since we can't touch every aspect of our resident's lives. Such said much of what happens with Section 8 is market based and our best hope is to be specific and responsive. Vice Chair Moore added since we are already dealing with mom and pop landlords we need to reach a more sophisticated landlord.

Chair Bachrach moved for a motion to adopt. Commissioner Romero moved to adopt, with the recommended change in the wording of the resolution and Treasurer Cormack seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Vice-Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Teske – Aye
Commissioner Romero – Aye
Commissioner Smith – Aye

REPORT – The Clegg Study

Executive Director Rudman gave a brief review of the report. It was decided that a special work session will be scheduled before the October Board meeting to discuss specifics of the study and to lay out our approach to restructuring. Everyone agreed that all issues need to be discussed, everyone needs to know where everyone stands and that the Board reach consensus.

ADJOURN

There being no further business, Chair Bachrach adjourned the meeting at 8:40pm.

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: October 21, 2008

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: October 14, 2008
TO: Board of Commissioners
FROM: Steve Rudman
SUBJECT: October Executive Director's Report

At our meeting this month we will start by looking outward and presenting the housing agenda for the upcoming state legislative session. We also will ask you to approve changes to our public housing occupancy policies to accommodate a program that supports the City of Portland's efforts to end homelessness and update you on progress against our three-year business plan.

Since I last wrote, we have celebrated the opening of Humboldt Gardens. It was great to see so many of you at the event. I hope you felt as proud of this housing community as I did. It stands in stark contrast to what came before it and should be a strong catalyst for continued redevelopment in the area. Events like our opening rightly are the time to thank project partners and celebrate the residents who will call Humboldt Gardens home. I'd like to take this moment to thank HAP staff again for creating Humboldt Gardens and giving life to its vision of opportunity. All of our departments were involved in this effort, and thanks to their excellent work, HAP continues to build on its national reputation for innovative redevelopment projects that are on time, on budget and on mission.

State Legislative Housing Agenda

Members of the state Housing Alliance have been hard at work shaping and building support for the 2009 state legislative agenda for affordable housing. If you recall, we had mixed success in 2007. We succeeded in getting new funding, including securing lottery proceeds to fund housing programs, but the attempt to secure an ongoing, stable source of funding for affordable housing – an increase in the county document recording fee – fell short of passage by just a few votes.

The Housing Alliance has been at work since last session building support for this measure in the hopes that it will pass in the 2009 session. The alliance is combining the document recording fee funding request with general fund and lottery requests for a total of \$100 million in state affordable housing support during the next biennium. The funds will be allocated through the Oregon Housing and Community Services Department for a housing agenda that includes developing new and rehabilitating existing affordable housing, preserving existing rent-subsidized housing, ending and preventing homelessness, putting homeownership in reach for more Oregonians, maintaining a vital network of community-based housing providers, financing resident purchases of mobile home parks, and supporting strategic acquisition of land for future affordable housing. While we would naturally support some of those uses more than others, they represent the varied affordable housing interests of what has become very broad alliance membership.

I've asked Phil Donovan, who provides public affairs support for the Oregon Housing Authorities trade group, to join us for the board meeting and provide his perspective on the 2009 agenda and attendant funding requests, and their prospects for success. We also will ask for your formal endorsement of the agenda, as part of alliance efforts to gather early support.

Public Housing in Support of City Mission

In October, we are asking for authorization to change our admissions policy for public housing to allow our sites to establish a preference for a limited number of permanent supportive housing referrals. This step paves the way for us to align our public housing resources with a critical policy priority of the city – ending homelessness – in a new effort that benefits all involved.

We have pledged 30 units, located at Hollywood East and Northwest Tower, to house individuals and families who are chronically homeless. In return, the City of Portland is providing \$500,000 over two years to help underwrite the cost of this housing and to add service staff to ensure that these residents will be successful in their homes. This additional support also will benefit existing residents, as it will include working to prevent eviction for anyone at the property when service intervention will make a difference.

This is an excellent example of how two public sector entities can combine resources in support of a critical policy priority. We envisioned efforts to align our resources with the priorities of our jurisdictional partners in our current Moving to Work plan. In the coming year, we will be doing further planning to turn this concept into an initiative that allows us to be more intentional in terms of who we house in ways that support our partners.

Business Plan Update

This past spring you approved a business plan that sets priorities and allows us to track our work against several goal areas over the next three years. We are taking the opportunity to update you on our progress at the upcoming board meeting. You will see as you review the materials in this packet that we are making good progress against an ambitious agenda.

Upcoming Events

The next board work session is on November 6, and the board meeting will be on Tuesday, November 18.

STAFF REPORTS

M E M O R A N D U M



DATE: September 24, 2008

TO: Board of Commissioners

FROM: Katie Such

SUBJECT: Three-Year Business Plan

As you will recall, senior staff underwent a major planning effort with respect to a three-year business planning process in early 2008. Now, approximately six months into the plan, we have provided updates as of the end of September, 2008. You will note that some of our goals have been met overall, and we continue to make progress on our subobjectives. As you no doubt know, the business agenda for HAP is significant, and we are pleased that the business planning effort continues to have integrity and to be meaningful with respect to guiding the daily operations of the agency.

If you have any comments or questions, please let me know.

Business Plan Update

GOAL 1: PRESERVE AND EXPAND HOUSING OPTIONS.

Objective A: Increase the overall availability of rental assistance subsidies and the effective utilization of all rent assistance programs.

Sub-objective	Lead	Support	Q2 FY09 (Jul-Sep 08)	Q3 FY09 (Oct-Dec 08)	Update
A1 Ensure full (at least 98%) utilization of current voucher allocation and increase by 2% annually the number of Section 8 vouchers.	Riddle	Ford-Avery Hernandez Salvo	Manage wait list pulls, assist new voucher holders with leasing, respond to market challenges with appropriate enhancements to payment amounts and methods. Manage contract renewals on PBA projects with an eye towards helping owners improve utilization	Manage wait list pulls, assist new voucher holders with leasing, respond to market challenges with appropriate enhancements to payment amounts and methods. Manage contract renewals on PBA projects with an eye towards helping owners improve utilization.	The voucher pool is currently utilized at 100.1%; we anticipate ending the year at over 100% utilization. We recently received 70 VASH vouchers and 158 relocation vouchers for a total increase of 228 voucher units. We have already exceeded our goal of increasing by 2%; our increase for CY 2008 is currently 3%.

Business Plan Update

GOAL 1: PRESERVE AND EXPAND HOUSING OPTIONS.

<p>A2 Expand the number of landlords participating in Section 8 by 5% such that voucher holders have maximum choice about where they live.</p>	<p>Riddle</p>	<p>Rivas Salvo</p>	<p>Hold landlord forums and consider additional program improvements to recruit and retain landlords.</p> <p>Seek Board Approval for and implement targeted incentives for landlords.</p>	<p>[No tasks listed in the Business Plan Timeline for this quarter. Next task listed for Q1 FY10.]</p>	<p>The Rent Assistance Department is aggressively working on increasing the numbers of landlords participating in the Section 8 program. We have reduced the number of days landlords wait for an initial inspection to fewer than 3 days. We have held two Landlord Lunch 'n' Learns, and I was invited and presented to the Metro Multifamily Housing Association and the Rental Housing Associations at their monthly meetings. We are also currently planning a landlord damages fund.</p>																					
<table border="1"> <thead> <tr> <th colspan="3">Landlord Participation by Year</th> </tr> <tr> <th></th> <th>2007</th> <th>2008 (year-to-date)</th> </tr> </thead> <tbody> <tr> <td>Initial participation</td> <td>2749</td> <td>2612</td> </tr> <tr> <td>Lost</td> <td>577</td> <td>248</td> </tr> <tr> <td>Added</td> <td>440</td> <td>288</td> </tr> <tr> <td>Net change</td> <td>-137 (-5.0%)</td> <td>+40 (+1.5%)</td> </tr> <tr> <td>Resulting participation</td> <td>2612</td> <td>2652</td> </tr> </tbody> </table>						Landlord Participation by Year				2007	2008 (year-to-date)	Initial participation	2749	2612	Lost	577	248	Added	440	288	Net change	-137 (-5.0%)	+40 (+1.5%)	Resulting participation	2612	2652
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<p>A3 Increase by 2% funding for short-term rent assistance (STRA) programs, and improve utilization, effectiveness, and outcomes reporting.</p>	<p>Devlin</p>	<p>Riddle</p>	<p>Conduct assessment of STRA consolidation outcomes. Explore ways to strengthen link to core programs using MTW authority.</p>	<p>[No tasks listed in the Business Plan Timeline for this quarter. Next task listed for Q2 FY10.]</p>	<p>STRA funding remains flat for 2008-2009, as additional funding will take time to develop. The goal for this fiscal year is to evaluate the effectiveness of STRA, and in doing so, advocate for the jurisdictions to provide additional funding to the system.</p> <p>For the 2007-2008 fiscal year, funds were fully utilized, and outcomes met or exceed goals as follows:</p> <ul style="list-style-type: none"> o 90% of households maintained housing 3 months after rent assistance ended (goal was 90%). o 85% of households maintained housing 6 months after rent assistance ended (goal was 80%). o 77% of households maintained housing 12 months after rent assistance ended (goal was 70%). 																					

Business Plan Update

GOAL 1: PRESERVE AND EXPAND HOUSING OPTIONS.

A4 Reach and maintain a 95% utilization rate for Shelter Plus Care vouchers.	Devlin	Riddle	Quarterly sponsor meetings. Work with targeted sponsors to improve leasing success and make other process improvements.	Quarterly sponsor meetings.	<p>Based on current grant agreements, the total number of SPC slots expected to be utilized is 305. However, two factors allow us to utilize more slots than the grant agreements state:</p> <p>1) Funding for each grant is based on the number of units in the grant agreement multiplied by fair market rent for the unit size. Therefore, the calculation assumes that participants will have no income. However, many participants do have income, resulting in a lower per unit subsidy, so we are able to add additional slots.</p> <p>2) Funding for each grant also assumes full utilization on the first day of the grant. Most of our SPC grants are still in their initial 5-year grant period, and none of them were full during the first year. Some were not full for the first time until this year. Therefore, we gained extra slots.</p> <p>This year, HAP received HUD's permission to add new sponsors to two of the more under-utilized SPC grants, and worked with BHCD and a partnering agency to identify resources that would allow expanded utilization on a third grant. The goal was to increase the total participation on SPC from 305 to at least 405.</p> <p>Currently, there are 393 households enrolled in SPC, for a total of 129% utilization. Most grants will be renewed for the first time this summer, and the number of slots in use at the time of renewal becomes the new target utilization number. Therefore, although utilization will be somewhere between 135-150% over the next few months, utilization goals will re-calibrate to that level upon renewal. Once that happens, it is HAP's goal to be able to maintain at least a 95% utilization rate.</p>
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Objective B: Refinance or sell properties to improve financial performance of HAP's real estate portfolio and achieve property-level sustainability.

Sub-objective	Lead	Support	Q2 FY09 (Jul-Sep 08)	Q3 FY09 (Oct-Dec 08)	Update
B1 Relocation of Scattered Site residents and sale of Scattered Sites.	McCausland Xenelis Probstfield	Demezas Fabian Connell Harris-Shakier	Relocation; sales 25% complete.	Relocation; sales.	<p>As of September 1, relocation is 41% complete. As of September 1, sales are 21% complete, and an additional 17% are under contract.</p> <p>Changes in the housing market have impacted the pace and expectations of buyers offering to purchase these homes.</p>

Business Plan Update

GOAL 1: PRESERVE AND EXPAND HOUSING OPTIONS.

B2 Refinance of Ainsworth and Gladstone.	Kelley ¹	Beyer	Feasibility	Feasibility	Refinance of Ainsworth: analysis has been completed with refinancing targeted for the end of this calendar year, depending on capital markets Gladstone: analysis has been completed with no refinancing planned for current year.
B3 Year 15 work out and moderate rehab for Helen Swindels (HS), Dawson Park (DP), and Peter Paulson (PP).	Kelley	Manson ¹	HS decision point, BOC action, construction; DP and PP feasibility.	HS construction; DP and PP decision point, BOC action, and due diligence.	Initial financial analysis complete for all three properties. Yr. 15 Helen Swindels: capital needs study completed and projects have been started; proposed exit strategy has been sent to investor with proposed \$1 purchase price, pay off; existing loan with reserves and continue to operate as is.

Objective C: Complete capital improvements on existing properties and create new public housing units from within existing properties.

Sub-objective	Lead	Support	Q2 FY09 (Jul-Sep 08)	Q3 FY09 (Oct-Dec 08)	Update
C1 Hillsdale Terrace HOPE VI Redevelopment; PH 1:1 replacement and capital improvement.	Andrews	Quast Sherman King McCausland Fox Beyer Sage	Feasibility, BOC action.	Due diligence; resident meetings.	Michael Willis Architects selected as lead for the Architecture and Engineering team. Francesca Gambetti selected as Grant Process General Manager. Four-month work plan developed to prepare and present redevelopment recommendation to the BOC in January. This will include the viability of a HOPE VI grant.
C2 Humboldt Gardens Completion	Manson	Quast Kelley Auld Lyles Sage McCausland Duke Keating	Implement management plan; construction.	Implement management plan. Close permanent financing.	Received Certificates of Occupancy for all units. Held opening celebration. This goal has been met.

Business Plan Update

GOAL 1: PRESERVE AND EXPAND HOUSING OPTIONS.

C3 Pine Square, moderate rehab and PH 1:1 replacement.	Dominguez	Markoff ¹ Manson Auld Beyer Sage	Due diligence; decision point.	Due diligence.	Capital needs assessment calls for up to \$5 million in work. Reviewing this report and developing finance options to address capital needs and refinance obligations.
C4 Cambridge Court capital improvement.	Dominguez	Garvey McCausland Lyles Peters Sage	Finance closing; relocation; construction.	Relocation; construction.	Construction continues on budget and schedule.
C5 Public Housing electrical consumption study.	Quast	Moore Fabian	Due diligence; decision point.	New utility calculations implemented.	Due to recent changes in utility reimbursements and negotiations in Attachment A of MTW this is not financially worth pursuing. Item closed.
C6 Reduce PH operational costs through exchange of unit locks and installation of water and electric saving features (REO).	Combs	Teegarden Moore	50% of project completed.	75% of project completed	Sixty-five percent complete.
C7 Leveraged capital improvements and subsidy conversion analysis.	Andrews	Auld Quast Salvo Sage Salvo	Feasibility; BOC briefing.	Stakeholder meeting; feasibility; decision point; BOC Action.	Completed all data gathering (values, needs, operating structure and cost, etc.). Completed initial grouping/closing exercise. To begin work with CSG advisors to develop a strategy and model schemes. Briefing scheduled for October.

Business Plan Update

GOAL 1: PRESERVE AND EXPAND HOUSING OPTIONS.

C8 Preservation: Rehabilitation of properties identified for Project #1 (P1), Project #2 (P2), and Project # 3 (P3).	Manson	Auld Andrews Quast Beyer	[No tasks listed in the Business Plan Timeline for this quarter. First task listed for Q4 FY09.]	[No tasks listed in the Business Plan Timeline for this quarter. First task listed for Q4 FY09.]	See C7.
C9 Sellwood capital improvement.	Rhea	Coulam Layne Moore Sage	Construction	[No further tasks listed in the Business Plan Timeline.]	Completed piping and window installation.
C10 Dahlke capital improvement.	Rhea	Coulam Fox	Resident communication; construction.	Resident communication; construction.	Construction ongoing; scheduled completion date is December 14, 2008. Resident engagement work ongoing.
C11 Slavin capital improvement.	Rhea	Fox Soles McCausland Sage	Relocation; construction.	Relocation; construction.	Construction ongoing; scheduled completion date is February 8, 2009.
C12 Rockwood Station PH 1:1 replacement.	Dominguez	Markoff ¹ Auld Sage	[No tasks listed in the Business Plan Timeline for this quarter. Next task listed for Q4 FY09.]	[No tasks listed in the Business Plan Timeline for this quarter. Next task listed for Q4 FY09.]	Engaged HUD and Prudential to prepare a formal request to insert 20 public housing units.

Business Plan Update

GOAL 1: PRESERVE AND EXPAND HOUSING OPTIONS.

Objective D: Develop or acquire new units that contribute to the one-for-one replacement of scattered site public housing units and otherwise increase the number of owned mission-oriented units.

Sub-objective	Lead	Support	Q2 FY09 (Jul-Sep 08)	Q3 FY09 (Oct-Dec 08)	Update
D1 Resource Access Center PH1:1 replacement.	Andrews	Quast Livingston Garvey Dominguez Kambur Auld Manson Salvo	Due diligence; community meetings.	Due diligence.	Ongoing.
D2 University Place redevelopment	Dominguez	Quast Livingston Rhea Auld Salvo Sage	BOC Actions; due diligence; decision point.	BOC Action; due diligence; finance closing.	Only three residents remain to be relocated. Outstanding bonds redeemed on July 18. Contractor selected. PDC funding committed. State application submitted on July 25. Expectation that we will hear results later this year. Working to resolve BOLI issue that creates a construction cost pressure.
D3 The Grove preservation	Andrews	Quast Wickham McCausland Peters Schroeder Sage	Sell building.	Sell building.	Ongoing. Central City Concern has taken over management.
D4 Property acquisition, PH1:1 replacement.	Dominguez	Quast Andrews Beyer Manson Auld	Seek & evaluate opportunities.	Seek & evaluate opportunities.	Evaluated and ruled out acquisition of Fessenden Court (nine three-bedroom units). Signed memorandum of understanding with Neighborhood House regarding redevelopment of their Multnomah Village property.

Business Plan Update

GOAL 1: PRESERVE AND EXPAND HOUSING OPTIONS.

D5 ² The Jeffrey	Andrews ¹	Quast ¹ Kelley Andrews Auld Manson	[Sub-Objective not listed in original Business Plan Timeline; no tasks scheduled.]	[Sub-Objective not listed in original Business Plan Timeline; no tasks scheduled.]	Developing a term sheet and list of conditions HAP needs met to step into the partnership. Assembling financial model for HAP review. Continue to engage partners on status.
D6 ² Martha Washington	Andrews	Quast ¹ Manson Auld	[Sub-Objective not listed in original Business Plan Timeline; no tasks scheduled.]	[Sub-Objective not listed in original Business Plan Timeline; no tasks scheduled.]	On June 27, HAP was asked to consider entering ownership. Reviewed the project with the Board of Commissioners at the July work session and meeting. Due diligence continues. Draft letter of intent provided to CCC regarding potential partnership. Next step: meeting with Multnomah County and the developer.

¹ Change from original Business Plan Timeline: Staff change.

² Change from original Business Plan Timeline: Added Sub-Objective.

Business Plan Update

GOAL 2: INCREASE RESIDENT AND PARTICIPANT ENGAGEMENT, IMPROVE RESIDENT RELATIONS, AND PROVIDE FOR MORE SERVICES TO THE PEOPLE WE HOUSE.

Objective	Lead	Support	Q2 FY09 (Jul-Sep 08)	Q3 FY09 (Oct-Dec 08)	Update
A Define and launch a new process for engaging and communicating with residents that informs HAP policy, program and customer service modifications over time.	Marchesi	King Riddle Kambur	Conduct industry and resident research; examine current customer service surveys; propose preferred model. Seek board approval.	Begin to implement new design by engaging some cohort of residents/participants in rent simplification ideas.	The Resident Liaison position has been hired. Staff have developed a work plan for the first 90 days that culminates in recommendations for a preferred model by year end.
B Develop and implement a new method for calculating rents that supports self sufficiency, is easier to understand and simpler to administer, and is less intrusive for residents.	Riddle	Quast Marchesi Salvo Yu	Design public engagement process; Conduct financial modeling with aid of consultant.	Continue financial modeling. Engage stakeholders in reviewing alternative models. Brief Board and work towards consensus on preferred model and system.	Biennial reviews have been implemented for all participants effective 11/01/08; adjusted work process begin July 2008. Currently examining additional processes and seeking further efficiencies that can be implemented. Currently 2301 participants have qualified for and are participating in the biennial inspection process as well. To qualify to participate in the biennial, (every other year inspection process) participants must be in good standing, they must be in the same unit they were the prior year, and the prior year's inspection must have passed on the first visit. Each annual inspection costs approximately \$100 and takes an hour of staff time. The implementation of biennial inspections for 2301 qualifying participants is saving the agency \$230,100 a year, which is very significant for one MTW change.

Business Plan Update

GOAL 2: INCREASE RESIDENT AND PARTICIPANT ENGAGEMENT, IMPROVE RESIDENT RELATIONS, AND PROVIDE FOR MORE SERVICES TO THE PEOPLE WE HOUSE.

C	King	Duke Riddle Quast	Use interdepartmental staff team to develop metrics and scope of evaluation. Seek Board input on framework. Recruit evaluator and jointly develop budget and timeline.	Final work scope approved by Board.	Have had discussions with potential evaluator to discuss potential models for evaluation. Currently assessing demographic data available through HAP intake methods, and discussing a potential comparison group that mirrors the demographic data of those residents and participants currently enrolled in OHI. In discussion with the evaluator, several issues have emerged. First, the OHI project at Fairview is a year old. Other OHI projects, such as Humboldt Gardens, do not yet have data available because of their relative newness. It appears that using the households at Fairview to establish baseline data is probably the most appropriate. Second, it appears that establishing a comparison group may be somewhat challenging, again given the relative small size of the first group. Third, any external, longitudinal evaluation will be expensive: we expect to scope the evaluation and provide a framework that will allow pricing within the next 45 days.
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Objective D: Expand service partnerships with others in the community that serve similar populations and leverage HAP resources to support the following sub-objectives.

Sub-objective	Lead	Support	Q2 FY09 (Jul-Sep 08)	Q3 FY09 (Oct-Dec 08)	Update
D1 Service enriched housing for senior and disabled high-rises.	Duke	Marmor Fox Moore	Identify existing agencies, resources for collaboration.	Prioritize efforts. Develop plan to address patterns. Initiate one new partnership.	Several properties mapped. Exploring implementation of PSH-connected funding from the City of Portland in conjunction with REO for HWE and NWT. Submitting a grant to HUD for family service coordination in some of our neediest properties.
D2 OHI voucher site-based pilots and GOALS.	King	Duke Quast Riddle	Participate in WSI launch of self-sufficiency on-line calculator. Launch DHS voucher pilot. Launch NC pilot.	Develop success measures. Board update on OHI Pilots.	Staff focused on DHS and NC pilot this quarter. DHS pilot is underway with 12 participants completing the first two steps (application, interview) of a five-step process to lease up and begin participation in OHI. Total number to be served is twenty-five. Staff anticipate additional participants to be identified in November with a goal of full participation by January 30, 2009. NC pilot planning is still underway, with a few final issues to be resolved related to escrow. Staff hope to begin recruitment in late October, with enrollment beginning in November. This is dependent upon resolution of outstanding issues. Total to be served in the initial phase is 50 residents.

Business Plan Update

GOAL 2: INCREASE RESIDENT AND PARTICIPANT ENGAGEMENT, IMPROVE RESIDENT RELATIONS, AND PROVIDE FOR MORE SERVICES TO THE PEOPLE WE HOUSE.

D3 Community building and family resource needs in HAP's family properties, including HOPE VI redevelopments.	Keating King	Quast	Evaluate existing efforts. Analyze partnership opportunities at Hillsdale Terrace.	Conduct mapping of service needs, livability issues and community resources in other family properties. Prioritize communities based on needs and opportunities.	Partnership opportunities analysis underway for Hillsdale; three organizations have been identified.
Objective	Lead	Support	Q2 FY09 (Jul-Sep 08)	Q3 FY09 (Oct-Dec 08)	Update
E Seek new resources to augment service and community building programs.	Rudman	Keating King Marchesi	[No tasks listed in the Business Plan Timeline for this quarter. Next task listed for Q3 FY09.]	Recruit and hire for Resource Development position.	HAP has successfully applied to the Mayor's Office of Youth Violence (\$75,000) for youth outreach, leadership and employment at New Columbia. This funding continues our NC Academy and Youth Employment program through August 2009. We are considering submitting a letter of interest to Meyer Memorial Trust to support the OHI at New Columbia. We have had some email correspondence from Paul Allen Foundation about a possible site visit this fall. They are putting a new focus on asset building. We've made agreements with the Boys and Girls Club to provide after school literacy on-site at Humboldt Gardens starting in January and Resident Services staff is crafting a letter of interest for additional service providers at the NC Learning Center.
F Increase the number of residents and participants who can participate in GOALS by redesigning the escrow system.	Duke	Riddle Satterwhite	Research and analyze best practices.	Conduct financial modeling and use staff team to recommend preferred alternative. Seek Board approval.	Staff time and attention have been dedicated to current escrow system and data issues. Hopefully, this discussion can be linked with rent simplification discussions. RS hosted an interdepartmental training for HAP staff to learn more about regulations for current system.

Business Plan Update

GOAL 2: INCREASE RESIDENT AND PARTICIPANT ENGAGEMENT, IMPROVE RESIDENT RELATIONS, AND PROVIDE FOR MORE SERVICES TO THE PEOPLE WE HOUSE.

G Begin to better define HAP's long-term strategic vision for resident relations and engagement.	Rudman	Keating King	[No tasks listed in the Business Plan Timeline for this quarter. Next task listed for Q2 FY10.]	[No tasks listed in the Business Plan Timeline for this quarter. Next task listed for Q2 FY10.]	See Goal 2, Objective A.
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Business Plan Update

GOAL 3: DESIGN AND IMPLEMENT A MORE EFFECTIVE DECISION- AND POLICY-MAKING AND PLANNING PROCESS.

	Lead	Support	Q2 FY09 (Jul-Sep 08)	Q3 FY09 (Oct-Dec 08)	Update
Objective A: Adopt a new annual planning cycle that synchronizes MTW requirements, business planning, public engagement, staff retreat timing, and board retreat.	Such	Duke Marchesi Kambur Satterwhite	[No further tasks listed in the Business Plan Timeline.]	[No further tasks listed in the Business Plan Timeline.]	New calendar currently in place – staff and Board planning retreats currently scheduled.
Objective B: Modify management team meeting structures to solidify information flow, and to encourage early deliberation.	Such	Duke Marchesi Kambur Satterwhite	The new Deputy Executive Director will evaluate meeting structure and implement changes, if warranted.	[No further tasks listed in the Business Plan Timeline.]	The new Deputy Executive Director continues to evaluate the meeting structure, and will discuss any proposed changes with internal management before the end of the year.
Objective C: Begin development of a matrix that charts the levels of decision-making authority for department directors, Deputy Executive Director, Operational Management Team, ETeam, and Executive Director.	Such	Duke Marchesi Kambur Satterwhite	Department directors engage with executive team to chart out decision-making authority levels.	[No further tasks listed in the Business Plan Timeline.]	Decision-making team met again in August. Need to discuss decisionmaking role of the board vs. staff at the January retreat. New Deputy Executive Director is gathering information and ongoing background regarding this issue. Questions that arise for the new DED include but are not limited to: <ul style="list-style-type: none"> - decision making vs. the ability to make recommendations - managerial authority vs. decision making by group - decision making vs. involving others in implementation - gathering broad based opinions and information vs. speed and efficiency - and other such questions
Objective D: Develop a matrix that shows requirements for board approvals according to both HUD and local policy and practice.	Such	Duke Marchesi Kambur Satterwhite	[No task listed in the Business Plan Timeline for this quarter. Next task listed Q3 FY09.]	Under direction of the Deputy Executive Director, the matrix will be developed.	This objective is not due until year end; however, it is currently anticipated that the board retreat in January will include a discussion about board engagement, including but not limited to the use of work sessions and other existing and potential committee meetings.

Business Plan Update

GOAL 3: DESIGN AND IMPLEMENT A MORE EFFECTIVE DECISION- AND POLICY-MAKING AND PLANNING PROCESS.

Objective E: Provide new tools to leadership team to aid in stakeholder identification, stakeholder analysis, and project or initiative scoping.	Such	Duke Marchesi Kambur Satterwhite	New tools introduced. Operations management team and executive team begin using the tools. Applicability and effectiveness of the tools evaluated.	[No further tasks listed in the Business Plan Timeline.]	The new tools originally discussed included the planning calendar (already in use) as well as project management tools, including but not limited to CAIRO charts and similar project management tools. These tools are linked to the overall meeting structure and decision making structure, and are currently in the evaluation process.
Objective F: Augment staff capacity in policy, planning, and research, and MTW oversight.	Such	Duke Marchesi Kambur Satterwhite	Recruitment and orientation. New position engaged in Goal 1 and Goal 2 objectives to help frame policy trade-offs and impacts.	[No further tasks listed in the Business Plan Timeline.]	Policy and Planning Manager has been hired and starts work October 6 th . Work plan for the first 90 days in process.
Objective G: Consider a new liaison structure for the Board, to all deeper understanding of issues and initiatives, and provide opportunities for earlier engagement in shaping policy and business decisions.	Such	Duke Marchesi Kambur Satterwhite	Staff develop proposals for Board consideration. Adopt a new system at the Board retreat in September.	[No further tasks listed in the Business Plan Timeline.]	New liaison structure proposed in September that would create a real estate subcommittee. Board membership and timing to be determined.

Business Plan Update

GOAL 4: IMPROVE HAP'S INTERNAL INFRASTRUCTURE SUPPORT.

Objective A: Improve HAP's infrastructure.

Sub-objective	Lead	Support	Q2 FY09 (Jul-Sep 08)	Q3 FY09 (Oct-Dec 08)	Update
A1 Yardi 6.0 implementation – adding features (such as ACH pmt, improved Construction, work orders), providing a single platform, and continuing support (Yardi discontinuing support of earlier versions).	Carpenter Yu	Quast Riddle Andrews Salvo Beyer	Final testing and training.	Implementation.	Training and testing of version 6.08.22 will occur through the months of October, November and early December. The original conversation date of November 7 th has been moved to December 26 th .
A2 Yardi Construction – completing Worthey consultants project; improving operating unit reporting (enabling better review and decision making and financial management).	Carpenter Sage	Auld DCR Bus Analyst Beyer Kodis	Quarterly progress of completing and testing report list.	Quarterly progress of completing and testing report list.	All reports developed. Users currently testing reports. Additional changes to report formats requested by users. Modifications underway. Developing revised reports with format changes for data testing and final acceptance testing. Due to Yardi conversion, resource constraints indicate final report testing and acceptance to occur in December/January timeframe.
A3 Launch electronic filing – increasing access to data and decreasing staff time spent on low value-added work.	Riddle Yu	Ford-Avery	Test systems setup.	Launch for Section 8.	Scanning, testing, and training on the implementation of electronic files has been completed in Rent Assistance. Development of work flow process incorporating the scanning of documents taking place during October. Paperless start date will be in December 2008 for all incoming new documents. Six months after the implementation of the new document process, the scanning of existing files will begin. DCR has begun scanning/archiving project files. Purchasing is slated for conversion to electronic filing.

Business Plan Update

GOAL 4: IMPROVE HAP'S INTERNAL INFRASTRUCTURE SUPPORT.

A4 Internet application gateway – improving remote access for staff (eliminates CITRIX); providing secure and limited access to HAP data by 3rd-party management firms, landlords, wait list, etc.; and allowing for large date transfers.	Carpenter Zuercher	Havlik Moore Oliver Lindsay- Bell	Test new system.	Launch.	Completed final migration of property management firms. System implementation complete. No new applications utilizing the functionality of this gateway are planned at this time.
A5 Electronic timesheet – improving payroll activity tracking and controls over coding.	Carpenter Richardson	Satterwhite Baker Yu	Testing and issue identification.	Testing and issue identification.	Delayed.
A6 Software to automate purchasing/contracting performance statistics – automating contractor prevailing wage compliance, target business tracking, and apprenticeship program tracking.	Carpenter Walker		Purchase and implement web based software solution.	[No further tasks listed in the Business Plan Timeline.]	Elations software subscription purchased. Staff training underway. Software is being tested with a single contractor to identify issues prior to roll out.

Objective B: Improve internal processes.

Sub-objective	Lead	Support	Q2 FY09 (Jul-Sep 08)	Q3 FY09 (Oct-Dec 08)	Update
B1 Issue financial statements by the 15th business day – improving ability of management to analyze trends.	Salvo Beyer	Satterwhite Linfesty	Work with operating segments to reduce chart of accounts.	[No task listed in the Business Plan Timeline for this quarter. Next task listed Q4 FY09.]	Accounting staff developing recommendation on reducing the number of accounts (to be completed by end of September). Meet with operating groups to review recommendation in October. Other improvements in close process will be tested in September close to establish a benchmark for shortening the close process.

Business Plan Update

GOAL 4: IMPROVE HAP'S INTERNAL INFRASTRUCTURE SUPPORT.

<p>B2 All tax credit audits completed by third-party management companies – decreasing staff time spent on low value-added work; improving timeliness of audit completion.</p>	<p>Salvo Beyer</p>	<p>Havlik</p>	<p>Monitor success of receiving timely and accurate uploads.</p>	<p>Monitor success of receiving timely and accurate uploads.</p>	<p>Property accountants continue to have issues with property management submissions. Regroup internally to isolate remaining issues for correction.</p> <p>Continuing to work with 3rd party management firms. Still plan for all 3rd party mgmt firms to assume year end audit responsibility except for Allied due to continuing issues with financial reporting.</p>
<p>B3 Section 8 process flow reviews and design process improvements in conjunction with Yardi 6.0 conversion – identifying efficiency opportunities.</p>	<p>Riddle</p>	<p>Ford-Avery Craig Linfesty Oliver</p>	<p>Initiate fieldwork.</p>	<p>Completion of review.</p>	<p>Quadel Consulting completed their analysis of the Rent Assistance department. Their report included recommendations on processing and customer service, landlord relations, guidance on MTW authority, FSS escrow calculations, PIC reporting and assistance on transitioning to our paperless system. A meeting is being scheduled with Quadel for a in depth discussion of their written report.</p>
<p>B4 Documentation and training of agency wide and departmental internal processes and policies (not Yardi, but internal processes such as how to deposit tenant receipts, etc.) – supplementing new employee orientation; enabling consistent practices; and allowing for easier training of new staff.</p>	<p>Carpenter</p>	<p>TBD Nedrow</p>	<p>[No task listed in the Business Plan Timeline for this quarter. Next task listed Q3 FY10.]</p>	<p>[No task listed in the Business Plan Timeline for this quarter. Next task listed Q3 FY10.]</p>	<p>Future project.</p>

Business Plan Update

GOAL 4: IMPROVE HAP'S INTERNAL INFRASTRUCTURE SUPPORT.

<p>B5 Launch ACH payments to landlords – improving relationship with landlords and reducing costs.</p>	<p>Riddle Beyer</p>	<p>Yu Craig Nussbaum</p>	<p>Accounting/Section 8/IT to create policies, procedures and process maps; major focus on data security/controls.</p>	<p>Identify changes to process for Yardi 6.0; create test file with banking provider.</p>	<p>Implementation of ACH payments to participating Section 8 Landlords is on hold until the new Yardi system has been installed.</p> <p>Will be testing ACH functionality in new version of Yardi during month of October. After confirmation of system capability, will develop necessary process controls and procedures to support roll out to landlords.</p> <p>The Rent Assistance Department is anxious for the opportunity to implement ACH payments as this is heavily requested by participating Landlords and would increase cost savings and efficiencies within the department and the agency overall.</p>
<p>B6 Plan emergency response – preparing residents, staff, and properties for potential disaster.</p>	<p>Salvo Consultant TBD</p>	<p>Beyer Teegarden Yu Markoff Nedrow Zuercher</p>	<p>Distribute Emergency Management handbooks for all locations; complete development of backup site at Hollywood East.</p>	<p>Create Business continuity plan; create agency level training curriculum to provide training to staff and residents.</p>	<p>Focus currently on development of back up site for NMW.</p> <p>HWE server room remodel for HVAC and reconfigure completed. Started power & wiring update as 2nd phase. IT systems redundancy at HWE contingent on I-net availability at end of year.</p> <p>Discussion with REO Maint. Group on setting up backup tape carrier transportation has been scheduled. August kick-off meeting with operating groups for business continuity planning.</p> <p>Business Continuity/Emergency Response Steering Committee to meet with consultants October 6th to begin development of agency continuity and recovery plan.</p>

Business Plan Update

GOAL 4: IMPROVE HAP'S INTERNAL INFRASTRUCTURE SUPPORT.

<p>B7 Reporting improvement – verifying accuracy; creating audit process to ensure new information is incorporated into existing reports; creating report maintenance processes and eliminating unused reports; and fostering better management monitoring and decision making.</p>	<p>Salvo Satterwhite</p>	<p>Havlik Auld Kodis Yu Craig Nussbaum Lindsay-Bell Fabian DCR Bus Analyst Accounting - TBD</p>	<p>Establish report maintenance schedule; develop report prioritization process; complete RE OPS breakthrough report.</p>	<p>Create and test additional reports; complete budget report design.</p>	<p>Unused OLAP/ProClarity reports purged. Staff responsible for OLAP cubes/report maintenance identified. Yardi report menu sets revised to make unused reports unavailable. Unused reports have been removed.</p> <p>Report maintenance schedule in place for financial reports. Breakthrough report for AH property performance reporting in development – anticipate completion in November.</p>
<p>B8 Procurement rule-change compliance improvement – eliminating re-write of HAP procurement rules for each state statute change; automating adoption of rule change without unnecessary Board approval.</p>	<p>Carpenter Walker</p>	<p>HAP departments' review and comment.</p>	<p>Change in procurement rules adoption process submitted for Board approval.</p>	<p>Change in procurement rules adoption process submitted for Board approval.</p>	<p>Stoel Rives completing comprehensive re-write of HAP procurement rules combining ORS statutes and HUD regulations. Draft to be circulated to HAP staff for review.</p> <p>Draft from Stoel currently being reviewed by staff.</p>

M E M O R A N D U M



REAL ESTATE OPERATIONS

DATE: October 15, 2008
TO: Board of Commissioners
FROM: Dianne Quast, Director of Real Estate Operations
SUBJECT: Impact of “Year 15” on HAP’s Tax Credit Portfolio

Background:

When the partnerships were formed to develop our LIHTC properties, one of the underlying assumptions was that at the end of the 15-year LIHTC compliance period, the partnerships would be dissolved and the properties would become owned by HAP.

Every property will arrive at “Year 15” with a unique set of circumstances regarding the exit of the limited partner and the ongoing operation of the property. The most important factors are the initial projections, the property’s performance in comparison to those projections, ongoing income restrictions, terms of financing documents, terms of our purchase options/partnership agreement, the property’s current operating performance, its physical condition, and the approach of the limited partner to Year 15.

Issues to consider at Year 15:

Purchase options: at the original closing most deals would have provided HAP with two options to take control of the property after Year 15, an option to buy the limited partner’s interest (everything owned by the partnership, including cash and reserves) and a right of first refusal to buy the property (sticks and bricks only). The option to buy the limited partner’s interest (as opposed to the property) usually sets the purchase price at the fair market value of the interest plus any exit taxes owed by the limited partner. This option is often the best, because based on operations; the value of the interest is often negative and

allows HAP to retain all the reserves on hand. Unfortunately, we have some properties where we don't have this option. The Right of First Refusal usually gives the option to buy the property for a price equal to the greater of Fair Market Value or existing debt plus exit taxes owed by the limited partner. This option is often less favorable to HAP because the property often has more value the limited partner's interest and it could lead to reserves being owed to the limited partner. Some of our properties have option agreements or Right of First Refusal agreements with substantially different terms than those described above.

Exit taxes: Each year during the partnership's ownership of the property, the limited partner claims its share of the taxable losses from the property's operations on its tax returns. These claims reduce the limited partner's capital account (their initial pay-in). If the balance in the capital account goes below zero, exit taxes will be owed, typically 35 percent of the negative balance. During the original underwriting, projections are developed that show the anticipated balance in the capital account at Year 15. If the property performs worse than expected, the amount of exit taxes will be greater than originally thought and vice versa. We have properties that, based on original projections, would owe no exit taxes, but because the losses have been greater than expected, we now expect to owe exit taxes. We also have several properties that will owe very little or no exit taxes. Unfortunately, some of our properties were underwritten projecting exit taxes, and with greater operating losses than expected, the projected exit taxes are now in some cases over \$1 million.

There are strategies that can be used reduce projected exit taxes: forgiveness of amounts owed to HAP by the project, reallocating losses from the limited partner to HAP, improving property performance, refinancing or restructuring of debt. Some of these strategies require the consent of the limited partner.

Sustainability of ongoing operations: As part of analyzing Year 15, it is important to analyze the sustainability of ongoing operations after the property comes into HAP ownership. Items to consider are refinancing, loan payoff, and restructuring of PDC debt.

Physical condition: The physical condition of properties ideally should be analyzed at least five years before Year 15. In some cases, the documents call for the limited partner to receive the reserves at Year 15. In those instances, it is important to spend them down as permitted by the documents before the limited partner exits. If the property needs substantial rehabilitation, it may need to be recapitalized with a new allocation of tax credits.

Budgeting: As a property approaches year 15, we will estimate the costs associated with buying the property or the limited partner's interest and evaluate whether the property has resources to pay these costs. In the case of the Swindells, the costs are anticipated to be less than \$20,000 and the property has

reserves that can pay for it. The cooperation of the limited partner will have an impact on how high these costs can go. There can be costs for multiple appraisers, accountants, HAP's attorneys and the limited partner's attorneys, etc.

Year 15 dates for HAP's LIHTC properties:

YEAR	PROPERTY(S)	YEAR	PROPERTY(S)
2008	Helen Swindells	2016	Lovejoy Station
2009	Dawson Park	2017	Fountain Place
	Peter Paulson		Gateway Park
2011	Kelly Place		St. Francis
2012	Yards @ Union Station*	2019	Haven (New Columbia)
	Pearl Court*		Cecelia (New Columbia)
	Gladstone Square	2020	Trouton (New Columbia)
2013	Rockwood Landing		Woolsey (New Columbia)
2014	Gretchen Kafoury Commons	2022	The Morrison
	Hamilton West		Humboldt Gardens
2015	Sequoia Square		

*Limited partner has indicated that they may want to exit earlier

Upcoming Year 15 properties – Status and Issues:

Helen Swindells (2008) – Enterprise Community Partners, Limited Partner

Key issues:

- Ongoing operations are very tight
- High interest rate on existing first mortgage (remaining balance \$300,000)
- Capital needs assessment completed in 2008 shows \$130,000 in immediate repairs and \$230,000 in longer-term repairs needed
- Exit taxes of \$162,000 projected
- Enterprise owns 80% of the partnership and Homestead Capital owns 20%
- Operating reserves balance of \$387,000; replacement reserve balance of \$276,000
- Can buy property or limited partner interest at our option
- Limited partner interest has negative value
- Enterprise has been willing to waive exit taxes in the past

Strategy:

- HAP has made offer to buy the limited partner's interest for \$1; waiting for response from Enterprise
- Use operating reserves to pay off first mortgage
- Use remaining reserves to make repairs
- Continue to operate as is

- Only costs should be legal/accounting fees

Peter Paulson (2009) – Enterprise Community Partners, Limited Partner

Key issues:

- Ongoing operations very tight
- High interest rate on existing first mortgage
- Balloon payment coming due in 2015 of \$465,000
- Based on capital needs assessment completed in 2008, very few repairs needed in the short to medium term
- Exit taxes projected at \$72,000
- Operating reserve balance of \$235,000, replacement reserve balance of \$220,000; a portion of the operating reserve was set up for payment of exit taxes
- Can purchase limited partner interest, which has no value
- No return to HAP allowed by either partnership agreement or PDC documents

Strategy:

- Continue to reallocate losses to reduce projected exit taxes
- Ask Enterprise to waive exit taxes
- Refinance/restructure first mortgage to improve operations after limited partner exit
- Restructure PDC agreement to allow for return to HAP
- Continue to operate property as is

Dawson Park (2009) – US Bank, Limited Partner

Key issues:

- Ongoing operations very tight
- High interest rate on existing first mortgage
- Based on capital needs assessment completed in 2008, very few repairs needed in the next 10 years
- Exit taxes projected at \$192,000
- Reserves inadequate for future capital needs
- Limited partner has completed very few “year 15” transfers, making it difficult to anticipate their approach
- Can purchase limited partner interest, which has no value

Strategy:

- Pursue reallocation of losses and forgiveness of amounts owed to HAP in 2008 and 2009 to reduce projected exit taxes
- Continue to try to engage limited partner in discussions about exit

- Refinance mortgage after limited partner exit

Yards @ Union Station (2012 or earlier) – Enterprise Community Partners, Limited Partner
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Key issues:

- Property operates well; bonds refunded in 2007
- Anticipate very few repairs needed in next 1-8 years
- Need to obtain a capital needs assessment to confirm
- Sufficient reserves for ongoing needs
- Can purchase limited partner interest, which has no value
- Minimal exit taxes are projected
- Limited partner may want to exit before the 15th year
- Adjusters are owed for fewer tax credits than originally projected (\$60,000) and for housing an over-income tenant (\$15,000)
- Limited partner may want to exit early

Strategy:

- Manage exit taxes so none are owed
- Discuss forgiveness of adjusters with Enterprise
- Work with Enterprise to purchase their interest

Pearl Court (2012 or earlier) – Federal National Mortgage Association (Fannie Mae), Limited Partner

Key issues:

- Can only purchase limited partner's interest. Interest appears to have value around \$1 million
- No exit taxes projected
- Property has \$200,000 in cash flow per year
- Property has substantial reserves
- Capital needs assessment will be underway soon; anticipating some level of repairs needed, particularly to exterior EIFS
- Limited partner has expressed an interest in exiting early

Strategy:

- Negotiate with limited partner actual price to be paid for interest, particularly if they want to exit early
- Spend down operating cash (beyond what is distributed to HAP) and reserves on repairs

Beyond 2010 – issues and challenges impacting the next set of properties:

- Properties with few issues surrounding Year 15 transfer: Kelly Place (2011), Gladstone Square (2012), Rockwood Landing (2013), and Sequoia Square (2015).
- Properties with significant issues surrounding Year 15 transfer: Gretchen Kafoury Commons (2014), Hamilton West (2014), Lovejoy Station (2016), Fountain Place (2017), Gateway Park (2017), St. Francis (2017).

There are very high exit taxes projected for all of these properties—Hamilton West \$400,000, Gretchen Kafoury Commons \$1 million, Lovejoy Station \$1.2 million, Fountain Place \$260,000, Gateway Park \$600,000, and St. Francis \$1.5 million. Because we analyzed these properties so far in advance of year 15, we have the opportunity to work with the limited partners to improve our exit position. Key Community Development Corporation (KCDC) is our limited partner on three of these properties (Gateway, Fountain, and Kafoury). We are already in touch with them regarding ways to reduce the exit taxes. One strategy may be to have them exit the partnership prior to year 15. We should be submitting a plan to KCDC in early 2009 regarding these properties. We are working to contact the National Development Council regarding Hamilton West and Enterprise regarding the St. Francis. The limited partner for Lovejoy Station, Edison Capital, has not been easy to work with at any stage of the history of this development. We are not optimistic about our ability to work with them to improve the exit position on this property.

- It is too soon to tell what year 15 issues will exist for the four New Columbia partnerships, the Morrison, and Humboldt Gardens. We have our systems set up to monitor their performance and we will keep you updated.

We have attempted to summarize the major issues around Year 15 and the current state of HAP's portfolio from a Year 15 perspective. If you have additional questions about Year 15 in general or a particular property, please don't hesitate to ask.

Purchasing Department		MONTHLY CONTRACT REPORT		Contracts Approved 8/1/08 -- 9/30/08	
Contractor	Contract Amount	Description	Department	Execution Date	Expiration Date
<i>PROFESSIONAL SERVICES</i>					
G&L Janitorial	\$54,400	Janitorial services for New Market West building.	REO	9/3/2008	8/31/2009
URS Corporation	\$1,960	Prepare fair cost estimate for Phase 1 A&E Hillsdale Terrace.	Development & Community Revitalization	9/4/2008	7/1/2008
MicroSkill, Inc.	\$4,500	Excel 2003 training for HAP Finance & Accounting/staff.	Human Resources	9/4/2008	8/19/2009
Interface Engineering	NTE \$90,000 9/1/08 thru 3/31/2011	On-call low voltage electrical wiring and engineering.	Development & Community Revitalization	9/10/2008	8/31/2011
Dana Wedel	\$4,000	Literacy program at the Plaza Townhomes.	Resident Services	9/10/2008	6/30/2009
Elizabeth Normand	NTE \$99,999 annually	Grievance Hearings Officer 2008 IRFP 07/08-45	Executive	9/11/2008	8/31/2012
Dena Marshall	NTE \$99,999 annually	Grievance Hearings Officer 2008 IRFP 07/08-45	Executive	9/11/2008	8/31/2012
Avalution Consulting, Inc.	\$25,000	Provide business continuity consulting services.	Finance & Accounting	9/17/2008	9/14/2009
TsaiComms	\$2,000	Diversity training: understanding Asians.	Human Resources	9/29/2008	7/25/2009
PNRC Chapter of NAHRO	\$7,000	Planning, coordinating, scheduling and providing sessions for NAHRO conference in Portland, OR July 2009.	REO	9/23/2008	9/31/09
Hispanic Chamber of Commerce	\$5,000	Work with HAP and R&H Construction representatives. Provides outreach and pre-bid activities to support achievement of established aspirational goal of 20% target business utilization on University Place Project.	Development & Community Revitalization	8/18/2008	11/30/2008
Achievement Architects	\$1,500	Provide facilitation for strategic planning for the American Contract Compliance Association conference in Portland on 8/29/08.	Purchasing	8/18/2008	10/15/2008
Ajilon Professional Staffing	\$17,750	Recruit and screen applications to fill Development Analyst position	Development & Community Revitalization	7/2/2008	7/31/2008
<i>PUBLIC IMPROVEMENTS/CONSTRUCTION</i>					
FX Repair & Remodeling	\$30,000	Maple Mallory Miscellaneous repair including masonry and roof repair.	Development & Community Revitalization	9/29/2008	12/31/2008
Pacific NW Floor Coverings	\$15,987	Repair damaged floors at Eliot Square.	REO	9/23/2008	8/26/2009
R & H Construction	\$58,950	CM/GC for University Place.	Development & Community Revitalization	8/22/2008	11/30/2008

Contractor	Contract Amount	Description	Department	Execution Date	Expiration Date
<i>GOODS / SUPPLIES</i>					
IKON Office Solutions	\$3,125 annually	Copier/printer/scanner for NMW, 4th FL.; \$260 per month for 48 months.	Finance & Accounting	8/21/2008	9/1/2012
IKON Office Solutions	\$3,084 annually	Copier/printer/scanner for Hollywood East staff; \$257 per month for 48 months.	Resident Services and REO Core Management	9/8/2008	8/31/2012
IKON Office Solutions	\$357 annually	Copier/printer/scanner for Dekum Court Site Office; \$30 per month for 48 months.	REO	9/23/2008	9/30/2012
<i>SERVICES</i>					
Pacific Telecom Services (PTS), LLC	Revenue Agreement; tbd	Management contract for antenna site management; RFP 02/08-33	REO	9/4/2008	7/31/2009
State of Oregon cooperative agreement with Azumano Travel Services	NTE \$15,000 annually	Access to state of Oregon pricing and account set-up with Azumano Travel, Inc.	Purchasing	9/4/2008	8/31/2011
<i>AMENDMENTS TO EXISTING CONTRACTS</i>					
Wyatt Fire	\$8,745	Scope of services to include modifying existing fire sprinkler on first floor and install double-check valve at the Grove Hotel.	Development & Community Revitalization	8/25/2008	12/31/2008
RichArt Family, Inc.	\$38,815	Modifications for Slavin Court Modernization including labor and materials to install additional towel bars and rings. Install door hardware on storage room and rear entry doors in each apartment.	Development & Community Revitalization	8/19/2008	1/29/2009
LifeWorks NW	\$44,558	Early literacy program at various HAP Public Housing and Affordable properties.	Resident Services	8/15/2008	6/30/2009
RichArt Family, Inc.	\$8,412	Modifications at Dahlke Manor Modernization including repair of conduit; relocation of electrical and abatement of hard fittings at existing valves in first floor ceiling.	Development & Community Revitalization	8/18/2008	1/29/2009
CAWS	\$21,000	Budget modification to extend budget through contract transfer period. Contract transferred to PCC 8/1/08. Extend completion date to 7/31/08.	Resident Services	8/31/2008	7/31/2008
LifeWorks NW	\$219,000	Community-based prevention -- after school programs for five HAP public housing properties and three affordable properties.	Resident Services	9/8/2008	6/30/2009
					9/30/2008

DASHBOARD REPORT

Housing Authority of Portland - Dashboard Report For September of 2008

Property Performance Measures

Occupancy

	Number of Properties	Physical Units	Rentable Units	Vacant Units	Occupancy Percentage	Unit Mix						Total
						Studio/SRO	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5+ Bdrm	
Public Housing	44	2,163	2,037	34	98.3%	513	848	363	418	21	0	2,163
Public Housing Mixed Financed Owned *	1	40	40	0	100.0%	0	15	15	10	0	0	40
Public Housing Mixed Finance Tax Credit *	4	296	296	0	100.0%	0	93	89	62	45	7	296
Total Public Housing	49	2,499	2,373	34	98.6%	513	956	467	490	66	7	2,499
Affordable Owned with PBA subsidy	6	496	496	15	97.0%	72	229	104	91	0	0	496
Affordable Owned without PBA subsidy	9	871	871	57	93.5%	15	260	448	133	15	0	871
Total Affordable Owned Housing	15	1,367	1,367	72	94.7%	87	489	552	224	15	0	1,367
Tax Credit Partnerships	21	2,432	2,432	91	96.3%	890	658	492	230	145	17	2,432
Total Affordable Housing	36	3,799	3,799	163	95.7%	977	1,147	1,044	454	160	17	3,799
Eliminate Duplicated PH Properties/Units	-5	-336	-336	0		0	-108	-104	-72	-45	-7	-336
Combined Total PH and AH	80	5,962	5,836	197	96.6%	1,490	1,995	1,407	872	181	17	5,962
Special Needs (Master Leased)	36	422	422									
Total with Special Needs	116	6,384	6,258									

* property/unit counts also included in Affordable Housing Count

Financial

Three months ending 6/30/2008	Per Unit Per Month					Fiscal YTD ending 6/30/2008				06/30/08			
	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	\$199.47	\$243.59	\$443.05	\$366.51	\$70.34	\$6.21	20	1,398	24	765			
Affordable Owned	\$513.11	\$188.41	\$701.52	\$377.67	\$53.92	\$269.93	15	1,367	0		8	4	3
Tax Credit Partnerships	\$512.58	\$28.56	\$541.14	\$351.55	\$9.54	\$180.05	19	2,266	2	166	8	9	4

Public Housing Demographics

Public Housing Residents	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 His-Panic/Latino
0 to 10% MFI	461	20.1%	2.2	1.8	10.0%	10.1%	0.8%	5.4%	5.6%	13.2%	0.7%	0.4%	0.5%	4.4%	15.7%
11 to 20%	1,004	43.7%	1.6	1.4	33.7%	10.0%	11.8%	23.1%	8.7%	32.0%	1.5%	2.0%	0.3%	3.4%	40.4%
21 to 30%	485	21.1%	1.9	1.5	14.8%	6.4%	6.2%	9.4%	4.1%	15.5%	0.7%	0.8%	0.2%	2.7%	18.4%
31 to 50%	266	11.6%	2.4	1.9	5.7%	5.9%	2.2%	3.4%	2.6%	8.0%	0.4%	0.6%	0.1%	1.7%	9.9%
51 to 80%	71	3.1%	2.9	2.1	1.3%	1.7%	0.3%	0.7%	1.3%	1.6%	0.0%	0.1%	0.1%	0.5%	2.6%
Over 80%	12	0.5%	2.1	1.5	0.3%	0.2%	0.2%	0.0%	0.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.5%
All	2,299	100.1%	1.9	1.6	65.8%	34.3%	21.5%	42.1%	22.5%	70.6%	3.4%	3.9%	1.1%	12.6%	87.5%

Waiting List

0 to 10% MFI	1,725	53.5%	2.3	8.8		1.3%	18.4%	19.9%	28.8%	3.2%	1.2%	0.9%	5.8%	45.4%
11 to 20%	889	27.6%	2.5	1.9		1.5%	11.2%	10.1%	14.9%	1.6%	0.7%	0.6%	2.3%	24.8%
21 to 30%	341	10.6%	2.6	1.9		0.7%	3.5%	3.7%	6.0%	0.3%	0.5%	0.1%	1.3%	8.9%
31 to 50%	225	7.0%	2.7	2.1		0.6%	1.7%	2.6%	3.6%	0.3%	0.3%	0.1%	0.9%	5.8%
51 to 80%	40	1.2%	3.3	2.5		0.1%	0.2%	0.5%	0.7%	0.1%	0.1%	0.0%	0.1%	1.1%
Over 80%	4	0.1%	4.3	3.3		0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
All	3,224	100.0%	2.5	5.6		4.2%	35.0%	36.8%	54.0%	5.5%	2.8%	1.6%	10.5%	86.2%

Other Activity

	#s, days, hrs
Public Housing	
Names pulled from Wait List	48
Denials	8
New rentals	27
Vacates	41
Evictions	3
# of work orders received	1,154
# of work orders completed	1,030
Average days to respond	7.7
# of work orders emergency	3
Average response hrs (emergency)	6

Housing Authority of Portland - Dashboard Report For September of 2008

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					\$123,189	643	0	68	65	658	102%	\$557	\$231,365	892	445
Project Based Vouchers					-\$181,293			17	5	172	90%	\$459	-\$1,214,858	177	125
SRO/Mod Vouchers								2	13	51	93%	\$343	\$23,072	97	147
All Vouchers	0	0			-\$58,103			87	83	881	100%	\$532	-\$960,421	1166	717

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	1,140	16.9%	2.2	2.1	7.2%	9.7%	0.2%	1.0%	7.9%	8.2%	0.8%	0.5%	0.2%	1.1%	15.8%
11 to 20%	2,697	40.0%	2.0	1.9	24.6%	15.4%	7.7%	17.8%	13.1%	24.0%	1.1%	2.5%	0.1%	2.1%	37.8%
21 to 30%	1,528	22.6%	2.4	2.1	11.8%	10.8%	5.9%	7.6%	6.9%	13.8%	0.5%	1.6%	0.1%	1.1%	21.5%
31 to 50%	1,189	17.6%	3.0	2.5	5.5%	12.2%	2.2%	3.4%	6.9%	9.5%	0.5%	1.0%	0.1%	1.0%	16.6%
51 to 80%	181	2.7%	3.3	2.8	0.5%	2.2%	0.2%	0.4%	1.3%	1.1%	0.1%	0.2%	0.0%	0.1%	2.6%
Over 80%	12	0.2%	4.5	3.4	0.0%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
All	6,747	100.0%	2.4	2.1	49.5%	50.5%	16.3%	30.2%	36.2%	56.6%	2.9%	5.8%	0.5%	5.5%	94.5%

Waiting List

0 to 10% MFI	289	44.9%	1.8			1.2%	15.6%	16.6%	23.8%	3.6%	1.1%	0.6%	2.3%	37.2%
11 to 20%	157	24.4%	2.1			2.6%	11.2%	7.3%	13.2%	1.2%	1.9%	0.5%	2.2%	19.9%
21 to 30%	101	15.7%	2.0			1.9%	5.4%	5.4%	8.6%	0.5%	0.8%	0.0%	1.7%	11.5%
31 to 50%	91	14.2%	2.3			1.4%	3.0%	3.9%	9.2%	0.5%	0.3%	0.0%	2.2%	10.6%
51 to 80%	5	0.8%	1.8			0.2%	0.2%	0.3%	0.3%	0.0%	0.0%	0.2%	0.5%	0.3%
Over 80%														
All	643	100.0%	2.0			7.3%	35.3%	33.6%	55.1%	5.8%	4.0%	1.2%	8.9%	79.5%

Short Term Rent Assistance

	# of Households Participating	\$ Amount of Assistance Provided	Average Cost per Household
Shelter Plus Care	438	\$221,032	\$505
Short Term Rent Assistance	269	\$134,594	\$500

Resident Services

Resident Programs

Housing Program Served	Households Served/ Participants	Monthly Funding Amount	Average Funds per Participant						
Congregate Housing Services	Public Housing	87	\$121,819	\$1,400					
Resident Services Coordination		# HH Stabilized	# HH Transitioned	# Mental/Physical Health Stabilized					
	Public Housing	2	1	3					
Community Supportive Services		# HH Enrolled	# in Self Sufficiency	# In GOALS					
	Public Housing	155	71	3					
	Section 8	39	20	1					
GOALS Program		# of Participants	Escrow \$ Held	New Enrollees	# of Graduates	Escrow \$ Disbursed	Terminations or Exits	Escrow \$ Forfeited	Avg Annual Earned Income Increase Over Last Year
	Public Housing	61	\$185,973	1	2	\$5,711	0	\$0	\$1,484
	Section 8	270	\$881,286	2	5	\$48,602	3	\$0	\$1,370

RESOLUTIONS



MEMORANDUM

**SUBJECT: RESOLUTION 08-10-01
ADOPTING REVISION TO THE PUBLIC HOUSING ADMISSIONS
AND CONTINUED OCCUPANCY POLICY**

TO: BOARD OF COMMISSIONERS

**FROM: Steven D. Rudman 503.802.8427 stever@hapdx.org
Contact: Dianne Quast 503.802.8338 dianneq@hapdx.org**

DATE: October 14, 2008

ISSUE:

Resolution 08-10-01 authorizes revision of the Public Housing Admissions and Continued Occupancy Policy to adopt a local preference for 30 homeless families who need permanent supportive housing and are referred by designated service agencies. This preference is in conjunction with an agreement between HAP and the Bureau of Housing and Community Development (BHCD).

BACKGROUND:

The Housing Authority of Portland (HAP) has intentionally participated in the community's efforts to address and end homelessness since before Mayor Bud Clark made homelessness a priority. Over the years, HAP has worked to develop shelters and transitional housing and has offered its own housing programs to serve individuals that have multiple barriers ranging from poor or no landlord reference, criminal backgrounds, and special needs. Today, many of our residents have come directly out of homelessness and some of those residents meet HUD's definition of a chronically homeless individual.

Over the next two years HAP will intentionally increase the number of residents living in our public housing who were previously homeless and needed permanent supportive housing. HAP will do this through a two year agreement with BHDC wherein HAP will provide a priority for 30 units in two Public Housing high-rise communities: 15 units in Northwest Tower, located in NW Portland and 15 units in Hollywood East, located in the Hollywood district. Both locations are central areas with public transportation, access to nearby community resources and already have active resident groups. These communities have a number of formerly homeless people living in the buildings that participate in the activities and services that are currently provided.

The agreement between BHCD and HAP will identify service agencies that will be providing the referrals to fill the PSH units. BHDC will also provide HAP with

\$500,000 to help fund the additional services that will be needed to stabilize these communities as the PSH units are filled. This money will also be used to increase security at these buildings and help bridge the operations funding gap caused by the increased proration of the Public Housing subsidy.

HAP will continue to provide housing to homeless individuals who come to us through our current waiting list process in addition to the 30 PSH units.

A. Local Preferences

HAP will consider a Local Preference for the following Applicants:

- 1) A local preference will be given to participants of other HAP assistance programs who are experiencing extenuating circumstances as defined and approved by the Director of Real Estate Operations.
- 2) To help end homelessness in Multnomah County, HAP gives a local preference to a limited number of families participating in the “Bridges to Housing” program that are receiving B2H services and have a direct linkage to a B2H provider. HAP’s Executive Director is delegated by the HAP Board of Commissioners to approve these preferences.
- 3) To help end homelessness in Multnomah County, HAP gives a local preference to a limited number of families who are in need of permanent supportive housing and are referred to HAP by identified agencies in accordance with an agreement with BHDC.
- 4) A local preference will be given to applicants for Humboldt Gardens who meet the OHI criteria defined in Section V.F. This preference will be alternated at a ratio of three applicants with the OHI local preference to one applicant from selection group 4.

RECOMMENDATION:

Staff recommends approval of Resolution 08-10-01 to adopt a local preference for the selection of 30 families in need of permanent supportive housing.



RESOLUTION 08-10-01

RESOLUTION 08-10-01 ADOPTING REVISION TO THE PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY POLICY

WHEREAS, the HAP Board of Commissioners has adopted an Admissions and Continued Occupancy Policy governing admission to the Public Housing Program; and

WHEREAS, HAP has the obligation to define and include in its policies those recommendations and requirements which will facilitate efficient program administration and comply with Federal Regulation; and

WHEREAS, the Department of Housing and Urban Development allows Housing Agencies administering the Public Housing Program to establish local preferences for the selection of families admitted to the program; and

WHEREAS, these changes require revision of the respective policy documents;

NOW, THEREFORE, BE IT RESOLVED, that the HAP Board of Commissioners authorizes the Executive Director to revise Admissions and Continued Occupancy Policy in the respective document as attached.

Adopted: October 21, 2008

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

Attachment: Admissions and Continued Occupancy Policy Section VI. – VI.C

VI. SELECTION PROCEDURES AND PREFERENCES

A Site Based Selection

Applicants may select up to three properties or “First Available” for placement on their waiting list. The applicant may choose from all open properties that have the correct bedroom sized apartments for which they qualify, using the occupancy guidelines specified in Section VII. Applicants are asked to declare in writing the three properties upon which they wish to be listed.

New Columbia, Humboldt Gardens, and Fairview Oaks Public Housing have a separate application process and may not sign up for the “First Available” option. Applicants must submit their application at the apartment community they are applying for.

B Selection Groups

HAP orders its Public Housing waiting list by groups. Applicants are listed in each group by date and time of application. Applicants in the first group have priority over those in the second group, etc.

Group 1. Eligible Elderly Households (Head/Spouse/Co-Head: aged 62 years or over, and/or disabled) who have been pre-approved for the CHSP program.

Group 2. Eligible Family and Elderly Households (Head/Spouse/Co-Head: aged 62 years or over, and/or disabled) and a member of the Family has a documented terminal illness (life expectancy 12 months or less).

Group 3. Eligible Family and Elderly Households (Head/Spouse/Co-Head: aged 62 years or over, and/or disabled) and the Family qualifies for a HAP “Local Preference”.

Group 4. This priority is closed at this time.

Group 5. Eligible Family and Elderly Households (Head/Spouse/Co-Head: aged 62 years or over, and/or disabled).

Group 6. Eligible Single Households.

Applications in Groups 1, 2, 3, 4, 5, and 6 are selected in date and time order.

Applications from Applicants in Group 6 are processed after all eligible Applicants in Groups 1 – 5 have been served.

Exceptions to the selection groups:

1. Fairview Oaks Residents living on the property as of April 1st, 2007 will be given priority to the PH/OHI program. Future participants will need to apply at the property.

2. For New Columbia only, Applicant households that were relocated from Columbia Villa and were not eligible for return to New Columbia, due to income above 60% at the time of initial lease-up, and subsequently have become income-eligible. Also, any relocated household that was ineligible to move in to New Columbia at the time of initial lease-up because of the household's student status, but has subsequently become eligible. The list of households eligible for this priority will be maintained at the management office for New Columbia. Households will no longer be eligible to receive priority under this policy after December 31, 2010.
3. For initial lease up at Humboldt Gardens applications will be selected in the following order:
 - a) Applicant households that were relocated from Iris Court, Royal Rose Court, Royal Rose Annex, and Sumner Court.
 - b) Bridges to Housing (B2H) applicants (up to 20)
 - c) Families relocated due to the sales of the Public Housing Scattered Site Houses
 - d) Applicants who the meet the OHI Local Preference criteria (see Section V.F)
 - e) Regular selection groups as defined in this section.

C Local Preferences

HAP will consider a Local Preference for the following Applicants:

- 1) A local preference will be given to participants of other HAP assistance programs who are experiencing extenuating circumstances as defined and approved by the Director of Real Estate Operations.
- 2) To help end homelessness in Multnomah County, HAP gives a local preference to a limited number of families participating in the "Bridges to Housing" program that are receiving B2H services and have a direct linkage to a B2H provider. HAP's Executive Director is delegated by the HAP Board of Commissioners to approve these preferences.
- 3) To help end homelessness in Multnomah County, HAP gives a local preference to a limited number of families who are in need of permanent supportive housing and are referred to HAP by identified agencies in accordance with an agreement with BHDC.
- 4) A local preference will be given to applicants for Humboldt Gardens who meet the OHI criteria defined in Section V.F. This preference will be alternated at a ratio of three applicants with the OHI local preference to one applicant from selection group 5.



MEMORANDUM

**SUBJECT: RESOLUTION 08-10-02
AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE ON-CALL
CONTRACTS WITH INTERFACE ENGINEERING AND CUNDIFF
ENGINEERING INC. FOR MECHANICAL, ELECTRICAL AND
PLUMBING ENGINEERING SERVICES**

TO: BOARD OF COMMISSIONERS

**FROM: Steven D. Rudman 503.802.8455 stever@hapdx.org
Contact: Mike Andrews 503.802.8507 michaela@hapdx.org**

DATE: October 14, 2008

ISSUE:

Resolution 08-10-02 authorizes the Executive Director to execute on-call contracts up to \$200,000 each with Interface Engineering and Cundiff Engineering Inc. for mechanical, electrical and plumbing engineering services.

BACKGROUND:

HAP utilizes on-call consultants to augment staff resources and support its development and renovation activities. The proposed contracts with Interface Engineering and Cundiff Engineering allow for continuation of mechanical, electrical and plumbing (MEP) services provided to HAP from 2004-08 by R&W Engineering. Current renovation projects at Slavin Court and Dahlke Manor are examples of how HAP utilizes MEP consulting services. At Slavin Court, HAP staff prepared architectural drawings and MEP consultants designed plumbing and electrical improvements. The Dahlke Manor project includes a consultant design for re-piping the plumbing system.

Staff of the Development and Community Revitalization Department issued a formal RFP soliciting proposals from qualified firms for the provision of on-call MEP engineering services on September 2, 2008. The purpose of the RFP was to identify multiple qualified firms that would be available to the Department to assist with needs assessments, development, primarily renovation projects, and agency-wide study projects as they arise over a three-year period. Generally, the services identified in the RFP as likely to be required are:

- Provide existing systems evaluations and maintenance recommendations
- Prepare construction drawings and specifications for new systems
- Provide commissioning services

Proposals were received on September 19th from nine firms:

- EESI – Corvallis based

- R & W Engineering – Portland based
- Solarc Architecture and Engineering Inc. – Eugene based
- Interface Engineering – Portland based
- The Greenbusch Group – Seattle based
- Cundiff Engineering Inc. – Portland based
- MKE and Associates Inc. – Portland based
- Fluent Engineering – Salem based
- Gausman & Moore Associates Inc. – based in Minnesota with Portland office

A selection committee made up of staff from the Development and Community Revitalization Department reviewed the proposals. It was determined that based on the anticipated projects, two firms should be selected. Among other issues, staff discussed the need to have firms able to provide quick response as this is often necessary in renovation projects of the type anticipated. As such, firms with a good local presence would be more desirable than firms with offices/staff outside the Portland metro area. Staff also discussed the typical types of project/services likely to be required over the three-year period in relation to the particular experience and expertise firms indicated in their proposals.

At the completion of discussion, the selection committee members independently ranked each proposal received. The two firms with the highest ranking were Cundiff Engineering Inc. and Interface Engineering. Based on this ranking, the committee recommended award to these two firms. Based on the requirements of the RFP, these on-call contracts would be structured with a contract amount of \$200,000 each and a contract term of three years.

There will be a single point-of-contact within HAP staff that will manage these contracts. As projects proceed and services are needed, this staff member will request one or more of the selected firms to provide a fee proposal based on a specific scope of work. The determination as to which firms will be approached will be based on the detailed needs of the project and how these are best met by the specific expertise of the firms, their capacity to perform the work in a timely manner, and other relevant considerations. The fee proposals will be based on hourly rates established in the master On-Call contracts. Once a scope of work and corresponding fee has been agreed to, a Task Order will be issued which authorizes the Contractor to proceed with the work. The HAP staff member managing these contracts will confirm that all task order assignments are properly budgeted within the development project's budget.

RECOMMENDATION:

Staff recommends the approval of Resolution 08-10-02.



RESOLUTION 08-10-02

RESOLUTION 08-10-02 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE ON-CALL CONTRACTS FOR \$200,000 EACH TO CUNDIFF ENGINEERING INC. AND INTERFACE ENGINEERING FOR MECHANICAL, ELECTRICAL AND PLUMBING ENGINEERING SERVICES. THE CONTRACTS WILL BE FOR A THREE-YEAR TERM

WHEREAS, staff of the Development and Community Revitalization department anticipate the need for mechanical, electrical and plumbing engineering services for a variety of development projects it contemplates proceeding with over the next three years; and

WHEREAS, a competitive formal RFP process to select multiple qualified engineering firms to assist with HAP's development projects requiring such services has been completed; and

WHEREAS, the firms of Cundiff Engineering Inc. and Interface Engineering have been selected by decision of the selection committee; and

WHEREAS, each of the On-Call contracts will include a \$200,000 contract amount and a three-year term; and

WHEREAS, as development projects proceed and a need for engineering services is identified, Task Orders will be utilized to authorize work; and

WHEREAS, approval by the Board of Commissioners of the Housing Authority of Portland is required prior to the execution of Contracts over \$100,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of Portland:

The Executive Director is authorized to execute On-Call contracts for \$200,000 each to Cundiff Engineering Inc. and Interface Engineering for mechanical, electrical and plumbing services.

Adopted: October 21, 2008

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary