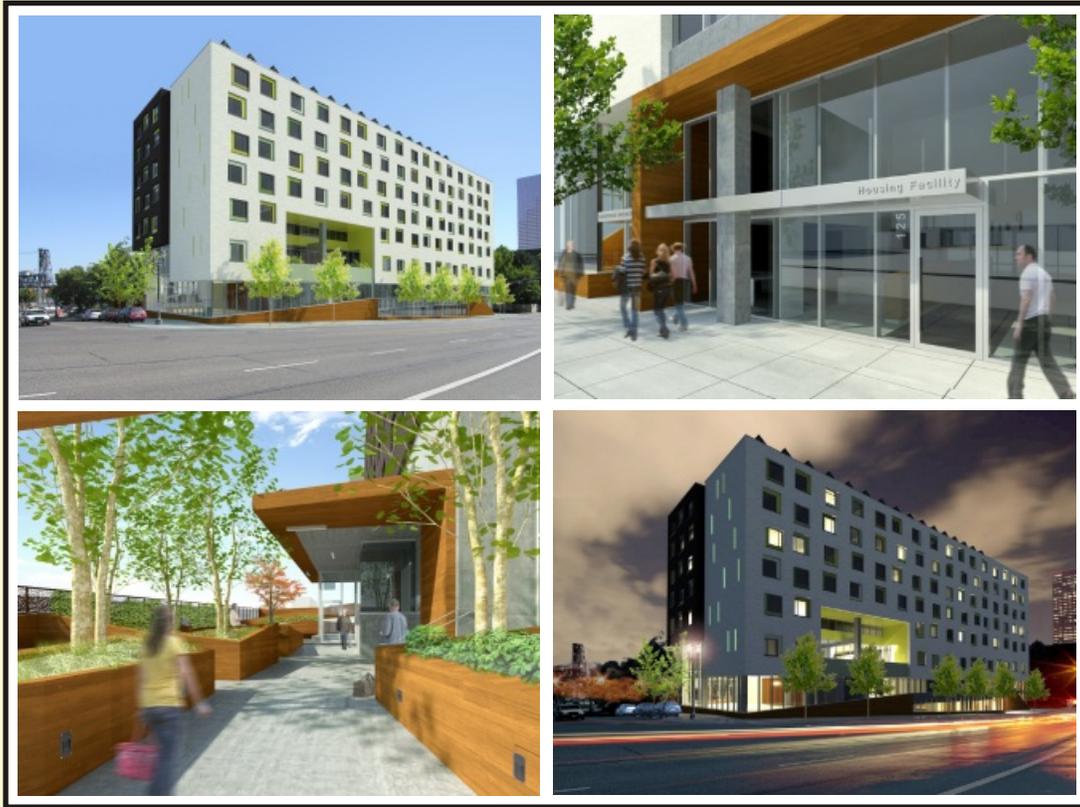


Housing Authority of Portland Board of Commissioners Meeting



Latest design renderings of the Resource Access Center

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 20, 2009, 6:15 PM



HOUSING AUTHORITY OF PORTLAND

INDEX FOR ELECTRONICALLY DISTRIBUTED BOARD OF COMMISSIONERS BOARD MEETING PACKET FOR TUESDAY, OCTOBER 20, 2009

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PUBLIC NOTICE:

THE HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS

will meet on

Tuesday, October 20, 2009

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, 2009

The Board of Commissioners of the Housing Authority of Portland will meet on Tuesday, October 20, 2009 at the Multnomah County Building – Commission Room 501 SE Hawthorne Blvd, Portland at 6:15 P.M. The commission meeting is open to the public.

The meeting site is accessible, and persons with disabilities may call 503-802-8423 or 503-802-8554 (TTY) for accommodations (e.g. assisted listening devices, sign language, and/or oral interpreter) by 12:00 pm (noon), Friday, October 16.

CONSENT CALENDAR MINUTES



**HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING
Multnomah County Building – Board Room
501 SE Hawthorne Blvd
Portland, Oregon
October 20, 2009 6:15 PM**

INTRODUCTION AND WELCOME

PUBLIC COMMENT

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

BOARD OF COMMISSIONERS COMMENTS

Report	Nominating Committee Report	Lee Moore, Vice Chair
	Election of Officers for 2010	Jeff Bachrach, Chair

MEETING MINUTES (Consent Calendar/Minutes TAB)

Topic
Minutes of September 15, 2009 Board of Commissioners Meeting

CONSENT CALENDAR (Consent Calendar/Minutes TAB)

Following Resolutions:			
09-10	TOPIC	Presenter/POC	Phone #
01	Authorization to Sign Construction Contract for Fir Acres and Demar Downs	Mike Andrews John Manson	503.802.8535 503.802.8511

REPORTS / RESOLUTIONS

Following Resolutions:			
09-10	TOPIC	Presenter/POC	Phone #
REPORT	Executive Director's Report (Exec Director TAB)	Steve Rudman	503.802.8455
02	Authorization to Submit HOPE VI Application for Hillsdale Terrace	Mike Andrews John Keating	503.802.8507 503.802.8522
03	Authorization to Sign Construction Contract for Resource Access Center	Mike Andrews John Manson	503.802.8535 503.802.8511
04	Authorization for Resource Access Center Partnership and Financing	Mike Andrews Theresa Auld	503.802.8535 503.802.8319
05	Authorizes an Agreement with Portland General Electric (PGE) for the Resource Access Center Electrical Service Infrastructure	Mike Andrews John Manson	503.802.8535 503.802.8511

REPORT	Permanent Supportive Housing at the Resource Access Center	Dianne Quast Rachael Duke	503.802.8338 503.802.8408
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ADJOURN

EXECUTIVE SESSION

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

THE NEXT BOARD OF COMMISSIONERS MEETING

The Board of Commissioners will meet **Tuesday, November 17 at 6:15 PM.** This meeting will take place at the Multnomah County Building, 501 SE Hawthorne Blvd., Portland.



**HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING MINUTES
September 15, 2009
Housing Authority of Portland
135 SW Ash Street, Portland, OR 97204**

COMMISSIONERS PRESENT

Chair Jeff Bachrach, Vice-Chair Lee Moore, Treasurer Harriet Cormack, Commissioners: Gretchen Kafoury, David Widmark, Jim Smith, Shelli Romero

STAFF PRESENT

Steve Rudman, Katie Such, Shelley Marchesi, Dianne Quast, Mike Andrews, Peter Beyer, Jill Riddle, Todd Salvo, Martha Armstrong, Rebecca Gabriel, Mike Andrews, Julie Satterwhite, Caroline Fitchett, Jacob Fox, Candace Staples, Pamela Kambur, Celia Strauss, Pamela Prideaux

Chair Bachrach called the meeting to order at 6:15 pm and acknowledged the potential candidates for the resident commissioner opening who came to observe the meeting, adding that they have big shoes to fill.

PUBLIC COMMENT

None

MEETING MINUTES

Chair Bachrach called for a motion to adopt the minutes of the regular July 21, 2009, Board of Commissioners meeting; Commissioner Cormack moved to adopt and Commissioner Kafoury seconded the motion.

The vote was as follows:

**Chair Bachrach – Aye
Vice Chair Lee - Aye
Treasurer Cormack– Aye
Commission Kafoury – Aye
Commissioner Smith – Aye
Commissioner Romero – Aye
Commissioner Widmark – Aye**

Chair Bachrach announced that the Executive Committee has become the Nominating Committee and that the board will be reaching out for potential board members in the coming month. He said he would not be returning as Board Chair.

CONSENT CALENDAR

Resolution 09-09-01

Authorization for the Resource Access Center Bond Financing

Resolution 09-09-02

Authorization to Enter into a Contract Regional Arts & Culture Council (RACC) for the Resource Access Center

Resolution 09-09-03

Authorization to Adopt Increased Subsidy Levels for the Resource Access Center

Chair Bachrach listed the resolutions on the consent calendar and asked for a motion to approve them. Commissioner Romero moved to approve the resolutions; Commissioner Widmark seconded the motion.

The vote was as follows:

Chair Bachrach – Aye

Vice Chair Lee - Aye

Treasurer Cormack– Aye

Commission Kafoury – Aye

Commissioner Smith – Aye

Commissioner Romero – Aye

Commissioner Widmark – Aye

REPORT

Executive Director Rudman began his report by saying that a lot has happened since the last board meeting in July. He announced that the annual financial results are in for the second year in a row, the auditors found no material findings and that the Executive Committee met with the auditors and was told that everything looked good. Rudman said that for an organization our size and complexity this was excellent news. He recognized Todd Salvo, Chief Financial Officer, and Peter Beyer, Controller, for their strong leadership these past four years and the transformation of our financial analyses and accounting capabilities.

Rudman announced that Candace Staples will be explaining the extensive reporting requirements for ARRA funds, and how we are monitoring them, adding that although we did not receive monies for Gallagher Plaza or Sellwood Center we still hope to receive additional funds from HUD. Next month we'll have news on the other seven applications.

Executive Director Rudman said we would continue the discussion about the Hillsdale Terrace (HDT) Hope VI grant. HDT is the last property we have that warrants a Hope VI grant and we want this redevelopment to be green, while helping our residents get out of poverty and provide more for themselves and their families. Given the number of youth who live at the property we plan to build more family units. We will ask for a vote in October to submit our application to HUD. He mentioned that tonight John Keating is

meeting with the Hillsdale Church community, which abuts HDT. There is a lot of vacant land and the church is interested in creating a community garden.

Rudman ended his report by saying that the Resource Access Center will close soon and that the urban renewal river district issues have been resolved so funds will be available.

Resolution 09-09-04

Approval of FY2009 Audited Financial Statements

Todd Salvo introduced Peter Beyer and Tim Gillette, our auditor with Talbot, Korvola & Warwick, and explained the resolution, which involves the financial statements, the audit of federal awards, and the report to the audit findings committee. Gillette met with the Audit/Finance committee, made up of Chair Bachrach, Treasurer Cormack, and Commissioners Smith, and Widmark for a lengthy review. He pointed out a number of new accounting policies that are spelled out in the report and said there were no audit adjustments and no deficiencies in internal control. Gillette said there were some small amounts previously not collateralized, but that state law had changed in July and the issue went away, adding that HAP should not have to deal with this issue any longer.

ARRA dollars will require more complex reporting. When more than \$500k in federal money is received, certain things must be done. The internal control report did not identify any deficiencies and no material weaknesses. The compliance report showed no instances of noncompliance. Of the new accounting policies adopted by HAP this year, no adjustments were needed and there were no disagreements with management.

There was a letter of recommendation, which is not a finding, but suggestions on best practices; making sure authorized signers match up with those on file with the bank. We need to continue to reconcile capital assets and make sure retired debts are cleaned up.

Vice Chair Moore asked why the letter to the auditing committee wasn't marked confidential. Deputy Director Such said that after the documents are finalized the information is not private and that next year the federal government will post this information on their website.

Chair Bachrach asked what the auditors would do next year about ARRA money and Gillette explained that the process about requirements is still in process. ARRA money will be considered high risk so it will need to be audited separately. Requirements for Type B programs with ARRA money have not yet been defined.

Salvo acknowledged Peter Beyer and his staff and said it took an enormous amount of good work to get this result.

Chair Bachrach asked for a motion to adopt the resolution. Commissioner Widmark made a motion to adopt. Treasurer Cormack seconded the motion.

**The vote was as follows:
Chair Bachrach – Aye**

Vice Chair Lee - Aye
Treasurer Cormack– Aye
Commission Kafoury – Aye
Commissioner Smith – Aye
Commissioner Romero – Aye
Commissioner Widmark – Aye

REPORT

FY2009 Financials Compared to Budget

Julie Satterwhite reviewed the year-end results and referred to several areas of the report. She reported the first quarter results and congratulated the accounting team who completed the audit and current financial statements. Satterwhite said there were some discrepancies because the budget is set before we know about all the monies we will receive and we missed the draw down on Humboldt Gardens that was not in the original budget. The overall balance was reduced by \$27 million because of the pay down of construction bonds for Humboldt Gardens and Trouton, but there was no impact on operating results.

Todd Salvo said regarding net out we did better than anticipated and we are not exceeding net operating.

Commissioner Romero asked if we capitalized trees as an asset. Peter Beyer said if it's part of an overall landscape improvement it would be. Romero said that Friends of Trees are doing white papers on the capitalization of trees and wondered if it might make a difference in securing future grants.

Chair Bachrach asked if we've drawn down all the Humboldt Gardens funding. Peter Beyer said we need to submit our budget revision to HUD and to establish an endowment for CSS work at the property. He said we are preparing both pieces at the same time and that he would get back to Chair Bachrach with an answer.

REPORT

American Recovery and Reinvestment Act (ARRA) Update

Deputy Director Such directed attention to the report section on ARRA funds and introduced Candace Staples, who presented a memo describing how we intend to administer the funds.

Staples reviewed the memo beginning with the largest grant from FEMA for \$200,000 and a second grand for homelessness prevention. She said we are competing for \$22 million. The \$6.2 million we have received needs to be spent in the next two years. We have spent \$700,000 so far and will be able to spend the remaining funds.

Staples reported that all requirements are being met in a timely manner. The community can access this information through the HAP website. She added that she will be providing a quarterly dashboard report and went on to review the template and key definitions.

Treasurer Cormack asked if we were allowed to use some of the money for the auditors and Todd Salvo said that administrative money is very limited. Deputy Director Such said that ARRA allows us to charge admin costs, but that we needed to weigh staff costs versus client costs, adding that we would use a reasonable amount for admin costs. Staples said that the requirements for the rental assistance program are more burdensome.

Vice Chair Moore asked about some information on the dashboard report showing a total amount of \$6 million and asked for clarification regarding the \$200,000 for debt, saying that the City only keeps records on projects over \$200,000 and asked if aspirational goals are tied to the Sweet 16. Mike Andrews explained the methodology used by the City and said we will not have the same issue because the project won't be stretched out like New Columbia was. Deputy Director Such added that we are not tracking any differently than the City.

Some discussion took place regarding simplifying the dashboard report in general, saying that the dashboard report may be good for the Board and staff, but not for the public. He suggested designing a cleaner report. Deputy Director Such suggested a later discussion about exactly what information will be useful before we begin modifying the current report.

Commissioner Widmark asked what information is the federal government looking for and Staples explained what HUD requires as to full time employees and touched on points that HUD will be specifically looking for. Such added that federal reporting is very detailed and we can always provide that with help from someone on the Board. Commissioner Romero volunteered to assist.

REPORT

Hillsdale Terrace Strategy

Mike Andrews reviewed the report presented at the September work session, stating that the Hope VI application is due November 17th. Much work has been done with residents, service providers and neighborhood associations with positive feedback. Neighborhood concerns are parking, traffic flow and street improvements; more growth issues and affordable housing issues. Social issues have been well received. We will build on what we did at Humboldt Gardens. Expectations will be high and we are beginning discussions now. The physical program consists of 120 units, a Head Start facility on site, two community gardens and space to facilitate programs. We are working with the City of Portland to secure financial support of \$5 million. Andrews then took questions.

Vice Chair Moore asked if we would be sending out a calendar showing community meetings like we did for New Columbia and Humboldt Gardens. Pamela Kambur said we had an internal list of meeting and will produce a list of neighborhood meetings that the Commissioners could attend.

Andrews said flyers were sent out for neighborhood meetings but that those activities have slowed down, adding that if we receive the grant more information will be produced and distributed. Kambur said the final open house will take place October 6th and that

there is a bus tour of Humboldt Gardens and New Columbia as an opportunity for the neighbors and residents to meet, with the intent to bring together different parties. She said the City has asked that some of the Sears Community Advisory Committee members attend.

Chair Bachrach asked how much is the grant we are applying for and Andrews answered it is \$18 million. Executive Director Rudman added that it is the same amount we received for Humboldt Gardens. He said we would draw on the lessons we learned from Humboldt Gardens and go a step further. HUD has a larger focus on youth development (Neighborhood House) and that housing is the foundation for stability and we want to give residents as many choices as possible.

Chair Bachrach asked if the site plan is still being worked on and Andrews said we had hired a design team that we intend to stay with, which will help us be closer to the final design if we do get the money. He added that he would provide the plan before the October board meeting.

Treasurer Cormack said that she attended a meeting where two concepts were shown. She said that because of the site there are not many opportunities for variation (i.e. parking, cars, etc.) because the property resembles a bowl and has limited connection to streets, adding that folks had affirmative reactions to what was shown.

Chair Bachrach said we should not get over confident because we are working with a new administration and suggested we leave no stone unturned. The idea was expressed that it might be beneficial to get Congressman David Wu involved and maybe invite him to a meeting with some Board members.

Resolution 09-09-05

Authorize Move from Land Lease with Portland Development Commission to Land Ownership for the Yards

Dianne Quast reviewed the resolution saying it was very complicated and very simple. She explained that we own the property, but not the land – a unique deal. The Yards was built on a brown improvement area and was tested yearly to make sure the improvements were being maintained. We received a no further action determination. When we struck the deal it was \$11/sq. ft.; now it would be \$66/sq.ft. We do have a land lease payment so the longer we do this the more the cost will increase. After 11 years we feel it is prudent to acquire the land as a total deal.

Jacob Fox then reported that the property performs well and makes more money than we spend on it. HAP has deferred the general partner fee that we can collect when the transaction is completed. All funds come from the property and the interest rate has dropped from 3% to 1%.

Commissioner Smith asked what we pay for the land lease and Fox said that the payment is currently being deferred, but that we will need to pay PDC back for \$2639/month, which over the past 11 years amounts to approximately \$26,000.

Chair Bachrach asked what the buy-out is at 15 years and Fox answered that this a property we want to keep. Bachrach asked about the other phase to be developed and Quast said it was just one piece adding that it was only one building.

Chair Bachrach asked for a motion to adopt. Vice Chair Moore made a motion. Commissioner Widmark seconded the motion.

The vote was as follows:

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

Resolution 09-09-06

Authorize the Renaming of the Property Currently Known as “University Place Apartments” to “James Hawthorne Apartments.”

Mike Andrews reviewed the resolution and said that University Place has been topped off and that there is a desire in the community to rename the property because there are other buildings in the area with similar names. Pamela Kambur worked with partners and followed the Board’s naming criteria. They brainstormed; look at geographies and someone with Luke Dorf suggested naming the property after Dr. James Hawthorne, the founder of psychiatric care in Portland.

Commissioner Kafoury made a motion to adopt the resolution. Commissioner Romero seconded the motion.

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

ADJOURN

There being no further business, Chairman Bachrach adjourned the meeting at 7:57pm.

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 20, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

ATTEST:

Steve Rudman, Secretary

EXECUTIVE DIRECTOR'S REPORT

M E M O R A N D U M



DATE: October 20, 2009
TO: Board of Commissioners
FROM: Steve Rudman
SUBJECT: October Executive Director's Report

Our October board meeting is focused on two major development projects: the Resource Access Center and our application for HOPE VI funding to redevelop Hillsdale Terrace. The Nominating Committee also will present its slate of candidates for board chair, vice chair, and treasurer positions for your consideration as board officers in 2010.

Since our last board meeting, we received good news from Washington D.C. We were awarded nearly \$3.3 million in competitive economic recovery funding for public housing capital projects. The grant will help finance the Resource Access Center, replacing monies from our reserves that now can be targeted to other public housing capital projects, such as Hillsdale Terrace. We also received almost \$200,000 to fund ADA improvements at Demar Downs, thereby extending the amount of work we are able to pay for with recovery funding at the 16 public housing family properties undergoing renovation. In total, this brings the amount the agency is receiving in recovery funding for capital projects, homeless prevention, and project-based Section 8 properties to nearly \$14 million.

Hillsdale Terrace Redevelopment

Last month I wrote about our goals for transforming this distressed property. This month we will seek your approval to submit an application for HOPE VI funding for the redevelopment we want to undertake. Although we still are finalizing our application, this timing is necessitated by the fact that we don't have another board meeting between now and when our application is due on November 17.

As our discussions with residents, the community, and service partners continue, we are mindful of what we are committing to, should we be successful in our bid. Some of the key commitments under discussion during the application phase are:

- to build 68 units of public housing, including replacing all of the public housing on site in the same bedroom size (60 three-bedroom units),
- to utilize sustainable design goals that take us to LEED gold certification,
- to ensure residents the first opportunity to return,
- to ensure participation of all working households in our Opportunity Housing self-sufficiency initiative,
- to emphasize youth success with early childhood education services and Head Start classrooms on site,
- to ensure residents are connected with services available in Southwest Portland, and
- to support neighborhood and family stability by dedicating 10 units for use by Turning Point residents as they leave transitional housing for a more permanent home.

At the board meeting, we will present these desired promises more fully, along with a discussion of the housing program, the initial site lay-outs, and a projected total cost for the redevelopment.

Resource Access Center

For the Resource Access Center, we will present a resolution asking you to approve construction, along with a resolution approving us to execute the financing that will underpin the complex. We are tracking to close the transaction during the second week of November.

Walsh Construction, the Construction Manager/General Contractor we previously selected, has spent the past several weeks finalizing negotiations with the subcontractors that submitted bids for the project. The Guaranteed Maximum Price for the project is \$28,750,000. Target business participation is tracking at \$5,750,000 or 20% percent. Walsh is committed to working with HAP's Evening Trades Pre-Apprenticeship Program as a first source for new hires and anticipates 35 jobs for low-income individuals on this construction project.

If you approve the GMP, we are asking for early start authorizations for shop drawings, concrete reinforcing prefab work, and off-site utility work in Hoyt Street. The early start will be limited to \$185,000 and allow us to keep the project on track for a Certificate of Occupancy in April 2011.

For the project's financing, we are seeking approval to execute and deliver the myriad of documents that underpin this complex transaction. Rather than recount the voluminous financing details here, I would encourage you to read the

resolution that describes the different provisions of the deal and outlines the categories of documents and understandings that must be executed in order to make it happen. As always, Mike Andrews, who has done a terrific job with his team bringing the project to this point, will be able to answer any questions you might have about the resolution specifically or the financial transaction more generally.

Update on Filling Resident Commissioner Seat

Caroline Fitchett, our resident relations liaison who works with HAP's new Resident Advisory Committee, has made excellent progress on this front. She is narrowing a promising applicant pool down to finalists whom Lee Moore, Harriet Cormack and I will interview the week of October 26. Candidates will be invited to attend our October board meeting, with the hope that one of them will be seated in their official capacity with all of you in November.

Upcoming Events

The next work session is on Wednesday, November 4 at 4:00 PM and our next board meeting is on Tuesday, November 17 at 6:15 p.m.

STAFF REPORTS

M E M O R A N D U M



DATE: October 20, 2009

TO: Board of Commissioners

FROM: Dianne Quast, Director Real Estate Operations
Rachael Duke, Assistant Director Resident Services

SUBJECT: Permanent Supportive Housing at the Resource Access Center

At the September Board of Commissioners Work Session staff presented an update of the Resource Access Center (RAC) connected to financing and subsidy. There was also a great deal of conversation about the population to be served and the services that they will need. This memorandum is an update on the planning for services; no board action is needed this evening.

Overview

Working closely with the City's Housing Bureau, Multnomah County and community stakeholders, HAP has been working to define the housing program as well as the referral process. The 130 units of permanent supportive housing (PSH) located at the RAC are generally considered to be a public asset available to serve chronic homeless who would otherwise be challenged being successful in less enriched housing. As a direct result of the depth of the City's commitment to the development of this project and a commitment for continued service dollars when in operation, stakeholders are looking to work with downtown homeless medical providers who can support and assess people who are both medically vulnerable and homeless, coming from the streets, as well as shelters and community-based organizations.

Population and Supportive Services

In May the City's Bureau of Housing and HAP co-sponsored a stakeholder meeting to discuss the population that could be housed at the RAC and the kinds of services that would be necessary to support residents. The City announced that they had budgeted \$500,000 annually toward housing services and HAP announced that there would be Resident Services Coordinators in the core staffing plan in addition to city-funded supportive services.

Stakeholders representing multiple agencies, as well as Multnomah County agreed that it made the most sense to use this resource to house medically vulnerable homeless people who needed supportive services along with their housing. Last fall the City

conducted a study that indicated that close to 50% of the people sleeping outside have serious medical needs and a high risk of mortality. Stakeholders listed services that should be included such as case management, assistance with accessing entitlement benefits, and suggested that the City and HAP explore how residents could benefit from Medicaid eligible services such as physical and behavioral health (mental health and substance abuse treatment). Housing stability services, provided by Resident Services Coordinators, would not be direct services but would instead link residents to available community resources and services provided by partners. In addition, it was agreed that some services should be available on site.

Assessment and Referral Process

Following that meeting HAP began to meet with the City and staff from the Coalition of Community Health Clinics to talk about how HAP could develop a referral and waitlist process that took into account medical vulnerability. The Coalition supports community based clinics, including a smaller subset of clinics that focus on the downtown homeless population. With the Coalition's support, the City and HAP hosted a meeting of clinic staff to review the potential for a partnership related to assessing and referring potential residents and supporting those residents with services once they had been housed. Although there is a lot of detail to cover still, early conversation indicates that there is support for this kind of partnership.

This fall HAP staff, City staff and a clinic representative will travel to Seattle to meet with staff from the Downtown Emergency Shelter Center and learn about one of their programs, Evans House, a Permanent Supportive Housing program serving medically vulnerable people. In addition, HAP will have the ability to review the Downtown Emergency Shelter Center's assessment tool. HAP's intention is to develop a tool that can be calibrated depending on the overall health of the property, as well as available funding for services. For example, HAP can accept residents that score at a certain point, and then lower or raise that point during the next waitlist opening. This will help to ensure that HAP has appropriate services available for residents while balancing the overall needs of the community.

It is also important to note that, as part of the staffing plan, there are several positions that are more traditional property management, including security and an additional on-site presence.

Timeline

By April 2011 HAP will be opening the housing. Prior to that HAP will be working closely with partners to achieve the following timeline:

January 2010: Assessment tool completed

February 2010: Services package developed

March 2010: Referral process, including screening criteria, completed -- linking assessment tool to waiting list

April and May 2010: Test and refine processes with clinic partners

June 2010: Larger stakeholder meeting to review processes

Summer 2010: Assessment, services, and referral processes refined and completed

September 2010: Waitlist management addressed

October 2010: Property management and services RFP issued

December 2010: Property Management company and services provider(s) selected

As we continue our conversations with stakeholders and due diligence, we will continue to engage with the Board at any key points along the way. We look forward to your questions and comments.

Purchasing Department		MONTHLY CONTRACT REPORT			Contracts Approved 8/1/09 -- 9/30/09	
Contract #	Contractor	Contract Amount	Description	Department	Execution Date	Expiration Date
STIMULUS CONTRACTS						
S0516, #1	Richart Family, Inc.	\$36,665	Change Order #1 - additional work items	Development & Community Revitalization	8/10/2009	10/30/2009
S0555, #1	Iselin architects	\$87,650	Adds scope for design work re: Townhouse Terrace and Stark Manor	Development & Community Revitalization	8/14/2009	10/31/2011
PROFESSIONAL SERVICES						
C0570	Alliance One Receivables Management, Inc.	Est. \$1,200	Provide collection services in compliance with State of Oregon Contract #5250-PA; Fee to be paid at the rate of 23%.	Finance & Accounting	9/2/2009	6/30/2011
C0576	Roxanne Genevieve Quist	\$1,000	Prepare early childhood education section of the HOPE VI grant application for Hillsdale Terrace	Development & Community Revitalization	9/10/2009	12/31/2009
C0578	ieSolutions InfoExperience LLC	\$5,000	Prepare a TAAG System Gap Assessment and coordinate with HAP staff and contractors as necessary.	Information Technology	9/18/2009	12/31/2009
C0588	Regional Arts and Culture Council	\$250,008	Percent for Art program to coordinate artist selection process, design, fabricate and install and provide long-term maintenance for permanent artwork; also to assist with an artist-in-residency program design. Services are for the RAC Resource Access Center building.	Development & Community Revitalization	9/25/2009	9/21/2016
C0567	Carlson Testing	\$5,000	Special inspection services for Martha Washington project	Development & Community Revitalization	8/4/2009	9/1/2010
C0557	Boys and Girls Club	\$21,000	Youth activities at Humboldt Gardens	Development & Community Revitalization	8/4/2009	9/15/2009
C0546	Sandra Ferguson	\$2,500	Resume' Building Workshop via ROSS Employment Grant to prepare OHI/Goals participants for successful job search and employability	Real Estate Operations	8/5/2009	11/30/2009
C0577	Architectural Testing, Inc.	\$7,000	Window testing at University Place	Development & Community Revitalization	8/31/2009	4/1/2010
INTER-AGENCY AGREEMENTS						
C0569	City of Portland	\$40,000	City of Portland to monitor workforce training services for HAP.	Purchasing	8/4/2009	12/31/2009
C0575	Multnomah County	\$8,000	HAP to pay County \$400 per participant for up to 20 participants for each facilitative leadership workshop; County Contract No. 0910098	Human Resources	8/31/2009	6/30/2012
INTER-AGENCY AGREEMENTS -- Revenue						
C0581	City of Portland - Portland Housing Bureau	n/a	Sub recipient Contract to access the Risk Mitigation Pool for the Morrison Project; reimbursement for costs to repair physical damages beyond normal wear and tear; extraordinary operating costs or rental losses and other specific additional costs.	Executive	9/3/2009	11/30/2014
C0582	City of Portland - Portland Housing Bureau	n/a	Sub recipient Contract to access the Risk Mitigation Pool for Humboldt Gardens; reimbursement for costs to repair physical damages beyond normal wear and tear; extraordinary operating costs or rental losses and other specific additional costs.	Executive	9/3/2009	10/31/2015
PUBLIC IMPROVEMENTS/CONSTRUCTION						
C0580	Portland Fence Company	\$2,329	New fence at Tamarack Apartments	Real Estate Operations	9/9/2009	12/31/2009
C0579	Kodiak Pacific Construction	\$37,736	Paving at Dahlke Manor and Williams Plaza; IRFB 08/09-81	Development & Community Revitalization	9/22/2009	12/31/2009
C0572	Cola's Construction	NTE \$99,999 annually	On-Call Building Maintenance Services; RFP 09/08-82	Purchasing	9/29/2009	10/14/2010

Contract #	Contractor	Contract Amount	Description	Department	Execution Date	Expiration Date
C0561	Lara's Construction, LLC	NTE \$99,999	On-Call Flooring; RFP 03/09-76	Purchasing	8/4/2009	7/31/2010
C0560	Pacific Innovations	NTE \$99,999 annually	On-Call Flooring; RFP 03/09-76	Purchasing	8/4/2009	7/31/2010
C0565	Merrill Residential, LLC	\$2,011,887	Renovation of Alderwood Apartments and Powellhurst Woods Apartments; IFB 05/09-72	Development & Community Revitalization	8/6/2009	2/28/2010
C0568	River City Environmental	\$3,648	Sewer work at 3810 NE 136th Place	Real Estate Operations	8/12/2009	10/5/2009
C0573	F/X Repair	\$95,608	Clark Center Restroom Remodel	Real Estate Operations	8/26/2009	11/30/2009
C0562	North Pacific Construction and Remodeling, Inc.	\$319,847	Renovation work at SE Townhomes; IFB 05/09-74 (Tillicum North, Tillicum South, Hunter's Run and Harold Lee Village)	Development & Community Revitalization	8/31/2009	12/31/2009
EQUIPMENT AND SUPPLIES						
C0585	Canon Business Solutions, Inc.	\$4,080 annually	Canon iR5050N Multi-function machine for New Market West, 6th Floor; \$340 per month for 48 months	Human Resources	9/4/2009	9/30/2013
C0591	Canon Business Solutions, Inc.	\$261 annually	Canon iR3235i Multifunction Machine for Rent Assistance Office at Hollywood East Bldg.; \$21.75 per month for 48 months	Rent Assistance	9/28/2009	9/30/2013
AMENDMENTS TO EXISTING CONTRACTS						
C0133, #3	Impact NW	\$48,257	Budget revision for staffing changes and other budget changes (adjustments) in amounts allocated for personal assistance, elder place revenue and participant fee revenue for CHSP services	Real Estate Operations	9/14/2009	9/30/2009
C0557, #1	Boys & Girls Club		Extends contract term.	Executive	9/21/2009	12/31/2009
C0404, #1	Elizabeth Normand		Extends contract term.	Purchasing	8/4/2009	8/27/2010
C0405, #1	Dena Marshall		Extends contract term.	Purchasing	9/23/2009	8/27/2010
C0509, #3	R & H Construction		Adds electronic reporting requirements for Elations	Purchasing	9/25/2009	7/25/2010
C0013, #4	Webb Service Company		Extends contract term.	Real Estate Operations	9/16/2009	3/31/2010
C0397, #1	G & L Janitorial	\$31,733	Extends contract term and adds \$31,733.	Real Estate Operations	9/23/2009	3/31/2010
C0472, #1	Delaris, LLC	\$10,000	Extends term and adds \$10,000 to contract	Human Resources	8/4/2009	9/30/2009
C0509, #2	R & H Construction	\$7,946,289	CM/GC for the Martha Washington Bldg.	Development & Community Revitalization	8/7/2009	7/25/2010
C0532, #1	Seabold construction	\$46,048	Change Order #1 for additional work items re: renovation work at Cora Park and Chateau Apartments	Development & Community Revitalization	8/10/2009	10/18/2009
C0500, #2	Portland Community College PCC	\$40,000	Workforce services agreement	Rent Assistance	8/12/2009	11/30/2009
C0568, #1	River City Environmental	\$3,509	Re-route sewer line at 3810 NE 136th Place, 97230 for sales agreement	Real Estate Operations	8/13/2009	10/5/2009
T0182, #1	CSG Advisors, Inc.		Extends end date	Purchasing	8/14/2009	3/31/2010
C0287, #3	LifeWorks NW	\$173,900	Extends end date and adds funding; RFP 06/07-12	Real Estate Operations	8/24/2009	6/30/2010
C0022, #5	IRCO		Extends end date	Purchasing	8/24/2009	7/31/2010
C0023, #5	Telelanguage, Inc.		Extends end date	Purchasing	8/24/2009	7/31/2010

PHPI: Activity and Investment Summary as of August 31, 2009

Relocation

Project	Unit Size					S8	PH	Means of relocation			Total
	0	1	2	3	4			Private	Purch.	Other	
Relocation to Date	0	4	11	109	10	66	43	14	3	8	134
Relocation Remaining	0	0	0	27	1						28
TOTAL RELOCATION	0	4	11	136	11						162

Sales

Project	Unit Size					Total Units	Total Properties	Gross Proceeds	Net Proceeds	Internal Costs	Net to HAP
	0	1	2	3	4						
Actual Sales to Date		4	11	76	4	95	83	\$ 18,292,326	\$ 17,532,788	\$ 1,060,177	\$ 16,472,611
Projected Sales on Remaining Portfolio				60	7	67	65	\$ 13,024,003	\$ 12,285,569	\$ 1,083,043	\$ 11,202,526
TOTAL SALES - PROJECTED	0	4	11	136	11	162	148	\$ 31,316,329	\$ 29,818,357	\$ 2,143,220	\$ 27,675,137

1:1 Replacement

Project	Unit Size					# of New PH Units	Total Units	Total Proj. Cost	Total \$/Unit	\$ / New PH Unit	Total Investments
	0	1	2	3	4						
Current											
The Jeffrey	20					20	80	\$ 16,600,000	207,500.00	-	-
Martha Washington	25					25	108	\$ 17,953,118	166,232.57	\$ 75,582	\$ 1,889,549
Resource Access Center	30					30	130	\$ 46,843,526	360,334.82	\$ 54,186	\$ 1,625,588
Rockwood Station			25			25	195	\$ 271,514	1,392.38	N/A	\$ 271,514
SUB-TOTAL:	75	0	25	0	0	100	513	\$ 81,668,158	\$ 159,197	\$ 37,867	\$ 3,786,651
Potential											
Hillsdale Terrace ⁽³⁾						8	122	\$ 41,460,112	339,837	\$ 750,000	\$ 6,000,000
SUB-TOTAL:						8	122	\$ 41,460,112	\$ 339,837	\$ 750,000	\$ 6,000,000

											Avg. Invest. per PH unit
TOTAL REPLACEMENT:	75	0	25	0	0	108	635	\$ 123,128,270	\$ 499,034	\$ 90,617	\$ 9,786,651

Capital Improvements

Project	# of PH Units	Total Proj. Cost	HAP Proceeds
Misc Upgrades	td	\$ 452,200	-
Sweet 16	296	\$ 12,340,813	\$ -
Demar Downs ADA - Sweet 16 addtl scope	N/A	\$ 187,200	\$ 46,800
Hollywood East	288	\$ 3,000,000	\$ -
TOTAL CAPITAL IMPROVEMENTS:	584	\$ 15,980,213	\$ 46,800

NET PROCEEDS AVAILABLE	\$ 17,841,686
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- (1) Net Proceeds are Gross Proceeds net of sales commissions, concessions, title and escrow fees and any other costs paid from escrow. Net Proceeds do not include internal selling costs (\$1,060,177.17 through August 2009).
- (2) Included are four units sold through the American Dream Homeownership program.
- (3) 68 total PH units; replaces existing 60 units, 8 are new. PHPI encompasses 1:1 replacement as well as capital improvements.

DASHBOARD REPORT

Housing Authority of Portland - Dashboard Report For September of 2009

Property Performance Measures

Occupancy

	Number of Properties	Physical Units	Rentable Units	Vacant Units	Occupancy Percentage	Unit Mix						
						Studio/SRO	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5+ Bdrm	Total
Public Housing	44	2,076	2,005	42	97.9%	513	843	352	351	17	0	2,076
Public Housing Mixed Financed Owned *	1	40	40	0	100.0%	0	15	15	10	0	0	40
Public Housing Mixed Finance Tax Credit *	5	425	424	18	95.8%	0	154	134	81	49	7	425
Total Public Housing	50	2,541	2,469	60	97.6%	513	1,012	501	442	66	7	2,541
Affordable Owned with PBA subsidy	6	496	496	10	98.0%	72	229	104	91	0	0	496
Affordable Owned without PBA subsidy	9	948	948	87	90.8%	108	244	448	133	15	0	948
Total Affordable Owned Housing	15	1,444	1,444	97	93.3%	180	473	552	224	15	0	1,444
Tax Credit Partnerships	20	2,327	2,327	106	95.4%	785	658	492	230	145	17	2,327
Total Affordable Housing	35	3,771	3,771	203	94.6%	965	1,131	1,044	454	160	17	3,771
Eliminate Duplicated PH Properties/Units	-6	-465	-464	-18		0	-169	-149	-91	-49	-7	-465
Combined Total PH and AH	79	5,847	5,776	245	95.8%	1,478	1,974	1,396	805	177	17	5,847
Special Needs (Master Leased)	36	422	422									
Total with Special Needs	115	6,269	6,198									

* property/unit counts also included in Affordable Housing Count

Financial

Three months ending 6/30/2009	Per Unit Per Month					Fiscal YTD ending 6/30/2009				06/30/09			
	Property Revenue	Subsidy Revenue	Total Revenue	Operating Expense w/o HMF	HAP Management Fees (HMF)	NOI	# of Properties/units Positive Net Operating Income (NOI)		# of Properties/units Negative Net Operating Income (NOI)		# of Properties meeting Debt Coverage Ratio (DCR)	# of Properties not meeting DCR	# of Properties DCR Not Applicable
							Properties	Units	Properties	Units			
Public Housing	\$200.72	\$296.01	\$496.73	\$407.17	\$92.59	-\$3.03	16	1,030	28	1,055			
Affordable Owned	\$522.10	\$197.97	\$720.08	\$441.76	\$9.09	\$269.23	14	1,368	1	76	9	3	3
Tax Credit Partnerships	\$533.78	\$40.69	\$574.47	\$347.98	\$10.78	\$215.72	20	2,327	0	0	12	8	0

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 Hispanic/Latino
0 to 10% MFI	461	19.7%	2.2	1.7	10.7%	9.0%	0.6%	5.9%	4.8%	13.6%	0.9%	0.3%	0.6%	4.3%	15.4%
11 to 20%	1,016	43.3%	1.7	1.4	32.5%	10.8%	11.9%	21.0%	10.2%	30.1%	1.8%	1.6%	0.3%	3.7%	39.6%
21 to 30%	536	22.8%	1.8	1.5	16.3%	6.6%	6.9%	10.4%	4.7%	16.6%	0.8%	0.9%	0.2%	2.4%	20.4%
31 to 50%	254	10.8%	2.3	1.9	5.3%	5.5%	2.0%	3.5%	2.7%	7.8%	0.1%	0.4%	0.1%	1.6%	9.2%
51 to 80%	70	3.0%	2.9	2.1	1.2%	1.7%	0.3%	0.6%	0.8%	2.0%	0.0%	0.2%	0.0%	0.7%	2.3%
Over 80%	12	0.5%	2.5	2.1	0.3%	0.2%	0.1%	0.0%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.5%
All	2,349	100.1%	1.9	1.6	66.3%	33.8%	21.8%	41.4%	23.5%	70.2%	3.6%	3.5%	1.2%	12.7%	87.4%

Waiting List

0 to 10% MFI	1,577	49.6%	2.5	1.9			1.1%	13.3%	20.6%	24.2%	2.9%	1.2%	1.3%	5.4%	43.0%
11 to 20%	872	27.4%	2.7	2.0			1.1%	9.3%	11.8%	13.0%	1.6%	0.9%	0.5%	2.5%	24.6%
21 to 30%	394	12.4%	2.8	2.0			0.6%	3.1%	5.7%	5.6%	0.4%	0.6%	0.2%	1.5%	10.6%
31 to 50%	287	9.0%	3.0	2.4			0.6%	1.4%	4.4%	3.7%	0.3%	0.4%	0.1%	1.4%	7.4%
51 to 80%	50	1.6%	2.8	2.1			0.2%	0.2%	0.7%	0.8%	0.1%	0.0%	0.0%	0.1%	1.4%
Over 80%	2	0.1%	3.5	2.5			0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
All	3,182	100.0%	2.7	2.0			3.5%	27.4%	43.2%	47.4%	5.3%	3.1%	2.2%	10.9%	87.1%

Other Activity

	#s, days, hrs
Public Housing	
Names pulled from Wait List	112
Denials	1
New rentals	22
Vacates	33
Evictions	2
# of work orders received	1,406
# of work orders completed	1,241
Average days to respond	11.3
# of work orders emergency	47
Average response hrs (emergency)	9

Housing Authority of Portland - Dashboard Report For September of 2009

Rent Assistance Performance Measures

Utilization and Activity

	Current Month Status						Current Month Activity				Calendar Year To Date				
	Vouchers Available	Vouchers Paid	Utilization Percentage	Average Voucher Cost	HUD Subsidy Over(Under) Utilized	Remaining Waiting List Size	Waiting List Names Pulled	New Vouchers Leased	Vouchers Terminated	Voucher Inspections Completed	Utilization Percentage	Average Voucher Cost	HUD Subsidy Over(Under) Utilized	New Vouchers Leased	Vouchers Terminated
Tenant Based Vouchers	6,647	6,723	101%	\$583	\$59,573	3,262	0	13	35	582	104%	\$580	\$1,110,880	205	411
Project Based Vouchers	1,148	1,058	92%	\$485	-\$153,512			23	12	151	92%	\$472	-\$1,509,554	212	130
SRO/Mod Vouchers	512	486	95%	\$360				11	13	110	88%	\$346	-\$116,761	112	98
All Vouchers	8,307	8,267	100%	\$557	-\$93,939			47	60	843	101%	\$554	-\$515,435	529	639

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 Islnd	Hispanic	Non Hispanic
Tenant Based Voucher Participants															
0 to 10% MFI	1,014	15.5%	2.1	2.0	7.5%	8.1%	0.3%	1.0%	7.4%	7.7%	0.6%	0.4%	0.2%	1.1%	14.4%
11 to 20%	2,519	38.6%	2.0	2.0	23.4%	15.2%	7.5%	16.0%	13.4%	22.3%	1.2%	2.4%	0.2%	2.0%	36.6%
21 to 30%	1,602	24.6%	2.4	2.1	13.3%	11.3%	6.5%	8.8%	7.5%	15.0%	0.7%	1.7%	0.1%	1.5%	23.1%
31 to 50%	1,193	18.3%	3.1	2.5	6.1%	12.2%	2.7%	3.9%	7.0%	10.0%	0.5%	1.1%	0.1%	1.0%	17.3%
51 to 80%	177	2.7%	3.4	2.8	0.6%	2.1%	0.2%	0.3%	1.2%	1.4%	0.0%	0.1%	0.0%	0.1%	2.6%
Over 80%	16	0.2%	4.4	3.5	0.0%	0.2%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
All	6,521	100.0%	2.4	2.1	50.9%	49.1%	17.4%	30.0%	36.6%	56.4%	3.0%	5.8%	0.6%	5.7%	94.3%

Waiting List

0 to 10% MFI	1,169	35.8%	2.0				1.3%	10.6%	15.7%	16.2%	2.0%	1.3%	0.4%	2.3%	28.9%
11 to 20%	871	26.7%	2.0				2.7%	12.3%	8.4%	14.7%	1.6%	1.7%	0.4%	1.5%	23.1%
21 to 30%	605	18.5%	2.3				2.8%	6.1%	5.5%	11.0%	0.6%	1.0%	0.1%	1.6%	14.9%
31 to 50%	591	18.1%	2.5				1.8%	3.5%	6.7%	9.8%	0.6%	0.7%	0.1%	1.4%	14.7%
51 to 80%	25	0.8%	2.1				0.1%	0.1%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.7%
Over 80%	1	0.0%	1.0				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All	3,262	100.0%	2.1				8.6%	32.6%	36.6%	52.1%	4.9%	4.6%	1.0%	6.9%	82.3%

Short Term Rent Assistance

	# of Households Participating	\$ Amount of Assistance Provided	Average Cost per Household
Shelter Plus Care	506	\$255,931	\$506
Short Term Rent Assistance	313	\$158,675	\$507

Resident Services

Resident Programs

Housing Program Served	Households Served/ Participants	Monthly Funding Amount	Average Funds per Participant						
Congregate Housing Services * as of previous month	Public Housing	93	\$46,115	\$496					
		# HH Stabilized	# HH Transitioned	Health and Safety Stabilized	Unduplicated Number Served	Crisis Intervention	Support System Enhanced	# Events	# Event Attendees
Resident Services Coordination	Public Housing	27	1	89	185	22	131	82	1442
		# HH Enrolled	# in Self Sufficiency	# In GOALS					
Community Supportive Services	Public Housing	145	75	2					
	Section 8	32	19	0					
		# of Participants	Escrow \$ Held	New Enrollees	# of Graduates	Escrow \$ Disbursed	Terminations or Exits	Escrow \$ Forfeited	Avg Annual Earned Income Increase Over Last Year
GOALS Program	Public Housing	42	\$119,285	0	0	\$41,368	0	\$0	-\$2,122
	Section 8	277	\$846,178	4	6	\$50,351	2	\$0	-\$1,063

Housing Authority of Portland - Dashboard Report For September of 2009

Agency Financial Summary

Three months ending 6/30/2009

	Fiscal Year to Date	Prior YTD	Increase (Decrease)
Subsidy Revenue	\$18,564,585	\$16,981,194	\$1,583,391
Grant Revenue	\$1,917,589	\$1,752,407	\$165,182
Property Related Income	\$3,161,022	\$3,262,824	(\$101,802)
Development Fee Revenue	\$0	\$556,192	(\$556,193)
Other Revenue	\$645,513	\$513,051	\$132,462
Total Revenue	\$24,288,708	\$23,065,667	\$1,223,041
Housing Assistance Payments	\$15,079,119	\$13,906,121	\$1,172,998
Operating Expense	\$9,106,455	\$8,563,075	\$543,380
Depreciation	\$1,241,022	\$1,122,809	\$118,213
Total Expense	\$25,426,595	\$23,592,004	\$1,834,591
Operating Income	-\$1,137,887	-\$526,337	(\$611,550)
Other Income(Expense)	\$2,539,041	\$2,285,492	\$253,549
Capital Contributions	\$5,468,668	\$4,256,202	\$1,212,467
Increase(Decrease) Net Assets	\$6,869,822	\$6,015,357	\$854,465
Total Assets	\$341,132,803	\$333,436,258	\$7,696,545
Liquidity Reserves	\$21,067,545	\$18,124,516	\$2,943,029

Development/Community Revitalization

New Development / Revitalization

	Units	Construction Start	Construction End	Current Phase	Total Cost	Cost Per Unit
Pine Square	143	tbd	tbd	Concept	\$13,800,000	\$96,503
Rockwood Station	195	May-09	Aug-09	Post Construction	\$271,514	\$1,392
University Place	48	Apr-09	Apr-10	Construction	\$7,945,500	\$165,531
Multnomah Village Lots	tbd	tbd	tbd	Concept	tbd	tbd
The Resource Access Center	130	Oct-09	Apr-11	Predevelopment	\$46,843,526	\$360,335
Hillsdale Terrace	tbd	tbd	tbd	Concept	tbd	tbd
Martha Washington	108	Aug-09	Jun-10	Construction	\$17,953,118	\$166,233
The Jeffrey	80	Oct-09	Dec-09	Predevelopment	\$16,600,000	\$207,500

Capital Improvement

	Units	Construction Start	Construction End	Current Phase	Total Cost	Cost Per Unit
Ainsworth	88	tbd	tbd	Predevelopment	\$4,500,000	\$51,136
Sweet 16	296	May-09	Nov-10	Construction	\$12,340,813	\$41,692
Hollywood East	288	Apr-10	Dec-10	Predevelopment	\$3,000,000	\$10,417
Misc Upgrades	tbd	tbd	tbd	tbd	\$452,200	

RESOLUTIONS

M E M O R A N D U M



DATE: October 20, 2009

TO: Board of Commissioners

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

SUBJECT: Authorizes Capital Improvements at Fir Acres and Demar Downs
Apartments
09-10-01

The Board of Commissioners is requested to authorize a contract modification to the Scattered Sites CM/GC contract adding construction services capital improvements at Fir Acres and Demar Downs.

Background

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

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

HAP staff, working in conjunction with its consultants and the CM/GC, developed a plan to design, bid, and deliver the final five sites in three separate bid and construction packages. The first two sites, Fir Acres and Demar Downs, bid in September and the resulting guaranteed maximum price is presented for Board approval in this resolution. Two additional sites will bid in October and be presented to the Board for approval in

November. The final site is under design and scheduled to bid in January with Board approval in February 2010.

The two properties included in this contract authorization are (1) Demar Downs, an 18 unit development consisting of nine duplexes, built in 1981, and located in outer Southeast Portland, and (2) Fir Acres, a 31 unit development with thirteen buildings constructed in 1984 and located in Gresham. The two properties were grouped together based on similarities in work scope, age and construction type, geographic proximity, and as a strategy to meet schedule timelines attached to use of economic stimulus funds.

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

Walsh Construction/Great Kate Construction, the CM/GC for the project, issued plans and specifications for subcontractor bids on September 2, 2009, and it advertised bid opportunities in The Skanner, The Daily Journal of Commerce, Portland Observer, and the Asian Reporter. A pre-bid meeting was held at the Oregon Association of Minority Entrepreneurs (OAME) conference room on September 1, 2009, and the CM/GC received subcontractor bids on September 29, 2009.

Subcontractor bidding was competitive with pricing lower than pre-bid estimates. Bid results and negotiations with the CM/GC resulted in a not-to-exceed price of \$ 1,907,131. Average construction cost is \$ 38,921 per unit. After tabulation of subcontractor bids, Target Business participation the project is tracking at 40% versus HAP's 25% goal for the CM/GC managed work.

Budget Implications and Financial Impact on HAP

Planned improvements at Demar Downs and Fir Acres will correct deferred maintenance conditions and building deficiencies and thereby decrease ongoing maintenance calls and expenses incurred at unit turnover.

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

The proposed construction contract amount is within the pre-bid estimate and within budgeted resources. The cost of the work will be funded with formula grant economic stimulus funds awarded HAP under the American Recovery and Reinvestment Act (ARRA), augmented by a competitive ARRA stimulus grant of \$187,000 for conversion of three Demar Downs units to handicapped accessible units. Energy star rated refrigerators, and attic insulation will be provided by the Multnomah County Weatherization Program at no cost to HAP.

Risks and Opportunities

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

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

Conclusion/Recommendation

Staff recommends approval of resolution 09-10-01.



RESOLUTION 09-10-01

RESOLUTION 09-10-01 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT MODIFICATION TO THE SCATTERED SITES CM/GC CONTRACT ADDING CONSTRUCTION SERVICES FOR RENOVATION OF FIR ACRES AND DEMAR DOWNS APARTMENTS

WHEREAS, the Housing Authority of Portland, Oregon (HAP) owns and operates Demar Downs Apartments, an 18 unit public housing property and Fir Acres Apartments, a 31 unit public housing property; and

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

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

WHEREAS, the CM/GC received bids for capital improvements at Demar Downs and Fir Acres, and successful bidders will meet HAP's goals for participation by target businesses, workforce diversity and workforce participation; and

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

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of Portland hereby authorizes the Executive Director to execute a contract modification to the Walsh Construction Scattered Sites contract in the not-to-exceed amount of \$ 1,907,131 for capital improvements at Demar Downs and Fir Acres Apartments.

Adopted: October 20, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

M E M O R A N D U M



DATE: October 20, 2009

TO: Board of Commissioners

FROM: Steven D. Rudman, Executive Director
Michael Andrews, Director of Development & Community Revitalization

SUBJECT: A Resolution Authorizing HAP to Apply for a HOPE VI Grant in Response to HUD's FY 2009 Notice of Funding Availability ("NOFA"), as published in the July 14, 2009 Federal Register. This grant will support the demolition and revitalization of Hillsdale Terrace, a 60 unit complex in Southwest Portland
Resolution 09-10-02

The Board of Commissioners is specifically requested to adopt a resolution authorizing:

- 1) Submit an application to the U.S. Department of Housing and Urban Development ("HUD") seeking approximately \$16,460,000 in HOPE VI funds for the redevelopment of Hillsdale Terrace public housing site.
- 2) Commit \$6,000,000 of HAP resources from the Public Housing Preservation Initiative ("PHPI") to support redevelopment activities.

The projected total cost for the project is \$41.5 million. This amount is inclusive of relocation, Community and Supportive Services, soft and hard costs.

Background

Hillsdale Terrace, an existing public housing community located at 6775 SW 26th Avenue in the Hillsdale neighborhood of Southwest Portland, is severely distressed. An evaluation of the property has led to the conclusion that the property is physically, socially and economically isolated from the surrounding community and that these conditions need to be remedied. Four alternatives to addressing the existing conditions were developed and evaluated. They were:

- 1) do nothing;
- 2) sell the property and use proceeds to buy or build comparable housing in Southwest Portland;
- 3) comprehensively rehabilitate the existing buildings; and
- 4) demolish the existing structures and develop new housing on the site.

Beginning in September 2008, a cross departmental team of HAP staff, aided by architectural & engineering consultants, a contractor, a community outreach consultant, and a project manager gathered information related to existing conditions of the site and surrounding area and evaluated the four options. The team of professional consultants was competitively procured by HAP in August 2008 (Resolution 08-08-01). The procurement and subsequent contract allowed for an immediate task order focused on the evaluation of redevelopment options, and allowed for this team to continue once HAP elected to pursue a comprehensive redevelopment.

At the February 17, 2009 Board of Commissioners meeting, staff presented materials and discussed each of the four options. These discussions lead to several specific questions and comments related to the sell and comprehensive redevelopment options. Regarding the comprehensive redevelopment option, the Board sought additional representations from the architectural and engineering team about their confidence in the feasibility of rebuilding on this site. The Board also commented on the importance of understanding the history of active community involvement in Hillsdale. Regarding the sell option, Board members sought additional information about the prospect of purchasing comparable units in Southwest Portland using proceeds from the sale of Hillsdale Terrace. Responses to these questions and comments were provided at the March 5, 2009 Board Work Session.

At the March 17, 2009 Board of Commissioners meeting the Board agreed that the site was severely distressed, underutilized, and an important affordable housing asset in Southwest Portland, thus approving a resolution to pursue a comprehensive redevelopment of the site (Resolution 09-03-05). Since that time the cross departmental team and professional consultants have continued to explore feasible development strategies and arrived at the proposed revitalization plan. This work included a significant amount of resident and community outreach, including two open houses, two design workshops, and several resident training workshops. The team has reached out to both Multnomah Neighborhood Association and Hillsdale Neighborhood Association to keep neighbors engaged in the planning process.

The July 14, 2009 Federal Register contained the NOFA for HUD's FY 2009 HOPE VI Revitalization grants. The goal of these grants is to assist PHAs to improve the living environment for residents of severely distressed public housing; revitalize public housing sites and contribute to the improvement of the surrounding neighborhoods; provide housing that will decrease the concentration of very low-income families; and build sustainable communities. This resolution would authorize submission of an application in response to the published NOFA.

Policy Implications

This action will authorize HAP to submit an application for grant of approximately \$16.46 million in HOPE VI funding to demolish the existing housing and rebuild 122 units on the public housing site. The redevelopment will include 68 public housing units, and is envisioned to also include 41 project-based Section 8 units, and 13 affordable units to HAP's portfolio. This unit count includes replacing the 60 existing three-bedroom units on site and 17 additional subsidized three- and four-bedroom units.

Budget Implications and Financial Impact on HAP

The budget for a comprehensive redevelopment of Hillsdale is estimated between \$40 and \$45 million. Development capital is assumed from a variety of sources including Low Income Housing Tax Credit (LIHTC) equity, a HOPE VI grant, the City of Portland, and HAP's PHPI proceeds.

Pursuit of a HOPE VI grant requires the expenditure of predevelopment capital and staff time. Staff expects to spend no more than \$300,000 during the grant application phase for Hillsdale Terrace. It is anticipated HAP would earn an estimated \$4 million developer fee for the revitalization, none of which is anticipated to be contributed to the project. \$6 million of PHPI proceeds would be contributed to the redevelopment.

Risks and Opportunities

Risks of pursuing a comprehensive redevelopment may include:

- 1) Securing the HOPE VI Revitalization Grant. is a highly competitive endeavor. There is no other grant source capable of providing up to \$20 million in funds to redevelop this site. Should a grant not be awarded, HAP will need to settle on alternative plans for this site.
- 2) Capital markets continue to be experiencing duress. Based on our preliminary planning, a comprehensive redevelopment would commence and financing close in mid 2011. We have assumed modest improvements in LIHTC equity pricing will have occurred by this time.
- 3) A comprehensive redevelopment in a neighborhood setting brings the conventional design, construction, including potential unique risks related to the topography of the site. We believe sufficient due diligence has been completed to date and that this risk can be mitigated.
- 4) HAP does not have deeply established presence or relationships with community stakeholders in Southwest Portland or the Hillsdale neighborhood in particular, as compared to other neighborhoods. This lack of existing relationships creates an exposure, which we believe can be mitigated by HAP's practices related to community engagement.

If HAP elects to pursue a comprehensive redevelopment, opportunities would include:

- 1) Correcting the physical and social distress that currently exists at Hillside Terrace.
- 2) Results in a net increase in our supply of affordable housing over the current unit count.
- 3) Up to \$2.0 million to fund Community Supportive Services to residents.
- 4) Ability to develop early childhood education facilities to support residents.

Operational Implications

A significant amount of staff time has already been invested and additional time will be required to produce a competitive HOPE VI application.

Following past submissions, HUD has taken between three and six months to announce awards. Should HAP be awarded the grant, this project would become a priority for the DCR department and would be managed to a schedule included in the HOPE VI application that was the basis for an award.

Conclusion/Recommendation

Staff recommends approval of Resolution 09-10-02.



RESOLUTION 09-10-02

RESOLUTION 09-10-02 AUTHORIZES HAP TO APPLY TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR A HOPE VI GRANT IN RESPONSE TO HUD'S FISCAL YEAR 2009 NOTICE OF FUNDING AVAILABILITY (NOFA), AS PUBLISHED IN THE JULY 14, 2009 FEDERAL REGISTER, TO REVITALIZE HILLSDALE TERRACE, A 60-UNIT PUBLIC HOUSING DEVELOPMENT LOCATED IN SOUTHWEST PORTLAND

WHEREAS, the Housing Authority of Portland has been recognized by local partners and HUD for its accomplishments in developing its first two HOPE VI projects, New Columbia and Humboldt Gardens. New Columbia is the largest neighborhood revitalization project ever undertaken in Oregon's history. By remaining on schedule, on budget, and on mission HAP has demonstrated its capacity as a developer and provider of Community and Supportive Services; and

WHEREAS, the Portland community has embraced New Columbia and Humboldt Gardens as a model of well designed mixed income housing combined with community services that provide economic opportunity and housing stability for lower income families; and

WHEREAS, the Housing Authority of Portland has the capacity to borrow on the success and lessons learned from the development of New Columbia and Humboldt Gardens and readily apply these experiences to a third HOPE VI project; and

WHEREAS, the Housing Authority of Portland has long acknowledged the need to revitalize Hillside Terrace for the benefit of residents and the surrounding community, to improve the quality of HAP's Public Housing stock, and to provide more housing and supportive service opportunities for HAP's residents; and

WHEREAS, the Housing Authority of Portland has assessed the conditions at the Hillside Terrace site and have deemed the property to be severely distressed; and

WHEREAS, the Housing Authority of Portland has engaged the community and Hillside Terrace residents who have expressed their full and strong support for such revitalization, as proposed under HAP's 2009 HOPE VI application for 2009 HOPE VI funding; and

WHEREAS, the Housing Authority of Portland has evaluated all options for revitalizing Hillsdale Terrace, and has concluded that an application for HOPE VI funding offers the most feasible and effective means of accomplishing that goal; and

WHEREAS, the Housing Authority of Portland stands ready to proceed by having the capacity, experience and ability to complete a successful revitalization of Hillsdale Terrace;

WHEREAS, the Housing Authority of Portland has evaluated all options and determined that the revitalization plan and service program proposed are appropriate for the site, residents and surrounding community.

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

- 1) The Executive Director is authorized to make application to the U.S. Department of Housing and Urban Development for a 2009 HOPE VI Revitalization Grant for Hillsdale Terrace; and
- 2) The Chair of the Board of Commissioners or the Executive Director and Secretary of the Housing Authority of Portland, or both, as may be required or necessary, are hereby authorized and directed to execute any and all documents, agreements and certifications necessary for and required in connection with submission to HUD of the duly approved HOPE VI Revitalization Plan and Application for transforming the Hillsdale Terrace public housing project; and,
- 3) As an additional commitment of support for the HOPE VI Revitalization Proposal, the Housing Authority of Portland hereby agrees to commit up to \$6,000,000 of Public Housing Preservation Initiative funding towards this development.

Adopted: October 20, 2009 HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

M E M O R A N D U M



DATE: October 20, 2009

TO: Board of Commissioners

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

SUBJECT: Authorizes Construction of the Resource Access Center
09-10-03

The Board of Commissioners is specifically requested to authorize the Executive Director to execute a contract modification to the Construction Manager/General Contractor (CM/GC) contract adding construction services and a guaranteed maximum price (GMP) for construction of the Resource Access Center.

Background

The Board of Commissioners has already taken prior actions related to construction of the Resource Access Center (RAC). In January 2008 the Contract Review Board of the Housing Authority of Portland (HAP) adopted findings, as required by HAP's Purchasing and Contracting Rules, prior to initiation of a CM/GC selection process. In April of 2008, following a publicly advertised competitive procurement process, the Board authorized selection of Walsh Construction Company as CM/GC.

The CM/GC provides preconstruction services during design, conducts subcontractor bidding and selection, after subcontractor bidding it submits a guaranteed maximum price to the Owner for approval, and it manages construction of the project.

In May of 2008, the CM/GC commenced preconstruction services to the design team including drawing reviews, cost estimating, and value engineering. As part of preconstruction the CM/GC developed a Contracting Plan designed to facilitate competition in subcontractor bidding and deliver HAP's economic participation goals. At the completion of design the CM/GC advertised subcontractor bidding opportunities in The Skanner, The Daily Journal of Commerce, Portland Observer, and the Asian Reporter and it issued plans and specifications for bidding. Pre-bid meetings were held at the Oregon Association of Minority Entrepreneurs (OAME) conference room in August and September. Walsh Construction received subcontractor bids for mechanical,

electrical, and plumbing on September 11th and the remainder of the project bid on September 29th.

Bid results and negotiations with the CM/GC resulted in a not-to-exceed GMP of \$ 28,750,000, which includes _____ in allowances for _____. The GMP is within project resources budgeted for construction and Target Business participation is tracking at \$ 5,750,000 or 20% of the project. The CM/GC is committed to working with HAP's Evening Trades Pre-apprenticeship Program (ETAP) as a first source for new hires on the project and it anticipates construction of the RAC will provide 35 jobs for low income individuals.

Budget Implications

HAP plans to close the RAC Housing Limited Partnership on November 12, 2009, issue revenue bonds, and shortly thereafter commence construction. Construction hard costs and soft costs for project oversight will be funded out of project resources. The CM/GC contract stipulates a not-to-exceed price with all construction savings reverting to the Owner.

Risks and Opportunities

Inadequate funding, cost overruns, and project delay are typical construction risks on a project like the RAC. The collaborative approach of a CM/GC project delivery method, where the contractor participates in preparation of the design and it reviews documents for constructability, reduces risks for the Owner. Architectural plans and specifications, construction costs, and third party reports have been scrutinized by the various funders and most particularly by the equity investor. The RAC is starting construction within budget and the owner will carry a 5% construction contingency outside the GMP to account for unforeseen conditions. The CM/GC will provide 100% Performance and Payment bonds prior to start of work.

HAP has committed to its investors that the project will receive Certificate of Occupancy in April 2011, and the apartments will be fully leased by October 1, 2011. The CM/GC and construction team recommend early start to gain momentum prior to the holiday season. After construction approval by the Board and execution of the GMP modification, HAP will issue a limited Notice to Proceed authorizing the CM/GC to issue subcontracts for early start on shop drawings and concrete reinforcing prefab work. Early start authorizations prior to finance closing will be limited to \$185,000. Expenditure of funds prior to finance closing poses some risk in the event financing is delayed or does not move forward, however, it allows the project to make up time against an earlier anticipated closing date of October 26, 2009.

The opportunity to develop the RAC offers multiple benefits to HAP, including an opportunity to acquire and own an additional 130 units of affordable housing, and an opportunity to own a homeless shelter.

Conclusion/Recommendation

Staff recommends approval of Resolution 09-10-03.



RESOLUTION 09-10-03

RESOLUTION 09-10-03 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT MODIFICATION FOR CONSTRUCTION OF THE RESOURCE ACCESS CENTER

WHEREAS, the Housing Authority of Portland intends to construct the Resource Access Center and the Board of Commissioners has taken past actions to support its construction; and

WHEREAS, Walsh Construction Company, Oregon was selected in April 2008 as construction manager/general contractor (CM/GC) for the project; and

WHEREAS, the CM/GC received bids for construction of the project and the CM/GC will meet HAP's goals for participation by target businesses, and

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

WHEREAS, approval by the Board of Commissioners of the Housing Authority of Portland is required prior to the execution of contract modifications adding construction services over \$100,000 to the CM/GC's pre-construction services agreement; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of Portland, Oregon authorizes the Executive Director to execute a contract modification to the pre-construction services agreement with Walsh Construction Company, Oregon by adding new construction in an amount not-to-exceed \$ 28,750,000.

Adopted: October 20, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

M E M O R A N D U M



DATE: October 20, 2009

TO: Board of Commissioners

FROM: Michael Andrews, Director of Development & Community Revitalization
Theresa Auld, Finance Manager

SUBJECT: A resolution authorizing the execution and delivery of documents by the Housing Authority of Portland, on its own behalf and in its capacity as general partner of RAC Housing Limited Partnership, in connection with the financing, development and operation of the Resource Access Center, authorizing the lending of money to said partnership, authorizing the award of project-based Section 8 vouchers to the project, and providing for other matters related thereto
Resolution 09-10-04

The Board of Commissioners is specifically requested to adopt a resolution authorizing:

- (1) The authority to enter into an amended and restated limited partnership agreement with Wells Fargo Community Investment Holdings, LLC or an affiliate thereof,
- (2) The authority to lease land and tenant improvements thereon to the Partnership,
- (3) The authority to enter into various agreements with the Partnership, including loan agreements, a development agreement, and a right of first refusal agreement,
- (4) The authority to execute various documents in its capacity as the Partnership's general partner relating to the financing, development and operation of the RAC Housing Project,
- (5) The authority to enter into a Housing Assistance Payment Contract with the Partnership, and any other documents relating to the provision of project-based Section 8 vouchers to the RAC Housing Project, and
- (6) The authority to execute various documents relating to the financing, acquisition, development and operation of the homeless shelter located in the condominium unit that will be adjacent to the RAC Housing Project.

Background

The Resource Access Center (“RAC”) will be a mixed-use facility located in North Old Town, on a site currently owned by the Portland Development Commission (the “PDC”) that is bounded by Hoyt and Irving Streets to the south and north respectively, and Sixth and Broadway Avenues to the east and west respectively. The RAC will be developed as a condominium with two units: one unit that will be owned (for federal tax purposes) by the Partnership and managed as a low-income housing tax credit project that will include 130 housing units, a community services facility and office space (the “RAC Housing Project”); and one unit that will be owned by HAP and managed as a 24-hour shelter for homeless persons (the “RAC Homeless Shelter”).

The RAC Homeless Shelter will contain a 90-bed men’s transitional shelter that is intended to provide sleeping, living and dining areas, food storage facilities, restrooms, and laundry facilities.

The RAC Housing Project has been designed to include: (i) 130 studio units of residential rental housing (30 of which will be maintained as public housing units); (ii) a community services facility that has been designed as a central intake and information sharing area for low-income individuals in the neighborhood (with services that will include a day area for 60 to 70 people at a time (serving up to 200 individuals each day), resource information, ID assistance, birth certificate assistance, TriMet tickets, food boxes, hygiene items, long distance calls, access to case management and shelter waitlists, access to health services (other than continual or frequent nursing, medical or psychiatric services), lockers, showers, clothing rooms, laundry facilities, mail and message service, telephones, internet/computer stations, bicycle parking, and a pet area); and (iii) office space for Transition Projects Inc. (“TPI”). Project-Based Section 8 rental subsidies will be made available to 100 of the residential units in the RAC Housing Project. The incomes of the tenants of the RAC Housing Project are anticipated to range from 0% to 40% of the area median gross income. Operating subsidies will include an allocation of public housing units and project-based Section 8 vouchers.

The Board has received previous briefings on the project and has previously approved five resolutions associated with the project: one pertaining to the submittal of financial applications on the project; one authorizing HAP to execute an Agreement for Disposition and Development of Property with PDC for the site; one authorizing HAP to issue bonds to finance the RAC Housing Project; one approving the architecture contract; and one approving the construction management/general contractor contract.

Partnership. HAP formed RAC Housing Limited Partnership (the "Partnership") on March 19, 2008, by filing the Partnership’s certificate of limited partnership with the Oregon Secretary of State. HAP is the Partnership’s sole general partner and Evergreen Housing, Inc. is the Partnership’s sole limited partner. HAP and Evergreen entered into a partnership agreement dated March 20, 2008, with respect to the Partnership. HAP staff has negotiated agreements whereby Wells Fargo Community Investment Holdings, LLC, or an affiliate thereof, will replace Evergreen as the Partnership’s limited partner.

Property. HAP and the PDC entered into an Agreement for Disposition and Development of Property on February 6, 2009, pursuant to which the PDC agreed to transfer the project site to HAP in exchange for HAP's commitment to create affordable housing units and a homeless shelter to ensure delivery of services to residents of those units. More specifically, that commitment is to set aside all of the RAC Housing Project's 130 units as Permanent Supportive Housing ("PSH") units for the chronically homeless and for individuals with mental health and/or addictions issues. The RAC Housing Project is to remain affordable for 60 years overall, with the exception of the PSH units, which must remain affordable for 30 years, subject to the availability of on-going funding for the services. Additionally, HAP has entered into a letter of understanding with TPI dated May 23, 2008, wherein TPI has agreed to bring to the project its expertise in management of supportive housing and services to special needs population.

Financing. The total cost of the RAC is expected to be approximately \$46.95 million, with approximately \$42.97 million of those costs allocable to the RAC Housing Project and the other \$3.98 million of such costs allocable to the RAC Homeless Shelter.

HAP's staff has negotiated the lease to the Partnership of the land and improvements to be constructed thereon (with the understanding that the RAC Homeless Facilities will be transferred to HAP as soon as the RAC condominium is formed). A portion of the RAC Housing Project's construction costs are expected to qualify for low-income housing tax credits. HAP will hold a Right of First Refusal (a "ROFR") to acquire the RAC Housing Project from the Partnership at the end of the 15-year tax credit compliance period for the project.

HAP will issue tax-exempt bonds in the principal amount of \$23,155,000 to finance costs of the RAC Housing Project, and loan the bond proceeds to the Partnership to finance a portion of the project's costs during the construction phase. Wells Fargo Bank, National Association will provide a letter of credit supporting payment of those bonds. The PDC is expected to grant HAP \$11,944,985 during the construction period, and HAP will either loan the proceeds of such grant to the Partnership or use the proceeds of such grant to make a capital contribution to the Partnership to finance construction of the RAC Housing Project. After construction, the PDC is expected to grant HAP an additional \$13,572,838, and HAP will loan and/or contribute the proceeds of that grant to the Partnership to refinance a portion of the Partnership's construction loan.

HAP also is expected to loan and/or contribute to the Partnership \$1,339,851 during the construction phase of the RAC Housing Project, and an additional \$1,029,076 after the RAC Housing Project is placed in service, which loans and/or capital contributions HAP will fund using available HAP cash, proceeds from HAP's sale of surplus property, proceeds of a Capital Fund Recovery Competition ("CFRC") grant to HAP from the U.S. Department of Housing and Urban Development ("HUD"), cash derived from HAP's sale of Oregon Business Energy Tax Credits and funds received by HAP from Energy Trust of Oregon, Inc.

The Partnership's new limited partner is expected to make capital contributions in the aggregate amount of \$11,739,620, which money will be used by the Partnership to establish reserves, pay construction costs and retire a portion of the Partnership's debt.

Construction of the RAC Homeless Shelter will be funded by a capital contribution to the Partnership by HAP in the estimated amount of \$3,982,177. HAP expects to fund this capital contribution with (i) proceeds of a \$3,982,177 grant to be received by HAP from the PDC. Once the construction of the RAC Homeless Shelter is complete (or the condominium is established), the Partnership will transfer the RAC Homeless Shelter to HAP as a return of HAP's contributed capital. HAP will lease the RAC Homeless Shelter to the City of Portland (the "City").

Development. HAP will be retained by the Partnership as the project's developer pursuant to a Development Services Agreement between HAP and the Partnership. HAP retained Holst Architecture, PC as the project's architect on November 29, 2007, and Walsh Construction Co. as the project's Construction Manager/General Contractor on June 5, 2008. HAP has assigned (or will assign) those and other development contracts to the Partnership.

Operations. As a result of the Partnership's development of the building, the building will house 130 residential rental units, 30 of which will maintained as "public housing units" for which HAP will provide the Partnership an operating subsidy. HAP expects to fund such operating subsidy with money received from HUD under a Consolidated Annual Contributions Contract between HUD and HAP, as amended from time to time. Further, project-based Section 8 rental subsidy will be made available to 100 units in keeping with HAP's policy on project basing vouchers. During the construction phase of the project, HAP will procure a property management company to manage the RAC Housing Project for the Partnership. TPI will act as service provider for the RAC Homeless Shelter and for the community services facility within the RAC Housing Project.

Policy Implications

This action will authorize HAP to execute all documents related to the financial closing with the various funders as necessary, in order to advance the planned development of the RAC. Completion of this project will add 130 affordable units to HAP's portfolio in service of HAP's overall mission to shelter those in need. Of those, 30 units are to be designated as Public Housing units in fulfillment of the replacement component of HAP's Public Housing Preservation Initiative. Additionally, and consistent with HAP's modified policy related to project basing of vouchers in developments that jurisdictional partners request HAP develop, Project-Based Section 8 rental subsidies will be made available to 100 of the units. The provision of this rental subsidy is necessary in order to support the required Permanent Supportive Housing and housing for those with mental health and/or addiction issues.

Moreover, this action signals HAP's desire to collaborate with our jurisdictional partners, the City of Portland and the PDC, in support of our mutual goals and speaks to their confidence in HAP's ability to successfully deliver the completed project and to own and operate the RAC for the long term.

Budget Implications/Financial Impact

HAP staff is in receipt of final construction cost estimates and is also submitting a board resolution to authorize the “guaranteed maximum price” construction contract. Based on the numbers therein, and in concert with the funding partners’ participation, the development budget has been finalized. Adequate contingencies and reserves have been provided in the budget thus serving to reduce the risk of both construction cost overruns and lease-up and operational deficiencies.

In support of the Public Housing units, the budget projects a contribution from HAP of either American Recovery and Reinvestment Act (“ARRA”) capital grant funds or other available HAP resources. Consistent with HAP’s modified Administrative Plan, project-based vouchers will be awarded in support of the request by HAP’s jurisdictional partners, the City and the PDC. These subsidies will ensure a financially sustainable project for the long term.

The development budget anticipates a developer fee to HAP of \$4,716,293 (\$4,301,160 for the Housing Project and \$415,133 for the RAC Homeless Shelter), as well as certain annual management fees during operations and the capture of a portion of the project cash flow.

Risks and Opportunities

Normal risks associated with development and new construction will exist; specifically completing the project on time, at budget, and in a lien free condition. While the complete elimination of risk cannot be certain, steps have been taken in an effort to mitigate the exposure. Architectural plans and specifications, construction costs, and third party reports have been scrutinized by the various funders and most particularly by the equity investor, and a performance bond has been required of the contractor.

The rental subsidy provided by HAP will aid in the property’s lease-up as will the various lease-up and operating reserves.

The opportunity to develop the RAC offers multiple benefits to HAP, including an opportunity to acquire and own an additional 130 units of affordable housing, and an opportunity to work with the City to provide a homeless shelter.

Conclusion/Recommendation

Staff recommends approval of Resolution 09-10-04.

Exhibits

List of transaction documents.



RESOLUTION 09-10-04

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS BY THE HOUSING AUTHORITY OF PORTLAND, ON ITS OWN BEHALF AND IN ITS CAPACITY AS GENERAL PARTNER OF RAC HOUSING LIMITED PARTNERSHIP, IN CONNECTION WITH THE FINANCING, DEVELOPMENT AND OPERATION OF THE RESOURCE ACCESS CENTER, AUTHORIZING THE LENDING OF MONEY TO SAID PARTNERSHIP, AUTHORIZING THE AWARD OF PROJECT-BASED SECTION 8 VOUCHERS TO THE PROJECT, AND PROVIDING FOR OTHER MATTERS RELATED THERETO

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

WHEREAS, ORS 456.120(18) authorizes the Authority to enter into partnership agreements and to make loans to partnerships to finance, plan, undertake, construct, acquire and operate housing projects;

WHEREAS, ORS 456.065 defines “housing project” to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural housing for persons or families of lower income”;

WHEREAS, the Authority and the Portland Development Commission (the “PDC”) entered into an Agreement for Disposition and Development of Property on February 6, 2009 (the “DDA”), pursuant to which the PDC agreed to transfer land in North Old Town known as the western portion of “Block U” to the Authority to facilitate the construction and operation of an apartment building as an affordable rental housing project serving, among others, low-income individuals with mental health, individuals with addiction issues and chronically homeless individuals;

WHEREAS, the Authority filed a certificate of limited partnership with the Oregon Secretary of State on March 19, 2008, pursuant to which RAC Housing Limited Partnership (the “Partnership”) was created as an Oregon limited partnership;

WHEREAS, the Authority (as the sole general partner) and Evergreen Housing, Inc. (as the initial limited partner), entered into a limited partnership agreement dated as of March 20, 2008, relating to the Partnership;

WHEREAS, the Authority intends to lease land to the Partnership, and the Partnership intends to construct a two-unit condominium on such land, with one condominium unit to be developed as a low-income housing tax credit project (the "RAC Housing Project") consisting of 130 housing units, a community services facility and office space, and the other condominium unit to be developed as a 24-hour shelter for homeless men (the "RAC Homeless Shelter" and, collectively with the RAC Housing Project, the "Resource Access Center");

WHEREAS, Wells Fargo Community Investment Holdings, LLC (and/or one or more affiliates thereof, the "Investor Limited Partner") has offered to purchase a limited partner interest in the Partnership, and the Authority's Board of Commissioners (the "Board") finds and determines that the purchase price to be paid by the Investor Limited Partner will be sufficient, together with other available money, to enable the Partnership to develop and operate the RAC Housing Project;

WHEREAS, as a condition to purchasing its limited partnership interest in the Partnership, the Investor Limited Partner has requested that the Authority amend and restate the Partnership's original partnership agreement and execute and deliver certain other agreements, certificates and other documents relating to the Partnership and the Project, which request the Board finds and determines to be reasonable;

WHEREAS, the Board finds and determines that the RAC Housing Project likely would not be developed and maintained as housing for individuals and families of low income unless the Partnership was formed and the Investor Limited Partner committed to make its capital contributions thereto;

WHEREAS, the total cost of the Resource Access Center is estimated to be approximately \$46.95 million, with approximately \$42.97 million of those costs allocable to the RAC Housing Project and the other \$3.98 million of such costs allocable to the RAC Homeless Shelter;

WHEREAS, the total cost of constructing the RAC Housing Project is anticipated to be approximately \$42.97 million, which will be financed (and refinanced) by the Partnership with numerous sources of funds, including tax-exempt bonds issued by the Authority in the principal amount of \$23,155,000, grants from the PDC to the Authority in the anticipated aggregate amount of \$25,517,823 million that will be loaned and/or contributed by the Authority to the Partnership, \$2,368,927 of Authority funds that will be loaned and/or contributed to the Partnership, and capital contributions in the anticipated amount of \$11,739,620 from the Investor Limited Partner;

WHEREAS, the Authority received, has commitments to receive, or expects to obtain commitments to receive, \$29,500,000 of grant proceeds from the PDC, \$3,278,730 of American Recovery and Reinvestment Act ("ARRA") capital grant proceeds from the

U.S. Department of Housing and Urban Development (“HUD”), \$1,216,987 from the Authority’s sale of property, and \$500,000 on account of energy conservation programs (including grants from Energy Trust of Oregon Inc. and State of Oregon Business Energy Tax Credits), some or all of which will be used by the Authority, together with \$651,940 of the Authority’s unrestricted revenues, to make the loans and/or capital contributions described in the previous recital;

WHEREAS, the total cost of constructing the RAC Homeless Shelter is estimated to be \$3,982,177, which will be funded by a capital contribution from the Authority to the Partnership that the Authority will fund with proceeds of a grant to be received by the Authority from the PDC;

WHEREAS, the Partnership is expected to transfer the RAC Homeless Shelter to the Authority on or before the date construction of the shelter is completed as a return of the Authority’s contributed capital;

WHEREAS, the Authority has negotiated a lease agreement pursuant to which the Authority will lease to the Partnership the land and improvements to be constructed thereon;

WHEREAS, the Authority retained Holst Architecture, PC as the Resource Access Center’s architect, Walsh Construction Co. as the Resource Access Center’s general contractor, and other consultants to assist with the environmental review of the site and the design and construction of the improvements to the Resource Access Center’s, which contracts the Board finds and determines necessary and desirable to assign to the Partnership;

WHEREAS, the Board finds and determines that a portion of the RAC Housing Project’s units should be maintained as “public housing” units for which the Authority will provide the Partnership an operating subsidy to be funded with money received from HUD under a Consolidated Annual Contributions Contract between HUD and the Authority, as amended from time to time;

WHEREAS, pursuant to the DDA, the PDC requested the Authority to acquire, develop and construct the Resource Access Center as part of a community-wide initiative to meet local housing priorities;

WHEREAS, the Board finds that, by awarding project-based Section 8 vouchers to the Partnership pursuant to the non-competitive process authorized by the Authority’s Section 8 Administration Plan, the Partnership will be able to meet the housing goals set forth in the DDA;

WHEREAS, the Partnership will provide the Authority with a right of first refusal to acquire the RAC Housing Project at the end of the 15-year low-income housing tax credit “compliance period” for the project; and

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

NOW, THEREFORE, BE IT RESOLVED:

1. Approval of Partnership Documents. The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “Partnership Documents” (the “Partnership Documents”) in connection with the Partnership and the Resource Access Center, which documents are on file with the Authority’s Secretary. The Chair of the Board, the Authority’s Executive Director and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership), the Partnership Documents substantially in the form on file with the Authority; provided however, any Authorized Officer may approve on the Authority’s behalf any further changes to the draft Partnership Documents, including material changes, and such Authorized Officer’s signature on the final Partnership Documents shall be construed as the Authority’s approval of such changes. The Authorized Officers (and each of them acting alone) are further authorized and directed to (i) cause the Authority to make capital contributions in an amount of not exceeding \$27,886,750 to the Partnership, and (ii) execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership), any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Partnership Documents.

2. Approval of HUD Documents. The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “HUD Documents” (the “HUD Documents”) in connection with the Partnership and the Resource Access Center, which documents are on file with the Authority’s Secretary. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership), the HUD Documents substantially in the form on file with the Authority; provided however, any Authorized Officer may approve on the Authority’s behalf any further changes to the draft HUD Documents, including material changes, and such Authorized Officer’s signature on the final HUD Documents shall be construed as the Authority’s approval of such changes. The Authorized Officers (and each of them acting alone) are further authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership), any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the HUD Documents.

3. Approval of PDC Grant Documents. The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “PDC Grant Documents” (the “PDC Grant Documents”) in connection with the Partnership and the Resource Access Center, which documents are on file with the Authority’s Secretary. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of the Authority

(acting on its own behalf or as general partner of the Partnership), the PDC Grant Documents substantially in the form on file with the Authority; provided however, any Authorized Officer may approve on the Authority's behalf any further changes to the draft PDC Grant Documents, including material changes and such Authorized Officer's signature on the final PDC Grant Documents shall be construed as the Authority's approval of such changes. The Authorized Officers (and each of them acting alone) are further authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership), any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the PDC Grant Documents.

4. Approval of General Partner Loan Documents. The Authority has been presented with drafts of the documents listed in Exhibit A under the heading "General Partner Loan Documents" (the "General Partner Loan Documents") in connection with the Partnership and the RAC Housing Project, which documents are on file with the Authority's Secretary. In addition to the loan from the Authority to the Partnership authorized by the Board's Resolution No. 09-09-01, the Authority shall loan to the Partnership, pursuant to the terms of the General Partner Loan Documents, up to (i) \$29,500,000 of grant proceeds received by the Authority from the PDC (which amount shall be reduced to the extent any such grant proceeds are used by the Authority to make the capital contributions authorized by Section 1 of this resolution), \$3,278,730 of ARRA capital grant funds (or the Authority's unrestricted revenues, to the extent such ARRA capital grant funds are not available for the RAC Housing Project), an additional \$651,940 of the Authority's unrestricted revenues, \$1,216,987 from the sale of the Authority's property, and \$500,000 derived by the Authority from energy conservation programs such as Energy Trust of Oregon and State of Oregon Business Energy Tax Credits derived on account of the RAC Housing Project. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership), the General Partner Loan Documents substantially in the form on file with the Authority; provided however, any Authorized Officer may approve on the Authority's behalf any further changes to the draft General Partner Loan Documents, including material changes, and the final amount(s), if any, to be loaned (subject to Section 11 of this resolution) and such Authorized Officer's signature on the final General Partner Loan Documents shall be construed as the Authority's approval of such changes and final loan amount(s). The Authorized Officers (and each of them acting alone) are further authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership), any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the General Partner Loan Documents, including any trust deeds, subordination agreements and other documents required in connection with the sources of funding for the General Partner loans.

5. Lease; Condominium. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership), a lease transferring the land and improvements comprising the Resource Access Center to the Partnership in substantially the form on file with the Authority's Secretary, and such other agreements and documents as are necessary for the Authority to acquire its ownership of the Resource Access Center site, to cause the Partnership and/or the Authority to create a condominium with respect to the Resource Access Center, and to convey the RAC Homeless Shelter to the Authority, including (but not limited to) those agreements listed in Exhibit A under the heading "Real Estate Documents".
6. Assignments. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute and deliver one or more instruments (i) assigning to the Partnership the Authority's rights under the construction contract, the architects' contracts, the geotechnical consultant contracts, and other development contracts, as such rights pertain to the and the Resource Access Center, and (ii) assigning to lenders and others the Partnership's interests in such contracts.
7. Tax Credit Documents. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing tax credits in connection with the RAC Housing Project including, without limitation, the filing of one or more applications with the Oregon Housing and Community Services Department, and the execution of all necessary and related documents, including without limitation letters of award, reservation agreements, regulatory agreements, declarations and restrictive covenants.
8. Award of Project-Based Section 8 Vouchers. The Board hereby waives the competitive process of awarding project-based Section 8 vouchers pursuant to the Authority's Section 8 Administration Plan, and awards project-based Section 8 vouchers in the amount of \$868,800 per year to the Partnership for 100 units at the RAC Housing Project. The Board intends that this resolution represent the formal approval required by said Plan for a non-competitive award of project-based Section 8 vouchers.
9. Ancillary Documents. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) any affidavits, certificates, letters, government forms, documents, agreements and instruments that any such Authorized Officer determines to be necessary or desirable: (i) to give effect to this resolution; (ii) to consummate the transactions contemplated herein; and/or (iii) to further the

development, financing, construction, and leasing of the Resource Access Center. Without limiting the scope of such authorization, such documents may include condominium declarations, condominium association bylaws, lease-up and marketing agreements, partnership management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.

10. Expenditures. The Authority is authorized to expend such funds (and to cause the Partnership to expend such funds) as are necessary to pay for all filing fees, application fees, registration fees, insurance premiums and other costs relating to the actions authorized by this resolution.
11. Amounts. Each Authorized Officer is authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, or to increase the principal amount of any such loan or capital contribution by an amount up to \$500,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The source of funds for any such increase in the amount of a loan or capital contribution from the Authority shall be proceeds from the sale of the Authority's public housing scattered site properties or other funds that may become available for the Resource Access Center. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Resource Access Center exceeds the aggregate maximum principal amount stated in this resolution for all loans to the Partnership.
12. Section 42(m)(2)(D) Determination. On behalf of the Authority, the Board finds and determines pursuant to Section 42(m)(2)(D) of the Internal Revenue Code of 1986 (the "Code") that the amount of federal low-income housing tax credits the Partnership expects to derive from the Project will not exceed the amount necessary for the financial feasibility of the Project and its viability as a "qualified low income housing project" throughout the "credit period" (as such terms are defined in Section 42 of the Code). The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to provide the Partnership with a letter acknowledging this determination and the basis thereof. The Board delegates to the Authorized Officers, and each of them acting alone, the authority to make similar determinations, in their discretion, and to deliver similar letters to the Partnership at such times that the Authorized Officers determine to be necessary or appropriate.
13. Tax Credit Certifications. The Board delegates to the Authorized Officers, and each of them acting alone, the authority to make certifications with respect to the Project and the Partnership of the type described in Treasury Regulation § 1.42-8(b)(4)(i). To assist the Partnership in making its election under Section 42(b)(2)(A)(ii)(II) of the Code, the Authorized Officers, and each of them acting

alone, may provide a letter to the Partnership, on the Authority's behalf, indicating any certifications made pursuant to this Section.

14. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may, in the absence of such person, be taken by the duly authorized acting Chair of the Board or acting Executive Director of the Authority, respectively.
15. Execution of Obligations. The Board directs the Authority's Executive Director to cause the Authority to fulfill the Authority's duties and obligations under the various agreements authorized by this resolution.
16. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution (including, without limitation, the formation of the Partnership, the filing of the Partnership's Certificate of Limited Partnership with the Oregon Secretary of State on March 19, 2008, the Authority's execution of the initial limited partnership agreement dated March 20, 2008, with Evergreen Housing, Inc., and the assignment of any contracts to the Partnership as described in Section 6) are ratified and confirmed.
17. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Adopted: October 20, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

EXHIBIT A PROJECT DOCUMENTS

Partnership Documents

- (a) the Investor Limited Partner's Letter of Intent between the Investor Limited Partner and the Authority;
- (b) First Amended and Restated Agreement of Limited Partnership among the Authority, the Investor Limited Partner and Evergreen Housing Inc.;
- (c) Development Agreement between the Partnership and the Authority;
- (d) Guaranty agreement between the Partnership and the Authority;
- (e) Asset and Compliance Review Agreement between the Partnership and the Investor Limited Partner;
- (f) Memorandum of Option and Right of First Refusal between the Partnership and the Authority;
- (g) Partnership Management Agreement between the Partnership and the Authority;
- (h) Reimbursement and Assignment Agreement between the Partnership and the Authority;
- (i) 4% Low-Income Housing Tax Credit Reservation and Extended Use Agreement between Oregon Housing and Community Services and the Authority;

HUD Documents

- (j) Resource Access Center Regulatory and Operating Agreement for Mixed-Income Project between the Authority and the Partnership;
- (k) Resource Access Center Mixed-Finance Amendment to Consolidated Annual Contributions Contract between the Authority and HUD;
- (l) Declaration of Restrictive Covenants (Resource Access Center) between the Authority and the Partnership;

PDC Grant Documents

- (m) Grant Agreement (Housing Project) between the Authority and the PDC;
- (n) Grant Agreement (Shelter Project) between the Authority and the PDC;
- (o) Regulatory Agreement (Rental) between the Authority and the PDC;

- (p) Regulatory Agreement (Shelter Project) between the Authority and the PDC;
- (q) Regulatory Agreement Tax Credit – PSH between the Authority and the PDC;
- (r) Memorandum of Agreement between the Authority and the PDC;
- (s) Quitclaim Deed from the Authority to the PDC, together with Escrow Instructions for Quitclaim Deed from the Authority and the PDC to First National Title Insurance Company
- (t) Any subordination agreement between the PDC and the Authority;

General Partner Loan Documents

- (u) Resource Access Center Project and Loan Agreement for Omnibus Loan between the Authority and the Partnership;
- (v) Promissory Note Omnibus Loan between the Authority and the Partnership;
- (w) Resource Access Center Second Line of Credit Trust Deed by the Partnership;
- (x) Reimbursement Agreement between the Partnership and Wells Fargo Bank and National Association (the “Bank”);
- (y) Deed of Trust by the Partnership;
- (z) Assignment of Rights to Equity Investment between the Authority and the Partnership;
- (aa) Assignment of Architectural Agreements and Plans and Specifications between the Partnership and Holst Architecture, PC;
- (bb) Assignment of Construction Agreements between the Partnership and Walsh Construction Co.;
- (cc) Assignment of Takeout Commitment between the Authority and City of Portland;
- (dd) Assignment of Property Management Agreements between the Partnership and the management agent;
- (ee) Pledge, Security and Custody Agreement (RAC Housing Apartments Project) among the Partnership, the Bank, and the custodian identified therein;
- (ff) Subordination Agreement the Authority Omnibus Loan among the Partnership, the Authority and the Bank;
- (gg) Subordination Agreement (DDA) among the Partnership, the Authority and the Bank;

- (hh) Subordination Agreement among the Partnership, the PDC and the Bank;
- (ii) Completion Guaranty by the Authority;
- (jj) Repayment Guaranty by the Authority;
- (kk) Hazardous Materials Indemnity Agreement among the Partnership, the Authority and the Bank;

Real Estate Documents

- (ll) Agreement for Disposition and Development of Property in the River District Urban Renewal Area Known as the Western Portion of Block "U" between the PDC and the Authority;
- (mm) First Amendment to Agreement for Disposition and Development of Property in the River District Urban Renewal Area Known as the Western Portion of Block "U" between the PDC and the Authority;
- (nn) Quit Claim Deed between the Authority and the PDC;
- (oo) Lease Agreement between the Authority and the Partnership;
- (pp) Memorandum of Lease between the Authority and the Partnership;
- (qq) Declaration of Condominium Ownership for Resource Access Center Condominiums among the Authority and others;
- (rr) Bylaws of Resource Access Center Condominium Owners' Association by the Authority;
- (ss) Memorandum of Agreement between the Authority and the PDC;
- (tt) Ground Lease Agreement (Blocks U&R) between the PDC and the Authority; and
- (uu) Ground Lease Agreement (Block U Planter) between the PDC and the Authority.

CERTIFICATE

I, the undersigned, the duly appointed Executive Director and Secretary of the Housing Authority of Portland (the "Authority"), as keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution 09-10-04 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on the 20th day of October, 2009, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of October, 2009.

HOUSING AUTHORITY OF PORTLAND

Steven D. Rudman, Executive Director and Secretary

M E M O R A N D U M



DATE: October 20, 2009

TO: Board of Commissioners

FROM: Michael Andrews, Director, Development & Community Revitalization
April Berg, Sr. Project Manager

SUBJECT: Authorizes an Agreement with Portland General Electric (PGE) for the Resource Access Center Electrical Service Infrastructure
09-10-05

The Board of Commissioners is specifically requested to authorize the Executive Director to execute an Agreement with PGE for the associated electrical service infrastructure required for the Resource Access Center (RAC) via the PGE Grid Network (208V) service.

Background

The Board of Commissioners has already taken prior actions related to construction of the RAC. In April of 2008, following a publicly advertised competitive procurement process, the Board authorized selection of Walsh Construction Company as CM/GC. In May of 2008 the CM/GC commenced preconstruction services to the design team including drawing reviews, cost estimating, and value engineering. In September 2009, an analysis relating to the electrical service options was completed by RAC team participants: PAE Consultants, ABHT Engineers, KPFF Engineers, Holst Architects, Walsh Construction and PGE. As PGE is the single source electrical provider, the review process lead to three options to provide power to the building: Option A (1) Class A Vault on Hoyt Street; Option A (2) Class A Vault on Irving Street and Option B – PGE Grid Network System. After review by the design team and pricing by the CM/GC, it was determined Option B presented the least impact on schedule, cost and redesign. In order for PGE to proceed and the construction schedule to be maintained, it is necessary for HAP to sign an agreement with PGE for the scope of work associated with Option B for the RAC. PGE's costs will cover an upgrade of the grid network serving the RAC including costs of utility trenching, conduit, and vaults.

Budget Implications

HAP plans to close the RAC Housing Limited Partnership on November 12th, issue revenue bonds, and shortly thereafter commence construction. The contract with

Portland General Electric (PGE) will stipulate a not-to-exceed price of \$299,000, which will be funded out of project resources. In addition, as part of the grid network electrical system there is a \$100,000 in costs the CM/GC included in its estimates for an electrical vault and associated shoring that is included in the GMP; thereby total grid network of \$399,000.

The RAC is required to initially pay the full amount of PGE infrastructure upgrades necessary to meet its service demand, however, reimbursement of up to 50% of costs is possible depending on future development of adjacent parcels. The window for reimbursement of shared costs for adjacent parcels is 5 years.

Risks and Opportunities

Options A1 and A2 were more costly than Option B. In addition, Option A1 and A2 required structural redesign, additional soft costs, and extended the current construction schedule.

The schedule for completion of infrastructure upgrades meet's HAP's schedule timeline requirements. After HAP's approval and execution of the PGE Agreement, PGE will schedule the infrastructure upgrades with work to start in early January 2010, after the holiday moratorium, and complete in April 2010. HAP will not require permanent power at the RAC site until late spring 2010.

Conclusion/Recommendation

Staff recommends approval of Resolution 09-10-05.



RESOLUTION 09-10-05

RESOLUTION 09-10-05 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH PORTLAND GENERAL ELECTRIC TO PROVIDE THE ELECTRICAL SERVICE INFRASTRUCTURE NECESSARY FOR THE RESOURCE ACCESS CENTER VIA THE PGE GRID NETWORK (280v) SERVICE

WHEREAS, the Housing Authority of Portland intends to construct the Resource Access Center (RAC) and the Board of Commissioners has taken past actions to support its construction; and

WHEREAS, Walsh Construction Company, Oregon was selected in April 2008 as construction manager/general contractor (CM/GC) for the project; and

WHEREAS, the CM/GC, Architects and Consultants reviewed cost estimates provided by Portland General Electric (PGE) for the various electrical service infrastructure options; and

WHEREAS, upgrade of PGE's electrical grid network is required to provide meet the electrical service requirements of the RAC, and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of Portland, Oregon authorizes the Executive Director to execute an Agreement with PGE for upgrade of its network system that will provide electrical service for the RAC in an amount not-to-exceed \$299,000.

Adopted: October 20, 2009

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary