

PUBLIC NOTICE:



Home Forward
BOARD OF COMMISSIONERS
will meet on
Tuesday, September 20, 2022
At 5:30 pm
Zoom Register here:

<https://homeforward.zoom.us/j/82289180012?pwd=OWtJMGh6QnJUOXI4YUNncGMzMjITQT09>



MEMORANDUM

To: Community Partners Date: September 14, 2022

From: Ivory N. Mathews, Executive Director Subject: Home Forward Board of Commissioners September Meeting

The Board of Commissioners of Home Forward will meet on Tuesday, September 20 at 5:30 PM virtually using the Zoom platform. The meeting will be accessible to the public via phone and electronic device.

If you would like to provide public testimony or view the meeting, please use this link to sign up:

<https://homeforward.zoom.us/j/82289180012?pwd=OWtJMGh6QnJUOXI4YUNncGMzMjIQT09>

The commission meeting is open to the public.

AGENDA



BOARD OF COMMISSIONERS MEETING

HOME FORWARD
135 SW ASH STREET
PORTLAND, OREGON

VIA ZOOM

<https://homeforward.zoom.us/j/82289180012?pwd=OWtJMGh6QnJUOXI4YUNncGMzMjIjTQ>
T09

SEPTEMBER 20, 2022, 5:30 PM

AGENDA

INTRODUCTION AND WELCOME

PUBLIC COMMENT

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

MEETING MINUTES

Topic
Minutes of August 16, 2022 Board of Commissioners Virtual Meeting

CONSENT CALENDAR

Following Reports and Resolutions:			
22-09	Topic	Presenter/POC	Phone #
01	Authorize Acquisition of the Limited Partner's Interest in Jeffrey LP and Transfer the Property to Home Forward	Tonya Evans Donna Kelley	503.802.8437 503.802.8485

02	Authorize the Acquisition of the Limited Partner's Interest in the RAC Housing LP and Transfer the Bud Clark Commons Property to Home Forward	Tonya Evans Donna Kelley	503.802.8437 503.802.8485
03	Authorize the Acquisition of the Limited Partner's Interest in the Haven LP and Transfer the Property to Home Forward	Tonya Evans Juli Garvey	503.802.8437 503.802.8457
04	Authorize Intent to Issue Bonds for Grace Peck Terrace Project	Jonathan Trutt Theresa Auld	503.802.8507 503.802.8319

RESOLUTIONS/REPORTS

Following Reports and Resolutions:			
22-09	Topic	Presenter/POC	Phone #
05	Authorize Fiscal Year 2023 Draft Moving to Work (MTW) Plan	Taylor Smiley Wolfe	503.802.8506
06	Authorize Approval of Fiscal Year 2021 Audited Financial Statements, Single Audit Reports, Schedule of Closed Grants, and Governance Communication Letter to the Board of Commissioners	Kandy Sage Linda Uppinghouse	503.802.8585 503.802.8317
07	Authorize Contract Amendment for Early Purchase of Materials for Fairfield Apartments Renovation Project	Amanda Saul Robert Dell	503.802.8552 503.802.8528
08	Authorize Contract Amendment for Early Purchase of Materials for Grace Peck Terrace Renovation Project	April Berg Robert Dell	503.802.8326 503.802.8528
09	Authorize Contract with Epic Land Solutions, Inc. for Professional Relocation Services at Grace Peck Terrace Apartments	April Berg Myriam Demezas Jones	503.802.8326 503.802.8502

10	Authorize Contract Amendment with LMC Construction to Complete the Renovations at Stark Manor, Fir Acres, and Eastwood Court Apartments	April Berg Lewis Lyles	503.802.8326 503.802.8484
11	Authorize Increase in Construction Contingency for the Renovation of Fountain Place Apartments	Jonathan Trutt Patrick Rhea	503.802.8507 503.802.8311

THE NEXT MEETING OF THE BOARD OF COMMISSIONERS

Home Forward is currently operating in a state of emergency. We will continue to conduct board-related business as it is currently scheduled but will update the public on the venue or forum by which it occurs as we assess the situation.

The next Board Work Session will be on Wednesday, October 5, 2022 at 5:30 PM. The next Board of Commissioners meeting will be Tuesday, October 18, 2022 at 5:30 PM.

EXECUTIVE SESSION

The Board of Commissioners of Home Forward will meet in Executive Session pursuant to ORS 192.660(2)(3) to discuss a pending real estate transaction. 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.

ADJOURN

MINUTES



BOARD OF COMMISSIONERS MONTHLY MEETING
HOME FORWARD
HELD VIRTUALLY
135 SW Ash Street Portland, OR 97204
August 16, 2022

COMMISSIONERS PRESENT

Chair Damien Hall, Vice Chair Matthew Gebhardt, Treasurer Jenny Kim, Commissioners TomiRene Hettman, Vivian Satterfield, Rakeem Washington

STAFF PRESENT

Elise Anderson, Shaun Cox, Ian Davie, Jamila Dozier, Dena Ford-Avery, Monica Foucher, Carolina Gomez, Yvette Hernandez, Nasir Idrees, Celeste King, Branka Kravljaca, Nikki Long, Ivory Mathews, Tara Messier, Kitty Miller, Amanda Saul, Shannon Schmidt, Kellie Shaw, Ian Slingerland, Aimee Smith, Celia Strauss, Jonathan Trutt, Linda Uppinghouse, Taylor Smiley Wolfe

LEGAL COUNSEL

Sarah Stauffer Curtiss

Vice Chair Matthew Gebhardt convened the meeting of the Board of Commissioners at 5:34 PM.

Cathy Millis, resident at Dahlke Manor shared details on the concluding construction which is down to touch up. She praised the new mailboxes although disappointed to learn they lost their site manager. Millis expressed frustration not having someone on hand to address resident concerns seemingly daily. She asked that there be a system in place to let residents know of these important changes. Vice Chair Gebhardt thanked Millis for her report and assured her staff would follow up regarding the change in management at the property.

Shari Staten addressed the board sharing her concerns dating to early January 2022. Staten gave the board a thorough timeline from the time her landlord increased her rent through interaction with Rent Assistance staff and the twists and turns when learning her

casework was no longer with Home Forward. Through this process, she felt there was lack of accountability on Home Forward's part and subsequently caused her a significant rent increase which she felt was unfair. Staten went onto say that she did everything in her power to remedy the situation but was never given a chance to ask questions. The new rent increase equals half of her income. She feels the situation was avoidable and is asking to be heard.

Vice Chair Matthew Gebhardt thanked Staten for sharing the situation and was very sorry this happened. He assured her that staff would be following up and at Staten's request this would not be an open ended follow up. Housing Choice Voucher Program Director Dena Ford-Avery would be reaching out to her.

MEETING MINUTES

Minutes of the August 16, 2022 Board of Commissioners Virtual Meeting

Chair Damien Hall requested a motion authorizing approval of the minutes for the August 16, 2022 Board of Commissioners Meeting.

There being no discussion, Commissioner Vivian Satterfield moved to approve a motion for approval, and Commissioner TomiRene Hettman seconded the motion.

The vote was as follows:

Chair Damien Hall—Aye
Vice Chair Matthew Gebhardt—Abstained
Treasurer Jenny Kim—Aye
Commissioner TomiRene Hettman—Aye
Commissioner Vivian Satterfield—Aye
Commissioner Rakeem Washington—Aye

MISSION MOMENT

Shaun Cox, GOALS Program Supervisor presented the Steve Rudman Scholarship Fund Mission Moment. Cox presented the scholarship details, the selection process focusing on the key dates and the creation of the award. The selection committee, was comprised of Steve Rudman, Treasurer Jenny Kim, Commissioner TomiRene Hettman, Josh Laurie, Portland Community College and Cox. He said it was a challenging selection given the strong applications and less funds available this year.

Cox introduce the three recipients Abdiaziz Belel, Kayla Sichampanakhone and LaMar Warren and a brief highlight of each student. In response, LaMar said he really appreciated the opportunity which will help a lot and from the bottom of his heart, thank you. Abdiaziz said he was super excited saying this award means so much to our family, noting that his sisters are previous awardees. He is in his last year at PSU and this will help as he continues to push through. Kayla said there are not many opportunities and is grateful for the award. She is excited to begin college and she was joined by her mother both expressing their appreciation.

Steve Rudman congratulated the students saying he was very impressed by their applications and inspiring stories. Rudman is humbled and honored the board continues to believe education disrupts generational poverty and gave a shout out to the GOALS program that supports the students and their families. He looks forward to next year.

Commissioner TomiRene Hettman looks for way to give back and this Mission Moment is her favorite. She was especially excited to be part of the selection committee, saying all three were her number one choice. Hettman said your stories spoke to me and we recognize you are the future, which is a promising feeling.

Shaun Cox gave a shout out to the GOALS team Nikki, Nasir and Branka.

Commissioner Rakeem Washington said having LarMar in his PSU class, he has confidence in the skill set he possesses, is a wonderful human being and feels all three well represent this award, ending with congratulations.

Vice Chair Gebhardt agreed with Commissioner Hettman this Mission Moment being a favorite. He is excited with the selection and in congratulating the students hoped that they would keep in touch down the road. Gebhardt thanked staff, Rudman and his fellow commissioners for another successful award year.

REPORT

Annual Procurement and Equity Report for Fiscal Year 2021

Celeste King, Procurement and Contracts Manager presented the report. She was to be joined by Pete Garcia, Senior Procurement Coordinator who had a scheduling conflict. King gave a shout out to Garcia who feels passionate about this work and appreciated the energy that went into the report.

In 2020 we failed to achieve our goal but despite a decrease in contracting activity, we saw a 120% increase in contracted dollars. By comparison there was an increase in utilization for all

contracts. King noted that construction projects accounted for 96% of the total activities contracted with underutilized business enterprises. The activity was reviewed for services in each category. Since expanding our equity program we saw engagement with businesses designated as disadvantage business enterprises and service-disabled veteran business enterprises.

King described the new compliance standards set by HUD for Section 3 outcomes. The compliance opportunity for internal hiring has been successful for Home Forward with workforce labor hours being tracked via payroll. With a collaboration between Procurement, Development and Community Services partnerships with local pre-apprenticeship training programs that will engage our emerging workforce and assist residents in engaging in construction trades.

Agency goals for labor hours performed by BIPOC tradespeople and tradeswomen have seen mixed results from project to project. King walked through the results. An area of note was the decline in women performing work as laborers, dropping from 50% to 24% compared to the previous year. This is a positive step since the area of work has the lowest prevailing wage rates.

Commissioner Vivian Satterfield thanked King and her team. When the bar is set high how difficult are these goals to achieve? One area of interest was seeing more women in carpentry positions and felt that was encouraging and a positive trajectory.

Treasurer Jenny Kim echoed Satterfield's interest in the carpentry and electrical positions increasing. Treasurer Kim asked why the UBE engagement for goods and services was higher in 2018 and 2019 than in 2020 and 2021. King will investigate it for her.

Chair Damien Hall thanked King for the great job and encouraged the team to keep working hard to make advances across the board, especially as construction projects wind down.

Vice Chair Matthew Gebhardt was interested to hear about the new system that tracks in real time and asked King to pass along his appreciation to Pete for the good work.

RESOLUTIONS

RESOLUTION 22-08-01 Authorize OHCS Affordable Rental Housing Portfolio Preservation Pool Funding for Peter Paulson Apartments Capital Projects

Development Director Jonathan Trutt presented for Tonya Evans, Asset Management Director. The next four resolutions were reviewed by the READ committee at their August

meeting. In context, the legislature authorized historic funds for preservation. Through OHCS' creative idea, project owners can apply for grant funding for projects that would be larger than available property funds, but smaller than a big rehab project. One stipulation in the application requires board authorization to apply, like development work. Each of the four properties qualify for the available funds.

Resolution 22-08-01 for Peter Paulson Apartments recently completed a capital needs assessment that will determine the scope of work.

Resolution 22-08-02 for Gretchen Kafoury the funds will be used for improvements to the building's envelop, systems and surfaces.

Resolution 22-08-03 for Sequoia Square like Gretchen Kafoury funds will be used for the building's envelope.

Resolution 22-08-04 Schiller Way completed a needs assessment and in 2021 a building enclosure condition assessment, helping identify the scope of work.

Trutt noted that the details in the resolution memo represent our aspirations, but we will focus on the priorities and areas that will minimize construction for the residents. Commissioner TomiRene Hettman asked what the impact to residents will be during the unit work at Schiller Way. Trutt said measures will be taken similar to other renovation projects.

Commissioner Vivian Satterfield was interested in external communicates for the work updating the HVAC and heating systems such as what is being proposed for Peter Paulson. Trutt said Development and Asset Management are working collaboratively to identify a project manager as current systems are replaced. Commissioner Satterfield asked if we have explored other funding sources such as the City of Portland. Wondering if we should be forward thinking and look at what sources are available to Home Forward and our residents now. Trutt responded that there is a fourth quarter work plan underway looking at availability of clean energy funds and other sources.

There being no further discussion, Chair Damien Hall requested a motion to approve each resolution separately beginning with Resolution 22-08-01. Commissioner Vivian Satterfield moved to adopt Resolution 22-08-01. Treasurer Jenny Kim seconded the motion.

Commissioner Vivian Satterfield moved to adopt Resolution 22-08-02. Commissioner TomiRene Hettman seconded the motion.

Commissioner Vivian Satterfield moved to adopt Resolution 22-08-03. Treasurer Jenny Kim seconded the motion.

Commissioner Vivian Satterfield moved to adopt Resolution 22-08-04. Treasurer Jenny Kim seconded the motion.

The vote was as follows:

Chair Damien Hall—Aye
Vice Chair Matthew Gebhardt—Aye
Treasurer Jenny Kim—Aye
Commissioner TomiRene Hettman—Aye
Commissioner Vivian Satterfield—Aye
Commissioner Rakeem Washington—Aye

RESOLUTION 22-08-05 Authorize Intergovernmental Agreement with Oregon Housing and Community Services

Taylor Smiley Wolfe, Policy Director presented the resolution. This IGA will provide Home Forward with \$5 million to administer a statewide grant program that will alleviate nonpayment of rent debt. This comes after the legislature emergency board approved these funds in June 2022. With approval, we are prepared to launch tomorrow for thirty days.

Commissioner Satterfield was interested in the measures to put everything in place. Smiley Wolfe said we have a well-oiled relationship with OHCS and used the template established for landlord reimbursements. We will be providing OHCS a high-level report on the disbursement of these funds. She gave a shout out to Brian Rutzen, Kandy Sage and teams for making this possible. Commissioner Satterfield was impressed and thanked the team asking one last question about the process with the applications. Smiley Wolfe said this is a non-competitive grant. Based on eligibility and resources they will receive a percentage of their eligible debt.

Chair Damien Hall appreciated the work and bringing the stakeholders together to accomplish the effort.

Vice Chair Matthew Gebhardt was impressed and expressed appreciation for making this possible for us and others.

There being no further discussion, Chair Damien Hall requested a motion to approve Resolution 22-08-05. Commissioner TomiRene Hettman moved to adopt Resolution 22-08-05. Chair Damien Hall seconded the motion.

The vote was as follows:

Chair Damien Hall—Aye
Vice Chair Matthew Gebhardt—Aye
Treasurer Jenny Kim—Aye
Commissioner TomiRene Hettman—Aye
Commissioner Vivian Satterfield—Aye
Commissioner Rakeem Washington—Aye

ADJOURN

There being no further business, Chair Damien Hall adjourned the meeting at 6:38 PM.

Celia M. Strauss
Recorder, on behalf of
Ivory N. Mathews, Secretary

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory N. Mathews, Secretary

Damien R. Hall, Chair

CONSENT CALENDAR



MEMORANDUM

To:	Board of Commissioners	Date:	September 20, 2022
From:	Tonya Evans, Director of Asset Management 503.802.8437 Donna Kelley, Asset Manager 503.802.8485	Subject:	Authorize the Acquisition of the Limited Partner's interest in the Jeffrey LP and transfer the property to Home Forward Resolution 22-09-01

The Board of Commissioners is requested to authorize Home Forward to acquire the Limited Partner's interest in the Jeffrey Limited Partnership and subsequently transfer the ownership of The Jeffrey from the Partnership to Home Forward. This requires the following actions:

- The execution of documents necessary to acquire Homestead Equity Funds VI LP's interest in the Jeffrey Limited Partnership;
- The execution of documents necessary to dissolve the Partnership and transfer its assets to Home Forward; and
- The execution of assignment, assumption and subordination documents relating to Portland Housing Bureau (PHB) and Oregon Housing and Community Services (OHCS) and other liens or regulations tied to the property.

This action supports Home Forward's Strategic Plan Goal One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

BACKGROUND

In 2010, Home Forward became the new General Partner in the Jeffrey Limited Partnership, an existing property (built in 2008). with 50 studio and 30 one-bedroom apartments in downtown Portland, all financed with Low-Income Housing Tax Credits (LIHTC). The property had 30 Project-based Voucher (PBV) units restricted at 30 percent of Area Median Income (AMI) for Permanent Supportive Housing prior to Home Forward becoming the

General Partner. Home Forward converted the remaining 20 studio units to Public Housing units also restricted at 30% AMI. (These units were subsequently converted to Rental Assistance Demonstration (RAD) PBVs.) The remaining 30 one-bedroom units are rent restricted at 50% AMI. The long-term goal was the preservation of this property with deeply affordable apartments in an otherwise unaffordable area of Portland.

OVERVIEW

The end of the fifteen-year LIHTC compliance period is the end of 2022. We have reached agreement with our Limited Partner to purchase their interest for \$1. With the purchase of their interest, Home Forward will be both the General Partner and the Limited Partner; under Oregon law, the partnership no longer exists so the underlying assets will be transferred to Home Forward. The property is in good physical condition with capital needs that can be met by the existing \$457,000 in Replacement Reserves and ongoing deposits. The property also has an additional \$400,000 in Operating Reserves.

There will be small ongoing cost savings in the form of reduction and/or elimination of certain costs and fees associated with maintaining the partnership and the elimination of the requirement to share a certain amount of cash flow with the Limited Partnership. The primary purpose of this transaction is to obtain full ownership of this property so we can preserve the long-term affordability for the community.

To complete this transaction, we must execute routine conveyance documents, assignment and assumption documents with both the Oregon Department Housing and Community Services and the Portland Housing Bureau. We must also obtain HUD's consent and execute documents relating to the ongoing priority of the RAD Use Agreement. We anticipate the transactions costs to be approximately \$40,000; these can be paid from property operating funds.

CONCLUSION

Staff recommends the approval of this transaction and the execution of the necessary documents to complete it.

The Real Estate and Development (READ) Committee reviewed a draft of this resolution at its September 2, 2022 meeting.



RESOLUTION 22-09-01

RESOLUTION 22-09-01 AUTHORIZES THE TRANSFER OF THE JEFFREY APARTMENTS PROJECT TO HOME FORWARD AND/OR THE ACQUISITION OF INTERESTS OF THE LIMITED PARTNER IN THE JEFFREY LIMITED PARTNERSHIP BY HOME FORWARD; TO PAY CERTAIN COSTS ASSOCIATED WITH ACQUISITION OF THE PROJECT OR LIMITED PARTNER INTERESTS; AUTHORIZING THE EXECUTION OF THE NECESSARY DOCUMENTS TO COMPLETE THIS TRANSACTION; AND PROVIDING FOR RELATED MATTERS

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

WHEREAS, Home Forward is the General Partner of The Jeffrey Limited Partnership, an Oregon limited partnership (the “Partnership”), and Homestead Equity Fund VI, LP (the “Limited Partner”) is the limited partner of the Partnership; and

WHEREAS, the Partnership owns and operates The Jeffrey Apartments in Portland, Oregon (the “Project”), which received low-income housing tax credits (“LIHTCs”) for the operation of the Project as “qualified low-income housing” pursuant to Section 42 of the Internal Revenue Code (the “Code”), and Section 8 Project-Based Voucher (“PBV”) assistance from the U.S. Department of Housing and Urban Development (“HUD”) for the operation of 20 units within the Project in accordance with HUD’s Rental Assistance Demonstration (“RAD”) program; and

WHEREAS, the 15-year LIHTC compliance period for the Project will expire as of December 31, 2022; and

WHEREAS, Home Forward desires to own the Project and to continue its operation as affordable long-term housing for persons and families of lower income residing in the City; and

WHEREAS, Home Forward expects that the Limited Partner will be willing to transfer its interest in the Partnership (the “Limited Partner Interests”) to Home Forward for approximately \$1; and

WHEREAS, Home Forward has determined that it is in the best interest of Home Forward to acquire the Limited Partner Interests and/or to acquire the Partnership's interest in the Project; and

WHEREAS, Home Forward in its own capacity and as general partner of the Partnership, desires to take such steps as are reasonably necessary to effect the Home Forward's acquisition of the Limited Partner Interests and/or the Partnership's interest in the Project; and

WHEREAS, Home Forward in its own capacity and as sole member and manager of New Market West Management Services LLC, desires to take such steps as are reasonably necessary to enter into such agreements authorizing New Market West Management Services LLC to serve as the owner of the Project's RAD Section 8 PBV Assistance Payments Contract (the "HAP Contract") in connection with Home Forward's acquisition of the Limited Partner Interests and/or the Partnership's interest in the Project; and

WHEREAS, in order to acquire the Project and/or the Limited Partner Interest, dissolve the Partnership, and distribute the Partnership assets to Home Forward it will be necessary for the Partnership and/or Home Forward to obtain the consent of the Oregon Housing and Community Services Department (the "Allocating Agency") and Portland Housing Bureau ("PHB") and HUD, and to execute such assignment and assumption agreements and other transfer documents as may be reasonably required by the Allocating Agency, HUD and PHB; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Home Forward, as follows:

1. **Approval of Transfer of Project and/or Limited Partner Interests.** Home Forward, in its individual capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the transfer of the Partnership's interest in the Project to Home Forward or, in the alternative, to acquire the Limited Partner Interests, and to negotiate, execute, and deliver such documents as may be reasonably required to effectuate such transfer and/or acquisition.

2. **Liquidation of the Partnership.** Following acquisition of the Project and/or the Limited Partner Interests, Home Forward is authorized empowered and directed to take such steps as are reasonably necessary to liquidate the Partnership and distribute the assets of the Partnership to Home Forward.

3. **Amendment of Portland Housing Bureau Loan Documents.** The Portland Housing Bureau (the “PHB”) has provided financing for the Project through a loan in the original amount of \$9,152,342. In connection with the acquisition of the Project by Home Forward, the documents evidencing the PHB loan may be amended and/or assigned to and assumed by Home Forward. The trust deed securing payment of the PHB loan will remain subordinate to the RAD Use Agreement. The Board authorizes the Executive Director of Home Forward to negotiate, execute and deliver such documents as she deems necessary or appropriate in connection with the revised PHB loan documents and the assignment and assumption of the PHB loan from the Partnership to Home Forward.

4. **Consent of the Allocating Agency.** The Board authorizes the Executive Director of Home Forward to negotiate, execute and deliver such documents as she deems necessary or appropriate in connection with the obtaining the approval of the Allocating Agency to transfer the Project to Home Forward, including the assignment and assumption of the obligations of the Partnership under all covenants, restrictions and agreements relating to the allocation of low-income housing tax credits.

5. **Consent of HUD.** The Board authorizes the Executive Director of Home Forward to negotiate, execute and deliver such documents as she deems necessary or appropriate in connection with obtaining HUD approval (i) to transfer the ownership of the Project to Home Forward, including the assignment and assumption of the obligations of the Partnership under all covenants, restrictions and agreements relating to the provision of subsidy to the Project under the RAD program and (ii) for New Market West Management Services LLC to serve as HAP Contract owner in connection with Home Forward acquiring the Limited Partner Interests and/or the Partnership’s interest in the Project.

6. **Acting Officers Authorized.** Any action required by this resolution to be taken by the Chair of the Board or Executive Director of Home Forward may in the absence of such person be taken by the duly authorized acting Chair of the Board or acting Executive Director of Home Forward, respectively.

7. **Ratification and Confirmation.** Any actions of Home Forward or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

8. **Expenditures.** Home Forward, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to make any reasonable expenditures including, but not limited to, payments for acquisition of the Limited Partner

Interests and attorney's fees and costs, necessary or required in connection with the acquisitions authorized by this resolution.

9. **Effective Date.** This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory N. Mathews, Secretary

Damien R. Hall, Chair



MEMORANDUM

To:	Board of Commissioners	Date:	September 20, 2022
From:	Tonya Evans, Director of Asset Management 503.802.8437 Donna Kelley, Asset Manager 503.802.8485	Subject:	Authorize the Acquisition of the Limited Partner's interest in the RAC Housing LP and transfer the Bud Clark Commons property to Home Forward Resolution 22-09-02

The Board of Commissioners is requested to authorize Home Forward to acquire the Limited Partner's interest in the RAC Housing Limited Partnership and subsequently transfer the ownership of Bud Clark Commons from the Partnership to Home Forward. This requires the following actions:

- The execution of documents necessary to acquire Wells Fargo Community Investment Holdings, LLC's interest in the RAC Housing Limited Partnership;
- The execution of documents necessary to dissolve the Partnership and transfer its assets to Home Forward; and
- The execution of assignment, assumption and subordination documents relating to Portland Housing Bureau (PHB), Prosper Portland (Prosper) and Oregon Housing and Community Services (OHCS) financing and other liens or regulations tied to the property.

This action supports Home Forward's Strategic Plan Goal One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

BACKGROUND

In 2011, Home Forward opened the Bud Clark Commons in downtown Portland. The ownership structure is very complex. Home Forward leases the land to the Bud Clark Condominiums, which owns the entire eight-story structure. The condominium has two

units, the Shelter Unit, which contains Doreen's Place and is leased to Transition Projects, Inc., and is owned by Home Forward and the Housing Unit, which contains TPI offices and the 130 studio apartments, which is owned by the RAC Housing LP. This structure was necessary to maximize the tax credits available to build the property. As part of this transaction, the condominium structure will stay in place. Maintaining the existing condominium structure will be beneficial in the event Home Forward decides to recapitalize the property in the future. The 130 studio units all provide Permanent Supportive Housing (PSH) to the most vulnerable homeless individuals in our community. They are all available to individuals at 35% of Area Median Income (AMI) and deeply subsidized with Rental Assistance Demonstration (RAD) Project-based Vouchers (PBV).

OVERVIEW

The limited partner will finish claiming their tax credits as of 2022; there are still an additional five years before the compliance period ends. We have reached agreement with our Limited Partner to purchase their interest for a nominal amount and we will provide them with a guarantee against any tax credit recapture that could be triggered by noncompliance in the remaining five years of the compliance period. By purchasing the LP's interest early, we avoid incurring substantial exit tax liability. With the purchase of their interest, Home Forward will be both the General Partner and the Limited Partner; under Oregon law, the partnership no longer exists so the underlying assets will be transferred to Home Forward. The property is in good physical condition with capital needs that can be met by the existing \$717,000 in Replacement Reserves and ongoing deposits.

The property is not performing well financially. Completing this transaction will allow us to move forward with any potential restructure without having to seek the limited partner's approval. There will be small ongoing cost savings in the form of reduction and/or elimination of certain costs and fees associated with maintaining the partnership. The property also has almost \$860,000 in Operating Reserves.

To complete this transaction, we must execute routine conveyance documents, assignment and assumption documents with both the Oregon Department Housing and Community Services and the Portland Housing Bureau. We must also obtain HUD's consent and execute documents relating to the ongoing priority of the RAD Use Agreement. We anticipate the transactions costs to be approximately \$40,000; these can be paid from property operating funds.

CONCLUSION

Staff recommends the approval of this transaction and the execution of the necessary documents to complete it.

The Real Estate and Development (READ) Committee reviewed a draft of this resolution at its September 2, 2022 meeting.



RESOLUTION 22-09-02

RESOLUTION 22-09-02 AUTHORIZES THE TRANSFER OF THE BUD CLARK COMMONS PROJECT TO HOME FORWARD AND/OR THE ACQUISITION OF INTERESTS OF THE LIMITED PARTNER IN RAC HOUSING LIMITED PARTNERSHIP BY HOME FORWARD; TO PAY CERTAIN COSTS ASSOCIATED WITH ACQUISITION OF THE PROJECT OR LIMITED PARTNER INTERESTS; AUTHORIZING THE EXECUTION OF THE NECESSARY DOCUMENTS TO COMPLETE THIS TRANSACTION; AND PROVIDING FOR RELATED MATTERS

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

WHEREAS, Home Forward is the General Partner of RAC Housing Limited Partnership, an Oregon limited partnership (the “Partnership”), and Wells Fargo Community Investment Holdings, LLC (the “Limited Partner”) is the limited partner of the Partnership; and

WHEREAS, the Partnership owns and operates the Apartments at Bud Clark Commons in Portland, Oregon (the “Project”) which received low-income housing tax credits (“LIHTCs”) for the operation of the Project as “qualified low-income housing” pursuant to Section 42 of the Internal Revenue Code (the “Code”), and Section 8 Project-Based Voucher (“PBV”) assistance from the U.S. Department of Housing and Urban Development (“HUD”) for the operation of 130 units within the Project in accordance with HUD’s Rental Assistance Demonstration (“RAD”) program; and

WHEREAS, the 10-year LIHTC credit period for the Project will expire as of December 31, 2022; and

WHEREAS, Home Forward desires to own the Project and to continue its operation as affordable long-term housing for persons and families of lower income residing in the City; and

WHEREAS, Home Forward expects that the Limited Partner will be willing to transfer its interest in the Partnership (the “Limited Partner Interests”) to Home Forward for approximately \$1; and

WHEREAS, Home Forward has determined that it is in the best interest of Home Forward to acquire the Limited Partner Interests and/or to acquire the Partnership's interest in the Project; and

WHEREAS, Home Forward in its own capacity and as general partner of the Partnership, desires to take such steps as are reasonably necessary to effect the Home Forward's acquisition of the Limited Partner Interests and/or the Partnership's interest in the Project; and

WHEREAS, Home Forward in its own capacity and as sole member and manager of New Market West Management Services LLC, desires to take such steps as are reasonably necessary to enter into such agreements authorizing New Market West Management Services LLC to serve as the owner of the Project's RAD PBV Housing Assistance Payments Contract (the "HAP Contract") in connection with Home Forward's acquisition of the Limited Partner Interests and/or the Partnership's interest in the Project; and

WHEREAS, in order to acquire the Project and/or the Limited Partner Interest, dissolve the Partnership, and distribute the Partnership assets to Home Forward it will be necessary for the Partnership and/or Home Forward to obtain the consent of the Oregon Housing and Community Services Department (the "Allocating Agency") and Portland Housing Bureau ("PHB") and/or Prosper Portland ("Prosper") and the HUD and to execute such assignment and assumption agreements and other transfer documents as may be reasonably required by the Allocating Agency, HUD and PHB; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Home Forward, as follows:

1. **Approval of Transfer of Project and/or Limited Partner Interests.** Home Forward, in its individual capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the transfer of the Partnership's interest in the Project to Home Forward or, in the alternative, to acquire the Limited Partner Interests, and to negotiate, execute, and deliver such documents as may be reasonably required to effectuate such transfer and/or acquisition.

2. **Liquidation of the Partnership.** Following acquisition of the Project and/or the Limited Partner Interests, Home Forward is authorized empowered and directed to take such steps as are reasonably necessary to liquidate the Partnership and distribute the assets of the Partnership to Home Forward.

3. Amendment of Portland Housing Bureau Loan/Prosper Portland Documents.

The Portland Housing Bureau (the “PHB”) and Prosper Portland provided funding to Home Forward to complete the Project subject to ongoing Regulatory Restrictions. In connection with the acquisition of the Project by Home Forward, the documents evidencing the PHB/Prosper Restrictions may be amended and/or assigned to and assumed by Home Forward. PHB/Prosper documents will remain subordinate to the RAD Use Agreement. The Board authorizes the Executive Director of Home Forward to negotiate, execute and deliver such documents as she deems necessary or appropriate in connection with the revised PHB/Prosper documents and the assignment and assumption of the PHB/Prosper Restrictions from the Partnership to Home Forward.

4. Consent of the Allocating Agency. The Board authorizes the Executive Director of Home Forward to negotiate, execute and deliver such documents as she deems necessary or appropriate in connection with the obtaining the approval of the Allocating Agency to transfer the Project to Home Forward including the assignment and assumption of the obligations of the Partnership under all covenants, restrictions and agreements relating to the allocation of low-income housing tax credits.

5. Consent of HUD. The Board authorizes the Executive Director of Home Forward to negotiate, execute and deliver such documents as she deems necessary or appropriate in connection with obtaining HUD approval (i) to transfer the ownership of the Project to Home Forward, including the assignment and assumption of the obligations of the Partnership under all covenants, restrictions and agreements relating to the provision of subsidy to the Project under the RAD program and (ii) for New Market West Management Services LLC to serve as HAP Contract owner in connection with Home Forward acquiring the Limited Partner Interests and/or the Partnership’s interest in the Project.

6. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of Home Forward may in the absence of such person be taken by the duly authorized acting Chair of the Board or acting Executive Director of Home Forward, respectively.

7. Ratification and Confirmation. Any actions of Home Forward or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

8. Expenditures. Home Forward, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to make any reasonable

expenditures including, but not limited to, payments for acquisition of the Limited Partner Interests and attorney's fees and costs, necessary or required in connection with the acquisitions authorized by this resolution.

9. **Effective Date.** This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory N. Mathews, Secretary

Damien R. Hall, Chair



MEMORANDUM

To:	Board of Commissioners	Date:	September 20, 2022
From:	Tonya Evans, Director of Asset Management 503.802.8437 Juli Garvey, Asset Manager 503.802.8457	Subject:	Authorize the Acquisition of the Limited Partner's interest in the Haven LP and transfer the property to Home Forward Resolution 22-09-03

The Board of Commissioners is requested to authorize Home Forward to acquire the Limited Partner's interest in Haven Limited Partnership and subsequently transfer the ownership of Haven from the Partnership to Home Forward. This requires the following actions:

- The execution of documents necessary to acquire Home Forward Development Enterprise's (HFDE) interest in Haven Limited Partnership;
- The execution of documents necessary to dissolve the Partnership and transfer its assets to Home Forward; and
- The execution of assignment, assumption and subordination documents relating to Oregon Housing and Community Services (OHCS) and other liens or regulations tied to the property.

This action supports Home Forward's Strategic Plan Goal One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

BACKGROUND

In 2004 Home Forward became the General Partner in Haven Limited Partnership, which is part of the New Columbia Development. The project, located in North Portland, is comprised of 12 one-bedroom, 6 two-bedroom, 15 three-bedroom, 9 four-bedroom, and 2 five-bedroom apartments. All 44 units are financed with Low-Income Housing Tax Credits

(LIHTC) with 29 of those units designated as Public Housing units restricted at 40% AMI. (These units were subsequently converted to Rental Assistance Demonstration (RAD) PBVs.)

OVERVIEW

The fifteen-year LIHTC compliance period ended in 2020. The original limited partner, Alliant Credit Facility LTD, agreed to exit the partnership in June 2022 and their interest in the project was purchased by Home Forward Development Enterprises Corporation (HFDE). With the completion of this purchase, Home Forward and a Home Forward affiliated entity now hold the position of General Partner and Limited Partner of Haven Limited Partnership with .01% and 99.99% interest respectfully. Although Home Forward maintains majority interest under this structure, there is redundancy in processes and unnecessary costs associated with maintaining a limited partnership on an ongoing basis. By dissolving the partnership and bringing the project under full Home Forward ownership we will be able to streamline operational processes while continuing to preserve the long-term affordability for the community.

The property remains in good physical condition with capital needs that can be met by the existing \$70,000 in Replacement Reserves and ongoing deposits. The property also has an additional \$263,000 in Operating Reserves.

To complete this transaction, we must execute routine conveyance documents, assignment and assumption documents with Oregon Department of Housing and Community Services. We must also obtain HUD's consent and execute documents relating to the ongoing priority of the RAD Use Agreement. We anticipate the transactions costs to be approximately \$40,000; these can be paid from property operating funds.

CONCLUSION

Staff recommends the approval of this transaction and the execution of the necessary documents to complete it.

The Real Estate and Development (READ) Committee reviewed a draft of this resolution at its September 2, 2022 meeting.



RESOLUTION 22-09-03

RESOLUTION 22-09-03 AUTHORIZES THE TRANSFER OF HAVEN APARTMENTS PROJECT TO HOME FORWARD AND/OR THE ACQUISITION OF INTERESTS OF THE LIMITED PARTNER IN HAVEN LIMITED PARTNERSHIP BY HOME FORWARD; TO PAY CERTAIN COSTS ASSOCIATED WITH ACQUISITION OF THE PROJECT OR LIMITED PARTNER INTERESTS; AUTHORIZING THE EXECUTION OF THE NECESSARY DOCUMENTS TO COMPLETE THIS TRANSACTION; AND PROVIDING FOR RELATED MATTERS

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

WHEREAS, Home Forward is the General Partner of Haven Limited Partnership, an Oregon limited partnership (the “Partnership”), and Home Forward Development Enterprises Corporation (the “Limited Partner”) is the limited partner of the Partnership; and

WHEREAS, the Partnership owns and operates Haven Apartments in Portland, Oregon (the “Project”), which received low-income housing tax credits (“LIHTCs”) for the operation of the Project as “qualified low-income housing” pursuant to Section 42 of the Internal Revenue Code (the “Code”), and Section 8 Project-Based Voucher (“PBV”) assistance from the U.S. Department of Housing and Urban Development (“HUD”) for the operation of 29 units within the Project in accordance with HUD’s Rental Assistance Demonstration (“RAD”) program; and

WHEREAS, the 15-year LIHTC compliance period for the Project expired as of December 31, 2020; and

WHEREAS, Home Forward desires to own the Project and to continue its operation as affordable long-term housing for persons and families of lower income residing in the City; and

WHEREAS, Home Forward expects that the Limited Partner will be willing to transfer its interest in the Partnership (the “Limited Partner Interests”) to Home Forward for approximately \$0; and

WHEREAS, Home Forward has determined that it is in the best interest of Home Forward to acquire the Limited Partner Interests and/or to acquire the Partnership's interest in the Project; and

WHEREAS, Home Forward in its own capacity and as general partner of the Partnership, desires to take such steps as are reasonably necessary to effect the Home Forward's acquisition of the Limited Partner Interests and/or the Partnership's interest in the Project; and

WHEREAS, Home Forward in its own capacity and as sole member and manager of New Market West Management Services LLC, desires to take such steps as are reasonably necessary to enter into such agreements authorizing New Market West Management Services LLC to serve as the owner of the Project's RAD PBV Housing Assistance Payments Contract (the "HAP Contract") in connection with Home Forward's acquisition of the Limited Partner Interests and/or the Partnership's interest in the Project; and

WHEREAS, in order to acquire the Project and/or the Limited Partner Interest, dissolve the Partnership, and distribute the Partnership assets to Home Forward it will be necessary for the Partnership and/or Home Forward to obtain the consent of the Oregon Housing and Community Services Department (the "Allocating Agency") and HUD, and to execute such assignment and assumption agreements and other transfer documents as may be reasonably required by the Allocating Agency, HUD and PHB; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Home Forward, as follows:

1. **Approval of Transfer of Project and/or Limited Partner Interests.** Home Forward, in its individual capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the transfer of the Partnership's interest in the Project to Home Forward or, in the alternative, to acquire the Limited Partner Interests, and to negotiate, execute, and deliver such documents as may be reasonably required to effectuate such transfer and/or acquisition.

2. **Liquidation of the Partnership.** Following acquisition of the Project and/or the Limited Partner Interests, Home Forward is authorized empowered and directed to take such steps as are reasonably necessary to liquidate the Partnership and distribute the assets of the Partnership to Home Forward.

4. **Consent of the Allocating Agency.** The Board authorizes the Executive Director of Home Forward to negotiate, execute and deliver such documents as she deems necessary or appropriate in connection with the obtaining the approval of the Allocating Agency to transfer the Project to Home Forward, including the assignment and assumption of the obligations of the Partnership under all covenants, restrictions and agreements relating to the allocation of low-income housing tax credits.

5. **Consent of HUD.** The Board authorizes the Executive Director of Home Forward to negotiate, execute and deliver such documents as she deems necessary or appropriate in connection with obtaining HUD approval (i) to transfer the ownership of the Project to Home Forward, including the assignment and assumption of the obligations of the Partnership under all covenants, restrictions and agreements relating to the provision of subsidy to the Project under the RAD program and (ii) for New Market West Management Services LLC to serve as HAP Contract owner in connection with Home Forward acquiring the Limited Partner Interests and/or the Partnership's interest in the Project.

6. **Acting Officers Authorized.** Any action required by this resolution to be taken by the Chair of the Board or Executive Director of Home Forward may in the absence of such person be taken by the duly authorized acting Chair of the Board or acting Executive Director of Home Forward, respectively.

7. **Ratification and Confirmation.** Any actions of Home Forward or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

8. **Expenditures.** Home Forward, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to make any reasonable expenditures including, but not limited to, payments for acquisition of the Limited Partner Interests and attorney's fees and costs, necessary or required in connection with the acquisitions authorized by this resolution.

9. **Effective Date.** This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory N. Mathews, Secretary

Damien R. Hall, Chair



MEMORANDUM

To: Board of Commissioners

Date: September 20, 2022

From: Jonathan Trutt, Director,
Development and Community
Revitalization

Subject: Declaring an Intent to Issue Bonds
for Grace Peck Terrace Project
Resolution 22-09-04

Theresa Auld, Finance Manager,
Development and Community
Revitalization

The Board of Commissioners is requested to approve a resolution that declares Home Forward's intention to issue and sell bonds in a principal amount not to exceed \$25,000,000 to finance the acquisition, rehabilitation, and equipping of Grace Peck Terrace, as further described below.

This action supports Strategic Plan Goal, One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

BACKGROUND

The Board of Commissioners previously adopted Resolution 21-10-03 on October 19, 2021, declaring Home Forward's intent to issue up to \$20,000,000 of revenue bonds, the proceeds of which would be used to make a loan to a limited partnership (the "Borrower") to finance the acquisition, rehabilitation, and equipping of Grace Peck Terrace. Grace Peck Terrace is located at 1839 NE 14th Avenue, in Portland, Oregon. Passage of such "intent" resolutions is a standard procedure, required by the Internal Revenue Service, for all projects planning to utilize federal 4% Low Income Housing Tax Credits and tax-exempt bonds.

OVERVIEW

Since the date of adoption of Resolution 21-10-03, Grace Peck Terrace's estimated construction cost has increased. Home Forward currently anticipates that the Borrower will request that Home Forward issue and sell revenue bonds in an amount up to \$25,000,000 for the purpose of making a loan to the Borrower to finance Grace Peck Terrace's renovations.

Passage of Resolution 22-09-04 does not obligate Home Forward to sell bonds for the Grace Peck Terrace renovations. Staff will seek separate board authorization in 2023 for a bond sale, in conjunction with the start of construction. The estimated increase in Grace Peck Terrace's construction costs necessitates the passage of this resolution.

CONCLUSIONS

Home Forward staff requests that the Board of Commissioners authorize the Executive Director or her designee to approve the issuance and sell of bonds in a principal amount not the exceed \$25,000,000 to finance the acquisition and rehabilitation of Grace Peck Terrace.

Staff presented a draft of this memo and resolution to the Real Estate and Development (READ) Committee at its August 5, 2022 meeting.



RESOLUTION 22-09-04

RESOLUTION 22-09-04 AUTHORIZES DECLARING AN INTENT TO ISSUE NOT TO EXCEED \$25,000,000 OF REVENUE BONDS FOR THE GRACE PECK TERRACE PROJECT

WHEREAS, Home Forward is a public body corporate and politic of the State of Oregon and is empowered by ORS 456.005 to 456.235 (the “Act”) to issue revenue bonds for the purpose of financing housing projects; and

WHEREAS, Home Forward intends to form one or more Oregon limited partnerships of which Home Forward will be the general partner (the “Borrower”) to finance the acquisition, rehabilitation and equipping of an approximately 95-unit apartment complex located at 1839 NE 14th Avenue, in the City of Portland, Oregon, all to provide housing for low-income persons (the “Project”), the estimated cost of which is currently not expected to exceed \$44,530,000; and

WHEREAS, the Board of Commissioners of Home Forward previously adopted Resolution 21-10-03 declaring Home Forward’s intention to issue revenue bonds in an amount up to \$20,000,000 to finance the Project; and

WHEREAS, the anticipated cost of the Project has increased since the date of adoption of Resolution 21-10-03; and

WHEREAS, Home Forward anticipates that the Borrower will request that Home Forward issue and sell its revenue bonds (the “Bonds”), in an aggregate amount not to exceed \$25,000,000 pursuant to the Act to assist the Borrower in financing part of the costs of the Project; and

WHEREAS, Home Forward desires to provide such assistance, if certain conditions are met; and

WHEREAS, the use of the proceeds of the sale of the Bonds by the Borrower will permit the Borrower to finance the Project, thereby providing decent, safe, and sanitary housing for persons and families of lower income (as defined in the Act) for a period of not less than 15 years and otherwise promoting the general health and welfare of the inhabitants within the

jurisdictional limits of Home Forward; and

WHEREAS, Home Forward deems it necessary and advisable that it take such action as may be required under the Act to authorize and issue the Bonds in one or more series to finance part of the cost of the Project in a total amount not to exceed \$25,000,000; and

WHEREAS, Treasury Regulations Sections 1.103-8(a)(5) and 1.142-4(b) provide that, if an expenditure for an exempt facility is made before the issue date of the bonds issued to provide financing for that facility, in order for such expenditure to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse such expenditure from the proceeds of those bonds, and one of the purposes of this resolution is to update the declaration set forth in Resolution 21-10-03 to satisfy the requirements of such regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF HOME FORWARD, as follows:

1. To assist in the financing of the Project, with the public benefits resulting therefrom, Home Forward declares its intention, subject to the conditions and terms set forth herein, to issue and sell its revenue bonds or other obligations (the "Bonds") in a principal amount of not to exceed \$25,000,000, to use the proceeds of the sale of the Bonds to make a loan (the "Loan") to the Borrower, and to reimburse itself or to permit the Borrower to reimburse itself, as applicable, from proceeds of the Bonds for expenditures for the Project made by Home Forward or the Borrower before the issue date of the Bonds.

2. The proceeds of the Bonds will be used to assist in financing the Project, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Bonds.

3. The Bonds will be payable solely from sources specified by resolution of the Board of Commissions of Home Forward. The Bonds may be issued in one or more series, and shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by resolution of the Board of Commissioners of Home Forward.

4. The Bonds shall be issued subject to the conditions that (a) Home Forward, the Borrower and the purchaser of the Bonds shall have first agreed to mutually acceptable terms

for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the loan or other agreement for the Project, and (b) all governmental approvals and certifications and findings required by laws applicable to the Bonds first shall have been obtained. The Executive Director of Home Forward or his or her designee is authorized to seek an allocation of volume cap for the Bonds from the Private Activity Bond Committee of the Debt Management Division of the Oregon State Treasury.

5. For purposes of applicable Treasury Regulations, Home Forward and the Borrower are authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Bonds authorized herein.

6. The adoption of this resolution does not constitute a guarantee that the Bonds will be issued or that the Project will be financed as described herein. The Board of Commissioners of Home Forward shall have the absolute right to rescind this resolution at any time if it determines in its sole judgment that the risks associated with the issuance of the Bonds are unacceptable.

7. It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of the Bonds, for the purposes of Treasury Regulations Sections 1.103-8(a)(5), 1.142-4(b), and 1.150-2.

8. Any actions of Home Forward or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

9. Any action required by this resolution to be taken by the Executive Director of Home Forward may in the absence of such person be taken by the duly authorized acting Executive Director of Home Forward.

10. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory N. Mathews, Secretary

Damien R. Hall, Chair

RESOLUTIONS



MEMORANDUM

To: Board of Commissioners Date: September 20, 2022

From: Taylor Smiley Wolfe Subject: Authorize Fiscal Year 2023 Draft
Director of Policy and Planning Moving to Work (MTW) Plan
503.802.8506 Resolution 22-09-05

The Board of Commissioners is requested to authorize staff to submit the 24th Year Moving to Work (MTW) Annual Plan to the Department of Housing and Urban Development. This plan corresponds to Home Forward’s fiscal year 2023.

These actions support Strategic Plan Goal, One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

BACKGROUND

Home Forward’s designation as an MTW agency affords us regulatory relief in the administration of the Housing Choice Voucher program (Section 8) and Public Housing operating subsidies and capital allocations, as well as the ability to waive certain HUD regulations in favor of locally developed policies and initiatives for the benefit of our residents, participants and the community. All activities that use MTW authority must support at least one of three MTW objectives: (1) reduce costs and increase efficiencies, (2) increase housing choice for low-income families and, (3) provide incentives to families to become economically self-sufficient. Home Forward’s current ten-year agreement with HUD preserves our MTW designation until 2028.

OVERVIEW

Home Forward is proposing five new Moving to Work Activities this year.

Activity 23 (Independent Entities):

Current regulation: Housing authorities must use independent entities to perform various functions related to housing choice and project-based voucher units owned by Home Forward (e.g., inspections and rent reasonableness).

MTW change: Home Forward will use staff as opposed to independent entities in units we own and manage. A third party will conduct quality control testing of staff activities.

Statutory Objective: This activity will reduce costs and increase efficiencies.

Activity 24 (Rent Assistance Termination):

Current regulation: Housing Authorities are required to terminate housing choice voucher assistance for various reasons as outlined in HUD regulation (e.g. evictions, 0 HAP).

MTW change: Home Forward is requesting regulatory flexibility to reduce forced program terminations to support the housing stability of the households we serve.

Statutory Objective: This activity will increase housing choice for low-income families.

Activity 25 (Affordable Housing Preservation and Development):

Current regulation: Housing Authorities may not use MTW funds to preserve or develop affordable housing that is not being supported by public housing or section 8 funding.

MTW change: Home Forward is requesting regulatory flexibility to use MTW funds in affordable housing preservation and development that does not have public housing or section 8 funding.

Statutory Objective: This activity will increase housing choice for low-income families.

Activity 26 (Voucher lease up flexibility – Initial inspections and HAP contract):

Current regulation: Housing Authorities are required to conduct an initial inspection and execute the housing assistance payment contract before the lease term and before making a housing assistance payment.

MTW change: Home Forward is requesting to continue flexibilities HUD provided during the COVID-19 pandemic to remove barriers to families leasing up with their voucher. We will conduct an initial inspection and execute the HAP contract within 120 days of lease up.

Statutory Objective: This activity will reduce costs and increase efficiencies.

Activity 27 (Voucher lease up flexibility – Income Verification):

Current regulation: Housing choice voucher recipients must provide documentation to verify their income within 60 days of the housing authority request.

MTW change: Home Forward is requesting to expand flexibilities HUD provided for the Emergency Housing Voucher program to allow housing choice voucher recipients to self-certify their income and provide documentation within 60 days of voucher issuance.

Statutory Objective: This activity will reduce costs and increase efficiencies.

This year's MTW Plan has been posted to Home Forward's website, presented to the Resident Advisory Committee (RAC) at their July Meeting, and has had a public hearing. Home Forward did not receive public comment during the public hearing. Home Forward staff will continue to work closely with residents, participants and stakeholders as we refine and examine our existing activities, and as we consider any new activities to propose in future years.

CONCLUSION

Accordingly, staff request the approval of the FY2023 Moving to Work Plan for submission to the Department of Housing and Urban Development (HUD).

ATTACHMENT

FY2023 MTW Plan (redlined from previous year)



RESOLUTION 22-09-05

RESOLUTION 22-09-05 AUTHORIZES HOME FORWARD STAFF TO SUBMIT THE 24TH YEAR ANNUAL MOVING TO WORK (MTW) PLAN TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

WHEREAS, the MTW Plan provides Home Forward with the authority to adopt new policies and to flexibly use HUD funding to maximize the effectiveness of this important resource; and

WHEREAS, on July 12th, 2022 Home Forward staff met with members of the Resident Advisory Committee to review the draft plan; and

WHEREAS, the plan was posted for public comment on Home Forward’s website on July 29th and was publicly noticed daily in the Oregonian between August 3, 2022 and August 9, 2022; and

WHEREAS, on August 16, 2022 the Director of Policy and Planning conducted a public hearing on the draft MTW plan where no public comment was made; and

WHEREAS, HUD has requested that the Home Forward Board of Commissioners authorize the execution of its Twenty fourth Year MTW Annual Plan.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Home Forward that the Chair of the Board of Commissioners is authorized to enter into and execute the Twenty fourth-Year Annual MTW Plan with the Department of Housing and Urban Development.

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory Mathews, Secretary

Damien Hall, Chair



homeforward

Fiscal Year ~~2022~~2023

Moving to Work Plan

January 1, ~~2022~~2023 through December 31,
2022~~2023~~

Original Submission:
~~October 13, 2021~~

HUD Approval Received:
~~December 28, 2021~~

Home Forward Board of Commissioners

Damien Hall, Chair
Matthew Gebhardt, Vice Chair
Jenny Kim, Treasurer
Dina DiNucci, Commissioner
Vivian Satterfield, Commissioner
Rakeen Washington, Commissioner
TomiRene Hettman, Resident Commissioner

Home Forward Executive Staff

~~Michael Buonocore~~ Ivory Mathews, Executive Director
Kandy Sage, Deputy Executive Director of Finance
Ian Davie, Deputy Executive Director of Operations
Kitty Miller, Deputy Executive Director of Administration
Carolina Gomez, Director, Integrated Facilities Services and Safety
Dena Ford-Avery, Director, Housing Choice Vouchers
Elise Anderson, Director, Property Management
Ian Slingerland, Director, Homeless Initiatives
Jonathan Trutt, Director, Development and Community Revitalization
Tonya Evans, Director, Asset Management
Taylor Smiley Wolfe, Director of Policy and Planning
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Monica Foucher, Associate Director of Public Relations

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Introduction

A. Introduction

Moving to Work (MTW) is a U.S. Department of Housing and Urban Development (HUD) demonstration program that offers public housing authorities (PHAs), like Home Forward, the opportunity to develop and pilot innovative, locally-designed housing and economic independence strategies for families by allowing exemptions from existing public housing and Housing Choice Voucher regulations. The program also permits PHAs to combine operating, capital, and tenant-based assistance funds into a single agency-wide funding source. The purposes of the MTW program are to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplish three primary goals:

1. Reduce cost and achieve greater cost effectiveness in Federal expenditures;
2. Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
3. Increase housing choices for low-income families.

Home Forward has been designated an MTW agency since 1998. The 2016 Consolidated Appropriations Act extended the MTW demonstration through fiscal year 2028 for Home Forward. This allows Home Forward to continue to utilize MTW flexibility to support our mission of assuring that the people of the community are sheltered.

The following Fiscal Year ~~2022-2023~~ Moving to Work Plan details how Home Forward intends to use our flexibility. We will continue to use our MTW authority to best meet the needs of our community, with thoughtful intent, and the ability to quickly respond to changes in our region's rental market and economy. Home Forward will continue to collaborate with local government and community service providers to expand and sustain housing resources for the community. These partnerships and Home Forward's MTW flexibility are more important than ever as the Portland Metropolitan Area continues to experience a housing crisis, a crisis [which](#) the Portland City Council [has recognized as a State of Housing Emergency since 2016 and has](#) recently extended through [at least April/March 2025](#).

B. Overview of the Agency's Long-Term MTW Goals and Objectives

Home Forward [launched a strategic planning effort in July of 2022 and will have a new strategic plan to guide our work in mid 2023](#), ~~continues to implement our strategic plan to guide our work through 2022-2023~~. The development of the [new](#) strategic plan ~~will include~~[included](#) input from staff, the Board of Directors, the Resident Advisory Committee, [residents and participants](#), and partners. [While we are working our new strategic plan, Home Forward continues to implement and close out elements of our current strategic plan.](#) The [current](#) plan focuses on five key areas and includes an emphasis on equity, connection, unity, and racial justice.

One Portfolio: We'll continue to build and acquire housing with a goal of adding 500 affordable housing units to Home Forward's portfolio. We will convert our public housing properties to a Section 8-based subsidy while performing critical rehabs to best position the portfolio to remain stable for generations to come and to meet the needs of the people and neighborhoods they serve. We will also develop and implement performance standards at the property level and across the portfolio.

One Resource: We will work to create deeper connections and continuity between the types of housing assistance we provide to respond to the evolving needs of the people we serve. We'll make changes to the way we manage our waiting lists to better meet the needs of the community in the current housing market. In an effort to make ourselves

more available to the community and to better align staff resources and processes, we'll explore a new model of service delivery that puts more of our staff in the neighborhoods we serve.

One Agency: We will build our skills and work together in ways that help us constantly evolve and improve our ability to serve our community. As we move forward with our public housing conversion through the Rental Assistance Demonstration (RAD) program, we will prepare ourselves for the implications of converting our portfolio to a Section 8-based platform. We will create and implement a values-based communications plan, increase the use of surveys, focus groups and other forms of outreach to get resident input, assess current practices to identify opportunities to integrate a trauma-informed lens to our work, and increase hard skills training and leadership development for staff at all levels of the organization.

One Community: We will continue to define our equity platform with a particular emphasis on racial justice. We'll identify opportunities and set goals to increase participation of Minority, Women and Emerging Small Businesses (MWESB) in our contracting processes. We'll optimize our use of technology to increase the community's ability to interact and transact with us, and work to increase resident access to technology. We'll deepen our focus on supporting the needs of East Multnomah County and ensure the region is included in all of our strategic initiatives.

One System: We will leverage our role as the largest provider of affordable housing in Oregon to improve collaboration and efficacy between systems impacting people in poverty. We'll strengthen our engagement with the education and health care systems, and we will work tirelessly to add more affordable housing in our community, regardless of our role or ownership stake.

~~Home Forward began the planning process for our next strategic plan right before the COVID-19 public health emergency. We decided to pause strategic planning work in order to focus our efforts on COVID-19 response and will resume strategic planning as soon as it is practicable.~~

C. Overview of the Agency's Moving to Work Goals and Objectives for the Year

The Portland Metro region has experienced multiple emergencies over the past two and a half years including wildfires, smoke, ice storms, extreme heat events, and the COVID-19 public health emergency. After multiple years of using our Moving to Work flexibility to maintain operations and respond to these various emergencies, this years plan includes new activities that reflect years of policy work we have been doing as an agency to advance racial equity, promote housing stability, and reduce barriers to our programs. In light of these events, our primary goal for the upcoming plan year is to maintain operations, to continue to support our residents and participants to the greatest extent possible including by preventing evictions for nonpayment of rent, and to change policy and practices to advance racial equity. We do our work in a challenging context but with increasing commitment from our local and state leaders to address the housing crisis in Oregon. There continues to be an extreme deficit of housing affordable to people earning low incomes. The City of Portland's most recent "State of Housing Report" found that there is not a single neighborhood where an extremely low income household could afford the rent. In response to the COVID-19 pandemic, local and State governments in Oregon passed protections for tenants to prevent evictions for nonpayment of rent and augmented federal emergency rent assistance resources with significant investments of local funding. In addition to emergency response, the 2021 State legislature made historic investments in affordable housing development and preservation again, demonstrating the State's commitment to doing their part to address this issue. However, light of the COVID-19 public health emergency and the disproportionate impact on low wage earners and Black and brown people, the region is bracing for a pending eviction crisis for nonpayment of rent. Despite State and Federal investments in rent assistance resources in 2020 and 2021, the pandemic continues with the emergence of the Delta variant and rent assistance resources remain below the scale necessary to meet the need. As a reaction to the COVID-19 emergency, the Oregon state legislature passed several bills in 2020 special sessions and the 2021 legislative session to protect tenants at risk of evictions for nonpayment of rent. With the budget stabilizing impact of the American Rescue Plan Act (2020), the legislature was able to make historic investments in affordable housing development and preservation. There continues to be an extreme deficit of housing affordable to people earning low

incomes across the State and in Multnomah County. A State assessment of housing need found that we have a 56,400 unit deficit of affordable housing (<80% AMI) and housing to meet the need of people experiencing homelessness in the Portland Metro Region. This severe housing deficit is impacting low-income households of color the most. The City of Portland's most recent "State of Housing Report" found that there is not a single neighborhood where an extremely low income Black, or Native Pacific Islander household could afford to live.

Many households earning low incomes have been economically impacted by COVID-19 in Multnomah County, and Black, Indigenous, and people of color households have been disproportionately impacted. Home Forward worked with local and State partners to secure external funding to alleviate rent debt that Home Forward residents accumulated during the pandemic. As a result of these resources, no residents of Home Forward owned properties will have remaining rent debt from between March 1, 2020 to July 31, 2022 and no households will be evicted for nonpayment of rent that accrued during this period. The State of Oregon passed an eviction moratorium ordinance that ended on June 30, 2021 and provides a grace period for rent payments missed during the moratorium period until February 28, 2022. In addition to supporting the housing stability of our residents during this difficult time, Home Forward also has played a significant role in the delivery of rent assistance in our community and Statewide by administering multiple locally funded rent assistance programs, and has taken action to prevent eviction of Home Forward residents and participants who have been financially impacted by the pandemic.

Home Forward implemented waivers provided by the Department of Housing and Urban Development and Moving to Work activities over the past year to enable us respond to the crisis.

In addition to leveraging our Moving to Work authority to enable flexible and effective response to the pandemic, Home Forward has and plans to continue using our Moving to Work authority to advance racial equity. The pandemic has deepened existing racial and economic disparities which has informed Home Forward's response both internally and in collaboration with our jurisdictional partners in the delivery of rent assistance. Home Forward is committed to becoming-being an anti-racist¹ institution and we have implemented and will continue to implement policy and practice changes to reduce racial disparities and advance racial equity. For example, Home Forward decided to eliminate our rent reform minimum rent policy in 2021, reflected in this plan, because the policy disproportionately impacted Black, multiracial, and Hawaiian/Pacific Islander households. While eliminating minimum rents will reduce shelter burden for all households, the average reduction will be in the double digits for multiracial (16.3%), Black (11.2%), and Hawaiian Pacific Islander (10%) households. Home Forward has also used our Moving to Work authority to adjust payment standards in a way that reduces racial disparities in shelter burden for Black and brown households. We also paused the ability to increase rents in the Housing Choice Voucher program given existing racial disparities in rent increases and resulting rent burden in the private rental market. In this years plan, we are proposing to make changes of our rent assistance termination policy in response to an extensive process we facilitated with Home Forward residents, participants, and staff about the policy. During calendar year 2023, we plan to advance policy solutions to prevent evictions from housing that we own. Meanwhile, we are analyzing evictions and termination policies using a race equity framework with an eye toward further reforms. This race equity work will continue within Home Forward's programs, policies, and practices. Perhaps more importantly, we will work to amplify this work locally and nationally to counter the racist outcomes we see daily in our nation's housing system.

Home Forward also continues to make progress towards our goal of converting our public housing portfolio to a Section 8-based platform through the Rental Assistance Demonstration (RAD) and Section 18 paths, tools that enables the preservation of this critical affordable housing infrastructure for generations to come. We converted 209 public housing units in 2021 and 67 public housing units in 2022, there are 436 leaving 369 public housing units remaining to convert under RAD with scheduled conversions starting in late 2024 in upcoming years. The subsidy

¹ The National Museum of African American History and Culture defines "anti-racist" as "fighting against racism". See <https://nmaahc.si.edu/learn/talking-about-race/topics/being-antiracist>.

conversion transitions the public housing portfolio to a more stable funding source and will give Home Forward the ability to rehabilitate buildings and address long-standing capital needs while continuing to serve the same vulnerable population. We recognize RAD impacts our current residents who call our buildings home and additional organizational capacity will be required to effectively communicate and prepare them for the transition.

D. Overview of Non MTW Activities

Response to the COVID-19 Pandemic

~~From 2020 to 2022. In 2020 and 2021,~~ Home Forward has played a significant role in the delivery of emergency rent assistance in response to the COVID-19 public health emergency. To date, we have administered ~~three statewide programs to alleviate tenant debt: over \$33.1 million to landlords in Multnomah County through~~ the Landlord Compensation Fund, ~~the Landlord Guarantee Program, and the Affordable Housing Stabilization Fund. a statewide landlord based rent assistance program that also alleviates tenant rent debt.~~ We have administered over \$35 million of emergency tenant based rent assistance in collaboration with our local partners, Multnomah County and the City of Portland. ~~Finally, in August 2021 we began to administer a \$5 million statewide Landlord Guarantee Program to compensate landlords who delayed action to evict a tenant for nonpayment of rent pursuant to Senate Bill 278 (2021) following the expiration of the State's Eviction Moratorium on June 30, 2021.~~

Home Forward also took comprehensive action to prevent nonpayment evictions for residents of Home Forward properties and participants in our long term rent assistance programs. We implemented an internal eviction moratorium through ~~October of 2021. March of 2022,~~ beyond the requirements of any local, State, or Federal moratorium. We applied for landlord based rent assistance on behalf of our residents which enabled us to alleviate all rent debt from March ~~2020 to Dec 31, 2020. March 30, 2022.~~ ~~As a result of these efforts, we will alleviate all Home Forward resident debt from March 1, 2020 to March 30, 2022 . We are poised to implement a portfolio-wide affordable repayment agreement policy for rent arrears accumulated during the pandemic to ensure that residents can choose a monthly repayment agreement amount that works with their budget and maintains stable tenancies.~~ Our community services staff have proactively assisted residents in applying for rent assistance, receiving other emergency supports, and gaining access to on-site ~~vaccination~~ clinics. We ~~are~~ also ~~contracted~~ with a local partner to support vouchers holders in applying for emergency rent assistance if they were at risk of eviction. Finally, during the pandemic we stopped terminations of Section 8 assistance, and during 2020 we paused increases to tenant rents throughout the Housing Choice Voucher program to promote housing stability.

Regional Longterm Rent Assistance (RLRA)

In the spring of 2020, voters in the tri-County Metro region passed a bond measure to fund supportive housing rent assistance and services. Home Forward is implementing the rent assistance portion of this measure on behalf of Multnomah County. The program is expected to provide approximately \$50 million in locally funded rent assistance in Multnomah County each year. Home Forward's Moving to Work authority gave us experience with flexible rent assistance programming that was ~~invaluable crucial to~~ the development of this program and Home Forward's readiness to be a trusted and effective implementation partner.

VASH Households

Veterans Affairs Supportive Housing (VASH) vouchers are an important and valuable resource for homeless veterans in our community. Home Forward currently administers 1,045 VASH vouchers, up from our original award of 70 vouchers in FY2009. Most recently, Home Forward was awarded 75 new VASH vouchers with an effective date of May 1, 2021. We are proud to administer these vouchers for the veterans in our community.

Our March 2018 VASH utilization level was up to 96%. Starting with Home Forward's new VASH awards from 2019 and 2020 our utilization has dropped as we work with the VA and community partners to lease-up these new vouchers. As of June ~~2021-2022~~ our utilization is at ~~6673~~%. The lease-up success rate for VASH vouchers continues to be high, at ~~9492~~% in June ~~2021-2022~~ and leasing continues to increase at a steady pace.

Our ability to effectively increase the scale of our VASH program in the face of an incredibly tight rental market is testament to the success of our partnership with the local Veterans Administration Medical Center, Multnomah

County, the City of Portland and a host of non-profit agencies including Transition Projects, our [community's communities](#) Supportive Services for Veteran Families recipient. Home Forward continues to provide security deposit assistance, and our jurisdictional partners, through the Joint Office for Homeless Services, funds additional flexible placement and retention assistance which can be used for any costs related to removing barriers related to lease-up, such as application fees, utility and housing debt, and transportation costs associated with housing search. Additionally, Home Forward is working with the VA and partners to increase the number of Project Based VASH, in order to increase access to housing for Veterans that face the greatest barriers to lease up in the private rental market. There are currently ~~78-86~~ Project Based VASH units. We anticipate the lease up of 65 more Project Based VASH units in 3 properties starting in ~~2022~~2023.

In fall of 2014 we requested authorization from the HUD Voucher Office to include VASH voucher holders in the application of approved MTW activities.

In November and December 2014, we received approval to apply the requested MTW activities to VASH voucher holders. In August 2016, we requested authorization to apply to VASH aspects of our local MTW Project Based Voucher program together with new MTW activities included in our FY 2017 plan.

A Home for Everyone

A Home for Everyone is a community-wide effort to better assist people experiencing homelessness in Multnomah County. Established through a charter adopted by Home Forward, Multnomah County, and the cities of Portland and Gresham, A Home for Everyone is ~~led by an executive committee~~ comprised of jurisdictional and funding partners, ~~and supported by a coordinating board comprised of a diverse set of community, nonprofit and government stakeholders. By charter, Home Forward has a seat on the Home for Everyone Executive Committee.~~ Through our participation in A Home for Everyone, Home Forward works to strategically align our resources with the community's larger efforts to address homelessness.

In 2014, the Home for Everyone Coordinating Board developed staged action plans related to community efforts to address homelessness. This included an actionable plan to end veteran homelessness, an assessment of housing needs and gaps for people experiencing homelessness, and a plan to reduce the gap by 50%. In response to action plans developed by a Home for Everyone, Home Forward committed to new targeting of Housing Choice Vouchers in two areas:

1. A limited preference for up to fifty vouchers for veteran families that are ineligible for Veterans Affairs Supportive Housing vouchers.
2. A limited preference for up to 200 vouchers for families assisted through Multnomah County's Homeless Family System of Care.

These preferences were fully utilized in FY 2017. An evaluation of these preferences showed their success at achieving strong lease-up, retention and resource alignment outcomes for families and individuals leaving homelessness. Home Forward may continue or expand these efforts utilizing the Tenant-Based Voucher Set Aside activity approved with our FY 2017 Moving to Work Plan. Starting in 2019, Home Forward has started evaluating the feasibility of renewing these preferences to lease back to their original levels, and will continue to do so in 2020.

In 2018, Home Forward was selected by A Home For Everyone and local government funders to administer the Long Term Rent Assistance (LRA) program. This pilot project serves 45 households with permanent rent assistance. Assisted households were either experiencing or in danger of homelessness at the outset of assistance and were selected by community non-profits to receive permanent rent assistance paired with housing retention supports.

General Obligation (GO) Bonds – City of Portland and Metro Regional Government

City of Portland GO Bond: In November 2016 voters in the city of Portland approved \$258.4 million in general obligation bonds to fund at least 1,300 units of newly affordable housing over the next five to seven years. As of December 2018, 634 total units have been met which include: 286 family-sized units, 281 units at 30%AMI and below; and 197 Permanent Supportive Housing Units. 215 Project-based Section 8 units have been allocated of the 400 vouchers set aside by the MTW amendment 16 approved by HUD – “Affordable Housing General Obligation Bond Project Based Voucher Allocation.”

Home Forward is participating in the Portland GO Bond in two ways:

- 1) Asset Management – Home Forward’s asset management team is overseeing third-party property management on behalf of the City of Portland. As of December 31, 2021, ~~four~~ five properties have been included in Home Forward’s asset management portfolio:
 - a. Ellington – 262 units (1 unit taken offline for Resident Services use)
 - b. East Burnside – 51 units
 - c. Fairfield – 82 units
 - d. Headwaters – 100 units
 - e. ~~Westwind – 70 SRO units~~
- 2) ~~Development for City- Purchased Site on SE 30th and SE Powell- Initially after the bond was passed, Home Forward acted as the Portland House Bureau’s (PHB) developer by researching the developability of sites and projects. Since then, we have moved on to developing the original site purchased by PHB, located at SE 30th and Powell. During a pre-development phase, Home Forward contracted with a design firm to provide analysis of options for development of a site at SE 30th and SE Powell in Portland. After confirming the viability of the site, Home Forward is proceeding as the owner/developer and has contracted with a design team and construction contractor. Home Forward closed on the financing in November 2021 and started construction immediately afterwards. The site will include 206 units of affordable housing. As of mid-July 2020, approximately 210 units are anticipated. At least 30 Fifty units will have Project Based Vouchers (PBVs) and of the total units will be designated as Permanent Supportive Housing for families who have previously experienced homelessness. Financial closing and the start of construction are anticipated in August occurred in November 2021, followed by approximately 22 months of construction. Construction will take approximately 24 months, with lease-up anticipated in November 2023.~~

Metro Regional GO Bond: Voters in the three-county area (including Multnomah County which is served by Home Forward) approved an affordable housing bond in November 2018. The Metro GO Bond plans to create 3,900 affordable units with 1,600 of these homes deeply affordable to households at or below 30% AMI. Half of the homes created will have two or more bedrooms to ensure access by families.

As of July 2020, it is anticipated that Home Forward will receive allocations in two areas:

- 1) Redevelopment of Dekum Court – Approved as a “Phase 1 project” for use of Metro bond funds, Dekum Court. Home Forward selected Dekum Court as the site for major redevelopment which leverages the Section 18 disposition which HUD approved for the site (October 2018) and utilizes a ~~proposed~~ transfer of 27 units of

RAD assistance from Cora Park, Chateau Apartments and Scattered East A. Metro approved the Phase I project and an allocation of approximately \$22 million in bond funds in July 2019. Redevelopment will be completed in two phases, with Phase I ensuring that existing residents (40 units) have the choice to be relocated into the new building (Spring 2022) prior to demolition of the current buildings. After completion of Phase II by Fall 2023, a total of 187 apartments will be located on the site. [Financial close for both project phases and Transfer of Assistance occurred in April 2022.](#)

2) Troutdale property utilizing funds for Eastern Multnomah County projects – Due to smaller population sizes, the three cities in eastern Multnomah County did not qualify for individual allocations of bond funding. Instead, Multnomah County and Metro have designated Home Forward as the jurisdictional partner to receive the bond allocation to cover approximately 111 units of affordable housing in this area. Multnomah County has identified county-owned property in Troutdale that is in an area suitable for development as affordable housing. Home Forward is working ~~with~~ [an architect and contractor to design a 94 unit project that fits with the budget, serves the community, meets funding requirements, and meets Troutdale’s building and land use codes. We are currently requesting a parking reduction variance. to develop an initial design concept.](#) Formal transfer of ownership from the County to Home Forward is anticipated [at financial closing in spring of 2023. Once closed, the project will take eighteen months to build. during 2021 along with the beginning of an official design process.](#)

The Louisa Flowers

Home Forward successfully completed construction of the Louisa Flowers in October 2019. Lease up was completed in 2020. Rents are affordable in the following income ranges:

- 217 homes for households with incomes at or below 60% Median Family Income (MFI), and
- 23 homes for households with incomes at or below 50% MFI.

Of the 240 total, 20 homes ~~will also be~~ assigned Section 8 project-based vouchers to assist with rental subsidy for those recovering from domestic violence.

Portland Community College (PCC) Partnership (NE 42nd and Killingsworth)

Home Forward has selected a design team and construction contractor for the development of affordable housing on approximately one acre of a three-acre site owned by PCC. The college will be redeveloping an existing workforce training center and Home Forward will add 84 new apartment homes adjacent to PCC’s new workforce facility. Home Forward’s building will also include 4,200 square feet of ground floor commercial space for the Native American Youth and Family Center (NAYA). [In 2022, PCC began building its new workforce training center and NAYA and Home Forward received ARPA funding to build out the commercial space as an early learning center. Affordable housing and early learning center construction will begin once PCC completes its new building, currently scheduled for completion in September 2023.](#)

~~Baldwin Site Redevelopment (The Hattie Redmond)~~

Home Forward successfully competed for funding from the State of Oregon to redevelop 12 units of market-rate housing currently located on NE Interstate and Baldwin into 60 studio apartments which will serve as Permanent Supportive Housing for people who have experienced homelessness. Home Forward is partnering with the Urban League of Portland to ensure culturally ~~sensitive~~ [responsive](#) services are provided on site. A design team [and contractor](#) has been selected, community outreach has been completed and finance [closing took place in September](#)

~~2021. Currently, the project is under construction with completion scheduled for November 2022. ing partners have been selected. Financial closing and start of construction are planned for October 2021.~~

Fairfield Hotel Rehabilitation

In June 2021, Home Forward was awarded 9% Low Income Housing Tax Credits to rehabilitate the Fairfield Hotel—an 82-unit SRO project with 80 units of rental assistance via a Section 8 Moderate Rehabilitation contract. Home Forward will be converting the Fairfield to RAD in conjunction with extensive rehabilitation and seismic upgrades. Home Forward ~~has been working with an architect and contractor to successfully meet design review requirements and plan to submit plans for building permits in July 2022. Submission of the RAD Application is planned for October 2022 and financial closing and RAD conversion is expected February 2023 with 14 months of construction. is currently running a selection process for design and construction services. RAD conversion and start of rehabilitation is currently anticipated to occur in the 1st quarter of 2022. Our relocation team has met with residents several times and will follow URA rules to ensure that residents are relocated to a comparable home that they can afford. All residents will have the choice to return to the Fairfield after it's complete.~~

Troutdale Project

Redevelopment of 4720 North Maryland, Portland Oregon

In July of 2021, Home Forward purchased a full city block (0.9 acres) within Portland for redevelopment. Home Forward is exploring the idea of co-locating affordable rental housing and early learning opportunities on the site. Site planning efforts ~~and identifying potential funding sources~~ will begin in 2022.

Rehabilitation of Grace Peck ~~Terrace Manor~~

Grace Peck ~~Terrace Manor~~ is a Home Forward-owned property with a HUD Multifamily Section 8 contract for all units. It has 95 one-bedroom apartments for seniors and persons with disabilities. Home Forward will utilize 4% Low Income Housing Tax Credits to undertake renovations necessary to preserve Grace Peck as affordable housing with rental assistance for future generations. Home Forward selected Grace Peck's design and construction team in June 2021. Renovations are currently scheduled to begin in the ~~4th-2nd~~ quarter of 2023.

High-Rise Public Housing Preservation Efforts: 85 Stories

As part of our Strategic Plan goal, One Portfolio, we will increase the number of housing units for our community through preservation, development and acquisition. With approvals from HUD in both Section 18 and RAD, Home Forward's entire public housing portfolio will be transitioned to either project-based vouchers or project-based rental assistance.

Phase I (The first four high rise towers): HUD approved our proposal to change the operating subsidy at four of the buildings from public housing to project-based Section 8 funding (via a Section 18 disposition process). This subsidy change occurred during September 2013 and transfer to the LIHTC partnership (and the accompanying affordable housing lease up) happened during FY2015. The Phase I budget was approximately \$124.7 million. Because of the great importance of this work, the agency contributed a significant amount of its own resources to Phase I: \$13.6 million (11% of the total funding). Construction was completed during FY2017 at each of the first four properties (Group 1: Northwest Tower & Annex, ~~and plus~~ Gallagher Plaza; and Group 2: Hollywood East, and Sellwood Center).

Phase II: RAD conversions focused in two groups occurred during Fall 2017. Group 3 included six mixed finance properties which were not in need of renovations. ~~(Note: Originally the subsidy conversion for one of the properties, Madrona Place, was included in Group 3. Subsequently, over \$3 million in deferred maintenance has been uncovered and the redevelopment financing costs will now be included in Group 7~~

~~activities.)~~ Group 4 included three HOPE VI properties which are also newer properties that were not in need of renovations

Phase III: To complete the RAD and Section 18 conversions, we have developed a financial strategy that allows the agency to complete the conversion process by converting public housing primarily in groups (or bundles) of properties. Group 5 includes two Section 18 properties and five RAD properties. Financial closing for Group 5 occurred in November 2018. Group 6 also includes two Section 18 properties along with seven RAD properties. Financial closing for Group 6 occurred in June 2019. Group 7 includes one Section 18 property and three RAD properties. Financial closing for Group 7 occurred in May 2021 and will complete renovations in 2022. Financial closing for Dekum Court's redevelopment – a Section 18 conversion that also incorporates Metro Regional GO Bond funding – ~~is scheduled for occurred in April March~~ 2022. The balance of our public housing portfolio is scheduled to convert to Section 8 funding by 2024. ~~The properties in Group 7 are scheduled for financial closing during between 2021 and 2023.~~

Public Housing Strategy

Several important policies guide us as we undertake this complex and challenging initiative. We developed these policies through our work over the last 15 years, starting with our first HOPE VI redevelopment, to preserve this vital community resource.

Policy Guidelines for Subsidy Conversion

- 1) Continue to serve very low-income populations in these communities
- 2) Maintain ownership or control of the properties
- 3) Improve the physical and financial condition of the properties
- 4) Partner to optimize public and private resources on behalf of the properties and our residents

As described in the previous 85 Stories section, the subsidy conversion process uses a combination of HUD's RAD and Section 18 programs. The charts below summarize the conversion of properties by HUD program.

REMAINING ~~RAD~~ CONVERSIONS

AMP (PH units)	Property Name	Total Public Housing Units in CHAPS
OR002000124	Lexington Court (RAD)	20
OR002000122	Townhouse Terrace (RAD)	32
OR002000126	Carlton Court (RAD)	24
OR002000131	Slavin Court (RAD)	24
OR002000132	Demar Downs (RAD)	18
OR002000142	Celilo Court (RAD)	28

<u>OR002000108</u>		
<u>OR002000336</u>	<u>Peaceful Villa (RAD)Cora Park</u>	<u>7040</u>
<u>OR002000436</u>	<u>Ruth Haefner Plaza (Sec.</u>	
<u>OR002000140</u>	<u>18)Chateau Apt.</u>	<u>7340</u>
<u>OR002000115</u>	<u>Holgate House (Sec.</u>	
<u>OR002000705</u>	<u>18)Scattered East A</u>	<u>780</u>
<u>OR002000108</u>	<u>Peaceful Villa</u>	<u>70</u>

Previous 85 Stories RAD Conversions

Group 3 converted using the RAD program and included The Jeffrey, Rockwood Station, [Martha Washington](#)[Katherine Gray](#), Bud Clark Commons, Madrona Place (see narrative regarding Groups 3 and 7), and Fairview Oaks and Woods,

Group 4, Home Forward’s three HOPE VI properties (containing seven mixed-finance partnerships) also converted to project-based Section 8 subsidy using the RAD program.

Group 5 conversions included two Section 18 properties (Tamarack and Schrunk Riverview Tower) plus five RAD properties: Camelia Court, Eliot Square, Maple Mallory, Bel Park, and Winchell Court.

Group 6 conversions included two Section 18 properties (Medallion and Williams Plaza) plus seven RAD properties: Alderwood, Hunter’s Run, Harold Lee Village, Floresta, Powellhurst, Tillicum North, and Tillicum South.

Group 7 conversions included one Section 18 property (Dahlke Manor) plus three RAD properties: Fir Acres, Stark Manor, and Eastwood Court.

Section 18 Disposition – During 2018, Home Forward received approval from HUD for our remaining Section 18 conversions. These followed the successful first conversions comprised of [85 Stories](#) Group 1 and 2 with four of our high-rise properties. [85 Stories](#) Groups 5 and 6 (~~above~~) each included two Section 18 properties. [85 Stories](#) Group 7 included one Section 18 property. [The Dekum Court Redevelopment funded by the Metro Regional Bond included a Section 18 Disposition.](#)

[85 Stories Group 8 has two properties planning to convert to Section 8 via Section 18 Disposition: Holgate House and Ruth Haefner Plaza.](#)

REMAINING SECTION 18 CONVERSIONS

AMP	Property Name	Total Public Housing ACC Units	Units in Section 18
OR002000114	Dekum Court	40	40
#N/A	Dekum Addition		20
OR002000115	Holgate House	80	80

OR002000140	Ruth-Haefner-Plaza	73	73
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General Operating Information

A. Housing Stock Information

i. Planned New Public Housing Units

New public housing units that the MTW PHA anticipates will be added during the Plan Year.

ASSET MANAGEMENT PROJECT (AMP) FILL IN NAME AND NUMBER	0/1 Bdm	2 Bdm	3 Bdm	4 Bdm	5 Bdm	6+ Bdm	TOTAL UNITS	POPULATION TYPE**	Section 504 Accessible Units* (Mobility)	Section 504 Units* (Hearing / Vision)
N/A	0	0	0	0	0	0	0	N/A	0	0
Total Public Housing Units to be Added in the Plan Year:							0			

* The federal accessibility standard under HUD’s Section 504 regulation is the Uniform Federal Accessibility Standards (UFAS) for purposes of Section 504 compliance (24 CFR 8.32). HUD recipients may alternatively use the 2010 ADA Standards for Accessible Design under Title II of the ADA, except for certain specific identified provisions, as detailed in HUD’s Notice on “Instructions for use of alternative accessibility standard,” published in the Federal Register on May 23, 2014 (“Deeming Notice”) for purposes of Section 504 compliance, <https://www.govinfo.gov/content/pkg/FR-2014-05-23/pdf/2014-11844.pdf>

** Select “Population Type” from: General, Elderly, Disabled, Elderly/Disabled, Other

If “Population Type” is “Other” please describe:

N/A

ii. Planned Public Housing Units to be Removed

Public housing units that the MTW PHA anticipates will be removed during the Plan Year.

<u>AMP NAME AND NUMBER</u>	<u>NUMBER OF UNITS TO BE REMOVED</u>	<u>EXPLANATION FOR REMOVAL</u>
N/A	N/A	N/A
	0	Total Public Housing Units to be Removed in the Plan Year

<u>AMP NAME AND NUMBER</u>	<u>NUMBER OF UNITS TO BE REMOVED</u>	<u>EXPLANATION FOR REMOVAL</u>
Dekum Court OR002000111	40	Rental Assistance Demonstration—received CHAPs (Commitment to Enter into a Housing Assistance Payment Contract) from HUD August 2016
Gora Park OR002000336	40	
Chateau Apts OR002000436	40	
Scattered Sites A OR002000705	7	
	67	Total Public Housing Units to be Removed in the Plan Year

iii. Planned New Project Based Vouchers

Tenant-based vouchers that the MTW PHA anticipates project-basing for the first time during the Plan Year. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) will be in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

PROPERTY NAME	NUMBER OF VOUCHERS TO BE PROJECT-BASED	RAD?	DESCRIPTION OF PROJECT
N/A	N/A	N/A	N/A
TOTAL: Planned new Project Based Units in Plan Year	0		

iv. Planned Existing Project Based Vouchers

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP is already in place at the beginning of the Plan Year. Indicate whether the unit is included in RAD.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Alberta Alive	25	Committed	No	New construction with Community Development Partners. Will include 25 Project-Based VASH
Findley Project	20	Committed	No	New construction with Do Good Multnomah. Will include 20 Project-Based VASH
Las Adelitas	8	Committed	No	New construction with Hacienda CDC. Will include 8 Project-based Vouchers for families leaving homelessness and communities of color
Anna Mann House	12	Committed	No	Substantial Rehab and New construction with Innovative Housing Inc. Will include 12 Project-based Vouchers for low income families and seniors
The Susan Emmons	48	Committed	No	New construction with Northwest Housing Alternatives. Will include 48 Project-based Vouchers for chronically homeless individuals, seniors with a disability
Westwind Apts	70	Committed	No	New construction with Central City Concern. Will include 70 Project-based Vouchers for chronically homeless individuals

NE Prescott	8	Committed	No	New construction with CDP/NAYA. Will include 9 Project-based Vouchers for low income families and communities of color
Stark Street	16	Committed	No	New construction with Human Solutions. Will include 16 Project-based Vouchers for families experiencing homelessness
SE Powell	50	Committed	No	New construction with Home Forward. Will include 50 Project-based Vouchers for families experiencing homelessness
RiverPlace Phase 2	20	Committed	No	New Construction with Bridge Housing, Inc. Will include 20 Project based VASH for homeless veterans.
Joyce Hotel	66	Committed	No	New construction with CPAH. Will include 66 Project-based Vouchers for chronically homeless individuals
Total: Planned Existing Project-Based Vouchers	410343			

* Select "Planned Status at the End of Plan Year" from: Committed, Leased/Issued

v. Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year

Examples of the types of other changes can include (but are not limited to): units held off-line due to relocation or substantial rehabilitation, local, non-traditional units to be acquired/developed, etc.

PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR

N/A

General Description of All Planned Capital Expenditures During the Plan Year

GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR					
Community	Activity	Capital Fund	Percentage of Capital Fund	Total Expended	Percentage of Total Expended
PHA Wide	15% Administrative Allowance	583,396	6.07%	583,396	6.07%
PHA Wide	Radon testing and Mitigation	202,573	2.11%	202,573	2.11%
PHA Wide	PH Discretionary Project Funds	713,026	7.42%	713,026	7.42%
*Various Properties	Major Systems Upgrades – 85 Stories Projects Group 5	2,054,592	21.37%	2,054,592	21.37%
*Various Properties	Major Systems Upgrades – 85 Stories Projects Group 6	1,408,820	14.66%	1,408,820	14.66%
*Various Properties	Major Systems Upgrades – 85 Stories Projects Group 7	2,392,220	24.89%	2,392,220	24.89%
*Various Properties	Major Systems Upgrades – 85 Stories Projects Group 8	2,257,780	23.49%	2,257,780	23.49%
Total Capital Expenditures Budget		9,612,407	100%	9,612,407	100%

*Note: The Major Systems Upgrades titled 85 Stories is planned for Home Forward's public housing properties converting to HUD's RAD and/or Section 18 Disposition programs.

Group 5 received approval through HUD's RAD and Section 18 Disposition Programs. The group converted into a Tax Credit Limited Partnership in November 2018 and is currently in construction phase. This group consists of seven properties - Tamarack, Schunk Tower, Eliot Square, Maple Mallory, Bel Park, Winchell Court and Camelia Court.

Group 6 received approval through HUD's RAD and Section 18 Disposition Programs. The group converted into a Tax Credit Limited Partnership in June 2019 and is currently in construction phase. This group consists of nine properties - Medallion, Williams Plaza, Harold Lee, Floresta, Powellhurst, Tillicum North, Tillicum South Hunters Run and Alderwood.

Group 7 received approval through HUD's RAD and Section 18 Disposition Programs and are still in the planning phase. The ~~work group converted into~~ ~~will be bundled into~~ a Tax Credit Limited Partnership ~~in May 2021~~. Group 7 ~~currently~~ consists of four properties - Dahlke Manor, Fir Acres, Eastwood Court, Stark Manor ~~—which will complete their renovations by the end of 2022.s-~~

Group 8 received approval through HUD's RAD and Section 18 Disposition Programs and are still in the planning phase. The work will be bundled into a Tax Credit Limited Partnership. Group 8 currently consists of five properties: Holgate House, Ruth Haefner, Lexington Court, Carlton Court, and Demar Downs.

B. Leasing Information

i. Planned Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA plans to serve at the end of the Plan Year.

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED**
MTW Public Housing Units Leased	4,339	362
MTW Housing Choice Vouchers (HCV) Utilized	114,912	9,576
Local, Non-Traditional: Tenant-Based^	1,464,100	122,175
Local, Non-Traditional: Property-Based^	60	5
Local, Non-Traditional: Homeownership^	0	0
Planned Total Households Served	121,411	10,118

* “Planned Number of Unit Months Occupied/Leased” is the total number of months the MTW PHA plans to have leased/occupied in each category throughout the full Plan Year.

** “Planned Number of Households to be Served” is calculated by dividing the “Planned Number of Unit Months Occupied/Leased” by the number of months in the Plan Year.

^ In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the MTW PHA should estimate the number of households to be served.

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED*
Tenant-Based	Program Based Assistance / 14	2,100	175
Property-Based	Program Based Assistance / 14	60	5
Homeownership	N/A	0	0

* The sum of the figures provided should match the totals provided for each local, non-traditional categories in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable.

ii. Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing

Discussions of any anticipated issues and solutions in the MTW housing programs listed.

HOUSING PROGRAM	DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS
MTW Public Housing	There are no anticipated issues related to leasing public housing units.
MTW Housing Choice Voucher	We continue to experience a very tight rental market, making it difficult for voucher holders to find affordable housing. To support voucher holders in their search, we have been offering deposit assistance to participants that complete a tenant education class taught by a community organization.
Local, Non-Traditional	There are no anticipated issues related to local, non-traditional units.

C. Waiting List Information

i. Waiting List Information Anticipated

~~MTW Housing Choice Voucher,
Community-Wide~~

~~Home Forward plans to open its Community-Wide MTW Housing Voucher
waiting list during FY2022~~

N/A

Proposed MTW Activities

~~Home Forward is not proposing any new MTW activities at this time.~~

-23 Independent Entities: Use of Staff Instead of Third Parties for Home Forward Owned Properties

This proposed activity consolidates and clarifies the scope of Home Forward’s use of staff rather than independent entities to perform various functions with respect to housing choice voucher or project-based voucher units owned by Home Forward. The proposed activity covers all such functions otherwise required to be performed by independent entities by applicable law, regulations or notices. For project-based vouchers, this includes all of the functions listed in “Table 1: Overview of Independent Entity Functions” in Attachment B of Notice PIH 2017-21 (pp. 14-15), except for functions related to the voucher homeownership option.

Home Forward’s fiscal 2022 MTW Plan references use of staff for rather than independent entities in connection with Activity 08, Alternative Inspection Requirements for Partner-Based Programs, and Activity 10, Local Project-Based Voucher Program. Both of those activities state that where Home Forward both owns and manages a unit, it hires a third party to conduct quality control testing of inspections and rent reasonableness determinations for a sample of these units. Home Forward will continue that practice.

Home Forward anticipates that in fiscal 2023 it will apply this activity to approximately— 1,500 –PBVs under Housing Assistance Payments contracts and –343 potential PBVs in earlier stages of development, and to approximately –700 tenant-based vouchers.

Activity Metrics:

<u>Metric</u>	<u>Baseline</u>	<u>Benchmark</u>	<u>Final Projected Outcome</u>
<u>Agency cost savings (Standard Metric: CE#1)</u>			
<u>Total cost of task</u>	<u>Prior to implementation: \$0</u>	<u>FY2023: \$83,456</u>	<u>Less than \$83,500</u>
<u>Staff time savings (Standard Metric: CE#2)</u>			
<u>Total time to complete the task</u>	<u>Prior to implementation: 0 hours</u>	<u>FY2023: 1,697 hours</u>	<u>Less than 1,700 hours</u>

Cost Implications:

Home Forward anticipates cost savings of \$83,500 as a result of implementing this activity.

Justification for MTW Flexibility:

This proposed activity is authorized by MTW flexibility, specifically:

The MTW Agreement authorizes this activity under:

- Attachment C. Section D.1.f.: “The Agency is authorized to determine property eligibility criteria, including types of units currently prohibited by Section 8 regulations and shared living facilities, subject to HUD’s

subsidy layering requirements. The Agency may also waive the independent entity requirements for PHA-owned units...”

- Attachment C, Sec. D.2.c., “The Agency is authorized to develop a local process to determine rent reasonableness that differs from the currently mandated program requirements of the 1937 Act and its implementing regulations.”
- Attachment C, Section D.5: “The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD.... The Agency is also authorized to perform HQS inspections on PHA-owned HCV and PBV units in lieu of the independent inspection requirements.”
- Attachment C, Section D.7.a.: “The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD’s requirements regarding subsidy layering...The Agency also may waive the independent entity requirements for PHA-owned units.”
- Attachment C, Section D.7.d.: “All units that receive project-based Section 8 assistance must meet either (i) existing HQS standards established by the Secretary or (ii) a local standard for communities receiving project-based Section 8 assistance developed by the Agency and approved by the Secretary pursuant to this MTW Agreement, as applicable. The Agency is authorized to perform HQS inspections on PHA-owned HCV and PBV units in lieu of the independent inspection requirements.”

This activity allows Home Forward to reduce costs by performing certain functions rather than contracting out to a third party.

24 Rental Assistance Termination Reform

This proposed activity would authorize Home Forward to adopt and implement policies that limit the circumstances in which Home Forward will terminate Section 8 Housing Choice Voucher assistance to recipients. This activity is the result of extensive resident, participant, and Home Forward staff collaboration on how to change this policy. A work group of residents, participants, and staff met for over a year and reviewed data on demographic disparities in program terminations. The work group members engaged the broader rent assistance department and key decision makers at Home Forward. This groups work resulted in a report entitled “Policy Recommendations—Rent Assistance Termination Policy.” [include link] The report includes a summary of how the work group reviewed the rent assistance termination policies and HUD regulatory requirements with a racial equity framework and a goal of increasing housing stability for households who have a Housing Choice Voucher.

The policies that Home Forward may adopt and implement in 2023 under this activity include the following, along with a brief explanation in italics:

- Do not terminate a household’s assistance because the owner evicts the household. Eviction and lease enforcement is a landlord/tenant issue. Home Forward’s mission is to shelter people.
- Terminate assistance 365 days after a household’s income reaches the level where Home Forward will pay no subsidy (Housing Assistance Payments) on behalf of the family, rather than 180 days under the applicable regulation. This gives households more time to complete an income recertification and regain assistance if they have a loss of income, thus promoting housing stability.
- Allow households to be absent for up to 270 days of exiting specific institutional settings, as detailed in Home Forward’s administrative plan, rather than at the overall regulatory limit of 180 days. For example, Home Forward would not terminate assistance sooner than this for someone who is participating in a residential treatment program for substance abuse, or someone exiting a substance abuse treatment facility. This prevents homelessness and housing stability.
- Do not terminate a household’s assistance because of illegal drug use or alcohol abuse. This recognizes that use of illegal drugs and abuse of alcohol are health issues, and that Home Forward should not terminate housing assistance because family members have -substance abuse challenges.
- Terminate assistance for drug-related criminal activity only if a household member has been convicted of felony manufacture or distribution and will be absent for more than 60 days due to incarceration. Home Forward does not want to terminate housing assistance for relatively minor infractions that historically have been shown to result in convictions on a racially disparate basis.
- Terminate assistance for violent criminal activity only if tenant has been convicted for a felony violent crime and will be incarcerated for more than 60 days. Home Forward does not want to terminate housing assistance for relatively minor infractions that have been shown to result in convictions on a racially disparate basis.
- Do not report reasons for “adverse terminations” in the income verification system. Such reporting in the EIV system may create a significant deterrent to recipients’ access to additional housing opportunities.

This activity furthers the housing choice statutory objective, by giving current Section 8 recipients additional opportunities to sustain housing stability. The activity also will reduce voucher program processing costs, as described below. Home Forward anticipates implementing all of these policies promptly upon HUD approval of the MTW Plan.

Activity Metrics:

While no HUD Standard metrics would apply to this activity, Home Forward will track the number of households who retain housing assistance because of this activity.

Cost Implications:

This activity will save Home Forward the administrative costs of processing additional assistance terminations and lease-ups by households replacing other households whose assistance was terminated.

Home Forward anticipates cost savings of \$21,425 as a result of implementing this activity.

Justification for MTW Flexibility:

This proposed activity is authorized by MTW flexibility, specifically:

- The MTW Agreement authorizes this activity under Attachment D, Section D.1.h., added by the Ninth Amendment to Moving to Work Agreement between U.S. Department of Housing and Urban Development and Home Forward, added [insert effective date of amendment].

25 Preservation and Expansion of Affordable Housing

This proposed activity would authorize Home Forward to use MTW funding to preserve and expand affordable housing units in any manner that Home Forward judges most effective. Alternatives include direct grants, hard or soft loans, loan guarantees, property purchases, purchases of investor interests and others. The activity would authorize Home Forward to provide critical flexible assistance to affordable housing units serving households with incomes not exceeding 80% of the Area Median Income, which Home Forward is not subsidizing under the Section 8 project-based voucher or public housing program.

This activity furthers the housing choice statutory objective, by preserving and increasing affordable housing opportunities. Home Forward anticipates implementing this policy in 2023 to support the Troutdale development.

As of February 2022, work is underway to design 94 affordable apartments at a site provided by Multnomah County in the historic old town area of Troutdale, adjacent to SW 257th Avenue. Metro's affordable housing bond funds are providing the financial base for this project. Home Forward plans to include locally funded long term rent assistance and Moving to Work funding in this project. Home Forward does not plan to include project based section 8.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Additional Units of Housing Made Available (Standard Metric: HC#1)			
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units made available	FY2023: 100 units	At least 100 units
Units of Housing Preserved (Standard Metric: HC#2)			
Number of housing units preserved for households at or below 80% AMI	Before implementation, 0 units preserved	FY2023: 94 units	At least 94 units

HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box.	Housing units of this type prior to implementation of the activity (number). This number may be zero.	Expected housing units of this type after implementation of the activity (number).	Actual housing units of this type after implementation of the activity (number).	Whether the outcome meets or exceeds the benchmark.

HC #2: Units of Housing Preserved

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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<u>Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.</u>	<u>Housing units preserved prior to implementation of the activity (number).</u>	<u>Expected housing units preserved after implementation of the activity (number).</u>	<u>Actual housing units preserved after implementation of the activity (number).</u>	<u>Whether the outcome meets or exceeds the benchmark.</u>

Cost Implications:

None

Justification for MTW Flexibility:

This proposed activity is authorized by MTW flexibility, specifically:

- The MTW Agreement authorizes this activity under Agreement Attachment D, Use of MTW Funds on page 1 (authorizes Local, Non-Traditional Activities) and Attachment D, “3. Local Unit-Based Subsidy Program” on page 4.

26 Initial HQS Inspection and HAP Contract Execution

This proposed activity would authorize Home Forward to use flexibilities granted by the Department of Housing and Urban Development (HUD) during the COVID-19 pandemic to support households in leasing up with their voucher in perpetuity. Specifically, Home Forward would:

- Execute the Housing Assistance Payment (HAP) contract within 120 days of the lease term. HUD initially granted PHAs the authority to do this in waiver HCV-4, Notice PIH 2021-14(HA);
- Execute the Housing Assistance Payment (HAP) contract despite minor discrepancies between the lease and the HAP contract;
- Make Housing Assistance Payments (HAP) to the owner before the Housing Quality Inspection is complete as needed. Home Forward would require the owner’s self-certification that “the owner has no reasonable basis to have knowledge that life threatening conditions exist in the unit or units in question instead of conducting an initial inspection.” For any unit for which Home Forward accepted an owner’s self-certification, Home Forward will complete the initial inspection as soon as is reasonably possible, but no later than 60 days of the owner’s self-certification. HUD initially granted PHAs the authority to do this in waiver HQS-1, Notice PIH 2021-14(HA);

This activity furthers the increase housing choice for low income families objective by giving households more flexibility to access stable housing or stay assisted in current housing sooner.

Activity Metrics:

<u>Metric</u>	<u>Baseline</u>	<u>Benchmark</u>	<u>Final Projected Outcome</u>
<u>Agency cost savings (Standard Metric: CE#1)</u>			
<u>Total cost of task</u>	<u>Prior to implementation: \$0</u>	<u>FY2023: \$15,580</u>	<u>Less than \$15,600</u>
<u>Staff time savings (Standard Metric: CE#2)</u>			
<u>Total time to complete the task</u>	<u>Prior to implementation: 0 hours</u>	<u>FY2023: 474 hours</u>	<u>Less than 480 hours</u>

Cost Implications:

This activity will save Home Forward the administrative costs of re-scheduling inspections and processing the initial HAP contract in under 120 days.

Home Forward anticipates cost savings of \$15,600 as a result of implementing this activity.

Justification for MTW Flexibility:

This proposed activity is authorized by MTW flexibility, specifically:

- Attachment C, (D) Authorizations Related to the Housing Choice Voucher Program, (1) Operational Policies and procedures, (a): “The agency is authorized to determine the term and content of Housing Assistance Payment (HAP) contracts to owners during the term of the demonstration.”; and

- [Attachment C, \(D\) Authorizations Related to the Housing Choice Voucher Program, \(5\) Ability to Certify Housing Quality Standards: “The agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD.”](#)

27 Income Verification at Admission to Housing Choice Voucher Program

This activity will allow Home Forward to accept self-certifications and allow for the delay of receipt of documentation and/or third party verification past the regulatory 60-day required time from all applicants to the HCV program. HUD provided a similar waiver with respect to the Enhanced Voucher Program in Notice PIH 2021-15, Section 9.h. (pp. 32-33); Home Forward will consider that waiver language as general advisory guidance in connection with this activity.

The program regulations under § 982.201(e) require that the PHA must receive information verifying that an applicant is eligible within the 60-day period before the PHA issues a voucher to the applicant. For verification purposes, Notice PIH 2018-18 states that third-party generated documents be dated within 60 days of the PHA's request.

For homeless families and other vulnerable HCV applicant families, documentation may not be readily on-hand and may be difficult to obtain quickly. Accepting self-certifications and allowing for the delay of receipt of documentation and/or third-party verification will allow the family to obtain necessary documentation without unduly delaying the family's housing assistance. It will enable Home Forward to move more rapidly through intake and voucher issuance, allowing vulnerable families to lease up and increase their housing stability as they are collecting necessary documentation.

With self-certification, applicants will need to submit an affidavit attesting to reported income, assets, expenses and other factors that would affect an income eligibility determination. Additionally, applicants may provide third-party documentation that represents the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of the PHA's request.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
<u>Total cost of task</u>	<u>Prior to implementation: \$0</u>	<u>FY2023: \$3,985</u>	<u>Less than \$4,000</u>
Staff time savings (Standard Metric: CE#2)			
<u>Total time to complete the task</u>	<u>Prior to implementation: 0 hours</u>	<u>FY2023: 137 hours</u>	<u>Less than 140 hours</u>

Cost Implications:

This activity will save Home Forward the administrative costs of follow-up and seeing documentation immediately upon admission to the program and delaying up to 60 days.

Home Forward anticipates cost savings of \$3,985 as a result of implementing this activity.

Justification for MTW Flexibility:

The MTW Agreement authorizes this activity under:

- Attachment C. Section D.3.b.: "The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations."

Approved MTW Activities

A. Implemented Activities

01 Rent Reform

Approved FY2012, Implemented FY2012, Amended FY2014, FY2020, & FY2021

This activity was originally approved and implemented in FY2012. In FY2014, an amendment to the activity was approved and implemented. Our FY2015 MTW Plan included three modifications, which have also been implemented. Our FY2020 MTW plan included two modifications, which Home Forward is in the process of implementing. All amendments and modifications are included in the following full description of our rent reform activity:

In FY2012, Home Forward implemented a large-scale reform of rent calculation methods, applicable to all MTW public housing and Section 8 households, as well as VASH and FUP voucher holders. The simplified method distinguishes between the populations of seniors / people with disabilities and “work-focused” households. The fundamental premise is that deductions are eliminated from the subsidy calculation and the total tenant payment is determined using a percentage of gross income.

In early 2013, the federal government imposed sequestration: across-the-board reductions in federal funding. In response to these funding cuts, Home Forward amended the activity in FY2014 to increase the percentage of income used to calculate rent. The amended percentages are reflected below.

For **seniors and people with disabilities**, rent is calculated based on 28.5% of gross income. All deductions are eliminated and this group has triennial income re-certifications. We define those aged 55 and older as “seniors”, and households fall into this population category if the head, co-head or spouse listed on the lease is 55 or older, or is disabled under the current HUD definition used by Home Forward.

This group has a \$0 minimum rent and utility reimbursements are allowed.

All households that do not fall into the population category above are considered **work-focused households**. All deductions are eliminated and this group has biennial income re-certifications. The percentages of income used to calculate the tenant portion of rent are as follows:

MTW authorization:

Attachment C, Section B(3) – Definition of Elderly Family

Attachment C, Section D(2)(b) – Rent Policies and Term Limits

Attachment C, Section D(2)(e) – Rent Policies and Term Limits

Attachment C, Section D(3)(b) – Eligibility of Participants

Attachment D, Section B(2) – Rent Structure and Rent Reform

Attachment D, Section D(1) – Establishment of a local Section 8/Housing Choice Voucher program

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient

Years 1 and 2: rent is based on 29.5% of gross income, with no minimum rent. Utility reimbursements are allowed.

Years 3 and 4: rent is based on 29.5% of gross income. Utility reimbursements are allowed.

Years 5 and 6, and biennially thereafter: rent is based on 31% of gross income. Utility reimbursements are allowed.

The following policies apply to all households:

Home Forward has removed the set subsidy proration amount for mixed status families and replaced it with a proration of \$1 after reviewing impacts on overall agency finances, per-voucher costs, and a review of demographics of impacted households. This analysis revealed a large impact on households with minor children compared against minor impacts on overall agency annual budget and per unit voucher costs.

The ceiling rent for public housing is set to match Section 8 payment standards. There is no flat-rent option.

Home Forward has created a separate “release of information” form to supplement the HUD Form 9886, in order to obtain a release of information that covers the appropriate biennial or triennial review cycle.

For Section 8 households where the gross rent of the unit exceeds the applicable payment standard, Home Forward will approve the tenancy at initial occupancy so long as the household share does not exceed 50 percent of the household’s gross income.

When a Section 8 household is approved to move and the identified unit has a gross rent that exceeds the payment standard, Home Forward will use the existing income verification on file to test for affordability. Home Forward will not require a re-examination to verify income for this purpose, unless the family requests it.

When a Section 8 household reports a change in family size, if the household has resided in their unit for at least 12 months, Home Forward will require an interim review. Any changes to voucher size, payment standard and subsidy calculation will be effective 120 days after the interim review.

The earned income disallowance is eliminated.

All GOALS participants are included in the rent reform calculation.

Home Forward uses actual past income to determine annual income for participant families.

All income sources used to determine a household’s public housing rent or Section 8 assistance are the same as currently defined by HUD, with the following exceptions:

The value of any asset or the value of any income derived from that asset is not used in the rent calculation, except when the asset makes regular payments (quarterly or more often) to the resident or participant. However, the value of assets or the value of any income derived from assets is used to determine initial eligibility. Home Forward allows households to self-certify assets with a net value of \$5,000 or less.

All earned income of full-time students age 18 and over is excluded from the rent calculation, unless they are the head, co-head or spouse of the household.

Student financial assistance is considered only for the purpose of determining eligibility. Student financial assistance is not used to determine annual income for rent and subsidy calculation.

All adoption assistance payments are excluded from the rent calculation.

Households have the option to not report income that is not used in the rent calculation, such as foster care payments. However, Home Forward will accept income reporting of such sources for use in determining affordability of a unit. Home Forward permits families to rent units where the family share is up to 50% of their gross income.

Households may apply for a hardship review if their total monthly shelter costs exceed 50% of the total monthly income used to determine their rent subsidy. Section 8 participants who choose to rent housing where the total shelter costs exceed 50% of total monthly income at the time of initial lease-up in that unit will not generally qualify for hardship review; however, all households have the right to request a hardship and exceptions may be made. The committee has a menu of remedies to reduce a qualifying household's burden.

Rent reform has been fully implemented. At this time, all MTW public housing and Section 8 households, as well as VASH and FUP voucher holders, are on the rent reform calculation. The earliest group of work-focused households transitioned to the second level of rent payment beginning in FY2015. Home Forward continues to monitor hardship requests, household and agency financial impacts and staff feedback to prepare for any changes that may need to be made to the activity.

In FY2020, Home Forward made two modifications to this activity which are in the process of being implemented. The first modification was adjusting the set subsidy proration amount for mixed status families after reviewing impacts on overall agency finances, per-voucher costs, and a review of demographics of impacted households. This analysis revealed a large impact on households with minor children compared against minor impacts to the overall annual agency budget and per unit voucher costs. The second modification was to allow Home Forward to temporarily deny all rent increase requests, or pause processing rent increase requests, from landlords of Tenant Based Voucher holders for rent increases that would go into effect during calendar year 2021 in response to the COVID-19 public health emergency. Home Forward implemented this modification by pausing processing rent increase requests from landlords of Tenant Based voucher holders that would have taken effect during calendar year 2021 in response to the COVID-19 public health emergency.

In FY2021, Home Forward made a modification to this activity that eliminated minimum rent and allows for all households to be eligible for utility reimbursement payments. Previously, work-focused year 3 & 4 households were subject to a \$100 minimum rent and were not eligible for utility reimbursement payments. Work-focused year 5 households were subject to a \$200 minimum rent and were not eligible for utility reimbursement payments.

Home Forward implemented this approach based upon a consideration of the following factors:

- A consideration of financial and administrative impact on Home Forward;
- Rent burden on tenants participating in the Housing Choice Voucher program;
- Impact on participating landlords; and
- Other compelling situations which may include the declaration of a state of emergency.

Authority to implement this approach derives from Section D(2)(e) of Attachment C to the HUD-Home Forward MTW Agreement. Section D(2)(e): "The Agency is authorized to implement alternative review and/or approval procedures for rent increases."

Changes or Modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	FY2011: \$140,228	FY2022FY2023: \$109,715104,489	Less than \$130,000110,000 annually
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2011: 5,340 hours	FY2022FY2023: 4,0783,979	Less than 4,1004,000 hours annually
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity. Through our quality control process, every error that is identified is corrected.			
Average error rate in completing task	FY2015: 7.5%	FY2022FY2023: 7.5%	Maintain 7.5% or less
Increase in tenant share of rent (Standard Metric: CE#5)			
Total annual tenant share of rent	FY2012: \$25,342,942	FY2022FY2023: \$40,394,13640,798,077	At least \$40,390,00040,700,000
Increase in household income (Standard Metric: SS#1)			
Average earned income of households	FY2011: \$3,324	FY2022FY2023: \$3,9134,030	At least \$3,9004,000
Increase in positive outcomes in employment status (Standard Metric: SS#3) Note: Because Home Forward has implemented biennial and triennial review schedules, the number of households who report an increase in earned income each year is reduced.			
Number of heads of households who: 6) Other (defined as having an increase in earned income)	FY2011: 866 heads of households	FY2022FY2023: 525 heads of households	At least 525 heads of households annually
Percent of work-focused households who: 6) Other (defined as having an increase in earned income)	FY2011: 16% of work-focused households	FY2022FY2023: 16% of work-focused households	At least 16% of work-focused households
Households Removed from Temporary Assistance for Needy Families (TANF) (Standard Metric: SS#4)			
Number of households receiving TANF assistance	FY2012: 229 households (2.0%)	FY2022FY2023: 100 households (1.0%)	At least 100 households (1.0%)
Reducing the per unit subsidy costs for participating households (Standard Metric: SS#6)			
Average amount of subsidy per household	FY2012: \$524 per household	FY2022FY2023: \$845971	Less than \$850970 per household
Households transitioned to self-sufficiency (Standard Metric: SS#8)			

Metric	Baseline	Benchmark	Final Projected Outcome
Number of households transitioned to self-sufficiency (Defined as households that have earned or permanent income that results in area median income (AMI) above 50% and/or that have voluntarily exited housing assistance)	FY2014: 521 households	FY2022 FY2023: 450 households	At least 450 households annually
Displacement prevention (Standard Metric: HC#4) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not believe this metric is an accurate measure of this activity, but we have included it at HUD's request.			
Number of households at or below 80% AMI that would lose assistance or need to move	FY2011: 233 households	FY2022 FY2023: 0 households	0 households are required to move
Increase in resident mobility (Standard Metric: HC#5) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not use rent reform to impact mobility, but we have included it at HUD's request.			
Number of households able to move to a better unit and/or neighborhood of opportunity	FY2013: 3,092 (28.4%) households lived in better neighborhoods	FY2022 FY2023: 3,041 (26.4%)-households	3,041 (26.4%) households lived in better neighborhoods

Additional Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Maintain stability for seniors and people with disabilities			
Shelter burden (rent + utility allowance divided by gross income) for seniors and people with disabilities	Before implementation, shelter burden was 27%	FY2022 FY2023: Shelter burden will remain below 29%	Seniors and people with disabilities will maintain stability, with a shelter
Increased contribution to rent			
Total tenant payment (rent + utility allowance) for work-focused households	Before implementation: Section 8 average - \$267 Public housing average - \$249	FY2022 FY2023: Section 8 average \$425438 Public housing average \$384392	Maintain an average total tenant payment of at least \$400 for Section 8 and \$300 for Public Housing (15% above baseline)
Increased income in work-focused households			
Average income for work-focused households, as percentage of Median Family Income (MFI)	Before implementation, average income for work-focused households was 16.4% MFI	FY2022 FY2023: 18% MFI	18% MFI

Home Forward's YARDI database continues to serve as the source for household income and total tenant rent payment information. The baseline data for hours required to conduct rent calculation and income reviews was collected through staff interviews and workflow analysis. This process will be repeated in subsequent years to determine progress towards benchmarks and goals.

MTW Flexibility:

Home Forward has used our rent reform authorizations to eliminate deductions, simplify the rent calculation, change review schedules, and implement other policy adjustments that as a whole, make up our rent reform activity, as described above.

02 GOALS – Home Forward’s Family Self Sufficiency Program

Approved FY2014, Implemented FY2014

In our FY2014 Plan, Home Forward proposed an activity to align existing self-sufficiency programs into one consolidated program, which we refer to as the GOALS (Greater Opportunities to Advance, Learn and Succeed) program. This program is tailored to meet the needs of our community and be efficient for staff to administer. GOALS program requirements are the same regardless of funding source, program or property, with a few minor exceptions for site-based programs.

The key elements of the GOALS program are as follows:

The rent reform calculation (Activity 01) is used for all GOALS participants.

MTW authorization:

Attachment C, Section E – Family Self Sufficiency Programs

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Statutory objective:

Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient

Participants who are engaged in a designated program intended to increase the family’s economic independence (such as an employment or training program) will receive a preference on the GOALS waiting list. 100% of the GOALS slots may be filled with participants utilizing this preference.

Home Forward will allow the GOALS contract to be in the name of any adult member of the household.

The traditional escrow account used in HUD Family Self-Sufficiency (FSS) programs has been replaced with a managed savings account. Any rent paid by a participant household above \$351 (known as the “strike point”) will be placed into the managed savings account. The monthly amount placed into a family’s managed savings account is limited to the difference between the strike point and the family’s ceiling rent (for public housing families) or voucher payment standard (for Section 8 families). Households participating in GOALS whose unit is converted under RAD are subject to policies consistent with the RAD program.

[Notwithstanding 24 CFR 984.303 \(c\), t](#)he length of time on the program will be five years [from the date the contract is effective](#), with the opportunity to extend for an additional two years. [The effective date of the contract is the first day of the month following the date the contract was signed by the designated GOALS participant and the Home Forward’s representative](#). Eligibility for the two-year extension follows current policy and HUD guidelines.

Participants graduate and have access to the funds in their managed savings account when they have completed their training plan and fulfilled the obligations identified in their contract.

Families who leave the program prior to graduation will forfeit any money accrued in their managed savings account.

Staff implementing the GOALS program will be funded by a combination of HUD-funded FSS Coordinator money, grant funding and agency budgeting.

FSS Coordinator funds will be used only for FSS Coordinator salaries, as directed by the respective NOFAs.

At properties where participation in GOALS was mandatory, the property will continue to utilize a site-based preference on the GOALS waitlist to encourage participation in the family self-sufficiency program at these sites.

When a public housing resident reaches ceiling rent, or a housing assistance payment for a voucher participant drops to zero, deposits into the family's managed savings account will cease. Families can continue to participate in the program for an additional six months, but no savings will accrue during this time. If the family is still at ceiling rent or zero assistance after six months, they will graduate from the program. If the family's income decreases to a level that housing assistance is reinstated during that six-month period, they may begin to earn escrow again, and continue participation in the program as long as the contract determines they are still eligible.

GOALS participants who enroll in the Individual Development Account (IDA) program will be able to withdraw from their managed savings account up to \$700 per year, for a maximum of 3 consecutive years or \$2,100. In order to utilize managed savings account for IDA deposits, participants will need to be co-enrolled in GOALS and IDA programs. If a participant withdraws from the IDA program before successfully completing the IDA program, the IDA provider will refund the full managed savings account to Home Forward. By allowing participants the option to apply more restricted funds towards their IDA, the intent is to allow households to use their more readily accessible, or unrestricted, funds such as earned income tax credit (EITC) returns, to meet more immediate financial needs. This would permit financially vulnerable households to continue working towards long term financial investment while maximizing choice in how to best apply unrestricted funds towards any current financial obligations.

Changes or Modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request.			
Total cost of task	FY2017: \$512,070	FY2022: \$820,261	FY2022: \$820,261
Staff time savings (Standard Metric: CE#2) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save staff time through this activity, but we have included it at HUD's request.			
Total time to complete task	FY2017: 18,509 hours	FY2022: 18,928	FY2022: 18,928
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity.			
Average error rate in completing task	FY2017: 2%	FY2022: 2%	FY2022: 2%
Increase in resources leveraged (Standard Metric: CE#4)			
Amount of funds leveraged	FY2017: \$190,507	FY2021: \$191,500	FY2021: \$195,500
Increase in household income (Standard Metric: SS#1)			
Average earned income of households	FY2017: \$12,472	FY2021: \$12,750	FY2021: 12,900
Increase in household savings (Standard Metric: SS#2)			
Average amount of escrow of households	FY2017: \$2,295	FY2021: \$2,350	FY2021: \$2,450

Metric	Baseline	Benchmark	Final Projected Outcome
Increase in positive outcomes in employment status (Standard Metric: SS#3) ²			
Number of heads of households:	FY2017:	FY2021:	FY2022:
1) Employed full-time	1) 187	1) 187	1) 187
2) Employed part-time	2) 120	2) 120	2) 120
3) Enrolled in an educational program	3) 129	3) 130	3) 80
4) Enrolled in a job-training program	4) 81	4) 82	4) 82
5) Unemployed	5) 155	5) 155	5) 155
6) Other (defined as having completed an education or job training program)	6) 54	6) 55	6) 55
Increase in positive outcomes in employment status (Standard Metric: SS#3) ²			
Percentage of work-able households:	FY2017:	FY2021	FY2022
1) Employed full-time	1) 40%	1) 40%	1) 40%
2) Employed part-time	2) 27%	2) 27%	2) 27%
3) Enrolled in an educational program	3) 28%	3) 28%	3) 17%
4) Enrolled in a job-training program	4) 18%	4) 18%	4) 18%
5) Unemployed	5) 33%	5) 33%	5) 33%
6) Other (defined as having completed an education or job training program)	6) 12%	6) 12%	6) 12%
Households removed from TANF (Standard Metric: SS#4)			
Note: This metric is measured as a point in time count, which does not account for individual households who give up TANF assistance, graduate from the GOALS program, and are then replaced by income GOALS participants who have not yet given up TANF assistance.			
Number of households receiving TANF assistance	FY2017: 61 households	FY2021: 60	FY2022: 60
Households assisted by services that increase self-sufficiency (Standard Metric: SS#5)			
Number of households enrolled in GOALS	FY2013: 462 households enrolled	FY2021: 462	FY2022: 462
Reducing per unit subsidy costs for participating households (Standard Metric: SS#6)			
Average amount of subsidy per household	FY2017: \$671 per household	FY2022 FY2023: \$709 809	FY2022 FY2023: \$709 809
Increase in tenant share of rent (Standard Metric: SS#7)			

² Households may be counted in more than one category in the employment statuses shown above. For example, a household may be considered unemployed while enrolled in an educational program.

Metric	Baseline	Benchmark	Final Projected Outcome
Tenant share of rent	FY2017: \$1,926,589	FY2022FY2023: \$2,594,124 2,671,948	FY2022FY2023: \$2,594,124 2,671,948
Households transitioned to self-sufficiency (Standard Metric: SS#8)			
Number of households transitioned to self-sufficiency ²	FY2017: 27 households	FY2021: 28	FY2022: 28

²Defined as households that have earned or permanent income that results in area median income (AMI) above 50% and/or that have voluntarily exited housing assistance

MTW Flexibility:

Home Forward has used our authority to develop a family self-sufficiency program that meets the needs of our local community. This program is specifically designed to meet the statutory objective of giving incentive to our families to obtain employment and work towards becoming economically self-sufficient.

03 Local Blended Subsidy

Approved FY2012, Implemented FY2012

Home Forward has created a local blended subsidy (LBS) program to improve the financial viability of adding “banked” public housing units back into the portfolio. Public housing operating subsidy alone is often insufficient to support bringing these units back to properties. The LBS program uses a blend of MTW Section 8 and public housing operating funds to subsidize units reserved for families earning 80 percent or below of area median income. These units may be new construction, rehabilitated, or existing housing.

The LBS program combines tenant paid rent, Section 8 funds, and public housing funds, resulting in a total per unit rent amount. Rents are set by an internal process to determine the amount of subsidy that will meet property needs, and are subject to completion of rent reasonableness tests. Home Forward uses the payment standard as the maximum rent for LBS units, or up to 125% of Fair Market Rents in the case of service-enriched units. This leveraging of resources allows for a more adequate revenue stream and increases the number of households that can be served.

MTW authorization:

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Attachment C, Section C(2) – Local Preferences and Admission and Continued Occupancy Policies and Procedures

Attachment D, Section B(3) – Local Unit Based Subsidy Program

Statutory objective:

Increase housing choice for low-income families

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Additional units of housing made available (Standard Metric: HC#1)			
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units made available	FY2022 FY2023 : 239 units made available	239 units made available
Units of housing preserved (Standard Metric: HC#2)			
Number of housing units preserved for households at or below 80% AMI	Before implementation, 0 units preserved	FY2022 FY2023 : 45 units preserved after full implementation	45 units preserved
Increase in resident mobility (Standard Metric: HC#5)			
Number of households living in better neighborhoods	Before implementation, 0 households	FY2022 FY2023 : 109 households	109 LBS households located in better neighborhoods
Increase in resources leveraged (Standard Metric: CE#4)			
Amount of funds leveraged	Before implementation, \$0	FY2022 FY2023 : \$11,145,307	\$11,145,307 in leveraged debt, equity and increased services

MTW Flexibility:

This activity uses single fund budget flexibility and authorization to develop a local unit-based subsidy program in order to create the administrative and funding structure for LBS. This increases housing choice for low-income families by allowing Home Forward to add financially viable, subsidized units back into its portfolio. LBS has allowed Home Forward to leverage debt, equity and increased services at these three properties. Additionally, the ability to create local preferences, and admission and occupancy policies and procedures allows Home Forward to manage the units to provide similar protections as public housing and also adapt the rules for efficiency and local needs.

Home Forward understands and is committed to our obligation to continue to serve substantially the same number of families as if we had not participated in the MTW demonstration. We are aware of the pressure our LBS activity may place on the agency to continue to meet our baseline households served, and we carefully consider this information before moving forward with implementation strategies. We are continuing to explore and develop additional alternative options for local rent assistance programs that will serve a significant need in our community, and will also support our ability to meet our baseline households served once LBS is fully implemented.

06 Alternative Inspection Requirements for Partner-Based Programs

Approved FY2012, Implemented FY2012

Home Forward aligns our housing resources with the services of jurisdictional and community partners in order to maximize impact and effectiveness. In an effort to reduce costs and increase efficiencies, Home Forward uses MTW authority to allow alternate inspection standards for units assisted with rent assistance, including Program Based Assistance Units, where we contract out resources to be administered by partners. Rather than requiring full Housing Quality Standards (HQS) inspections, Home Forward requires that these units meet the habitability standards, unit inspection requirement, and lead-based paint visual assessment requirements of the US Department of Housing and Urban Development’s Homelessness Prevention and Rapid Re-Housing Program. In cases where the unit is subject to Uniform Physical Condition Standards, Real Estate Assessment Center (REAC), or other inspections as part of the Low-Income Housing Tax Credit compliance obligations, Home Forward will not require Housing Quality Standard (HQS) inspections. Alternative inspections are recorded in the tenant file to demonstrate compliance. Staff from jurisdictional and community providers are able to arrange for and conduct required inspections themselves, in conjunction with other required visits to the assisted units, which is often more efficient and allows clients to move in faster than if they had to wait for a scheduled Home Forward inspection. These alternate inspection requirements ensure housing standards while increasing efficiency and cost effectiveness.

MTW authorization:
Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Statutory objective:
Reduce cost and achieve greater cost effectiveness in Federal expenditures

Standards (HQS) inspections, Home Forward requires that these units meet the habitability standards, unit inspection requirement, and lead-based paint visual assessment requirements of the US Department of Housing and Urban Development’s Homelessness Prevention and Rapid Re-Housing Program. In cases where the unit is subject to Uniform Physical Condition Standards, Real Estate Assessment Center (REAC), or other inspections as part of the Low-Income Housing Tax Credit compliance obligations, Home Forward will not require Housing Quality Standard (HQS) inspections. Alternative inspections are recorded in the tenant file to demonstrate compliance. Staff from jurisdictional and community providers are able to arrange for and conduct required inspections themselves, in conjunction with other required visits to the assisted units, which is often more efficient and allows clients to move in faster than if they had to wait for a scheduled Home Forward inspection. These alternate inspection requirements ensure housing standards while increasing efficiency and cost effectiveness.

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	Before implementation, \$35,500	FY2022 <u>FY2023</u> : \$0	\$0
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	Before implementation, 500 hours	FY2022 <u>FY2023</u> : 0 hours	0 hours
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because this metric was established after implementation, Home Forward does not anticipate a change in the error rate.			
Average error rate in completing a task	FY2014: 4%	FY2022 <u>FY2023</u> : Less than 5%	Less than 5%

MTW Flexibility:

Home Forward uses MTW authority to allow alternative inspection requirements for units assisted with rent assistance that we have contracted to community partners. These alternate inspection requirements ensure housing standards while increasing efficiency and cost effectiveness.

07 Landlord Self-Certification of Minor Repairs

Approved FY2013, Implemented FY2013

In many cases, units may fail an initial or biennial inspection due to minor items, such as cracked socket plates or closet doors that are off track. Requiring a Home Forward inspector to make a trip back to a unit to verify such minor repairs is inefficient and costly. Home Forward has implemented a policy that in cases where there are no more than four minor deficiencies, we may accept an owner’s certification that required repairs were made. This allowance is made at Home Forward’s discretion, and in cases where all deficiencies are minor items as determined by an approved list maintained by Home Forward.

MTW authorization:
Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Statutory objective:
Reduce cost and achieve greater cost effectiveness in Federal expenditures

Allowing a landlord to self-certify a minor repair is left to each individual inspector’s discretion, and inspectors remain cautious and thoughtful about when the option is best utilized. Because of this, the activity has not yet produced the level of savings hoped for. However, the inspections supervisor continues to work with inspectors on identifying situations where the strategy can be employed to save additional staff time. Home Forward believes this activity is still an effective strategy for saving time and money.

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	Before implementation, \$140,092	FY2022FY2023: \$109,734124,902	Less than \$120,000125,000 to complete re- inspections
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	Before implementation, 1,326 hours	FY2022FY2023: 1,1411,095 hours	Less than 1,2001,100 hours annually
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity.			
Average error rate in completing a task	FY2015: 0%	FY2022FY2023: Less than 3%	Less than 3%

MTW Flexibility:

This activity uses alternate criteria, in the form of an owner’s written certification, to verify minor repairs in a unit that failed its initial or biennial HQS inspection as a result of four or fewer minor deficiencies. This policy increases efficiency, and saves the agency the cost of these re-inspections.

08 Inspections and Rent Reasonableness at Home Forward-Owned Properties

Approved FY2013, Implemented FY2013

Home Forward owns over 5,000 units of affordable housing in Multnomah County. Many of these units have project-based Section 8 vouchers attached, and additional units are rented to families that are utilizing tenant-based Section 8 vouchers. In cases where a voucher holder is renting a unit we own, Home Forward utilizes our own staff to perform inspections and determine rent reasonableness.

In cases where Home Forward both owns and manages the unit, we hire a third party to conduct quality control inspections and rent reasonableness testing at a sample of these units. This ensures standards are being met while mitigating any conflict of interest. Since the implementation of this activity, 100% of quality control inspections reported the same result as the Home Forward inspection, and no problems have been identified with rent reasonableness.

MTW authorization:

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Attachment C, Section D(2)(c) – Rent Policies and Term Limits

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	Prior to implementation, \$17,750	FY2022 FY2023: \$0	\$0
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	Prior to implementation, 370 hours	FY2022 FY2023: 0 hours	0 hours
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity.			
Average error rate in completing a task	FY2015: 0%	FY2022 FY2023: Less than 5%	Less than 3%

MTW Flexibility:

Home Forward uses MTW authority to set rent reasonableness and inspect units we own, in place of contracting with a third party to do so. This results in cost savings for the agency.

09 Measures to Improve the Rate of Voucher Holders Who Successfully Lease-Up

Approved FY2010, Implemented FY2010

Since 2010, Home Forward has implemented a variety of measures to improve landlord acceptance of Housing Choice Vouchers in our community and improve the ability of voucher holders to successfully lease up. Based on much of Home Forward's work, the Oregon State Legislature passed HB2639 in July 2014. The legislation prohibits landlords from refusing rental applications of voucher holders only because they have a voucher and offers landlords access to a state-managed Landlord Guarantee Fund if a voucher holder vacates a unit and leaves financial damages, such as property damage, unpaid rent, or fees.

In addition, Home Forward has initiatives focused on improving landlord participation and the leasing success of voucher holders:

MTW authorization:

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Attachment C, Section D(1)(d) – Operational Policies and Procedures

Attachment C, Section D(3)(b) – Eligibility of Participants

Attachment D, Section D(1) – Establishment of a Local Section 8 / Housing Choice Voucher Program

Statutory objective:

Increase housing choice for low-income families

Vacancy Loss Payment – We provide vacancy loss payment to owners through the end of the month after the move-out month when vacancies are unforeseen or unexpected (such as a death or an unannounced move-out) and the owners have not received proper notice of the intent to vacate.

Landlord Incentive Payment – Since July 2014, the Landlord Incentive Payment focuses on new landlords. Home Forward makes a one-time payment of \$200 to new landlords, defined as those who have not worked in partnership with us for the past two years. At the time of receiving payment, landlords are also given the opportunity to complete a survey to provide feedback on their experience and Home Forward's lease-up process.

Tenant Education Class – Since May 2016, Home Forward contracts with the Community Alliance of Tenants (CAT) to teach a tenant education class to voucher holders. Class graduates have access to up to \$200 to help with a security deposit in their housing search.

Despite these initiatives, leasing success rates have fallen as a result of an extremely tight rental market, rapidly rising rents and an overall lack of affordable units. Even with the above measures in place and the new legislation requiring landlords to accept Housing Choice Vouchers, leasing success rates have fallen below our 2009 baseline. In an attempt to keep pace with the market and ensure neighborhood choice for voucher holders, Home Forward increased payment standards most recently in ~~December 2020~~ [July 2022](#).

In addition to the initiatives listed above, Home Forward began two new programs in FY2017, using single-fund flexibility, to help voucher holders lease up:

~~**Security and Success Loan Program** – This is a partnership between Home Forward and Innovative Changes, a non-profit community based lender, to offer low-interest loans for moving costs to voucher holders with a household income of at least 30% of the Area Median Income (AMI). With a qualifying income, a voucher holder can borrow up to \$1,200 to help with deposits, fees, and other moving costs. The program offers affordable monthly payments, extra incentives for financial education, and the opportunity for a household to build a positive credit history.~~

Housing Search Advocates – This program is a partnership between Home Forward and two community partners, Human Solutions, Inc. and Transition Projects, Inc., who work with people experiencing low-incomes and

homelessness. Three Housing Search Advocate positions have been funded at the organizations to help voucher holders lease up. If a voucher holder has not leased up within 90 days of receiving their voucher or have been identified by HCV staff as experiencing high barriers, they are referred to the Housing Search Advocates for additional support in their housing search.

We have continued with a variety of policy changes (which do not require MTW flexibility) to make the voucher program more appealing to landlords since the passage of HB2639. These include:

- Allowing flexible lease terms based on an individual landlord's standard practice (including month-to-month)
- Accepting electronic Requests for Tenancy Approval from landlords to speed the process

- Posting tools for landlords on our website so landlords can assess whether their unit is likely to pass rent reasonable and affordability tests

In addition to the initiatives and new changes above, we continue to support voucher holders with an improved program orientation, with an increased focus on housing search, and utilizing the higher payment standards in opportunity neighborhoods in hopes of helping voucher holders be better prepared for their housing search.

Changes or modifications:

We are not anticipating any changes to this activity. We will continue to evaluate both the lease-up rate and rental market data to determine if the current payment standards remain adequate or adjustments need to be made.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Households assisted by services that increase housing choice (Standard Metric: HC#7)			
Number of households receiving services aimed at increasing housing choice	Before implementation, 0 households	FY2022 FY2023 : 190-230 households	At least 190 households per year will benefit from the Landlord Incentive

Additional Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Improve voucher success rate			
Issued voucher success rate	FY2009: 74%	FY2022 FY2023 : 80%	At least 80%
Decrease in lease-up time			
Average number of days for a voucher holder to lease up	Before implementation, 51 days	FY2022 FY2023 : 50 days	Less than 50 days

MTW Flexibility:

Home Forward has made changes to operational policies and procedures and funds these activities through our single-fund budget flexibility. This activity works to increase landlord participation in the program, and therefore, increase housing choice for low-income households.

10 Local Project-Based Voucher Program

Approved FY2012, Implemented FY2012

Home Forward has created a project-based voucher (PBV) program tailored to meet the needs of the local community. We currently administer over 2,000 PBVs in the community via more than 87 separate contracts. The program continues to represent our focus on coordinating with jurisdictional partners and enhancing the supply of permanent supportive housing for households with barriers to housing.

In FY2015, Home Forward changed the operating subsidy at four of our high-rise buildings from public housing to project-based Section 8 funding, as part of our preservation strategy to renovate ten buildings. These four buildings accounted for 654 units, and serve seniors and persons with disabilities. The flexibility to place project-based vouchers at these buildings, as well as in other buildings through service provider and jurisdictional partnerships, ensures that affordable housing remains available to some of the most vulnerable households in our community.

The objective of the project-based voucher program is to provide housing certainty for low-income, high-barrier households who would be unlikely to succeed with a tenant-based voucher. With that in mind, we are focusing project-based vouchers on buildings with on-site services, ideally in opportunity areas, offering tenants affordable rents and access to community resources. Many of the original project-based voucher contracts have expired over the past year, and Home Forward has made it our policy to offer renewals only to owners who have agreed to set waiting list preferences for one or more vulnerable populations, and to make services available to those households. This will result in all project-based voucher buildings offering affordable housing with services to those most in need as contracts are renewed.

In the 2017 fiscal year (4/1/2016-3/31/2017), Home Forward received approval from their Board of Commissioners to set aside 500 vouchers from the Housing Choice Voucher pool to be assigned as Project Based Vouchers over the course of three to five years. Home Forward used two methods by which to assign these vouchers. First we issued our own Request for Proposals (RFP) in the winter of 2015 and allocated over 200 vouchers in the initial Request for Proposals. Awards were made to 12 individual projects across Multnomah County. Secondly, we committed another 100 vouchers in the Fall 2015 Portland Housing Bureau Notice of Funding Availability (NOFA). Through this process four individual projects were awarded the 100 vouchers. All in areas of high opportunity and low poverty census tracts.

In our 2019 fiscal year we have 130 vouchers yet to be assigned. Home Forward will continue on the current path as noted above and outlined in the Section 8 Administrative Plan to make the remaining awards until we exhaust the 500 voucher commitment made by the board of commissioners.

Home Forward has modified owner proposal selection procedures for PBV units in order to increase Permanent Supportive Housing in our community by awarding PBV units via a local competitive process in collaboration with the City of Portland and Multnomah County. This local process includes issuing a Notice of Funding Availability and accepting proposals from housing developers and owners across the County. This effort ensures that PBVs are aligned with capital and services funding made available from our jurisdictional partners.

MTW authorization:

Attachment C, Section D(7) – Establishment of an Agency MTW Section 8 Project-Based Program

Attachment C, Section D(4) – Waiting List Policies

Attachment C, Section D(2) – Rent Policies and Term Limits

Attachment C, Section D(1)(e) – Operational Policies and Procedures

Statutory objective:

Increase housing choice for low-income families

Reduce cost and achieve greater cost effectiveness in Federal expenditures

The local competitive process may be waived and PBVs may be awarded based on a formal approval and resolution process by Home Forward's Board of Commissioners when the property is owned directly or indirectly by Home Forward, subject to HUD's requirements regarding subsidy layering. The owned units would not be subject to any required assessments for voluntary conversion.

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Additional units of housing made available (Standard Metric: HC#1)			
Number of new housing units made available for households at or below 80% AMI	FY2011: 1,100 units	FY2022 <u>FY2023</u> : 1,820 units made available	Maintain at least 4,100 <u>1,800</u> units that have been made available through this activity
Units of housing preserved (Standard Metric: HC#2)			
Number of units preserved for households at or below 80% AMI that would otherwise not be available	Prior to implementation: 0 units	FY2022 <u>FY2023</u> : 654 units preserved	654 units will be preserved through conversion from public housing to project-based vouchers
Decrease in wait list time (Standard Metric: HC#3) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity			
Average applicant time on wait list in months	FY2014: 15 months	FY2022 <u>FY2023</u> : 37 <u>42</u> months	37 <u>42</u> months
Displacement prevention (Standard Metric: HC#4) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity			
Number of households at or below 80% AMI that would lose assistance or need to move	FY2015: 904 households	FY2022 <u>FY2023</u> : 900 households	Over 800 additional project-based voucher units are available through our ability to exceed the 25% building cap
Increase in Resident Mobility (Standard Metric: HC#5)			
Number of households able to move to a better unit and/or neighborhood of opportunity	FY2011: 93 households	FY2022 <u>FY2023</u> : 400 households	400 households
Agency Cost Savings (Standard Metric: CE#1)			
Total cost of task in dollars	Prior to implementation: \$30,720	FY2022 <u>FY2023</u> : \$26,100 <u>\$27,995</u>	Less than \$27,000 <u>\$28,000</u>
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	Prior to implementation, 917 hours	FY2022 <u>FY2023</u> : 560 <u>600</u> hours	Less than 700 hours

Metric	Baseline	Benchmark	Final Projected Outcome
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity			
Average error rate in completing task	FY2015: 2%	FY2022 FY2023 : Less than 5%	Less than 5%
Increase in tenant share of rent (Standard Metric: CE#5) Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity			
Total annual tenant share of rent	FY2014: \$3,570,859	FY2022 FY2023 : \$6,700,000 6,930,000	Annual tenant rent share of \$6,700,000 6,930,000

MTW Flexibility:

The PBV program increases housing choice and affirmatively furthers fair housing by preserving existing affordable housing and focusing on the needs of populations that tend to be less successful in the tenant-based program, including participants with disabilities, extremely low incomes, or backgrounds that may create high barriers to housing. Most of the PBV buildings offer services for specific populations, which help households not only to obtain suitable housing, but also to access additional services that give the household stability in the community. Below is a list of the ways Home Forward utilizes MTW authority for the local PBV program:

Home Forward exceeds the traditional 25% limit of PBVs in a single building, and allows project-based vouchers to be awarded to more than 25% of units in a given complex.

Home Forward has modified waitlist policies to allow each PBV building to maintain its own site-based waiting list with its own preferences. It would not be practical or cost effective for Home Forward to manage so many separate PBV waiting lists with separate preferences. Multiple waitlists also ensure that there are almost always open waitlists at any point in time.

Home Forward does not provide a preference on the tenant-based waiting list for PBV residents, and requires PBV residents to apply for and remain on the tenant-based waitlist in order to transfer to a tenant-based voucher unit.

Home Forward modifies screening and eligibility requirements to differ from the traditional criteria at certain PBV properties which offer supportive services, therefore increasing housing choice for participants who might otherwise be ineligible for Section 8 housing. Home Forward determines an applicant’s eligibility for a specific PBV property based on the capacity of the service provider who owns or contracts to manage the property.

Home Forward has modified owner proposal selection procedures for PBV units in order to increase Permanent Supportive Housing in our community by awarding PBV units via a local competitive process in collaboration with the City of Portland and Multnomah County. This local process includes issuing a Notice of Funding Availability and accepting proposals from housing developers and owners across the County. This effort ensures that PBVs are aligned with capital and services funding made available from our jurisdictional partners.

The local competitive process may be waived and PBVs may be awarded based on a formal approval and resolution process by Home Forward’s Board of Commissioners when the property is owned directly or indirectly by Home Forward, subject to HUD’s requirements regarding subsidy layering. The owned units would not be subject to any required assessments for voluntary conversion.

Home Forward has adopted the local city and county site selection standards for PBV units in order to ensure alignment with jurisdictional partners in regards to site selection for low-income housing aimed at ending

homelessness. Site selection standards are designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations of 20% or less.

Home Forward has modified subsidy standards regarding under- and over-housing in order to ensure full utilization of PBV units. Subsidy standards are the same for PBVs as those used for tenant-based vouchers, but exceptions are granted when there are no appropriately sized households on the waiting list to fill a vacant unit.

Home Forward has modified lease terms, renewal options, and termination policies to limit owners' ability to terminate tenancy without cause, maximizing housing choice for the families in those units. After the initial term, PBV leases convert to a month-to-month agreement unless owners and tenants agree to a longer term, and owners may not refuse to renew leases without cause. Owners of PBV units may not terminate tenancy without cause, except as follows:

- The owner of a PBV unit may terminate tenancy for a family if Home Forward terminates the family's assistance for any reason in order to ensure that another low-income applicant can be served. However, instead of terminating tenancy, the owner may request Home Forward's approval to amend the PBV contract to remove a unit occupied by a zero subsidy family or amend the PBV contract to substitute a different unit with the same number of bedrooms in the same building.

Home Forward modified the way contract rents are determined for PBV units by limiting PBV contract rents to a maximum of the payment standard less any applicable tenant paid utility allowance, ensuring that PBV units are affordable even to zero-income households.

Home Forward adapted the timing of applying payment standard adjustments for PBV participants. Any increase in payment standards to the PBV units is applied on the next anniversary date of the PBV Housing Assistance Payments Contract, following the effective date of the increase. Any decrease in payment standards to the unit is applied beginning on the second anniversary date of the PBV Housing Assistance Payments Contract following the effective date of the decrease. Home Forward also applies any changes to the utility allowances at the same time as the payment standard adjustments.

Home Forward uses an alternate rent setting policy that allows the Rent Assistance Director, with Board approval, to set exception payment standards that are greater than 110% (up to a maximum of 160%) of Fair Market Rents for service-enriched buildings without requesting HUD approval. The payment standard granted applies to any unit under the project-based voucher contract serving a highly vulnerable population with intensive services. Data is required of the owner to verify the value of the services being provided, and this cost will not be included when conducting rent reasonableness tests.

Home Forward uses an alternate rent setting policy that allows the Rent Assistance Director to set exception payment standards up to a maximum of 160% of Fair Market Rents (pursuant to Activity 13 "Broaden Range of Approved Payment Standards") without requesting HUD approval for:

- Home Forward-owned units that utilize Rental Assistance Demonstration (RAD) PBVs, or
- Units that utilize special purpose voucher PBVs.

This authority enables Home Forward to maximize the ability to leverage private investments in support of Home Forward's affordable housing development and rehabilitation to address the ongoing affordable housing supply crisis.

Home Forward allows Home Forward staff to conduct inspections, set rents and determine rent reasonableness for Home Forward-owned units that utilize PBVs. When Home Forward both owns and manages the unit, it hires a third party to conduct quality control testing of inspections and rent reasonableness determinations for a sample of these units. This activity is also described under Activity 08: Inspection and Rent Reasonableness at Home Forward-Owned Units.

Home Forward has eliminated the cap limiting project-basing to up to 20% of the amount of budget authority allocated to the agency by HUD in the voucher program.

11 Align Utility Allowance Adjustment Procedures

Approved FY2011, Implemented FY2011

In our FY2011 MTW Plan, Home Forward received approval to align the public housing process for calculating and implementing utility allowance adjustments with that of Section 8. Previously, the public housing utility allowance process required Home Forward to conduct engineering surveys to determine energy consumption, which was cumbersome and costly. Additionally, public housing protocol required that a re-certification be completed for each resident when there were adjustments to the utility allowance.

MTW authorization:

Attachment C, Section C(11) – Rent Policies and Term Limits

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures.

Aligning the utility allowance adjustment process with that of Section 8 allows public housing to adopt the methodology of using HUD’s standard calculation, which is based on the type of utility and type of building. As in the Section 8 program, public housing staff will review the utility allowance adjustments annually, with the adjustment going into effect at the resident’s next regular review.

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	Before implementation, \$8,000 per year	FY2022FY2023: \$0	\$0 to complete survey
Staff time savings (Standard Metric: CE#2)			
Total time to complete task	Before implementation, approximately 393 hours	FY2022FY2023: 0 hours	0 hours

MTW Flexibility:

The standard public housing utility allowance process requires engineering surveys to determine energy consumption, and that a re-certification be completed for each resident when there is a utility allowance adjustment. Our MTW flexibility allows us to align the public housing process with that of Section 8, resulting in agency cost and staff time savings.

13 Broaden Range of Approved Payment Standards

Approved FY2015, Implemented FY2015, Amended FY2017

Regulations require that payment standards are set between 90% and 110% of Fair Market Rents (FMR), as defined by HUD for a Housing Authority's jurisdiction. Home Forward serves all of Multnomah County, a large geographic area with rents that differ throughout several submarkets, i.e. downtown Portland and East County, which is more rural. When the rental market conditions tighten, it is not uncommon for 110% of Fair Market Rent to fall short of what is needed to rent a quality unit in large, and often higher opportunity, areas of Multnomah County. In addition, payment standards that are too high in particular neighborhoods can create concentrations of poverty.

MTW authorization:

Attachment C, Section D(2)(a) – Rent Policies and Term Limits

Statutory objective:

Increase housing choice for low-income families

In order to ensure that payment standards are sufficient to allow Housing Choice Voucher participants reasonable choice in neighborhoods, Home Forward has used MTW authority to broaden its “base range” for payment standards to between 80% and 160% of the Fair Market Rents without prior HUD approval. (In FY2015, Home Forward received authorization to set payment standards between 80% and 120% of Fair Market Rents. In FY2017, Home Forward received authorization to broaden that range between 80% and 160% of Fair Market Rents.)

Home Forward uses the following parameters to establish payment standards:

Payment standards are broken down by nine separate neighborhoods as defined by ZIP codes. Each of these neighborhood payment standards is broken down by bedroom size.

Payment standards are set at the market rate.

Because data shows that market rents are significantly different for three-bedroom apartments and three-bedroom single-family homes and duplexes, Home Forward has established separate payment standards for the two housing types with three bedrooms.

In response to a FMR study commissioned by the local metro-area housing authorities, on February 3, 2016, HUD adopted revised FMRs for the Portland- Vancouver-Hillsboro, OR-WA, HUD Metropolitan Statistical Area (MSA). In March 2016, utilizing these new and substantially increased FMRs together with our existing authority, at the time, to set payment standards up to 120% of FMR. Home Forward's Board of Commissioners adopted new payment standards to be effective December 1, 2020.

~~Despite the~~With the latest payment standard update, our ~~December-July 1, 2020-2022~~ payment standards for studio, 1-bedroom, or 2-bedroom apartments are not below ~~90~~95% of actual market rate in any of the nine payment standard areas. The following table illustrates the shortfall in studios, one-bedrooms and two-bedrooms throughout the county:

Submarket	Studio		1 Bedroom		2 Bedroom	
	Avg Shelter Cost	Shelter Cost as FMR %	Avg Shelter Cost	Shelter Cost as FMR %	Avg Shelter Cost	Shelter Cost as FMR %
Downtown Portland	<u>1,514</u>	<u>107%</u>	<u>1,801</u>	<u>119%</u>	<u>2,346</u>	<u>135%</u>
NW Portland	<u>1,536</u>	<u>109%</u>	<u>1,876</u>	<u>124%</u>	<u>2,330</u>	<u>134%</u>
Gresham, Fairview, Troutdale	<u>1,499</u>	<u>106%</u>	<u>1,661</u>	<u>110%</u>	<u>1,770</u>	<u>102%</u>
Inner & Central NE	<u>1,548</u>	<u>109%</u>	<u>1,661</u>	<u>110%</u>	<u>1,932</u>	<u>111%</u>
Inner & Central SE	<u>1,609</u>	<u>114%</u>	<u>1,628</u>	<u>108%</u>	<u>1,800</u>	<u>104%</u>
N Portland & St. Johns	<u>1,565</u>	<u>111%</u>	<u>1,682</u>	<u>111%</u>	<u>1,896</u>	<u>109%</u>
Outer NE	<u>1,305</u>	<u>92%</u>	<u>1,446</u>	<u>96%</u>	<u>1,557</u>	<u>90%</u>
Outer SE	<u>1,416</u>	<u>100%</u>	<u>1,374</u>	<u>91%</u>	<u>1,422</u>	<u>82%</u>
SW Portland	<u>1,713</u>	<u>121%</u>	<u>1,710</u>	<u>113%</u>	<u>1,934</u>	<u>111%</u>

We will always need to balance the opportunity created with higher payment standards with the increased per family costs associated with higher payment standards. Higher payment standards can put limits on our ability to respond to the overwhelming need in our community, but given the nature of the rental market in Multnomah County, the flexibility to set payment standards up to 160% of FMR may be necessary to create reasonable choice for participant families, particularly in low-poverty, high-opportunity areas. We ~~anticipate revising payment standards in FY2019~~ most recently revised payment standards in July 2022, and depending on updated market survey data, utilization levels, and lease-up success, we may implement payment standards above 120% in some areas.

Home Forward has also been authorized to approve Exception Payment Standards up to 160% of Fair Market Rents in low-poverty areas or as a reasonable accommodation for a family that includes a person with disabilities.

Home Forward uses a higher payment standard for our VASH voucher-holders. VASH households have all payment standards set at 120% of FMR, regardless of the area within Multnomah County.

Home Forward participants are on biennial and triennial recertification schedules, per Activity 01 Rent Reform. Because of this, there is sometimes a delay of several months or even years before the increased payment standard is applied to a participant's rent calculation. ~~In the meantime, those participants may be experiencing a larger shelter burden as their landlords increase rent without the accompanying increase in payment standards.~~ To address this delay, Home Forward has been authorized to apply updated payment standards at a participant's interim review.

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Increase in resident mobility (Standard Metric: HC#5)			
Number of households living in better neighborhoods	FY2013: 1,896 (30%) households lived in better neighborhoods	FY2022 FY2023: 2,100 (31%) households	At least 2,100 (31%) households
Agency cost savings (Standard Metric: CE#1) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request			
Total cost of task	FY2014: \$48,597,556	FY2022 FY2023: \$ 70,358,000 71,765,252	At least \$ 70,350,000 71,700,000

Additional Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Average Housing Assistance Payment Expense			
Average annual HAP expense by household	FY2014: \$6,690	FY2022 FY2023: \$ 40,259 10,850	\$ 40,259 10,850

MTW Flexibility:

Home Forward uses our MTW authority to expand the range for which Home Forward may set payment standards across the various submarkets of Multnomah County to between 80% and 160% of HUD-established Fair Market Rents, and to allow for exception payment standards up to 160% of Fair Market Rents, without HUD approval. This ensures that payment standards are sufficient to allow all families, including those that need a reasonable accommodation, to choose to rent units in all nine of the defined areas in Multnomah County (so long as Housing Choice Voucher funding is sufficient to permit this). Home Forward may also choose to reduce payment standards in areas with lower market rents. Home Forward may apply updated payment standards at a participant's interim review.

14 Program Based Assistance

Approved FY2015, Implemented FY2015

The need for rental assistance in Multnomah County far outstrips the supply. When Home Forward opened the Section 8 waiting list in 2016 for the first time in 4 years, over 16,000 households applied for 3,000 waiting list slots.

In an attempt to increase the number of households served over a given period of time, Home Forward has

designed Program Based Assistance. This local, non-traditional rent assistance program offers rent assistance, paired with services, to help families access and/or retain stable housing. While the Housing Choice Voucher and public housing programs provide permanent subsidies in order to ensure long-term affordability for low-income families, the focus of Program Based Assistance is helping families and households achieve stability. These households may remain rent-burdened, but with services available to help families address other challenges in their lives, many will be able to avoid homelessness and remain permanently housed.

To administer Program Based Assistance, Home Forward sets aside a pool of flexible rent assistance funds to serve targeted populations, in partnership with one or more local service providers who ensure that the households have access to the supportive services or resources they need to be stable and successful. Target populations for Program Based Assistance are households for whom: 1) success on the Section 8 Housing Choice Voucher program would be unlikely; 2) the delay in accessing rent assistance due to the Section 8 waitlist would most likely have devastating results (recidivism, relapse, death, homelessness, etc.); 3) the need for rental subsidy is short term while the client is receiving the support needed to stabilize in permanent housing; or 4) the household is representative of populations that experience disparities revealed in recent Point in Time counts or other surveys of homelessness and housing insecurity. Examples of target populations include families who are homeless or at risk of homelessness, families with children attending Alder Elementary School (which has one of the highest mobility rates in the County and was adopted by the I Have a Dream Foundation in order to improve outcomes), former foster youth, or households representing those experiencing homelessness and housing insecurity disparities.

Program Based Assistance partners work with Home Forward to set program policies that are specific to the target population they are serving. Home Forward ensures that policies are clear, equitably managed, and in compliance with Fair Housing laws. All programs have common elements which include:

Uses of Funds: Rental Assistance funds may be used for rent assistance, rent arrears with a current landlord, move-in fees and deposits, utility assistance and arrears, motel vouchers if housing is identified but not immediately available, and documented debt to a past landlord (other than a public housing authority).

Eligibility: Eligibility for Program Based Assistance is as low barrier as possible in order to provide housing access for hard-to-serve households. The only limitations on eligibility are: 1) the household must include at least one person who is a U.S. citizen, U.S. national, or noncitizen with eligible immigration status; 2) the household may not include any member who is subject to lifetime registration as a sex offender or has been convicted of production/manufacture of methamphetamine on premises of federally assisted housing; 3) no one in the household may owe Home Forward money; and 4) annual gross income cannot exceed 50% of area median income.

Subsidy Determination Method: Each partner is required to write clear policies and procedures for how subsidy amount and duration will be determined. These policies must be applied to all participants in that partner's program.

MTW authorization:

Attachment C, Section D(2)(a) – Rent Policies and Term Limits

Statutory objective:

Increase housing choice for low-income families

Service Requirements: Home Forward makes these funds available to target populations in partnership with one or more partners who are experts in providing the supports families may need to remain stably housed and move towards a stable, permanent housing situation. Therefore, partner agencies are required to make services available to all families accessing Program Based Assistance. Partner agencies will also have the discretion to discontinue rental assistance to households who violate their program policies or fail to engage in services after repeated attempts at engagement.

Changes or modifications:

We broadened eligibility for participation in this activity to allow Home Forward to provide assistance that addresses disparities revealed in recent Point in Time counts or other surveys of homelessness and housing insecurity. Adjusted expected metrics are included below. We are not anticipating any structural changes to this activity. However, benchmarks are decreased; the disparity between per-unit Housing Choice Voucher funding and expenses means Home Forward has reduced the ability to fund program based assistance.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	FY2020: \$198,000	FY2022 FY2023: \$75,000	\$75,000 annually
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2020: 25 hours	FY2022 FY2023: 0 hours	0 hours annually
Decrease in error rate of task execution (Standard Metric: CE#3)			
Average error rate in completing task	FY2020: 0%	FY2022 FY2023: 0%	Maintain 0%
Increase in resources leveraged (Standard Metric: CE#4)			
Amount of funds leveraged	FY2019: \$198,000	FY2022 FY2023: \$75,000	No more than \$123,000/year
Additional units of housing made available (Standard Metric: HC#1)			
Number of new housing units made available for households at or below 80% AMI	FY2019: 0 units	FY2022 FY2023: 25 units	25 units
Increase in resident mobility (Standard Metric: HC#5)			
Number of households able to move to a better unit and/or neighborhood of opportunity	FY2019: 0 households	FY2022 FY2023: 47 households	47 households
Households Assisted by Services that Increase Housing Choice (Standard Metric: HC #7)			
Number of households receiving services aimed to increase housing choice	Before implementation, 0 households	FY2022 FY2023: 76 unduplicated households	76 households receive services annually through Program Based

Home Forward tracks this information through a combination of our [YARDI-Yardi Voyager](#) database system, reporting by partner agencies, and the community's Homeless Management Information System (HMIS) software.

MTW Flexibility:

Home Forward uses MTW flexibility to blend program funds into a single budget used to fund Program Based Assistance. This allows Home Forward to administer a form of non-traditional rent assistance that can target households in crisis and help them reach or maintain housing stability.

15 Tenant-Based Voucher Set Aside Policies

Approved FY2016, Implemented FY2016

Home Forward operates or participates in a number of programs that have been designed to align housing with supportive services in order to ensure success for participating families. These include local non-traditional rent assistance programs, our local project based voucher programs, and the Veterans Affairs Supportive Housing (VASH) program. In all cases, jurisdictional or community partners provide supports for families who access the housing, with target populations including families exiting homelessness, former foster youth, seniors, and people with disabilities.

MTW authorization:

Attachment C, Section D(4) – Waiting List Policies

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Home Forward has found that leveraging our housing resources with services from partners often results in better housing stability and success for families with barriers to succeeding with a voucher alone. In addition to the above programs, we have also established a series of limited preferences for tenant-based vouchers. Through these limited preferences, specific community partners refer target populations to Home Forward for housing as they provide services. Among the set aside programs we've instituted are:

Home Forward sets aside up to 200 vouchers for families currently served by Multnomah County's Homeless Family System of Care.

We also set aside up to 50 vouchers for families that include a veteran experiencing homelessness, who are ineligible for HUD-VASH vouchers. These families are referred by and received services from Transition Projects, Inc.

HUD regulations for tenant-based vouchers require a housing authority to select all participants from a waiting list. In order to adhere to regulations, current families served by the two set aside programs are chosen and referred to Home Forward by the community partner, added to the tenant based voucher waiting list, then immediately pulled from the waiting list to be served with the vouchers that are dedicated to the program. This process is inefficient, time-consuming and cumbersome.

Home Forward is proposing to instead model the referral and selection procedures after the existing VASH program. As with VASH, Home Forward will accept referrals from the specified partners and award those households the dedicated vouchers. Written documentation of the referral will be maintained in the tenant file by Home Forward, but Home Forward will not add these households to the waiting list to be immediately selected. This flexibility will increase efficiency and may reduce the number of days a family has to wait between referral and issuance of the voucher.

For each limited preference program, Home Forward will execute a Memorandum of Understanding with the partner specifying:

Number of vouchers set aside for the preference;

Eligibility criteria for the preference;

Criteria for determining how families will be selected and referred to Home Forward by the partner(s);

Type and duration of services the partner(s) will make available to the household; and

Understanding that all referrals must be in writing and include a certification from the partner(s) that the family was selected and referred to Home Forward in accordance with the criteria outlined in the Memorandum of Understanding.

Home Forward will audit partner agencies to ensure that they adhere to selection criteria specified in the Memorandum of Understanding.

The initial lease-up of the current set aside programs Home Forward is complete. However, should they be renewed, Home Forward will shift to the referral system (with no waiting list) for these set aside programs as well.

Impact on Statutory Objective(s)

Since households are referred for set aside vouchers by community partners, it is inefficient and duplicative for Home Forward to maintain a waiting list of the families that partners have selected, only to immediately pull those families off the list. Accepting referrals from the partners of the set aside program, who have selected families based on the criteria outlined in the Memorandum of Understanding, will create efficiencies.

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	FY2016: \$875	FY2022 FY2023: \$0	\$0
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2016: 29.5 hours	FY2022 FY2023: 0 hours	0 hours
Decrease in wait list time (Standard Metric: HC#3)			
Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Because households are immediately pulled from the waiting list, this will have no impact on this metric; but we have included it at HUD's request			
Average applicant time on wait list in months	FY2016: 0 months	FY2022 FY2023: 0 months	0 months

MTW Flexibility:

Home Forward uses MTW flexibility to blend program funds into a single budget used to fund Program Based Assistance. This allows Home Forward to administer a form of non-traditional rent assistance that can target households in crisis and help them reach or maintain housing stability.

16 Affordable Housing General Obligation Bond Project-Based Voucher Allocation

Approved FY2018, Implemented FY2018

Home Forward received approval to allocate up to 400 project based vouchers to support the goals of a \$258.4 million Portland Housing General Obligation Bond that was approved by voters in November of 2016. From time to time, local jurisdictions may issue general obligation bonds to acquire, develop and rehabilitate

land and/or properties for affordable housing. Home Forward, as a Moving to Work agency, is granted the ability to support such local housing programs. This includes collaborating with local jurisdictions to provide affordable housing and services for low income and/or disabled households in our community.

MTW authorization:

Attachment C, Section D(7)(b) – Local Competitive Process

Statutory objective:

Additional Units of Housing Made Available.

Given that local jurisdictions may be the only owner of such housing when using general obligation bonds, for this specific financing situation, Home Forward is defining the ballot initiative as a competitive process. Ultimately, the local jurisdiction is competing for the use of vouchers and is seeking authorization from voters. If the voters elect to pass such a ballot measure, it is done so with the public's knowledge that the sole owner of these properties must be the jurisdiction issuing the bonds. Home Forward will have permission to allocate project-based vouchers to such general obligation bond funded properties to ensure housing opportunities for very-low and extremely low-income families. Home Forward will measure the number of units made available to members of the community through utilization of this designation.

The Portland Housing Bond was designed to increase the affordable housing stock in a community with rapidly rising rents that limit choice for families living with low incomes. One of the location priorities of the Portland Housing Bond's framework is to prioritize acquiring land for new housing in high opportunity areas with access to education and economic opportunities, among other amenities. The Portland Housing Bond's framework includes recommendations for services related to "workforce skill development/employment resources and parenting resources, youth engagement and academic assistance" among other resident services' priorities.

The Portland Housing Bond will create approximately 1,300 permanently affordable units throughout the City of Portland, with 600 designated for households earning 0-30% of the area median incomes. According to the City of Portland, the allocation of up to 400 vouchers to the affordable housing general obligation bond will leverage an additional 200 units of housing for families earning between 0-30% of the area median income, netting a total of 600 units of deeply affordable, permanent housing added to the City of Portland. These permanent units will increase choice across the city for families living with low and extremely low incomes. The vouchers will be allocated over five to seven years as properties are acquired and built. On average, Home Forward anticipates that 57-70 vouchers will be deployed each year.

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Additional units of housing made available (Standard Metric: HC#1)			
The Portland Housing Bond anticipates adding 1,300 units of affordable housing over a seven year period. The 400 vouchers will be used to leverage an additional 200 units being available for households earning between 0 and 30% median family income.	FY2018: 0	FY2022 FY2023: 400 units	600 units

Home Forward will measure the number of units made available to members of the community through the City of Portland’s Housing Bond reports to the community. Home Forward will measure the number of units made available to members of the community internally through utilization of this designation.

MTW Flexibility:

Home Forward designates voter-approved affordable housing general obligation bond ballot measures as a competitive process. This is an additional waiver of 24 CFR 983.51. In Oregon, local jurisdictions may issue general obligation bonds. These bonds are secured by tax levies and provide communities with access to debt at favorable interest rates. Unlike other states, however, the Oregon constitution has language that prohibits jurisdictions from raising money to aid parties other than the issuing jurisdiction. In other words, in the State of Oregon, jurisdictions may only use general obligation bonds for capital costs incurred and owned by the issuing jurisdiction. This happens through a popular vote of the citizenry and can leverage 200 additional units of affordable housing made available to the community.

17 Mod Rehab and Mod Rehab SRO Rent Assistance Demonstration Rent Reform

Approved FY2019, Implemented FY2019

Home Forward implemented its comprehensive Rent Reform activity in FY2012 (page 21). The Rent Reform activity eliminates deductions from the subsidy calculation, utilizes an alternative percentage calculation for total tenant payment, and implements a tiered subsidy structure for non-elderly, non-disabled (“work-focused”) households.

Home Forward administers project-based rent assistance for 517 units of housing assisted through the U.S. Department of Housing and Urban Development’s Section 8 Moderate Rehabilitation and McKinney Moderate Rehabilitation Single Room Occupancy programs. This housing is a critical component of our community’s housing stock available to people leaving homelessness. Owners of these properties have the opportunity to participate in the U.S. Department of Housing and Urban Development’s Rent Assistance Demonstration (RAD) in order to preserve and improve their properties. Participation in RAD can involve the conversion of a properties existing subsidy contract into a Project Based Voucher contract that may operate under the program requirements of Home Forward’s Local Project Based Voucher MTW activity (page 38). Participants in Home Forward’s Local Project Based Voucher program are subject to Home Forward’s Rent Reform Activity.

While the Rent Reform activity has been successful in meeting its cost savings and self-sufficiency objectives, Home Forward recognizes that the tiered rent structure for work-focused households does not adequately meet the needs of certain households or programs. Specifically, analysis shows that implementing the full Rent Reform activity at our Section 8 Mod Rehab and Mod Rehab SRO properties, which serve significant numbers of households moving out of homelessness, may result in household displacement over time and have a significant effect on these properties’ ability to continue to serve these households. Home Forward instead proposes implementing an alternative rent reform initiative for these properties post-RAD to allow owners to take advantage of the Rent Assistance Demonstration while continuing to serve the same tenant population profile.

The SRO Mod Rehab Rent Reform initiative mirrors our existing previously approved Rent Reform activity but eliminates certain aspects of that activity, such as the tiered rent structure for work-focused households. Specifically the SRO Mod Rehab Rent Reform Activity implements the following policies:

Eliminates all deductions in rent calculations. To offset the loss in deduction, rent will instead be calculated based on 28.5% of gross income. There is no minimum rent and utility reimbursements are allowed.

Implements a triennial income re-certification schedule. For our existing Rent Reform activity, Home Forward created a separate “release of information” form to supplement the HUD Form 9886, in order to obtain a release of information that covers the appropriate biennial or triennial review cycle which will be utilized in this activity.

Requires an interim review for a household that reports a change in family size and has resided in their unit for at least 12 months. Any changes to voucher size, payment standard, and subsidy calculation will be effective 120 days after the interim review.

Eliminates the earned income disallowance.

Makes use of actual past income to determine annual income for participant families.

MTW authorization:

Attachment C, Section D(3)(b) – Eligibility of Participants

Attachment D, Section B(2) – Rent Structure and Rent Reform

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Increase housing choices for low-income families

Uses all income sources as currently defined by HUD to determine a household's assistance, with the following exceptions:

- The value of any asset or the value of any income derived from that asset is not used in the rent calculation, except when the asset makes regular payments (quarterly or more often) to the resident or participant. However, the value of assets or the value of any income derived from assets is used to determine initial eligibility. Home Forward allows households to self-certify assets with a net value of \$5,000 or less.
- All earned income of full-time students age 18 and over is excluded from the rent calculation, unless they are the head, co-head or spouse of the household.
- Student financial assistance is considered only for the purpose of determining eligibility. Student financial assistance is not used to determine annual income for rent and subsidy calculation.
- All adoption assistance payments are excluded from the rent calculation.
- Households have the option to not report income that is not used in the rent calculation, such as foster care payments. However, Home Forward will accept income reporting of such sources for use in determining affordability of a unit. Home Forward permits families to rent units where the family share is up to 50% of their gross income.

Changes or Modifications:

Home Forward proposes removing the set subsidy proration amount for mixed-status families. The agency will replace the fixed proration amount with an annual proration set when reviewing agency rents and payment standards based upon funding availability. Depending on funding availability and proceeds at properties owned by Home Forward, the agency will also determine whether to utilize unrestricted local funds in support of this modification.

Recent stability in per-voucher costs, which were previously volatile in the Portland market, have made this proposal feasible. Home Forward does not foresee increasing the proration amount above the current level. Thus, any analysis would review overall agency finances to ensure that sufficient funding is allocated to support the voucher program including the marginal cost increase that could result from a proration change. This would naturally include a review of per-voucher costs which are impacted by adjustments to rents and payment standards. Home Forward would also review the total numbers of impacted households, which is small compared to our broader voucher population. Given the composition of such households, Home Forward would also consider impacts on households with minor children, similar to our consideration of this important population in HUD-supported initiatives including GOALS (Family Self-Sufficiency), Family Unification Program vouchers, school-based programming, and mobility-related activities.

The change is expected to provide Home Forward more flexibility in setting proration rates to support low income households while also being responsive to the agency's fiscal responsibilities. This activity also brings Home Forward's practice in line with other agencies that do not set a fixed proration amount for rent-setting approaches.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	FY2018: \$6,656	FY2022 FY2023 : Less than \$1,2205,325	Less than \$ 1,2205,325 annually
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2018: 320 hours	FY2022 FY2023 : Less than 72-256 hours	Less than 72-256 hours annually
Decrease in error rate of task execution (Standard Metric: CE#3)			
Average error rate in completing task	FY2018: 7.5%	FY2022 FY2023 : 7.5% or less	Maintain 7.5% or less
Increase in tenant share of rent (Standard Metric: CE#5)			
Total annual tenant share of rent	FY2018: \$58,000	FY2022 FY2023 : \$58,000 59,000	\$ 58,000 59,000
Increase in household income (Standard Metric: SS#1)			
Average earned income of households	FY2018: \$1,360	FY2022 FY2023 : \$2,187 2,397	At least \$ 2,100 2,390
Increase in positive outcomes in employment status (Standard Metric: SS#3) Note: Home Forward does not collect detailed employment data from SRO participants. The number provided reflects the total number of work-focused households.			
Number of heads of households who: (6) Other	FY2018: 40 households	FY2022 FY2023 : 404 115 households	404-115 households
Percent of work-focused households who: (6) Other	FY2018: 40 households	FY2022 FY2023 : 404 115 -households	404-115 households
Households Removed from Temporary Assistance for Needy Families (TANF) (Standard Metric: SS#4)			
Number of households receiving TANF assistance	FY2018: 0 households	FY2022 FY2023 : 0 households	0 households
Households transitioned to self-sufficiency (Standard Metric: SS#8) Note: Home Forward's SRO properties assist households transitioning from homelessness to permanent, stable housing. Rather than moving to self-sufficiency, Home Forward anticipates participant households will move from an SRO property into a long-term Home Forward subsidy program.			

Metric	Baseline	Benchmark	Final Projected Outcome
Number of households transitioned to self-sufficiency (Defined as households that have earned or permanent income that results in area median income (AMI) above 50% and/or that have voluntarily exited housing assistance)	FY2018: 0 households	FY2022 FY2023: 0 households	0 households

Hardship Policy:

As with our standard Rent Reform activity, households may apply for a hardship review if their total monthly shelter costs exceed 50% of the total monthly income used to determine their rent subsidy. Section 8 participants who choose to rent housing where the total shelter costs exceed 50% of total monthly income at the time of initial lease-up in that unit will not generally qualify for hardship review; however, all households have the right to request a hardship and exceptions may be made. The committee has a menu of remedies to reduce a qualifying household’s burden. There were no hardship requests since implementation in June 2019.

MTW Flexibility:

Home Forward is using our rent reform authorizations to eliminate deductions, simplify the rent calculation, change review schedules, and implement other policy adjustments that, as a whole, make up our rent reform activity, as described above. The requested waiver authority will result in cost and time savings for the agency while ensuring the effected properties can continue to their mission of assisting households moving out of homelessness.

18 Transfer of Project-Based Voucher Contract to Support Local Preservation or Development of Affordable Housing

Approved FY2019, Implemented FY2019

Home Forward works closely with local affordable housing owners and developers to preserve and increase the affordable housing stock in the community. For many property owners participating in our Project-Based Voucher (PBV) program, the ability to transfer an existing PBV contract to a new location before its expiration would greatly increase the owner's ability to expand the number of affordable units in the region. Currently, only a project owner that has completed a RAD conversion may request a contract transfer. Non-RAD PBV Project Owners have no such recourse.

Home Forward believes this situation discourages some property owners from entering a HAP Contract as it limits the property owner's ability to engage in short- and long-term development and planning. In addition, Home Forward is concerned that with the extreme pressures on Portland's housing stock, property owners may opt to not renew a HAP Contract, as witnessed in similar tight housing markets. Such a situation would create a significant increase in the number of existing households switching to tenant-based assistance. This increase would tie up valuable staff resources and reduce our ability to help new households off the waiting list. Fiscally, an unanticipated increase in tenant-based vouchers reduces our ability to predict costs and may require us to redirect resources currently allocated to opportunity neighborhoods.

In response, Home Forward created the Transfer of Project-Based Voucher Contract to Support Local Preservation or Development of Affordable Housing activity for all non-RAD PBV property owners. This activity balances the needs to provide a streamlined process for PBV Project Owners with the need to ensure existing households retain their subsidy without impacting our ability to serve new households.

With Home Forward approval, a Project Owner may request a transfer of assistance after 5 years from the effective date of the initial HAP Contract. Home Forward may waive the 5-year requirement for properties for the following reasons:

- The agency or an affiliate holds ownership interest or manages the property;
- A transfer is needed sooner as a result of events such as eminent domain proceedings, natural disasters or unforeseen events; or
- HUD provides approval of a transfer for any other reason.

Home Forward may consider a partial or complete transfer of assistance to a new location if the new location complies with applicable site selection standards. If applicable, any lender and/or investor of the Covered Project must approve the transfer of the assistance. In the event of such transfer, the Project Owner may request, subject to Home Forward consent, that the original Project-Based Voucher Contract be modified or released to reflect such transfer of assistance.

Home Forward will only approve such a request where the following policy goals and technical requirements are met:

The proposed new development must add or preserve affordable housing in the community;

MTW authorization:

Attachment C, Section B(2) – Partnerships with For-Profit and Non-Profit Entities

Attachment C, Section D(7) – Establishment of an Agency MTW Section 8 Project Based Program

Attachment D, Section B(3) – Local Unit Based Subsidy Program

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Increase housing choices for low-income families

The proposed new development must otherwise comply with environmental review and subsidy layering review;

Home Forward does not require a competitive process for the proposed new development as the initial PBV allocation removes the need for a subsequent competition. However, the proposed new development must meet all Home Forward's Site Selection Standards as well as any appropriate laws and regulations.

Tenants residing in subsidized units within the assisted development must be offered the option of retaining a project-based voucher subsidy pursuant to the following guidelines:

- Tenants within the assisted development must be offered the option of moving to a comparable subsidized unit in the new or preserved development upon completion of purchase, rehabilitation, or construction, or to another comparable subsidized unit offered by the Project Owner;
- Comparable units must adhere to all required rules and regulations regarding relocations and tenant moves. Home Forward will prioritize preventing moves to distant geographic areas and/or lower opportunity neighborhoods but believes this ultimate choice should be left to the tenant, as we recognize that they may have circumstances that make some areas more desirable.
- If tenants decline to move, they may remain in the assisted development and the subsidy will remain in place until the subsidized tenant vacates the assisted unit, at which point the project-based voucher subsidy will be converted to the new development and added to the new Project-Based Voucher Contract;
- Because the above requirements protect the ability of tenants to remain in their choice of Project-Based Voucher subsidized units, Choice-Mobility vouchers will not be available for tenants under this proposal as a result of the contract transfer.

Rents and bedroom sizes must remain comparable between the assisted development and the new development to maintain stability in Housing Assistance Payment costs.

In addition to the criteria above, Home Forward retains full discretion to deny a transfer of project-based voucher assistance. The activity applies to all current and future properties under a Project Based Voucher HAP Contract

Changes or Modifications to Activity:

We do not anticipate any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1) Note: Home Forward is unable to calculate anticipated costs absent the activity.			
Total cost of task	FY2018: \$0	FY2022 FY2023: \$0	\$0
Staff time savings (Standard Metric: CE#2) Note: Home Forward is unable to calculate anticipated costs absent the activity.			
Total time to complete the task	FY2018: 0 hours	FY2022 FY2023: 0 hours	0 hours

Metric	Baseline	Benchmark	Final Projected Outcome
Displacement prevention (Standard Metric: HC#4) Note: Number of households in a unit that has completed, or will complete, RAD conversion by December 31, 2018 used as a proxy for potential displacement absent the proposed activity.			
Number of households at or below 80% AMI that would lose assistance or need to move	FY2018: 903 households	FY2022 FY2023: 432 households	0 households

MTW Flexibility:

Home Forward is utilizing our MTW flexibilities to give the agency authority to provide a contract transfer option to non-RAD property owners under a PBV contract and require Project Owners requesting a contract transfer to provide the same or better unit upon completion, as described above. The requested waiver authority will increase or preserve the number of affordable housing units in the community and decrease the number of households forced to move due to the contract transfer.

19 Program Transfer Flexibility Bridge

Approved FY2020, Implemented FY2020

Under current regulations, whenever an active household transfers from one Home Forward program to another (eg from Public Housing to a Housing Choice Voucher), agency staff is required to administer complicated waitlist preferences, assess eligibility, and perform a full certification of eligibility for that household. Depending on when the household's regular recertification is due, this means staff could be recertifying the household's continuing program eligibility shortly before or after the certification of eligibility for the new program, resulting in an expensive and unnecessary duplication of efforts. This issue has increased significantly with the agency's Rental Assistance Demonstration (RAD) efforts, and has impacts on both staff and residents alike.

MTW authorization:

Attachment C, Section C(4) - Initial, Annual, and Interim Review Process (Public Housing)

Attachment D, Section D(3) – Eligibility of Participants (HCV)

Attachment D - Use of Funds Amendment to Attachment D of the Amended and Restated MTW Agreement.

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

The new Program Transfer Flexibility Bridge removes the requirement that staff run a full eligibility certification for households transferring between Home Forward MTW programs. Instead, staff will use information from the household's most recent recertification to determine eligibility. The household will retain their existing anniversary date, but otherwise be subject to all policies regarding income eligibility and recertifications in the new program. This initiative would also align waitlist preferences differently to ensure that program transfers occur more seamlessly without additional administrative burden.

In a sense, this is a temporary activity designed to bridge the time period until Home Forward has converted all public housing to a voucher-based model, at which time all potential transfers will occur within the voucher program. By waiving the need for a full eligibility certification and utilizing existing data, and by aligning waitlists between programs, Home Forward will reduce the staff time and costs of running the same data multiple times within a short period and streamline the transfer process.

Changes or Modifications to Activity:

We do not anticipate any changes to this activity.

Activity Metrics

Metric	Baseline	Benchmark	Final Projected Outcome
CE #1: Agency cost savings			
Total cost of task in dollars (decrease).	FY2020: \$6,007	FY2022 FY2023 : \$0	At least \$0
CE #2: Staff Time Savings			
Total time to complete the task in staff hours (decrease).	FY2020: 229 hours	FY2022 FY2023 : 0 hours	0 hours
CE #3: Decrease in Error Rate of Task Execution			
Average error rate in completing task as a percentage (decrease).	FY2020: 7.5%	FY2022 FY2023 : 0%	0%

Cost Implications

Home Forward anticipates this activity will reduce the administrative and staff time costs of program transfers resulting in an overall savings of \$6,007 and 229 staff time hours in the initial year.

Justification for MTW Flexibility

This activity is authorized under provisions of Attachment C Section C(4) - Initial, Annual, and Interim Review Process (Public Housing), Section D(3) – Eligibility of Participants (HCV), and the Use of Funds Amendment to Attachment D of the Amended and Restated MTW Agreement.

20 Local Inspection Policies

Approved FY2020, Implemented FY2021

Under current regulations (24 CFR 982.405(a), 983.103(d)), public housing authorities are required to inspect the unit not less often than biennially during the term of the Housing Authority Payment (HAP) contract. In the event of a local disaster, emergency, or other situation which affects the health and/or safety of Home Forward participants, residents, staff, and/or the general public, Home Forward may implement certain temporary changes to biennial inspection protocols to ensure continuity of safe operations to the extent possible and practical. This modification was proposed in response to the COVID-19 pandemic, which has created a need for physical and social distancing to protect against the spread of the disease. In compliance with the recommendations of the Centers for Disease Control (CDC), the “Stay Home Stay Safe” Executive Order issued by Oregon Governor Brown, and other guidance from local, state, and federal agencies, Home Forward reduced contact between individuals, including closing offices to the public and reducing the number of employees in the office. As a result, Home Forward foresees that some operations may need to be modified and/or deferred to a later time in response to the COVID-19 pandemic and in response to future local disasters or emergencies to protect the health and safety of Home Forward staff, residents, and participants. The proposed inspection protocols which Home Forward may temporarily implement are:

MTW authorization:
 Attachment C, Section D(5) - Ability to Certify Housing Quality Standards

 Attachment C, Section D(7)(d): Establishment of an Agency Section 8 Project-Based Program

Statutory objective:
 Reduce cost and achieve greater cost effectiveness in Federal expenditures

- Home Forward may extend the validity of a family’s most recently completed biennial HQS inspection by one year.
- The due date of the family’s next biennial HQS inspection would be one year from the original due date, and subsequent inspections would occur on a regular biennial schedule based on the new adjusted biennial due date.
- Home Forward will continue to perform emergency inspections and initial HQS inspections in un-occupied units.

When implemented, these temporary changes will be ended or adjusted as soon as it is safe, feasible, and practical to do so. These changes will be implemented in response to the COVID-19 pandemic, and may be reenacted in the future in response to another local disaster, emergency, or other crisis situation.

Activity Metrics

Metric	Baseline	Benchmark	Final Projected Outcome
Agency Cost Savings (Standard Metric CE #1):			
Total cost of task	FY2020: \$744,190	FY2022 FY2023 : \$0	Less than \$701,000 annually
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2020: 7,730 hours	FY2022 FY2023 : 0 hours	Less than 7,250 hours annually
Decrease in error rate of task execution (Standard Metric: CE#3)			
Average error rate in completing task	FY2020: 3.5%	FY2022 FY2023 : 3.5%	Maintain 3.5% or less

Cost Implications

Home Forward anticipates this activity will defer the administrative and staff time costs of inspections resulting in an overall savings of \$43,190 and 480 staff time hours in the initial year.

Justification for MTW Flexibility

Under current regulations (24 CFR 982.405(a), 983.103(d)), public housing authorities are required to inspect the unit not less often than biennially during the term of the Housing Authority Payment (HAP) contract. This activity proposes to waive these regulations as outlined above and is authorized under provisions of Attachment C, Section D(5) Ability to Certify Housing Quality Standards and Attachment C, Section D(7)(d): Establishment of an Agency Section 8 Project-Based Program of the Amended and Restated MTW Agreement.

21 Self Certification of Income

Approved FY2021, Implemented FY2021

As evidenced by the COVID-19 public health emergency, there are circumstances during which temporarily accepting self-certification of income is necessary to maintain efficient operations and promote housing stability. Home Forward implemented HUD waivers allowing self-certification of income in responses to the COVID-19 public health emergency provided in the current HUD Notice PIH 2020-33(HA) Rev-2 which was preceded by HUD Notices PIH 2020-05, PIH 2020-13, and PIH 2020-33 (HA). In the case that these waivers expire during the COVID-19 pandemic, Home Forward may continue to accept self-certification as the highest form of income verification to process annual and interim reexaminations. Home Forward may also accept self-certification of income as the highest form of income verification to process annual and interim reexaminations in response to future local, State, or National emergencies or disasters that result in significant barriers to households being able to access information from their employer to verify their income. This proposed activity will support the statutory objective: "Reduce cost and achieve greater cost effectiveness in federal expenditures" as demonstrated in the Activity Metric section below. The proposed protocols which Home Forward may temporarily implement in response to the COVID-19 and other local, state, or national emergencies or disasters are:

MTW authorization:

Attachment C, Section D(3)(b) – Eligibility of Participants

Attachment C, Section C(2) – Local Preferences and Admission and Continued Occupancy Policies and Procedures

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

- 1) **Annual Re-examination Income Verification (PH and HCV-3):** Home Forward may forgo third-party income verification requirements for annual reexaminations. Home Forward may consider self-certification as the highest form of income verification to process annual reexaminations. This may occur over the telephone (with a contemporaneous written record by a Home Forward staff person), through an email or postal mail with a self-certification form by the tenant, or through other electronic communications. After a period of temporarily using this alternative flexibility, Home Forward will be responsible for addressing any material discrepancies that may arise later. For example, if a tenant self-certified that the tenant lost their job, but later the EIV Income Validation Tool (IVT) shows that the tenant's employment continued, Home Forward will take enforcement action in accordance with our policies and procedures. While HUD waives the use of EIV (e.g., HUD Notice PIH 2020-33 (HA) Rev-2, Home Forward may also forgo the use of EIV when doing annual re-examination income verification but must resume use of EIV when HUD waivers are no longer in effect.
- 2) **Interim Re-examinations (PH and HCV-4):** Home Forward may forgo third-party income verification requirements for interim reexaminations. Home Forward may consider self-certification as the highest form of income verification to process interim reexaminations. This may occur over the telephone (with a contemporaneous written record by a Home Forward staff person), through an email with a self-certification form by the family, or through other electronic communications. After a period of temporarily using this alternative flexibility, Home Forward will be responsible for addressing any material discrepancies that may arise later. For example, if a tenant self-certified that the tenant lost their job, but later the EIV Income Validation Tool (IVT) shows that the tenant's employment continued, Home Forward will take enforcement action in accordance with our policies and procedures. While HUD waives the use of EIV (e.g., HUD Notice PIH 2020-33 (HA) Rev-2, Home Forward may also forgo the use of EIV when doing annual re-examination income verification but must resume use of EIV when HUD waivers are no longer in effect.

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	FY2021: \$127,195	FY2022 FY2023: \$95,396	Less than \$95,400 annually
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2021: 3,027 hours	FY2022 FY2023: 2,270 hours	Less than 2,300 hours annually
Decrease in error rate of task execution (Standard Metric: CE#3)			
Average error rate in completing a task	FY2021: 5.5%	FY2022 FY2023: 5.5% or less	Maintain 5.5% or less

Cost Implications:

Home Forward anticipates cost savings of \$31,795 as a result of implementing this activity.

MTW Flexibility: This proposed activity is authorized by MTW flexibility, specifically:

- Attachment C, Section D(3)(b): “The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations”; and
- Attachment C, Section C(2): “...the Agency is expressly authorized to adopt a local system of income verification in lieu of the current HUD system. For example, the Agency may implement alternate time frames for validity of verification or adopt policies for verification of income and assets through sources other than those currently allowed under the 1937 Act.”

This activity allows Home Forward to provide efficient service to people earning low-incomes as needed, including during local, state, or national disasters that pose a risk to the health and safety of residents, participants, staff, and the community.

22 Modernizing HCV/PBV Oral Briefings

Approved FY2021, Implemented FY2021

Under 24 Code of Federal Regulations (CFR) 982.301, Public Housing Authorities are required to provide families eligible to participate in the voucher program with an “oral briefing”. During the COVID-19 public health emergency, Home Forward implemented HUD waiver HCV-2 provided in HUD Notice PIH 2020-05, which was extended and superseded by HUD Notice PIH 2020-13 and the current notice, HUD PIH Notice 2020-33(HA) Rev-2, allowing flexibility in how the required oral briefing for HCV and PBV households are conducted. Home Forward proposes conducting required oral briefings for new HCV and PBV households by other means in response to COVID-19 and in the future when necessary to protect the health and safety of participants and staff due to local, state, or national state of emergencies or disasters. Home Forward also proposed to use this flexibility on a case by case basis if an individual or household faces extenuating circumstances that prevent them from coming to an in person oral briefing. In these individual cases, Home Forward will note the extenuating circumstances in the tenant file.

MTW authorization:

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

These other means may include: webcast, video call, or expanded information packet. Home Forward will ensure that the method of communication for the briefing effectively communicates with, and allows for equal participation of, each family member, including those with vision, hearing, and other communication-related disabilities, and ensures meaningful access for persons with limited English proficiency.

This proposed activity advances the statutory objective to: “Reduce cost and achieve greater cost effectiveness in federal expenditures” as outlined in the Activity Metrics section below.

Changes or modifications:

We are not anticipating any changes to this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	FY2021: \$14,177	FY2022FY2023: Less than \$8,861	Less than \$8,900 annually
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2021: 312 hours	FY2022FY2023: 195 hours	At least 195 hours

Cost Implications:

Home Forward does not anticipate any cost implications as a result of this proposed activity.

MTW Flexibility:

This proposed activity is authorized by MTW flexibility, specifically:

- Attachment C, Section B(1)(b): "...the Agency can carry out the purposes of the MTW Demonstration Program to provide flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in Federal expenditures..."
- Attachment C, Section B(1)(b)(iii): "The provision of housing or employment-related services or other case management activities, such as housing counseling in connection with rental or homeownership assistance, energy auditing, activities related to the provision of self-sufficiency and other services, employment counseling, education, training and other services related to assisting tenants, owners, contractors, and other persons or entities participating or seeking to participate in other housing or training and educational activities assisted pursuant to this section."

This activity allows Home Forward to provide efficient service to people earning low-incomes as needed, including during local, state, or national disasters that pose a risk to the health and safety of residents, participants, staff, and the community.

B. Not Yet Implemented Activities

Home Forward does not have any approved activities yet to be implemented.

C. Closed Out Activities

12 Alternative Initial Housing Assistance Policy

Approved FY2015, Never Implemented

Home Forward determined that the administrative costs to manage this activity would offset the proposed savings.

Alternate Rent Calculation for Public Housing Units

Approved FY2011, Implemented FY2022, Closed Out FY2012

This activity was discontinued on April 1, 2012 when our current Rent Reform activity was implemented and the units at those buildings shifted to the Rent Reform calculation.

Limits for Zero-Subsidy Participants

Approved FY2012, Implemented FY2020, Closed out FY2012

This activity was discontinued on April 1, 2012 with the implementation of Rent Reform.

Limiting Portability in Higher Cost Areas

Approved FY2013, Never Implemented

Home Forward determined that the administrative costs to manage this activity would offset the proposed savings.

04 Bud Clark Commons

Approved FY2010, Implemented FY2010, Closed Out FY2014

Home Forward has determined that operations at Bud Clark Commons do not utilize MTW flexibility.

05 Biennial Inspections

Approved FY2008, Implemented FY2008, Closed out FY2015

The FY2014 Appropriations Act allows all housing authorities to conduct inspections on a biennial basis. This activity no longer requires MTW flexibility.

Sources and Uses of MTW Funds

Estimated Sources and Uses of MTW Funds

i. Estimated Sources of MTW Funds

The MTW PHA shall provide the estimated sources and amount of MTW funding by Financial Data Schedule (FDS) line item.

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
70500 (70300+70400)	Total Tenant Revenue	\$-\$0
70600	HUD PHA Operating Grants	\$109,476,812 127,365,918
70610	Capital Grants	\$351,753 358,788
708000	Other Government Grants	\$-\$0
70700 (70710+70720+70730+70740+ 70750)	Total Fee Revenue	\$-\$0
71100+72000	Interest Income	\$-\$0
71600	Gain or Loss on Sale of Capital Assets	\$-\$0
71200+71300+71310+71400+7 1500	Other Income	\$11,163,140 11,386,403
70000	Total Revenue	\$120,991,705 139,111,109

ii. Estimated Uses of MTW Funds

The MTW PHA shall provide the estimated uses and amount of MTW spending by Financial Data Schedule (FDS) line item.

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
91000 (91100+91200+91400+91500+ 91600+91700+91800+91900)	Total Operating - Administrative	\$11,564,099 11,911,022
91300+91310+92000	Management Fee Expense	\$-\$0
91810	Allocated Overhead	\$4,127,343 4,251,164
92500 (92100+92200+92300+92400)	Total Tenant Services	\$67,760 69,793
93000 (93100+93600+93200+93300+ 93400+93800)	Total Utilities	\$44,000 48,400
93500+93700	Labor	\$-\$0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$1,338,060 1,378,802
95000 (95100+95200+95300+95500)	Total Protective Services	\$-\$0
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$114,430 131,594

96000 (96200+96210+96300+96400+ 96500+96600+96800)	Total Other General Expenses	\$669,239689,316
96700 (96710+96720+96730)	Total Interest Expense & Amortization Cost	\$-0
97100+97200	Total Extraordinary Maintenance	\$-0
97300+97350	HAP + HAP Portability-In	\$103,061,426120,626,110
97400	Depreciation Expense	\$5,3485,508
97500+97600+97700+97800	All Other Expense	\$-0
90000	Total Expenses	\$120,991,705139,111,109

Please describe any variance between Estimated Total Revenue and Estimated Total Expenses:

We have no variance between Estimated Total Revenue and Estimated Total Expenses.

iii. Description of Planned Use of MTW Single Fund Flexibility

The MTW PHA shall provide a thorough narrative of planned activities that use only the MTW single fund flexibility. Where possible, the MTW PHA may provide metrics to track the outcomes of these programs and/or activities. Activities that use other MTW authorizations in Attachment C and/or D of the Standard MTW Agreement (or analogous section in a successor MTW Agreement) do not need to be described here, as they are already found in Section (III) or Section (IV) of the Annual MTW Plan. The MTW PHA shall also provide a thorough description of how it plans to use MTW single fund flexibility to direct funding towards specific housing and/or service programs in a way that responds to local needs (that is, at a higher or lower level than would be possible without MTW single fund flexibility).

PLANNED USE OF MTW SINGLE FUND FLEXIBILITY

Replacement Housing Factor Funds/Demolition or Disposition Transition Funding

Home Forward’s efforts to reposition its public housing portfolio can result in a formal disposition approval from HUD and then the sale of the asset. In these instances, Replacement Housing Factor (RHF) or Demolition or Disposition Transitional Funding (DDTF) funds are received by Home Forward as part of the Capital Fund Formula and used to create a new public housing unit. Home Forward utilizes MTW authority to use these RHF or DDTF funds within its single fund flexibility to create new public housing units in a mixed-finance project. In doing so, these funds provide a portion of the total development capital needed for a particular project. Given the development cash flow needs of any particular mixed-finance project, Home Forward may also use these funds to repay construction financing. This would be done without formally pledging the future RHF or DDTF funds to the lender as collateral.

MTW Initiative Funds

Home Forward has created MTW Initiative Funds, comprised of Home Forward’s MTW block grant funding. Funding for these programs is first provided by a combination of PHA and HUD-held reserves prior to using any current year appropriations. This is a funding source to support initiatives that will advance the goals and objectives of MTW and Home Forward’s Strategic Operations Plan. Some of these initiatives are aspects of our MTW Activities, described earlier in this Plan.

Listed below are initiatives that only use single-fund flexibility:

- Action for Prosperity: Action for Prosperity is a partnership between Home Forward, Worksystems, Inc., the Multnomah County Anti-Poverty system, and the State Department of Human Services. Each system leverages its resources by delivering core services and utilizing the other systems to provide wrap-around supports. With access to stable housing, the appropriate level of case management, and priority access to workforce services, we believe that a significant number of households will be able to develop the skills they need to gain employment within two years. Home Forward contributes rent assistance, in the form of Program Based Assistance, which is contracted to agencies in the Anti-Poverty system who use it to help stabilize families who are engaged in training or employment programming.

- **Families Forward:** Families Forward is the umbrella name for our strategic initiatives designed to help youth attain education success in order to alleviate or exit poverty, and to help adults make economic progress, with the ultimate goal of exiting poverty for those who are able.
 - For adults, the current priority is to create a single framework for all of the agency's Economic Opportunity efforts, integrating the following four strategies: collecting information about families through an Employment and Training Interest Inventory; aligning existing self-sufficiency programs into a single program called GOALS, with site-based and non-site based components; facilitating the hiring of low-income (Section 3) residents and participants by Home Forward and contractors; and integrating Action for Prosperity (mentioned above) into Economic Opportunity work. Ultimately, the goals for this initiative include increases in resident/participant earned income, increases in residents'/participants' contribution to rent, and residents/participants reaching a living wage if they exit housing subsidy.
 - Youth Initiatives: Home Forward's youth and education work for the next fiscal year will largely focus on early childhood (children prenatally through age 8) in several key areas: improving school attendance, especially in the early grades; increasing our support of parents with children ages 0-5 to improve school readiness; and aligning our services with key educational and parent support partners to improve parent and child well-being and school readiness. These efforts will be coordinated with local sector partners and collective impact efforts focused on creating a more seamless early childhood system of support and addressing chronic school absence across Multnomah County.
- **Aging at Home Strategies:** Home Forward is developing and implementing initiatives to increase independence and a sense of community at our properties that serve seniors and people with disabilities. We have hired a Health & Support Services Coordinator to assist in the enhancement and development of partnerships and systems alignment with a variety of partners including Aging & Disability Services, Cedar Sinai Park, Care Oregon, Health Share and Family Care, clinics and educational bodies. In addition, we plan to continue administering the Congregate Housing Services Program at five properties and are evaluating expansion of this program and/or implementing certain aspects of this program at other properties.
- **Staff Training:** Home Forward's current strategic plan (2016-2020) recognizes that how our work is done matters to our community and staff. To strengthen our relationship with the people we serve and with each other, Home Forward continues to re-evaluate best practices and approaches to offer relevant information and training for staff. Training includes Trauma- Informed practice, a recognized model that recognizes the impact trauma can have on people and commits to not repeating traumatic experiences. The goal is to provide staff with knowledge and tools suitable for their position to recognizing symptoms of trauma and applying trauma informed awareness in engaging in the work and to support this by creating Trauma Informed policies and procedures that encourage healing and a sense of safety.
- **Security Deposit Assistance:** Home Forward uses single-fund flexibility to offer security deposit assistance to two populations: participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, and former foster youth leasing up with Family Unification Program (FUP) vouchers. For homeless veterans, a lack of funds for security deposits is a serious barrier to successful use of VASH vouchers. Similarly, youth aging out of the foster care system often do not have the resources to pay for security deposits when trying to utilize FUP vouchers. Security deposit assistance is a key support to finding housing for veterans and youth. Home Forward's funds are to be used only when the service agencies working with these populations are not able to otherwise arrange for deposit assistance.
- **Tenant Education Class and Deposit Assistance:** During FY2016, Home Forward entered into a contract with a community- based tenant advocate organization, the Community Alliance of Tenants (CAT), to teach new and transferring Housing Choice Voucher holders about their rights and responsibilities as tenants. Upon completing the class, voucher holders are given one- time access to \$200 in deposit assistance for their housing search. This partnership grew out of concern that in the current competitive rental market, and with the recent changes in Oregon landlord/tenant law, voucher holders needed more education about how to be successful applicants and tenants.
- **Inter-jurisdictional Transfer Program for Survivors of Domestic Violence:** In collaboration with other MTW- authorized housing authorities and the local domestic violence service system, Home Forward has implemented an inter-jurisdictional transfer program to assist participants who are survivors of domestic violence. The program ensures continued access to stable and safe housing when it is deemed necessary that the household move to another jurisdiction to avoid violence that is likely to become lethal or near-lethal. A local domestic violence service provider has assigned two full-time advocates to work on-site with Home Forward participants and residents. The advocates can recommend voucher participants to this transfer program and provide advocacy and assistance with relocation to the new jurisdiction. Clients are connected

with a local domestic violence agency in the new jurisdiction for support after their transfer. Home Forward allocates up to \$2,000 per household for relocation costs, for up to five households each year. In addition, Home Forward intends to absorb the vouchers of up to five families referred by partnering MTW agencies.

- **Section 8 Success Fund:** Home Forward is testing two pilot programs in an effort to increase utilization rates and decrease the number of days to lease up for Housing Choice Voucher (HCV) households. The Success Fund is jointly funded by the City of Portland and Home Forward MTW Initiative Funds.
 - **Security and Success Loan:** HCV households of 30% AMI or more are offered low-interest loans with affordable re-payment terms in order to assist with moving related costs, such as security deposits. Home Forward has partnered with Local Community Development Financial Institution; Innovative Changes is serve as the lender. The loan is also an opportunity for credit building and financial education.
 - **Housing Search Advocates:** Home Forward contracts with three Housing Search Advocates to provide housing search and placement assistance to HCV households. The Advocates are employed by two non-profits who specialize in housing, Transition Projects Inc. and Human Solutions. Along with case management supports, the Advocates can also provide a limited amount of financial assistance to help reduce barriers to housing such as security deposits, application fees, and transportation for the housing search.
- **Expungement Partnership:** Home Forward is collaborating with Metropolitan Public Defender (MPD), a non-profit legal firm, to provide legal services to assist Home Forward residents, participants, and waitlist households with criminal record expungements along with consultation on any outstanding obligations to the court system. By reducing a barrier to housing and employment that is associated with a criminal background, Home Forward will help residents gain greater housing choice options in our community and ability for increased opportunity for work focused households to obtain employment. Home Forward also plans to see a decrease in administrative costs related to screening denials as an outcome of this project. Home Forward is using MTW Initiative Funds to support this program.
- **Affordable Housing Opportunities:** With incredibly low vacancy rates and a lack of affordable housing, Home Forward is dedicated to preserving and increasing the number of housing units in our community. Home Forward will use MTW Initiative Funds to leverage additional funding for the preservation of existing affordable housing and development of new affordable housing. By using methods such as site acquisition, predevelopment loans, and gap financing, Home Forward is able to invest in projects to expand the availability of housing that is affordable to families at different income levels in our community.
- **Grant shortfalls:** A large share of tenant/resident services are funded from grants and foundations. These funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, any costs not eligible for state and local grants will be funded by single-fund flexibility.
- **Emergency fund:** In the event of an emergency that affects a public housing family’s ability to live safely in their unit, Home Forward has created a fund to help the family temporarily find safe housing in a hotel.
- **Landlord portal:** Home Forward is developing an e-Center which will allow landlords to electronically process a Request for Tenancy Approval, view and schedule inspections, view payment information, and communicate with Home Forward. It is our objective to streamline the entire process and reduce the time required to lease an apartment or home to a voucher holder. Our staff is working with stakeholders to identify critical requirements and to develop a roadmap to deploying a beneficial tool to both our landlords and Home Forward.
- **MTW Operating Reserve:** Home Forward will set aside funds each year, as determined by the Board of Commissioners, towards building an Operating Reserve sufficient for Operating Expenses and Housing Assistance Payments.

iv. Planned Application of PHA Unspent Operating Fund and HCV Funding

Original Funding Source	Beginning of FY - Unspent Balances	Planned Application of PHA Unspent Funds during FY
HCV HAP*	\$11,412,44319,616,708	\$0
HCV Admin Fee	\$0	\$0
PH Operating Subsidy	\$0	\$0

TOTAL:	\$11,412,113 19,616,708	\$0
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Description of Planned Expenditures of Unspent Operating Fund and HCV Funding

Home Forward is planning on utilizing all of its current year Admin Fee and Operating Subsidy Revenue. The reserves will be made up of solely HCV funds. Home Forward will continue to use its MTW authority to meet its financial and programmatic goals.

Home Forward anticipates not having to use any previously unspent balances unless there are unforeseen needs or shortage of funding for the upcoming year Home Forward could provide a revised schedule if that situation were to occur.

* Unspent HAP funding should not include amounts recognized as Special Purpose Vouchers reserves.

** HUD's approval of the MTW Plan does not extend to a PHA's planned usage of unspent funds amount entered as an agency's operating reserve. Such recording is to ensure agencies are actively monitoring unspent funding levels and usage(s) to ensure successful outcomes as per the short- and long-term goals detailed in the Plan.

For HCV funding, the biannual cash management reconciliation for HUD-held reserves includes both HCV and SPV reserves. MTW PHA(s)' accounting records should include sufficient detail to report on the amount that are HCV versus SPV reserves. Where possible, please identify the planned use, the estimated amount, to which funding source the planned use(s) is attributable, as well as the projected timeline or timeline update.

Note: the information collected in this section is to fulfill MTW programmatic reporting requirements and does not replace the MTW PHA's obligation to annually complete its audited financial statements through HUD's Financial Data Schedule.

Local Asset Management Plan

- i. Is the MTW PHA allocating costs within statute? **NO**
- ii. Is the MTW PHA implementing a local asset management plan (LAMP)? **YES**
- iii. Has the MTW PHA provide a LAMP in the appendix? **YES**
- iv. If the MTW PHA has provided a LAMP in the appendix, please describe any proposed changes to the LAMP in the Plan Year or state that the MTW PHA does not plan to make any changes in the Plan Year.

Home Forward does not plan to make any changes to its Local Asset Management Plan in FY2021.

Rental Assistance Demonstration (RAD) Participation

i. Description of RAD Participation

The MTW PHA shall provide a brief description of its participation in RAD. This description must include the proposed and/or planned number of units to be converted under RAD, under which component the conversion(s) will occur, and approximate timing of major milestones. The MTW PHA should also give the planned/actual submission dates of all RAD Significant Amendments. Dates of any approved RAD Significant Amendments should also be provided.

RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION

Additional detail about Home Forward's RAD conversion can be found in Attachment R

Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.

NO

If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?

N/A

Administrative

Board Resolution and Certifications of Compliance

[\[Insert signed Board resolution here\]](#)

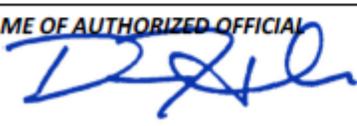
OMB Approval No. 2577-0216 (exp. 3/31/2024)

CERTIFICATIONS OF COMPLIANCE
<p><i>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</i> <i>OFFICE OF PUBLIC AND INDIAN HOUSING</i></p> <p>Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan</p>
<p>Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chair or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (01/01/2023), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:</p> <ol style="list-style-type: none"> (1) The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment. (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan. (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD). (4) The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990. (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located. (6) The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan. (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements set out in HUD regulations found at Title 24 of the Code of Federal Regulations, including regulations in place at the time of this certification, and any subsequently promulgated regulations governing the obligation to affirmatively further fair housing. The MTW PHA is always responsible for understanding and implementing the requirements of HUD regulations and policies, and has a continuing obligation to affirmatively further fair housing in compliance with the 1968 Fair Housing Act, the Housing and Community Development Act of 1974, The Cranston-Gonzalez National Affordable Housing Act, and the Quality Housing and Work Responsibility Act of 1998. (42 U.S.C. 3608, 5304(b)(2), 5306(d)(7)(B), 12705(b)(15), and 1437C-1(d)(16)). The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15, which means that it will take meaningful actions to further the goals identified in its Analysis of Impediments to Fair Housing Choice(AI),Assessment of Fair Housing (AFH), and/or other fair housing planning documents conducted in accordance with the requirements of 24 CFR Part 5, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o), and will address impediments to fair housing choice identified in its AI, AFH, and/or other fair housing planning documents associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91. (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146. (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identity, or marital status. (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped. (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 75.

form HUD 50900: Certifications of Compliance (3/2021)
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- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 225 (Cost Principles for State, Local and Indian Tribal Governments) and 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982 or as approved by HUD, for any Housing Choice Voucher units under administration.
- (22) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (23) All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

Home Forward	OR002
MTW PHA NAME	MTW PHA NUMBER/HA CODE
<p><i>I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).</i></p>	
Damien R. Hall	Board Chair
NAME OF AUTHORIZED OFFICIAL	TITLE
	September 12, 2022
SIGNATURE	DATE

form HUD 50900: Certifications of Compliance (3/2021)
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Documentation of Public Process

Ad Content Proof



Number of Attendees: 0

Public Comments

Home Forward did not receive public comment.

Home Forward received public comment from three community members during the public hearing. Commenters expressed appreciation for Home Forward's eviction prevention efforts and Moving to Work activities. There was a suggestion to alert Home Forward residents via text message and e-mail when Home Forward's internal eviction moratorium ends and include information about the "safe harbor" provisions of Senate Bill 278 in case residents are not able to afford their current months rent on Nov 1, 2021.

Planned and Ongoing Evaluations

Home Forward is not participating in any third-party evaluations at this time.

Lobbying Disclosures

OMB Approval No. 2577-0157 (Exp. 01/31/2017)

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Applicant Name _____

Home Forward

Program/Activity Receiving Federal Grant Funding _____

Moving To Work

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Ivory N. Mathews	Executive Director

Signature	Date (mm/dd/yyyy)
	09/12/2022

Previous edition is obsolete

form HUD 50071 (01/14)
ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3

Appendix A

Local Asset Management Plan

Home Forward Asset Management Program

The First Amendment to the Amended and Restated Moving to Work (MTW) Agreement allows Home Forward to develop a local asset management program for its Public Housing Program. The following describes Home Forward's asset management program and identifies where differences exist from HUD's asset management guidance.

Home Forward's Local Asset Management Program

Home Forward operates a property/project-based management, budgeting, accounting, and reporting system. Our project-based management systems include:

Annual budgets are developed by on-site property managers. These budgets are reviewed and further consolidated into portfolio level budgets managed by housing program managers.

Budgets at the property level are provided an allocation of public housing operating subsidy based on factors which differentiate subsidy based on building age, type, size, and relative poverty of the population of the various public housing properties.

Weekly monitoring of occupancy by property, including notices, vacancies, and applicants, is published to the Public Housing management and Executive management.

Monthly property-based financial reports comparing month-to date and year-to-date actual to budget performance for the current year are provided to site managers, portfolio managers, and the Director of Property Management. These reports are available to other management staff as needed to monitor specific properties.

- Monthly reviews are held at the property level with Site Managers and their portfolio management.
- Quarterly reviews of the Public Housing portfolio in its entirety are held at the division level with Property Management Director and Regional Property
- Managers, as well as the Chief Operating Officer and Chief Financial Officer. This review covers each property Net Operating Income and Cash Flow.

Home Forward applies the same project/program based budgeting system and financial performance review to its Housing Choice Voucher program, local MTW programs, and non-federal programs and properties.

Home Forward's Cost Objectives

OMB Circular A-87 defines cost objective as follows: Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. The Cost Objectives for Home Forward's asset management program are the organizational subdivisions:

Public Housing properties - includes resident services and management staff directly supporting this program

Rent Assistance programs - includes management staff directly supporting this program and Family Self Sufficiency staff (including those supporting Public

Housing residents)

Moving to Work - includes activities related to our MTW agreement and local programs

Affordable Housing

Development

Home Forward's Treatment of Certain Costs

Under OMB Circular A-87, there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances, either as a direct or an indirect cost. Consistent with OMB Circular A-87 cost principles, Home Forward has identified all of its direct costs and segregated all its costs into pools, as either a direct, direct allocated, or indirect allocated. We have further divided the indirect allocated pool to assign costs based on a relevant metric, as described in Attachment 1.

CORE Maintenance: Home Forward is committed to a cost effective approach to managing our public housing assets. As such, Home Forward has developed a balance of on-site capacity to perform property manager functions and basic maintenance/handyman services, with more skilled services performed by a centralized group of trades and specialty staff (CORE maintenance). CORE maintenance performs services covering plumbing and electrical repairs, painting and pest control, as well as garbage and recycling. Although these maintenance functions are performed centrally, the decisions and control remains at the property level as it is the property manager and/or housing program manager who determines the level of service required from the CORE maintenance group. All services are provided on a fee for service basis.

Procurement: Home Forward has adopted procurement policies that balance the need for expedient and on-site response through delegated authorization to site staff for purchases under \$5,000. Purchases greater than this limit requires engaging central procurement. The Procurement staff are well trained in the special requirements of procuring goods and services for a federal program and provides necessary contract reporting requirements as well. Central procurement services are part of Home Forward's indirect overhead allocation.

Human Resources: Along with the public housing program and its Section 8 voucher program, Home Forward has non-federal affordable properties, a development group, and locally funded rent assistance programs. Home Forward's Human Resources department serves the entire agency and certain human resource activities that HUD would consider a direct cost, such as recruitment and pre-employment drug testing and screening, are centralized and are part of Home Forward's indirect overhead allocation. Home Forward has determined that the cost of keeping extremely detailed records of HR activity for direct cost assignment exceeds the value received from such effort.

Information Technology: Hardware and software costs will be directly charged to the appropriate cost objective when such costs are available and specific to that cost objective. When a reasonable measurement of such IT costs can be obtained, an allocation based on the number of users (computers, software applications, etc.) will be utilized to directly charge the cost objective.

Resident Services: A large share of tenant/resident services are funded from grants and foundations and these funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, any costs not eligible for state and local grants will be funded by Home Forward's public housing properties and housing choice voucher program.

Rent: Home Forward charges rent to each cost objective based on the space they occupy in our central office building. Rent is based on estimated costs and adjusted for actual costs at year-end.

Home Forward’s Treatment of Public Housing Operating Subsidy

Home Forward’s flexibility to use MTW funding resources to support its low-income housing programs is central to our Asset Management Program. Home Forward will exercise our contractual authority to move our MTW funds and project cash flow among projects and programs as the Authority deems necessary to further our mission and preserve our low income housing assets and local programs.

Home Forward’s Indirect Cost Allocations

Costs that can specifically and efficiently be identified to a cost objective are counted as direct costs to that objective. Costs that cannot be readily or efficiently identified as specifically benefiting a cost objective will be considered indirect and allocated. The Home Forward Allocation Process – Process Flow Diagram shown at the end of this policy is a graphic representation of Home Forward’s allocation methodology. Home Forward has determined that some costs, defined as “direct costs” by HUD for asset management, require effort disproportionate to the results achieved and have included those costs as part of the indirect cost pool allocated to cost objectives as overhead.

Home Forward Indirect Costs

OMB Circular A-87 defines indirect costs as those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Home Forward’s indirect costs include, but are not limited to:

Executive

Policy & Planning

Accounting & Finance

Purchasing

Human Resources, including job applicant screening, payroll, labor negotiations & organization wide training

Information Technology: costs not specifically identified and charged as a direct expense to a cost objective

Differences – HUD Asset Management vs. Home Forward Local Asset Management Program

Home Forward is required to describe in the MTW Annual Plan differences between our asset management program and HUD’s asset management program as described in HUD’s Financial Management Guidebook. Below are several key differences:

HUD’s asset management system and fee for service is limited in focusing only on a fee for service at the Public Housing (PH) property level and voucher program. Home Forward has implemented an indirect allocation methodology that is much more comprehensive than HUD’s asset management system which includes all of Home Forward’s cost objectives listed above.

Home Forward has defined the treatment of direct and indirect costs differently than HUD’s asset management program. From the agency perspective, we view the program operations management as direct costs of the program.

These differences include, but are not limited to:

- HUD Indirect/Home Forward Direct:
 - Portfolio and program (“regional”) management, including hiring, supervision and termination of frontline staff is considered a direct cost. These costs are pooled and then allocated to each

property based on units, vouchers, or other relevant metrics. Work with auditors and audit preparation by HCV and PH staff is considered a direct expense. Executive management is considered an indirect cost.

- Storage of HCV and PH records and adherence to federal and/or state records retention requirements will be considered a direct cost of the program.
 - Development and oversight of office furniture, equipment and vehicle replacement plans will be considered a direct cost of the program.
 - Advertising (notification) costs specific to HCV, including applicants and landlords, will be considered a direct expense.
- HUD Direct/Home Forward Indirect:
 - Advertising for new hires will be considered indirect and allocated to the program and properties.
 - Staff recruiting and background checks, etc. will be considered indirect and allocated to the program and properties.
 - Other:
 - Using MTW authority to improve efficiencies across programs, all staff associated with the Family Self Sufficiency program, regardless of serving public housing or housing choice voucher residents, will be considered a direct cost of the housing choice voucher program and managed by the HCV management.
 - Preparation and submission of HCV and public housing program budgets, financial reports, etc. to HUD and others will be either direct or indirect, depending on the department from which the reports are prepared. If prepared by program staff, costs will be considered direct. If prepared by administrative department staff, costs will be considered indirect and allocated to the program and properties.
 - Investment and reporting on HCV proceeds will be either direct or indirect, depending on the department from which the reports are prepared. If prepared by program staff, costs will be considered direct. If prepared by administrative department staff, costs will be considered indirect and allocated to the program and properties.

HUD's rules limit the transfer of cash flow between projects, programs, and business activities. Home Forward intends to fully use its MTW resources and flexibility to move project cash flow among projects as locally determined and use MTW funding flexibility to provide additional funding to public housing properties when appropriate and necessary to provide for and preserve our public housing assets.

HUD's rules provide that maintenance staff be maintained at the property level. Home Forward's asset management program reflects a cost-effective balance of on-site and central maintenance services for repairs, unit turnover, landscaping, and asset preservation work.

HUD's rules provide that purchasing is performed at the property level. Home Forward's asset management program reflects a cost-effective balance of on-site and central purchasing, depending on the total cost of procurement and complexity of applicable procurement laws and reporting requirements.

HUD intends certain property management activities to be at the property level. Home Forward has centralized selected property management functions, including but not limited to denial hearings, occupancy management,

transfers, reasonable accommodations, auditing, training, compliance, and some waitlist management, and will allocate these costs as a direct expense to the properties based on a relevant metric such as units.

Home Forward employs its own development staff. Any work on Public Housing Capital projects will be subject to a cost recovery fee paid from the capital fund to cover costs of development staff engaged in such capital projects.

Balance Sheet Accounts

Most balance sheet accounts will be reported in compliance with HUD's Asset Management Requirements and some will deviate from HUD's requirements, as discussed below:

Cash

Restricted Cash

Petty Cash

Investments

Selected Prepaid Expenses and Deferred Charges

Selected Accrued Liabilities

Payroll Liabilities

Compensated Absences

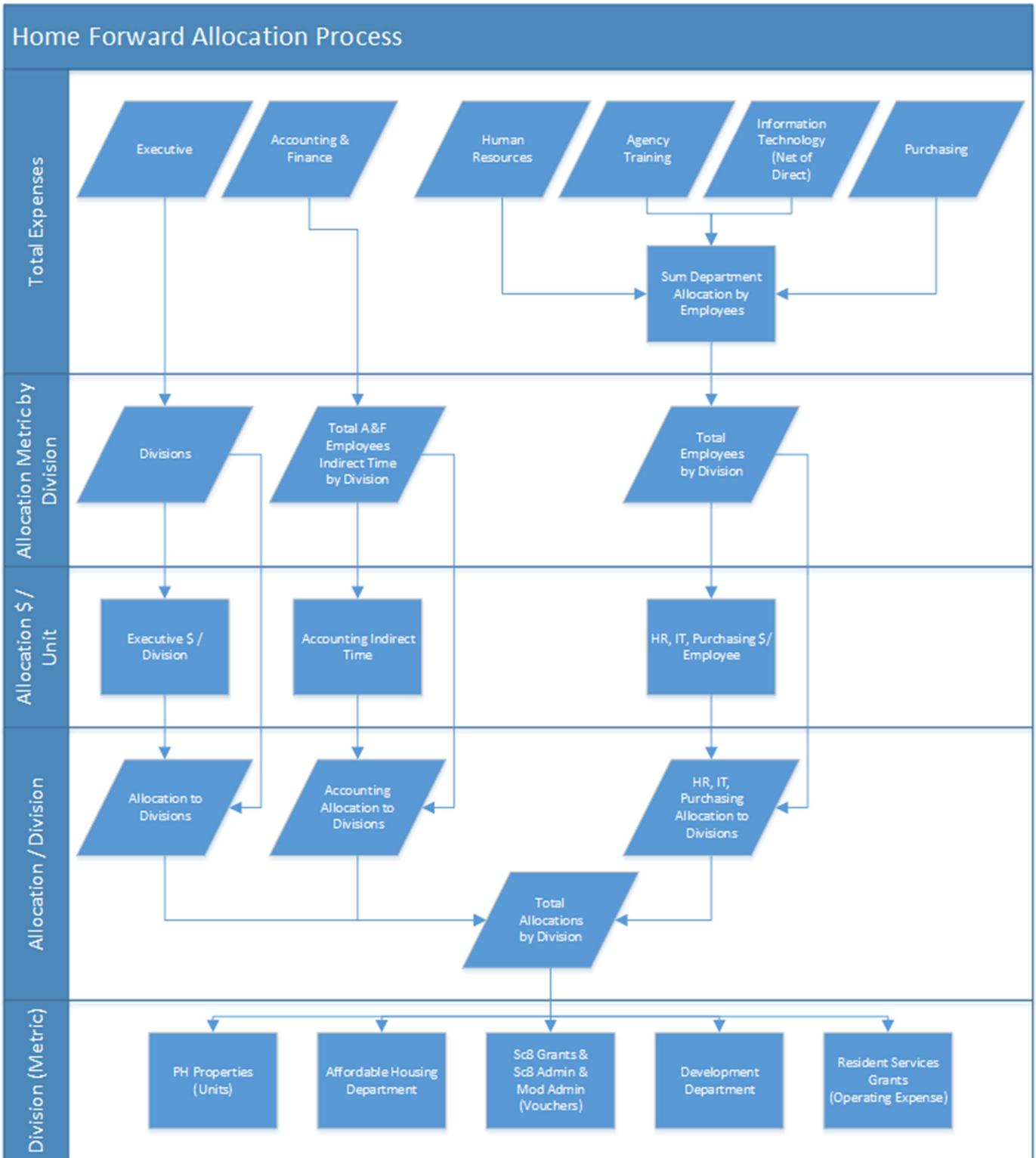
Other Post-Employment Benefits (OPEB) Liability

Unfunded Pension Liabilities (GASB 68)

Unrestricted and Restricted Net Assets

Home Forward's asset management program will maintain the above balance sheet accounts centrally. Maintaining these accounts centrally has proven to be the most cost effective and least labor intensive method ensuring efficient accounting operations and ultimately reducing costs charged to the programs. This deviates from HUD's asset management requirements as these accounts will not be reported at the AMP or program. Additionally, the centralization of cash and investments is in keeping with the single fund precept of our MTW authority. For those balance sheet accounts that are originated from expense entries, the related expenses will continue to be reported as an expense to the appropriate program, department and AMP-based income and expense statement through direct charges or allocations.

The agency is continually reviewing our asset management practices and will likely revise our approach over the coming years.



Appendix B

Resident Rights, Participation, Waiting List, and Grievance Procedures

Section 1.6 – Special Provisions Affecting Conversions to Project-Based Vouchers from PIH Notice 2013-23

C. PBV Resident Rights and Participation

1. **No Re-screening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households.³ Once that remaining household moves out, the unit must be leased to an eligible family. MTW agencies may not alter this requirement.
2. **Right to Return.** See section 1.4.A.4(b) regarding a resident's right to return.
3. **Renewal of Lease.** Since publication of the PIH Notice 2012-32 Rev 1, the regulations under 24 CFR § 983.257(b)(3) have been amended requiring Project Owners to renew all leases upon lease expiration, unless cause exists. MTW agencies may not alter this requirement.
4. **Phase-in of Tenant Rent Increases.** If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is specifying alternative requirements for section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) to the extent necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase in period at three years, five years or a combination depending on circumstances. For example, a PHA may create a policy that uses a three-year phase-in for smaller increases in rent and a five-year phase-in for larger increases in rent.

This policy must be in place at conversion and may not be modified after conversion. The method described below explains the set percentage-based phase-in a Project Owner must follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058. If a family in a project converting from Public Housing to PBV was paying a flat rent immediately prior to conversion, the PHA should use the flat rent amount to calculate the phase-in amount for Year 1, as illustrated below.

Three Year Phase-in:

Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP or flat rent and the standard TTP

Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP

³ These protections (as well as all protections in this Notice for current households) apply when in order to facilitate repairs a household is relocated following the conversion and subsequently returns to the property, even if they are considered a "new admission" upon return.

Year 3: Year 3 AR and all subsequent recertifications – Full standard TTP

Five Year Phase in:

Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP or flat rent and the standard TTP

Year 2: Year 2 AR and any IR prior to Year 3 AR – 40% of difference between most recently paid TTP and the standard TTP

Year 3: Year 3 AR and any IR prior to Year 4 AR – 60% of difference between most recently paid TTP and the standard TTP

Year 4: Year 4 AR and any IR prior to Year 5 AR – 80% of difference between most recently paid TTP and the standard TTP

Year 5 AR and all subsequent recertifications – Full standard TTP

Please Note: In either the three-year phase-in or the five-year phase-in, once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward. MTW agencies may not alter this requirement.

1. **Family Self Sufficiency (FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.** Public Housing residents that are current FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any remaining PH FSS funds, to serve those FSS participants who live in units converted by RAD. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the FY15 Appropriations Act), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, PHAs should note that there are certain FSS requirements (e.g. escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly. All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR Part 984, the participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29, 2014, at 79 FR 78100.⁴ Further, upon conversion to PBV, already escrowed funds for FSS participants shall be transferred into the HCV escrow account and be considered TBRA funds, thus reverting to the HAP account if forfeited by the FSS participant.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future ROSS-SC grants, nor will its residents be eligible to be served by future ROSS-SC grants, which, by statute, can only serve public housing residents.

⁴ The funding streams for the PH FSS Program and the HCV FSS Program were first merged pursuant to the FY 2014 appropriations act. As a result, PHAs can serve both PH residents and HCV participants, including PBV participants, with FSS funding awarded under the FY 2014 FSS Notice of Funding Availability (FSS NOFA) and any other NOFA under which the combination of funds remains in the applicable appropriations act. For PHAs that had managed both programs separately and now have a merged program, a conversion to PBV should not impact their FSS participants.

2. **Resident Participation and Funding.** In accordance with Attachment 1B, residents of Covered Projects with converted PBV assistance will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.
3. **Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the Project Owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.
 1. Termination Notification. HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257 related to Project Owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:
 - a. A reasonable period of time, but not to exceed 30 days:
 - i. If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or ii. In the event of any drug-related or violent criminal activity or any felony conviction;
 - b. 14 days in the case of nonpayment of rent; and
 - c. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
 2. Grievance Process. Pursuant to requirements in the RAD Statute, HUD is establishing additional procedural rights to comply with section 6 of the Act. For issues related to tenancy and termination of assistance, PBV program rules require the Project Owner to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:
 - a. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi),⁵ an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
 - i. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
 - ii. For any additional hearings required under RAD, the Project Owner will perform the hearing.
 - b. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or contract administrator.

⁵ § 982.555(a) (1) (IV) is not relevant to RAD as the tenant-based certificate has been repealed.

- c. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
- d. The Project Owner provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

- 4. **Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited only to persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to disabled persons is waived. The waiver, and resulting alternative requirement, apply only to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion e.g., due to loss of employment; tenants that move into the property following conversion, etc.) is covered by this waiver.

- 5. **Jobs Plus.** Jobs Plus grantees awarded FY14 and future funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance at that site unless significant re-location and/or change in building occupancy is planned. If either is planned at the Jobs Plus target project(s), HUD may allow for a modification of the Jobs Plus work plan or may, at the Secretary's discretion, choose to end the Jobs Plus program at that project.
- 6. **When Total Tenant Payment Exceeds Gross Rent.** Under normal PBV rules, the PHA may only select an occupied unit to be included under the PBV HAP contract if the unit's occupants are eligible for housing assistance payments (24 CFR §983.53(d)). Also, a PHA must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent)) (24 CFR §983.258). Since the rent limitation under this Section of the Notice may often result in a family's TTP equaling or exceeding the gross rent for the unit, for current residents (i.e. residents living in the public housing property prior to conversion), HUD is waiving both of these provisions and requiring that the unit for such families be placed on and/or remain under the HAP contract when TTP equals or exceeds than the Gross Rent. Further, HUD is establishing the alternative requirement that the rent to owner for the unit equal the family's TTP until such time that the family is eligible for a housing assistance payment. HUD is waiving as necessary to implement this alternative provision, the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR 983.301 as modified by Section 1.6.B.5 of this Notice.⁶ In such cases, the resident is considered a participant under the program and all of the family obligations and protections under RAD and PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract.

⁶ For example, a public housing family residing in a property converting under RAD has a TTP of \$600. The property has an initial Contract Rent of \$500, with a \$50 Utility Allowance. Following conversion, the residents is still responsible for paying \$600 in tenant rent and utilities.

Assistance may subsequently be reinstated if the tenant becomes eligible for assistance. The PHA is required to process these individuals through the Form- 50058 submodule in PIC.

Following conversion, 24 CFR §983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program, which means their TTP may not exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has vacated the property; and, if the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR §983.207 or, where "floating" units have been permitted, Section 1.6.B.10 of this Notice.

7. **Under-Occupied Unit.** If a family is in an under-occupied unit under 24 CFR 983.259 at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR 983.259 is waived. MTW agencies may not modify this requirement.

D. PBV: Other Miscellaneous Provisions

1. **Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** PHAs must agree to any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.
2. **Additional Monitoring Requirement.** The PHA's Board must approve the operating budget for the covered project annually in accordance with HUD requirements.⁷
3. **Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** This section has been moved to 1.4.A.13 and 1.4.A.14.
4. **Establishment of Waiting List.** 24 CFR § 983.251 sets out PBV program requirements related to establishing and maintaining a voucher-wide, PBV program wide, or site-based waiting list from which residents for the Covered Project will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies. The PHA shall consider the best means to transition applicants from the current public housing waiting list, including:
 - i. Transferring an existing site-based waiting list to a new site-based waiting list. If the PHA is transferring the assistance to another neighborhood, the PHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at the new project site or other sites. Applicants on a project-specific waiting list for a project where the assistance is being transferred shall have priority on the newly formed waiting list for the new project site in accordance with the date and time of their application to the original project's waiting list.

⁷ For PBV conversions that are not FHA-insured, a future HUD notice will describe project financial data that may be required to be submitted by a PBV owner for purposes of the evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

- ii. Informing applicants on the site-based waiting list on how to apply for a PBV program-wide or HCV program-wide waiting list.
- iii. Informing applicants on a public housing community-wide waiting list on how to apply for a voucher-wide, PBV program-wide, or site-based waiting list. If using a site-based waiting list, PHAs shall establish a waiting list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide waiting list have been offered placement on the converted project's initial waiting list. In all cases, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing community-wide waiting list given the number of applicants, PHA resources, and admissions requirements of the projects being converted under RAD. A PHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Applicants on the agency's public housing community-wide waiting list who wish to be placed onto the newly-established site-based waiting list must be done so in accordance with the date and time of their original application to the centralized public housing waiting list. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).⁸

A PHA must maintain any site-based waiting list in accordance with all applicable civil rights and fair housing laws and regulations unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

To implement this provision, HUD is specifying alternative requirements for 24 CFR § 983.251(c)(2).

However, after the initial waiting list has been established, the PHA shall administer its waiting list for the converted project in accordance with 24 CFR § 983.251(c).

- 5. **Mandatory Insurance Coverage.** The Covered Project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed project property.
- 6. **Agreement Waiver.** This section has been moved to 1.6.(B)(7).
- 7. **Future Refinancing.** Project Owners must receive HUD approval for any refinancing or restructuring of permanent debt during the HAP contract term, to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.)
- 8. **Administrative Fees for Public Housing Conversions during Transition Period.** For the remainder of the Calendar Year in which the HAP Contract is effective (i.e. "transition period"), RAD PBV projects will be funded with public housing funds. For example, if the project's assistance converts effective July 1, 2015, the public housing Annual Contributions Contract (ACC) between the PHA and HUD will be amended to reflect the number of units under HAP contract, but will be for zero dollars, and the RAD PBV contract will be funded with public housing money for July through December 2015. Since TBRA is not the source of funds, PHAs

⁸ For more information on serving persons with LEP, please see HUD's Final guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732), published on January 22, 2007.

should not report leasing and expenses into VMS during this period, and PHAs will not receive section 8 administrative fee funding for converted units during this time.

For fiscal years 2014 and 2015, PHAs operating HCV program received administrative fees for units under a HAP contract, consistent with recent appropriation act references to "section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Responsibility Act of 1998" and 24 CFR § 982.152(b). During the transition period mentioned in the preceding paragraph, these provisions are waived, and PHAs will not receive section 8 ongoing administrative fees for PBV RAD units.

After this transition period, the section 8 ACC will be amended to include section 8 funding that corresponds to the units covered by the section 8 ACC. At that time, the regular section 8 administrative fee funding provisions will apply.

9. **Choice-Mobility.** One of the key features of the PBV program is the mobility component, which provides that if the family has elected to terminate the assisted lease at any time after the first year of occupancy in accordance with program requirements, the PHA must offer the family the opportunity for continued tenant based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

If as a result of participation in RAD a significant percentage of the PHA's HCV program becomes PBV assistance, it is possible for most or all of a PHA's turnover vouchers to be used to assist those RAD PBV families who wish to exercise mobility. While HUD is committed to ensuring mobility remains a cornerstone of RAD policy, HUD recognizes that it remains important for the PHA to still be able to use tenant based vouchers to address the specific housing needs and priorities of the community. Therefore, HUD is establishing an alternative requirement for PHAs where, as a result of RAD, the total number of PBV units (including RAD PBV units) under HAP contract administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD.

The alternative mobility policy provides that an eligible voucher agency would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of Covered Projects. While a voucher agency is not required to establish a voucher inventory turnover cap, if such a cap is implemented, the voucher agency must create and maintain a waiting list in the order in which the requests from eligible households were received. In order to adopt this provision, this alternative mobility policy must be included in an eligible PHA's administrative plan.

To effectuate this provision, HUD is providing an alternative requirement to Section 8(o)(13)(E) and 24 CFR part 983.261(c). Please note that this alternative requirement does not apply to PBVs entered into outside of the context of RAD. MTW agencies may not alter this requirement.

10. **Reserve for Replacement.** The Project Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with applicable regulations. The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. For FHA transactions, Replacement Reserves shall be maintained in accordance with the FHA Regulatory Agreement. For all other transactions, Replacement Reserves shall be maintained in a bank account covered under a General Depository Agreement (HUD-51999) or similar instrument, as approved by HUD, where funds will be held by the PHA.

Attachment 1B: Resident Provisions in Conversions from Public Housing to PBRA and PBV

This Attachment contains two sections, describing:

- 1B.1 Summary of Resident Provisions
- 1B.2 Resident Participation and Funding

1B.1 Summary of Resident Provisions

The following is a summary of special provisions and alternative requirements related to tenants of public housing projects converting under RAD:

Conversion will be considered a significant amendment to a PHA Plan (see Section 1.5(E) of this Notice);

Notification of proposed conversion, meetings during the conversion process, written response to residents comments on conversion, and notification of conversion approval and impact (see Section 1.8 of this Notice);

No rescreening at conversion (see Section 1.6(C)(1) of this Notice for conversions to PBV and Section 1.7(B)(1) for conversions to PBRA);

Right to return after temporary relocation to facilitate rehabilitation or construction (see Section 1.6(C)(2) of this Notice for conversions to PBV and Section 1.7(B)(2) for conversions to PBRA);

Phase-in of tenant rent increases (see Section 1.6(C)(4) of this Notice for conversions to PBV and Section 1.7(B)(3) for conversions to PBRA);

Continued participation in the ROSS-SC and FSS programs (see Section 1.6(C)(5) of this Notice, for conversions to PBV and Section 1.7(B)(4) for conversions to PBRA);

Continued Earned Income Disregard (see Section 1.6(C)(8) of this Notice, for conversions to PBV and Section 1.7.(B)(7) for conversions to PBRA);

Continued recognition of and funding for legitimate residents organizations (see Section 1.6(C)(6) of this Notice for conversions to PBV, Section 1.7(B)(5) of this Notice for conversions to PBRA, and below in Attachment 1B.2 for additional requirements for both programs);

Procedural rights consistent with section 6 of the Act (see Section 1.6(C)(7) of this Notice for conversions to PBV and Section 1.7(B)(6) of this Notice for conversions to PBRA); and

Choice-mobility option allowing a resident to move with a tenant-based voucher after tenancy in the Covered Project (see 24 CFR § 983.260 for conversions to PBV and Section 1.7(C)(5) of this Notice for conversions to PBRA).

For additional information, refer to Notice H2014-09; PIH 2014-17 for additional information on relocation requirements under RAD.

1B.2 Resident and Participation Funding⁹

The following provisions contain the resident participation and funding requirements for public housing conversions to PBRA and PBV, respectively.

A. PBRA: Resident Participation and Funding

Residents of Covered Projects converting assistance to PBRA will have the right to establish and operate a resident organization in accordance with 24 CFR Part 245 (Tenant Participation in Multifamily Housing Projects). In addition, a Project Owner must provide \$25 per occupied unit annually for resident participation, of which at least \$15 per occupied unit shall be provided to the legitimate tenant organization at the covered property. These funds must be used for resident education, organizing around tenancy issues, and training activities.

In the absence of a legitimate resident organization at a Covered Project:

1. HUD encourages the Project Owner and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate residents organization. Residents are encouraged to contact the Project Owner directly with questions or concerns regarding issues related to their tenancy. Project Owners are also encouraged to actively engage residents in the absence of a resident organization; and
2. Project Owners must make resident participation funds available to residents for organizing activities in accordance with this Notice. Residents must make requests for these funds in writing to the Project Owner. These requests will be subject to approval by the Project Owner.

B. PBV: Resident Participation and Funding

To support resident participation following conversion of assistance, residents of Covered Projects converting assistance to the PBV program will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment, which includes the terms and conditions of their tenancy as well as activities related to housing and community development.

1. **Legitimate Resident Organization.** A Project Owner must recognize legitimate resident organizations and give reasonable consideration to concerns raised by legitimate resident organizations. A resident organization is legitimate if it has been established by the residents of a Covered Project, meets regularly, operates democratically, is representative of all residents in the project, and is completely independent of the Project Owner, management, and their representatives.

In the absence of a legitimate resident organization at a Covered Project, HUD encourages the Project Owner and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate residents organization. Residents are encouraged to contact the Project Owner directly with questions or concerns regarding issues related to their tenancy. Project Owners are also encouraged to actively engage residents in the absence of a resident organization; and

2. **Protected Activities.** Project Owners must allow residents and resident organizers to conduct the following activities related to the establishment or operation of a resident organization:

⁹ For the purposes of this Attachment, HUD uses the term “Project Owner” to refer to the owner of a converting or Covered Project. In some instances the owner of a project could be a public, non-profit, or for-profit, e.g., mixed finance projects).

- a. Distributing leaflets in lobby areas;
- b. Placing leaflets at or under residents' doors;
- c. Distributing leaflets in common areas;
- d. Initiating contact with residents;
- e. Conducting door-to-door surveys of residents to ascertain interest in establishing a resident organization and to offer information about resident organizations;
- f. Posting information on bulletin boards;
- g. Assisting resident to participate in resident organization activities;
- h. Convening regularly scheduled resident organization meetings in a space on site and accessible to residents, in a manner that is fully independent of management representatives. In order to preserve the independence of resident organizations, management representatives may not attend such meetings unless invited by the resident organization to specific meetings to discuss a specific issue or issues; and
 - i. Formulating responses to Project Owner's requests for:
 - ii. Rent increases;
 - iii. Partial payment of claims;
 - iv. The conversion from project-based paid utilities to resident-paid utilities;
 - v. A reduction in resident utility allowances;
 - vi. Converting residential units to non-residential use, cooperative housing, or condominiums;
 - vii. Major capital additions; and
 - viii. Prepayment of loans.

In addition to these activities, Project Owners must allow residents and resident organizers to conduct other reasonable activities related to the establishment or operation of a resident organization.

Project Owners shall not require residents and resident organizers to obtain prior permission before engaging in the activities permitted in this section.

3. **Meeting Space.** Project Owners must reasonably make available the use of any community room or other available space appropriate for meetings that is part of the multifamily housing project when requested by:
 - a. Residents or a resident organization and used for activities related to the operation of the resident organization; or
 - b. Residents seeking to establish a resident organization or collectively address issues related to their living environment.

Resident and resident organization meetings must be accessible to persons with disabilities, unless this is impractical for reasons beyond the organization's control. If the project has an accessible common area or areas, it will not be impractical to make organizational meetings accessible to persons with disabilities.

Project Owners may charge a reasonable, customary and usual fee, approved by the Secretary as may normally be imposed for the use of such facilities in accordance with procedures prescribed by the Secretary, for the use of meeting space. A PHA may waive this fee.

4. **Resident Organizers.** A resident organizer is a resident or non-resident who assists residents in establishing and operating a resident organization, and who is not an employee or representative of current or prospective Project Owners, managers, or their agents.

Project Owners must allow resident organizers to assist residents in establishing and operating resident organizations.

5. **Canvassing.** If a Covered Project has a consistently enforced, written policy against canvassing, then a non-resident resident organizer must be accompanied by a resident while on the property of the project.

If a project has a written policy favoring canvassing, any non-resident resident organizer must be afforded the same privileges and rights of access as other uninvited outside parties in the normal course of operations. If the project does not have a consistently enforced, written policy against canvassing, the project shall be treated as if it has a policy favoring canvassing.

A resident has the right not to be re-canvassed against his or her wishes regarding participation in a resident organization.

6. **Funding.** Project Owners must provide \$25 per occupied unit annually for resident participation, of which at least \$15 per occupied unit shall be provided to the legitimate resident organization at the covered property. These funds must be used for resident education, organizing around tenancy issues, and training activities.

In the absence of a legitimate resident organization at a Covered Project:

- a. HUD encourages the Project Owner s and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate residents organization. Residents are encouraged to contact the Project Owner directly with questions or concerns regarding issues related to their tenancy. Project Owner are also encouraged to actively engage residents in the absence of a resident organization; and
- b. Project Owner s must make resident participation funds available to residents for organizing activities in accordance with this Notice. Residents must make requests for these funds in writing to the Project Owner. These requests will be subject to approval by the Project Owner.

Attachment R

Rental Assistance Demonstration

Home Forward is a successful applicant in the Rental Assistance Demonstration (RAD).

In May 2015 Home Forward submitted six Rental Assistance Demonstration (RAD) applications for six properties, with a total of 285 public housing units. We received six initial Commitments to enter into a Housing Assistance Payment (CHAPs) in September 2015, with amended CHAPS issued in March 2016 (RAD Phase 1). In addition, Home Forward received 24 additional CHAPs in August 2016, totaling 498 units (part of RAD Phase 2). Home Forward is currently working with HUD to determine the timeline of conversion for these properties (see section titled Public Housing Strategy).

Home Forward is converting to project-based vouchers under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Upon conversion to project-based vouchers, Home Forward will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6 of PIH Notice 2012-32, REV-2; and Joint Housing PIH Notice H-2014-09/PHI-2014-17. These resident rights, participation, waiting list and grievance procedures are appended to this attachment. Additionally, Home Forward certifies that it is currently compliant with all fair housing and civil rights requirements.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing Housing Authorities access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, Home Forward’s Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that Home Forward may also borrow funds to address their capital needs. Project-based voucher subsidy is sized to replace the reduction in Capital Funds and operating subsidy lost from the RAD conversions. Home Forward currently has debt under the Capital Fund Financing Program and will be working with Wells Fargo to address outstanding debt issues, which may result in additional reductions of capital funds. Regardless of any funding changes that may occur as a result of conversion under RAD, Home Forward certifies that it will maintain its continued service level.

Under HUD Notice PIH-2012-32, REV-2, Home Forward’s RAD conversion is detailed below as part of its Annual Moving to Work Plan.

The following are the remaining public housing properties that Home Forward anticipates converting via RAD closing or Section 18 approval, by the end of fiscal year 2024. Two additional projects At time of this writing, Home Forward is working with HUD to identify the order properties will close and to transfer assistance from three properties slated for RAD Conversion listed below: Cora Park (#24), Chateau Apartments (#25) and Scattered East A (#29) These properties will transfer their RAD-PBV assistance to Dekum Court (#30). – Holgate House (#27) and Ruth Haefner Plaza (#8) – will convert via Section 18 Disposition.

Development #1

Development Name	Tillicum South		
PIC Development ID #	OR0020151		
Conversion Type	Project-Based Vouchers		
Total Current Units	12	Total Post RAD Units	12
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family

Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	12 3-bedroom units	Post-Conversion Bedroom Type	12 3-bedroom units
De-Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Tillicum South were moved onto a Home Forward project based voucher site-based waiting list for Tillicum South. The applicants retained their original date and time of application, and are subject to the preferences available under the PBV site-based waiting list for Tillicum South.		
Other Information	CHAP awarded August 2016		

Development #2

Development Name	Powellhurst Woods		
PIC-Development ID #	OR002000237		
Conversion Type	Project-Based Vouchers		
Total Current Units	34	Total Post-RAD Units	34
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	23 2-bedroom units 11 3-bedroom units	Post-Conversion Bedroom Type	23 2-bedroom units 11 3-bedroom units
De-Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Powellhurst Woods were moved onto a Home Forward project based voucher site-based waiting list for Powellhurst Woods. The applicants retained their original date and time of application, and are subject to the preferences available under the PBV site-based waiting list for Powellhurst Woods.		
Other Information	CHAP awarded August 2016		

Development #3

Development Name	Tillicum North
PIC-Development ID #	OR002000251
Conversion Type	Project-Based Vouchers

Total Current Units	48	Total Post-RAD Units	48
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	16 3-bedroom units 2 3-bedroom accessible units	Post-Conversion Bedroom Type	16 3-bedroom units 2 3-bedroom accessible units
De-Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Tillicum North were moved onto a Home Forward project based voucher site-based waiting list for Tillicum North. The applicants retained their original date and time of application, and are subject to the preferences available under the PBV site-based waiting list for Tillicum North.		
Other Information	CHAP awarded August 2016		

Development #4

Development Name	Hunters Run		
PIC Development ID #	OR002000252		
Conversion Type	Project Based Vouchers		
Total Current Units	40	Total Post-RAD Units	40
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	8 3-bedroom units 2 3-bedroom accessible units	Post-Conversion Bedroom Type	8 3-bedroom units 2 3-bedroom accessible units
De-Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Hunters Run were moved onto a Home Forward project based voucher site-based waiting list for Hunters Run. The applicants retained their original date and time of application, and were subject to the preferences available under the PBV site-based waiting list for Hunters Run.		
Other Information	CHAP awarded August 2016		

Development #15

Development Name **Fir Acres**

PIC Development ID # **OR002000121**

Conversion Type Project-Based Vouchers

Total Current Units 32 Total Post-RAD Units 32

Pre-RAD Unit Type Family Post-RAD Unit Type Family

Capital Fund Allocation \$0

Transfer of Assistance None

Pre-Conversion Bedroom Type	19 2-bedroom units 1 2-bedroom accessible unit 12 3-bedroom units	Post-Conversion Bedroom Type	19 2-bedroom units 1 2-bedroom accessible unit 12 3-bedroom units
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De Minimus Reduction None

Transfer of Waiting List Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Fir Acres were moved onto a Home Forward project based voucher site-based waiting list for Fir Acres. The applicants retained their original date and time of application, and were subject to the preferences available under the PBV site-based waiting list for Fir Acres.

Other Information CHAP awarded August 2016, [RAD conversion occurred May 2021](#)

Development #210

Development Name **Stark Manor**

PIC Development ID # **OR002000123**

Conversion Type Project-Based Vouchers

Total Current Units 30 Total Post-RAD Units 30

Pre-RAD Unit Type Family Post-RAD Unit Type Family

Capital Fund Allocation \$0

Transfer of Assistance None

<u>Pre-Conversion Bedroom Type</u>	<u>18 2-bedroom units</u> <u>12 3-bedroom units</u>	<u>Post-Conversion Bedroom Type</u>	<u>18 2-bedroom units</u> <u>12 3-bedroom units</u>
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De Minimus Reduction None

Transfer of Waiting List Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Stark Manor were moved onto a Home Forward project based voucher site-based waiting list for Stark Manor. The applicants retained their original date and

time of application, and were subject to the preferences available under the PBV site-based waiting list for Stark Manor.

Other Information CHAP received August 2016, RAD conversion occurred May 2021

Development #6

Development #312

Development Name Eastwood Court

PIC Development ID # OR002000125

Conversion Type Project-Based Vouchers

Total Current Units 32 Total Post-RAD Units 32

Pre-RAD Unit Type Family Post-RAD Unit Type Family

Capital Fund Allocation \$0

Transfer of Assistance None

<u>Pre-Conversion Bedroom</u>	<u>19 2-bedroom units</u>	<u>Post-Conversion Bedroom</u>	<u>19 2-bedroom units</u>
<u>Type</u>	<u>12 3-bedroom units</u>	<u>Type</u>	<u>12 3-bedroom units</u>
	<u>1 3-bedroom accessible unit</u>		<u>1 3-bedroom accessible unit</u>

De Minimus Reduction None

Transfer of Waiting List Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Eastwood Court were moved onto a Home Forward project based voucher site-based waiting list for Eastwood Court. The applicants retained their original date and time of application, and were subject to the preferences available under the PBV site-based waiting list for Eastwood Court.

Other Information CHAP received August 2016, RAD conversion occurred May 2021

Development Name **Alderwood**

PIC Development ID # **OR002000337**

Conversion Type Project-Based Vouchers

Total Current Units 20 Total Post-RAD Units 20

Pre-RAD Unit Type Family Post-RAD Unit Type Family

Capital Fund Allocation \$0

Transfer of Assistance None

<u>Pre-Conversion Bedroom</u>	<u>13 2-bedroom units</u>	<u>Post-Conversion Bedroom</u>	<u>13 2-bedroom units</u>
<u>Type</u>	<u>7 3-bedroom units</u>	<u>Type</u>	<u>7 3-bedroom units</u>

De Minimus Reduction None

Transfer of Waiting List Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Alderwood were moved onto a Home Forward project based voucher site-based waiting list for Alderwood. The applicants retained their original date and

time of application, and were subject to the preferences available under the PBV site-based waiting list for Alderwood.

Other Information CHAP awarded August 2016

Development #7

Development Name	Medallion Apartments		
PIC Development ID #	OR002000139		
Conversion Type	Section 18 Project-Based Vouchers		
Total Current Units	90	Total Post-RAD Units	90
Pre-RAD Unit Type	Senior/People with Disabilities	Post-RAD Unit Type	Senior/People with Disabilities
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	85 1-bedroom units 3 1-bedroom accessible units 2 2-bedroom accessible units	Post-Conversion Bedroom Type	85 1-bedroom units 3 1-bedroom accessible units 2 2-bedroom accessible units
De Minimus Reduction	None		

Development #48

Development Name	Ruth Haefner Apartments		
PIC Development ID #	OR002000140		
Conversion Type	Section 18 Project-Based Vouchers or RAD Project-Based Vouchers		
Total Current Units	73	Total Post-RAD Units	73
Pre-RAD Unit Type	Senior/People with Disabilities	Post-RAD Unit Type	Senior/People with Disabilities
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	65 1-bedroom units 8 1-bedroom accessible units	Post-Conversion Bedroom Type	65 1-bedroom units 8 1-bedroom accessible units
De Minimus Reduction	None		

- Transfer of Waiting List ~~If converted to RAD, a~~ Applicants on Home Forward's public housing site-based waiting list for Ruth Haefner Apartments will be moved onto a Home Forward project based voucher site-based waiting list for Ruth Haefner Apartments. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Ruth Haefner Apartments.
- Other Information CHAP awarded August 2016; Section 18 approval awarded in April 2016.

Development #59

Development Name	Townhouse Terrace		
PIC Development ID #	OR002000122		
Conversion Type	Project-Based Vouchers		
Total Current Units	32	Total Post-RAD Units	32
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	19 2-bedroom units 1 2-bedroom accessible unit 12 3-bedroom units	Post-Conversion Bedroom Type	19 2-bedroom units 1 2-bedroom accessible unit 12 3-bedroom units
De Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Townhouse Terrace will be moved onto a Home Forward project based voucher site-based waiting list for Townhouse Terrace. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Townhouse Terrace.		
Other Information	CHAP received August 2016		

Development #61

Development Name	Lexington Court		
PIC Development ID #	OR002000124		
Conversion Type	Project-Based Vouchers		
Total Current Units	20	Total Post-RAD Units	20
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family

Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	12 2-bedroom units 8 3-bedroom units	Post-Conversion Bedroom Type	12 2-bedroom units 8 3-bedroom units
De Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Lexington Court will be moved onto a Home Forward project based voucher site-based waiting list for Lexington Court. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Lexington Court.		
Other Information	CHAP received August 2016		

Development #713

Development Name	Carlton Court		
PIC Development ID #	OR002000126		
Conversion Type	Project-Based Vouchers		
Total Current Units	24	Total Post-RAD Units	24
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	14 2-bedroom units 10 3-bedroom units	Post-Conversion Bedroom Type	14 2-bedroom units 10 3-bedroom units
De Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Eastwood Court will be moved onto a Home Forward project based voucher site-based waiting list for Eastwood Court. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Eastwood Court.		
Other Information	CHAP received August 2016		

Development #814

Development Name **Slavin Court**
PIC Development ID # **OR002000131**

Conversion Type	Project-Based Vouchers		
Total Current Units	24	Total Post-RAD Units	24
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	18 3-bedroom units 6 4-bedroom units	Post-Conversion Bedroom Type	18 3-bedroom units 6 4-bedroom units
De Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Slavin Court will be moved onto a Home Forward project based voucher site-based waiting list for Carlton Court. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site- based waiting list for Slavin Court.		
Other Information	CHAP received August 2016		

Development #915

Development Name	Demar Downs		
PIC Development ID #	OR002000132		
Conversion Type	Project-Based Vouchers		
Total Current Units	18	Total Post-RAD Units	18
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	15 2-bedroom units 3 2-bedroom accessible units	Post-Conversion Bedroom Type	15 2-bedroom units 3 2-bedroom accessible units
De Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Demar Downs will be moved onto a Home Forward project based voucher site-based waiting list for Demar Downs. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Demar Downs.		
Other Information	CHAP received August 2016		

Development #10

Development Name	Eliot Square		
PIC Development ID #	OR002000138		
Conversion Type	Project-Based Vouchers		
Total Current Units	30	Total Post-RAD Units	30
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	11 2-bedroom units 1 2-bedroom accessible unit 14 3-bedroom units 4 4-bedroom units	Post-Conversion Bedroom Type	11 2-bedroom units 1 2-bedroom accessible unit 14 3-bedroom units 4 4-bedroom units
De Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Eliot Square were moved onto a Home Forward project based voucher site-based waiting list for Eliot Square. The applicants retained their original date and time of application, and were subject to the preferences available under the PBV site-based waiting list for Eliot Square.		
Other Information	CHAP received August 2016		

Development #107

Development Name	Celilo Court		
PIC Development ID #	OR002000142		
Conversion Type	Project-Based Vouchers		
Total Current Units	28	Total Post-RAD Units	28
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	15 2-bedroom units 2 2-bedroom accessible units 11 3-bedroom units	Post-Conversion Bedroom Type	15 2-bedroom units 2 2-bedroom accessible units 11 3-bedroom units
De Minimus Reduction	None		

Transfer of Waiting List Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Celilo Court will be moved onto a Home Forward project based voucher site-based waiting list for Celilo Court. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Celilo Court.

Other Information CHAP received August 2016

Development #18

Development Name Harold Lee Village

PIC Development ID # OR002000152

Conversion Type Project-Based Vouchers

Total Current Units 40 **Total Post-RAD Units** 40

Pre-RAD Unit Type Family **Post-RAD Unit Type** Family

Capital Fund Allocation \$0

Transfer of Assistance None

Pre-Conversion Bedroom Type 40 3-bedroom units **Post-Conversion Bedroom Type** 40 3-bedroom units

De Minimus Reduction None

Transfer of Waiting List Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Harold Lee Village were be moved onto a Home Forward project based voucher site-based waiting list for Harold Lee Village. The applicants retained their original date and time of application, and were subject to the preferences available under the PBV site-based waiting list for Harold Lee Village.

Other Information CHAP received August 2016

Development #19

Development Name Floresta

PIC Development ID # OR002000153

Conversion Type Project-Based Vouchers

Total Current Units 20 **Total Post-RAD Units** 20

Pre-RAD Unit Type Family **Post-RAD Unit Type** Family

Capital Fund Allocation \$0

Transfer of Assistance None

Pre-Conversion Bedroom Type	7-2-bedroom units 2-2-bedroom-accessible units 11-3-bedroom units	Post-Conversion Bedroom Type	7-2-bedroom units 2-2-bedroom-accessible units 11-3-bedroom units
De-Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Floresta were moved onto a Home Forward project based voucher site-based waiting list for Floresta. The applicants retained their original date and time of application, and were subject to the preferences available under the PBV site-based waiting list for Floresta.		
Other Information	CHAP received August 2016		

Development #20

Development Name	Maple Mallory		
PIC Development ID #	OR002000203		
Conversion Type	Project-Based Vouchers		
Total Current Units	48	Total Post-RAD Units	48
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	24-1-bedroom units 24-2-bedroom units	Post-Conversion Bedroom Type	24-1-bedroom units 24-2-bedroom units
De-Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Maple Mallory were moved onto a Home Forward project based voucher site-based waiting list for Maple Mallory. The applicants retained their original date and time of application, and were subject to the preferences available under the PBV site-based waiting list for Maple Mallory.		
Other Information	CHAP received August 2016		

Development #21

Development Name	Bel Park		
PIC Development ID #	OR002000232		
Conversion Type	Project-Based Vouchers		
Total Current Units	40	Total Post-RAD Units	40

Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	2 studio units 8-1 bedroom units	Post-Conversion Bedroom Type	2 studio units 8-1 bedroom units
De-Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Bel Park were moved onto a Home Forward project based voucher site-based waiting list for Bel Park. The applicants retained their original date and time of application, and were subject to the preferences available under the PBV site-based waiting list for Bel Park.		
Other Information	CHAP received August 2016		

Development #22

Development Name	Winchell Court		
PIC Development ID #	OR002000236		
Conversion Type	Project-Based Vouchers		
Total Current Units	40	Total Post-RAD Units	40
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	8-1 bedroom units 2-2 bedroom units	Post-Conversion Bedroom Type	8-1 bedroom units 2-2 bedroom units
De-Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Winchell Court were moved onto a Home Forward project based voucher site-based waiting list for Winchell Court. The applicants retained their original date and time of application, and were subject to the preferences available under the PBV site-based waiting list for Winchell Court.		
Other Information	CHAP received August 2016		

Development #23

~~Development Name~~ ~~Camelia Court~~
~~PIC Development ID #~~ ~~OR002000332~~

Conversion Type	Project-Based Vouchers		
Total Current Units	14	Total Post-RAD Units	14
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	14 1-bedroom units	Post-Conversion Bedroom Type	14 1-bedroom units
De-Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Camelia Court were moved onto a Home Forward project based voucher site-based waiting list for Camelia Court. The applicants retained their original date and time of application, and were subject to the preferences available under the PBV site-based waiting list for Camelia Court.		
Other Information	CHAP received August 2016		

Development #24

Development Name	Cora Park		
PIC Development ID #	OR002000336		
Conversion Type	Project-Based Vouchers		
Total Current Units	10	Total Post-RAD Units	10
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	Yes, to the redeveloped Dekum Court		
Pre-Conversion Bedroom Type	6 2-bedroom units 4 3-bedroom units	Post-Conversion Bedroom Type	6 2-bedroom units 4 3-bedroom units
De-Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Cora Park will be moved onto a Home Forward project based voucher site-based waiting list for Dekum Court. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Dekum Court.		
Other Information	CHAP received August 2016		

Development #25

Development Name Chateau Apartments

PIC Development ID # OR002000436

~~Conversion Type Project-Based Vouchers~~

~~Total Current Units 40 Total Post-RAD Units 40~~

~~Pre-RAD Unit Type Family Post-RAD Unit Type Family~~

~~Capital Fund Allocation \$0~~

~~Transfer of Assistance Yes, to the redeveloped Dekum Court~~

~~Pre-Conversion Bedroom Type 40 2-bedroom units Post-Conversion Bedroom Type 40 2-bedroom units~~

~~De Minimus Reduction None~~

~~Transfer of Waiting List Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Chateau Apartments will be moved onto a Home Forward project based voucher site-based waiting list for Dekum Court. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Dekum Court.~~

~~Other Information CHAP received August 2016~~

Development #26

Development Name Dahlke Manor

PIC Development ID # OR002000114

~~Conversion Type Section 18 Project-Based Vouchers~~

~~Total Current Units 415 Total Post-RAD Units 415~~

~~Pre-RAD Unit Type Senior/People with Disabilities Post-RAD Unit Type Senior/People with Disabilities~~

~~Capital Fund Allocation \$0~~

~~Transfer of Assistance None~~

~~Pre-Conversion Bedroom Type 415 1-bedroom units Post-Conversion Bedroom Type 415 1-bedroom units~~

~~De Minimus Reduction None~~

Development #1127

Development Name Holgate House

PIC Development ID # OR002000115

Conversion Type	Section 18 Project-Based Vouchers or RAD Project-Based Vouchers		
Total Current Units	80	Total Post-RAD Units	80
Pre-RAD Unit Type	Senior/People with Disabilities	Post-RAD Unit Type	Senior/People with Disabilities
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	80 1-bedroom units	Post-Conversion Bedroom Type	80 1-bedroom units
De Minimus Reduction	None		
Transfer of Waiting List	<p>If converted to RAD, a Applicants on Home Forward's public housing site-based waiting list for Holgate House will be moved onto a Home Forward project based voucher site-based waiting list for Holgate House. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site- based waiting list for Holgate House.</p>		
Other Information	<p>CHAP awarded in October 2016; Section 18 awarded in April 2018-.</p> <p>Though not a MTW activity, Home Forward is exploring the possibility of ground leasing a 9,400 square foot portion of the Holgate House site to a multifamily developer to catalyze an affordable housing development. Home Forward has kept the Local Field Office and the Special Applications Center apprised of this potential plan.</p>		

Development #28

Development Name	Williams Plaza		
PIC Development ID #	OR002000418		
Conversion Type	Section 18 Project-Based Vouchers		
Total Current Units	404	Total Post-RAD Units	404
Pre-RAD Unit Type	Senior/People with Disabilities	Post-RAD Unit Type	Senior/People with Disabilities
Capital Fund Allocation	\$0		
Transfer of Assistance	None		
Pre-Conversion Bedroom Type	67 studio units 29 1-bedroom units 5 1-bedroom accessible units	Post-Conversion Bedroom Type	67 studio units 29 1-bedroom units 5 1-bedroom accessible units
De Minimus Reduction	None		

Development #29

Development Name	Scattered East A		
PIC Development ID #	OR002000705		
Conversion Type	Project-Based Vouchers		
Total Current Units	7	Total Post RAD Units	
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	Yes, to the redeveloped Dekum Court		
Pre-Conversion Bedroom Type	7-3-bedroom units	Post-Conversion Bedroom Type	7-3-bedroom units
De-Minimus Reduction	None		
Transfer of Waiting List	Scattered East A currently does not have a waiting list.		
Other Information	CHAP received August 2016		

Development #1230

Development Name	Dekum Court (Receiving Property for Transfer of RAD Assistance)		
PIC Development ID #	OR002000111		
Conversion Type	See “Other Information” Below		
Total Current Units	No RAD Units	Total Post-RAD Units	27 RAD units
Pre-RAD Unit Type	Not Applicable (it’s the receiving site)	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	Yes (as a receiving site)		
Pre-Conversion Bedroom Type	16 2BR and 11 3BR at sending sites	Post-Conversion Bedroom Type:	16 2BR and 11 3BR at receiving site
De Minimus Reduction	None		
Transfer of Waiting List	See relevant information above for Chateau Apartments and Cora Park		
Other Information	Dekum Court has a Section 18 Demolition / Disposition Approval. Pursuant to this approval, Home Forward will demolish the project’s existing 40 public housing units and replace them with 187 new affordable housing apartments. Ground-breaking is scheduled for August of 2021 <u>occurred in April 2022.</u>		

Dekum Court’s redevelopment will occur in two phases. In

Phase 1:

- Home Forward will build 48 units on a portion of the site.
- Forty of these 48 apartments will have project-based Housing Choice Vouchers.
- These 48 apartments will replace, on a one-for-one basis, all forty of the existing two and three-bedroom apartments currently comprising Dekum Court.
- Home Forward will move all current Dekum residents from their current homes to their newly-built apartments

In Phase 2:

- Home Forward will demolish Dekum’s 40 existing apartments once vacated by their residents.
- Home Forward will build 139 new affordable apartments.
- 27 of these 139 new apartments will have RAD PBVs due to the transfer of assistance from Cora Park, Chateau Apartments and Scattered East A.
- Those 27 RAD PBV units will replace, on a one-for-one basis, the 16 two-bedroom and 11 three bedroom apartments at the three transferring properties.

Development #1331

Development Name	Peaceful Villa		
PIC Development ID #	OR002000108		
Conversion Type	Project-Based Vouchers		
Total Current Units	69	Total Post-RAD Units:	69
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$0		
Transfer of Assistance	N/A		
Pre-Conversion Bedroom Type	8 studios 53 1BRs 8 2BRs	Post-Conversion Bedroom Type	8 studios 53 1BRs 8 2BRs
De Minimus Reduction	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Peaceful Villa Court will be moved onto a Home Forward project based voucher site-based waiting list for Peaceful Villa. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site- based waiting list for Peaceful Villa.		
Other Information	CHAP received April 2018. Peaceful Villa is a 69 unit public housing property that has a CHAP and will be converting to RAD. It is approximately 80 years old and sits on four acres in a high opportunity neighborhood close to frequent service		

transit, affordable groceries and parks. The property has been significantly upzoned and can accommodate far more than 69 affordable homes for households with low-incomes.

Due to Peaceful Villa's age and condition, and the opportunity to add a significant number of new affordable homes to the site, Home Forward plans to demolish and redevelop Peaceful Villa. Site planning and design will begin in 2022, with the goal of beginning resident relocation and construction in 2024. The redeveloped project will (a) contain at least twice as many affordable units as the current site and (b) replace the 69 current public housing units with 69 RAD PBV units of identical bedroom sizes (8 studios, 53 one-bedrooms, 8 two-bedrooms.)

Changes in policies that govern eligibility, admission, selection, and occupancy of units at the project after conversion, including any waiting list preferences that will be adopted for the converted project:

Home Forward presented to the Board of Commissioners requested changes to the Section 8 Administrative Plan to accommodate the RAD transition. This request was approved by the Board of Commissioners on April 19, 2016. The changes include adopting guidelines for choice mobility. At the time of this writing, Home Forward is continuing to review RAD requirements and may submit additional changes to the Section 8 Administrative Plan and the Admissions and Continued Occupancy Policy (ACOP) for public housing. All policy changes adhere to RAD requirements listed below under Appendix A, that informs resident rights, participation, waiting list and grievance procedures.

Compliance agreements: Home Forward is currently compliant with all fair housing and civil rights requirements and is not under a Voluntary Compliance Agreement.

Site selection: This conversion complies with all applicable site selection and neighborhood reviews standards. All appropriate procedures have been followed.

Substantial Deviation Definition: As part of the Rental Assistance Demonstration (RAD), Home Forward is redefining the definition of a substantial deviation from the PHA Plan to exclude the following RAD specific items:

1. The decision to convert to either Project Based Rental Assistance or Project Based Voucher Assistance;
2. Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
3. Changes to the construction and rehabilitation plan for each approved RAD conversion; and
4. Changes to the financing structure for each approved RAD conversion.

Information regarding use of MTW Fungibility as defined in PIH Notice 2012-32, REV-2: Impact on Capital Fund:

1. **Estimate the amount of the current Capital Fund grant that is associated with the proposed projects and the impact on the PHA's current Five-Year PHA Plan and Five-Year Capital Action Plan:** The current impact associated with the six CHAPS in this application is \$160,000. \$20,000 has

been set aside for each CHAP and another \$40,000 set aside for Sequoia Square and Schiller Way, the two properties that will receive units for transfer of assistance (upon approval from HUD) from Rockwood Station and Fairview Oaks & Woods.

2. **If the RAD conversion will impact an existing CFFP or EPC, or if it proposes to utilize RHF funds to facilitate conversion, the PHA should also indicate the estimated impact of those activities:**

Home Forward has submitted 31 additional RAD applications that total 1,008 public housing units. These additional applications are on the RAD waitlist and if approved, will impact our formula Capital Fund Grant allocation by approximately 56% of our current public housing unit count. We will not utilize RHF funds to facilitate conversion.

Special Provisions Affecting MTW Agencies: MTW agencies will be able to apply activities impacting the PBV program that are approved in its MTW Plan to those properties as long as they do not conflict with RAD requirements. RAD requirements include statutory requirements or specifically identified special provisions affecting conversions to PBVs, or other conditions and requirements, as detailed in PIH Notice 2012-32 REV-1, including, but not limited to, RAD contract forms or Riders. With respect to any existing PBV regulations that are waived or modified below in Appendix B, except where explicitly noted below in Appendix B, MTW agencies may modify these or other requirements to the PBV program if the activity is approved in its MTW Plan. All other RAD Requirements listed below in Appendix A or elsewhere in PIH Notice 2012-32 REV-1 shall apply to MTW agencies.

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MEMORANDUM

To: Board of Commissioners
Date: September 20, 2022

From: Kandy Sage, Chief Financial Officer
503.802.8585
Linda Uppinghouse, Controller
503.802.8554

Subject: Authorize Approval of Fiscal Year 2021 Audited Financial Statements, Single Audit Reports, Schedule of Closed Grants, and Governance Communication Letter to the Board of Commissioners
Resolution 22-09-06

The Board of Commissioners is requested to accept and approve:

1. Independent Auditor's Reports, Basic Financial Statements and Supplementary Information for Year Ended December 31, 2021
2. Single Audit Reports for Year Ended December 31, 2021
3. Auditors' Governance Communication Letter to the Board of Commissioners for Year Ended December 31, 2021

Please note, this audit report covers the period January 1, 2021 to December 31, 2021. CliftonLarsonAllen (CLA) is the audit firm engaged to audit Home Forward's basic financial statements and compliance with federal programs. On September 13, 2022, CLA met with Home Forward's Audit and Finance committee and presented the audit results for Year Ended December 31, 2021.

HIGHLIGHTS

Key financial highlights from the audit include:

- As in similar years, property transactions had a material impact on the financial statements. During fiscal year 2021, four public housing properties were converted to a voucher based tax credit partnership under the Department of Housing and Urban Development's Section 18 and Rental Assistance Demonstration programs.
- Total assets and deferred outflows of resources decreased \$27.9 million from \$662.7.4 million at December 31, 2020 to \$634.7 million at December 31, 2021 primarily due to real estate related notes and other accounts receivable connected to Covid special programs.
- Total liabilities and deferred inflows of resources decreased \$67.3 million from \$313.4 million at December 31, 2020 to \$246.1 million at December 31, 2021. This change was also mainly due to bonds issued on behalf of the tax credit partnerships and a decrease in the PERS net position liability offset by increases in unearned revenue connected to Covid special programs.
- Total operating revenues were \$315.9 million with HUD operating subsidies and grants providing over \$148.2 million in funding.
- Total operating expenses were \$297.5 million. Housing assistance payments made up \$233.5 million of this total.
- Operating results for 2021 yield operating income of \$18.4 million, mainly driven by earned developer fees of \$8.4 million and earnings from Covid special programs.
- Nonoperating revenues/(expenses) netted an increase of \$18.8 million.
- Capital contributions were minimal during the year.
- Net position increased \$39.4 million to \$338.7 million at December 31, 2021.

ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2021

As a reminder, the basic financial statements are comprised of two main columns of results:

1. The Primary government and any blended component units – this column includes the results for the primary government (Home Forward) and blended component units (including Home Forward Development Enterprises, Home Forward Community Partnerships, Home Forward Insurance Group, St. Francis LLC, and Gateway Park Apartments), and any intercompany eliminations.

2. Discretely presented component units – this column aggregates the calendar year results of 21 low income housing tax credit partnerships where the limited partners have majority ownership but have delegated the majority of their rights regarding the operations of the partnership to Home Forward (as general partner).

CLA issued an unmodified opinion on the basic financial statements for both the primary government and the discretely presented component units, with the opinion stating that they present fairly, in all material respects, the financial position as of December 31, 2021. This is the highest level of assurance Home Forward can obtain.

AUDITORS' SINGLE AUDIT REPORTS (Uniform Grant Guidance)

Home Forward expended \$186.8 million in federal funds during the period from January 1, 2021 to December 31, 2021 (of which 57% were Moving to Work funds). For these funds, Home Forward is required to have an audit of internal controls in accordance with Government Auditing Standards and an audit of compliance for each major federal program as required by the Office of Management and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

The independent auditors tested one major federal program. There were no financial statement findings, no questioned costs, and no compliance findings identified during the year.

AUDITORS' GOVERNANCE COMMUNICATION TO THE BOARD OF COMMISSIONERS

Finally, the auditors issued a Governance Communication to the Board of Commissioners for Fiscal Year 2021. This document provides communication on matters related to the conduct of the audit and includes information regarding any:

- Qualitative aspects of accounting practices
- Difficulties encountered in performing the audit
- Corrected and uncorrected misstatements
- Disagreements with management
- Management representations
- Management consultations with other independent accounts

- Other findings or issues
- Other comments/recommendations

MOTION TO APPROVE

The Board is requested to accept and approve the reports presented:

- Independent Auditor's Reports, Basic Financial Statements and Supplementary Information for Year Ended December 31, 2021
- Single Audit Reports for Year Ended December 31, 2021
- Auditors' Governance Communication to Board of Commissioners for Year Ended December 31, 2021

HOME FORWARD
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021

Draft
Subject to Change
8/31/22

**HOME FORWARD
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YEAR ENDED DECEMBER 31, 2021**

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**HOME FORWARD
BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL
YEAR ENDED DECEMBER 31, 2021**

BOARD OF COMMISSIONERS

Damien Hall Chair	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Matthew Gebhardt Vice Chair	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Jenny Kim Treasurer	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Tomi Rene Hettman Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Vivian Satterfield Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Rakeem Washington Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Dina DiNucci Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204

ADMINISTRATIVE OFFICER

Ivory Matthews Executive Director and Secretary/Treasurer	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
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GENERAL COUNSEL

Sarah Stauffer Curtiss	Stoel Rives, LLP 900 S.W. Fifth Avenue, Suite 2600 Portland, Oregon 97204
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Home Forward
Portland, Oregon

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Home Forward's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Home Forward, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Home Forward and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Forward's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Home Forward's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Forward's ability to continue as a going concern for a reasonable period of time.

We did not audit the financial statements of the aggregate discretely presented component units. The aggregate discretely presented component units statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it related to the amounts included for those entities is based solely on the reports of the other auditors. We have applied audit procedures on the conversion adjustments only to conform the presentation of the financial statements of the aggregate discretely presented component units to accounting standards issued by the Government Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, prior to these conversion adjustments, is based solely on the reports of the other auditors.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in net OPEB asset and related ratios, schedule of OPEB contributions, and schedule of changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Home Forward's basic financial statements. The combining schedule of net position – Affordable Housing, combining schedule of revenues, expenses, and changes in net position – Affordable Housing, combining schedule of net position – Special Needs Housing, and combining schedule of revenues, expenses, and changes in net position – Special Needs Housing (other supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the [*identify other information, such as the introductory and statistical sections*] but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE on our consideration of Home Forward’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Home Forward’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Home Forward’s internal control over financial reporting and compliance.

Mandy L. Merchant
CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

Draft
Subject to Change
8/31/22

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

This section includes a Management's Discussion and Analysis of the Home Forward's financial performance during the period of January 1, 2021 to December 31, 2021. Please read it in conjunction with Home Forward's basic financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: 1. Management's Discussion and Analysis (this section), 2. The basic financial statements and 3. Supplementary information (required and other).

Home Forward is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of Home Forward. Agency-wide statements report information about Home Forward as a whole using accounting methods similar to those used by private sector companies. While detailed sub-fund information is not presented, separate accounts are maintained for each program to control and manage money for particular purposes or to demonstrate that Home Forward is properly using specific appropriations and grants. The financial statements also include a "Notes to Financial Statements" section that explains the information in the basic financial statements and provides more detailed data. The Notes to Financial Statements are followed by a "Supplementary Information" section, which presents the required supplementary information and other financial schedules of Home Forward's operating units and its individual properties.

As required by the Governmental Accounting Standards Board (GASB) Statement No. 61, as amended, the basic financial statements include its blended component units - Home Forward Development Enterprises, St. Francis LLC, Gateway Park Limited Partnership, Home Forward Community Partnerships, HF Insurance Group and its 22 discretely presented component units. These discretely presented component units represent multi-family properties structured as limited partnerships, which have Home Forward as the general partner with minimal ownership interest. The Statement of Net Position includes all of Home Forward's assets and deferred outflows and liabilities and deferred inflows. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position, regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Significant Developments

Section 19 and Rental Assistance Demonstration - In May 2021, Home Forward converted four additional public housing properties consisting of 209 units under the Department of Housing and Urban Development's Section 18 and Rental Assistance Demonstration (RAD) programs. Upon conversion, the properties were issued vouchers and ceased to operate as public housing property.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

COVID-19 - On Sunday, March 8, 2020, Oregon Governor Kate Brown declared a state of emergency in response to the coronavirus known as COVID-19. This state of emergency included limiting the amount of people that could gather and the closing of schools and certain businesses. In addition to the health impacts of COVID-19, the economic impact continued to be significant throughout 2021. As part of the federal response to this crisis, Congress approved and the President signed, on March 27, 2020, Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This Act (and its subsequent amendments) included expanded unemployment benefits, payroll tax adjustments, small business loans, corporate assistance, and increased funding for several key federal departments, including the Department of Housing and Urban Development (HUD). Additionally, jurisdictional partners such as the State of Oregon, Multnomah County, and the City of Portland have provided additional housing resources to address the impact of COVID-19.

Financial Highlights

Home Forward's Statement of Net Position reflects growth in net position during the period of January 1, 2021 to December 31, 2021. Specifically:

- Total assets and deferred outflows of resources decreased \$27.9 million from \$662.7 million at January 1, 2021 to \$634.7 million at December 31, 2021, primarily due to the decreases in current portion bonds receivable - partnerships for North Group Limited Partnership and Lloyd Housing Limited Partnerships and other accounts receivable connected to Covid special program reimbursements offset by increases in cash and cash equivalents connected to Covid special program reimbursements and increases in ground lease and omnibus notes receivable – partnerships for Central Group Limited Partnership.
- Total liabilities and deferred inflows of resources decreased \$67.3 million from \$313.4 million at January 1, 2021 to \$246.1 million at December 31, 2021, mainly due to a decrease in bonds payable – partnerships for Lloyd Housing and North Group Limited Partnerships and a decrease in the PERS net pension liability offset by increases in unearned revenue and pension-related deferred inflows.
- Total operating revenues for the period January 1, 2021 to December 31, 2021 were \$315.9 million and total operating expenses were \$297.5 million. Operating results for this period was operating income of \$18.4 million. Net nonoperating revenues and expenses were \$18.8 million primarily due to gain on sale of assets for 3000 Powell and Central Group public housing properties. Overall, net position increased \$39.4 million.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Condensed Statement of Net Position

The following tables show a summary of net position by type at December 31:

(In Thousands of Dollars)	2021	2020	Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current Assets	\$ 147,642	\$ 196,408	\$ (48,766)
Noncurrent Assets	346,994	325,198	21,796
Capital Assets	130,515	131,605	(1,090)
Total Assets	625,151	653,211	(28,060)
Deferred Outflows of Resources	9,631	9,517	114
Total Assets and Deferred Outflows of Resources	<u>\$ 634,782</u>	<u>\$ 662,728</u>	<u>\$ (27,946)</u>
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$ 58,612	\$ 129,584	\$ (70,972)
Noncurrent Liabilities	172,291	181,601	(9,310)
Total Liabilities	230,903	311,185	(80,282)
Deferred Inflows of Resources	15,175	2,205	12,970
Total Liabilities before Deferred Outflows of Resources	246,078	313,390	(67,312)
Net Position			
Net Investment in Capital Assets	36,809	37,740	(931)
Restricted	48,454	30,507	17,947
Unrestricted	303,441	281,091	22,350
Total Net Position	388,704	349,338	39,366
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 634,782</u>	<u>\$ 662,728</u>	<u>\$ (27,946)</u>

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Year-End Financial Position

Current assets decreased \$48.8 million during the period ending December 31, 2021. This increase was, namely, due to the decrease in the current portion of notes receivable – partnerships and an increase in cash and cash equivalents.

Non-current assets (other than capital assets) increased by \$21.8 million mainly driven by increases in notes and accrued interest receivable as well as an increase in investments in partnerships. These changes related to 3000 Powell and the public housing properties that converted to tax credits under the Section 18, RAD and LIHTC programs.

Capital assets decreased \$1.1 million mainly driven annual depreciation of \$7.6 million, offset by conversion of the RAD/Section 18 related properties and 3000 Powell.

Current liabilities decreased \$71.0 million during the year, mainly due to the \$89.7 million change in current portion – bonds payable partnerships increases in unearned revenue and draws from the line of credit.

Non-current liabilities decreased \$9.3 million during the year, mainly due to the \$13.6 million change in net pension liability offset by current portion – bonds payable partnerships.

Net position at December 31, 2021 was \$388.7 million, an increase of \$39.4 million from the balance at December 31, 2020.

Capital Assets

At December 31, 2021, Home Forward had \$130.5 million of capital assets, a decrease of \$1.1 million since December 31, 2020. More detailed information about Home Forward's capital assets is presented in Note 8 to the financial statements.

(In Thousands of Dollars)	2021	2020	Increase (Decrease)
Land	\$ 38,787	\$ 32,148	\$ 6,639
Construction in Progress	6,115	8,126	(2,011)
Total Capital Assets Not Being Depreciated	44,902	40,274	4,628
Buildings and Improvements	198,800	203,624	(4,824)
Equipment	12,159	12,892	(733)
Accumulated Depreciation	(125,346)	(125,185)	(161)
Total Capital Assets Being Depreciated	85,613	91,331	(5,718)
Total Capital Assets, Net	<u>\$ 130,515</u>	<u>\$ 131,605</u>	<u>\$ (1,090)</u>

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Notes and Bonds Payable

At December 31, 2021, Home Forward had \$95.9 million of notes and bonds payable outstanding (excluding bonds payable—partnerships), a decrease of \$0.1 million over the prior year. More detailed information about Home Forward's capital debt is presented in Notes 10 and 11 to the financial statements.

(In Thousands of Dollars)	2021	2020	Increase (Decrease)
Current Portion of Notes and Bonds Payable	\$ 3,879	\$ 3,448	\$ 431
Notes Payable - Long-Term	70,827	69,771	1,056
Bonds Payable - Long-Term	21,187	22,856	(1,669)
Total Notes and Bonds Payable	<u>\$ 95,893</u>	<u>\$ 96,075</u>	<u>\$ (182)</u>

There were no changes in Home Forward's credit rating during the year.

Draft
Subject to Change
8/31/22

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Results of Operations

Statement of Revenues, Expenses, and Changes in Net Position

(In Thousands of Dollars)	2021	2020	Change
Operating Revenues			
Rental Revenue	\$ 22,400	\$ 22,600	\$ (200)
HUD Subsidies and Grants	148,170	145,307	2,863
Development Fee Revenue	8,388	9,058	(670)
State, Local, and Other Grants	130,199	29,301	100,898
Other	6,724	6,520	204
Total Operating Revenues	<u>315,881</u>	<u>212,786</u>	<u>103,095</u>
Operating Expenses			
Housing Assistance Payments	233,506	131,707	101,799
Administration	19,142	20,045	(903)
Tenant Services	8,628	8,912	(284)
Program Expenses	11,332	13,171	(1,839)
Utilities	4,953	4,815	138
Maintenance	9,513	11,630	(2,117)
Depreciation	7,609	7,978	(369)
Other	2,786	2,467	319
Total Operating Expenses	<u>297,469</u>	<u>200,725</u>	<u>96,744</u>
Operating Income	18,412	12,061	6,351
Nonoperating Revenues (Expenses)			
Investment Income	1,040	2,961	(1,921)
Interest Expense	(2,714)	(2,760)	46
Financing Costs	(2)	(1,345)	1,343
Loss on Sale of Capital Assets	(950)	(401)	(549)
Gain on Sale of Capital Assets	23,951	2,838	21,113
Other Contributions Made	(2,515)	(1,295)	(1,220)
Total Nonoperating Revenues	<u>18,810</u>	<u>(2)</u>	<u>18,812</u>
Income before Capital Contributions	37,222	12,059	25,163
Capital Contributions			
HUD Nonoperating Contributions	2,144	355	1,789
Total Capital Contributions	<u>2,144</u>	<u>355</u>	<u>1,789</u>
Increase in Net Position	39,366	12,414	26,952
Net Position - Beginning of Year	<u>349,338</u>	<u>336,924</u>	<u>12,414</u>
Net Position - End of Year	<u>\$ 388,704</u>	<u>\$ 349,338</u>	<u>\$ 39,366</u>

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

FORWARD LOOKING INFORMATION

Significant economic factors affecting Home Forward are as follows:

RAD/Section 18

Home Forward anticipates continuing to convert its remaining public housing properties under the Department of Housing and Urban Development's Section 18 and Rental Assistance Demonstration (RAD) programs. Under these programs, the public housing units will convert into project-based voucher funded units and will utilize the low-income housing tax credit program with Home Forward as the general partner. One public housing property comprised of 40 units converted to the Dekum 2 Limited Partnership (a LIHTC partnership) April 2022. The next RAD/Section 18 closing is anticipated for the spring of 2023.

COVID-19

Management continues to monitor the health, safety, and financial impact of COVID-19. At this time, management does not anticipate a significant disruption in operations due to COVID-19.

CONTACT INFORMATION

This annual financial report is designed to provide Oregon citizens and taxpayers, and our customers, clients, investors and creditors, with a general overview of Home Forward's finances, and to demonstrate Home Forward's accountability for the appropriations and grants that it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, Home Forward, 135 S.W. Ash Street, Portland, Oregon 97204 or emailed to info@homeforward.org.

**HOME FORWARD
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021**

	Home Forward	Discretely Presented Component Units
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 79,570,594	\$ 22,210,935
Cash and Cash Equivalents - Restricted	45,265,899	25,987,121
Investments - Unrestricted	295,656	-
Investments - Restricted	4,854,356	-
Accounts Receivable, Net	7,176,216	2,174,921
Due from Partnerships, Net	6,544,327	-
Prepaid Expenses	3,032,797	14,526,336
Current Portion of Notes Receivable - Partnerships, Net	900,917	-
Total Current Assets	147,640,762	64,899,313
NONCURRENT ASSETS		
Investments - Restricted	948,621	-
Notes and Accrued Interest Receivable	262,514,916	-
Notes Receivable - Partnerships, Net	55,100,217	-
Other Assets	95	9,377,752
Investments in Partnerships	28,019,616	-
Net OPEB Asset - RHIA	410,866	-
Capital Assets not being Depreciated	44,902,528	75,934,831
Capital Assets being Depreciated, Net	85,612,502	467,949,698
Total Noncurrent Assets	477,509,361	553,262,281
Total Assets	625,150,123	618,161,594
DEFERRED OUTFLOWS OF RESOURCES		
Related to Derivative Instruments	112,304	-
Pension Related	9,300,761	-
OPEB RHIA Related	118,654	-
OPEB HBRP Related	99,642	-
Total Deferred Outflows of Resources	9,631,361	-
Total Assets and Deferred Outflows of Resources	\$ 634,781,484	\$ 618,161,594

**HOME FORWARD
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021**

LIABILITIES AND NET POSITION	<u>Home Forward</u>	<u>Discretely Presented Component Units</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 5,859,281	\$ 11,146,770
Line of Credit	11,443,107	-
Accrued Interest Payable, Payable from Restricted Assets	456,661	-
Other Accrued Liabilities	3,955,334	34,614,033
Unearned Revenue	28,895,432	699,734
Deposits, Payable from Restricted Assets	3,221,767	591,422
Current Portion of Notes Payable	2,222,500	2,118,698
Current Portion of Bonds Payable	1,656,725	-
Current Portion of Bonds Payable - Partnerships	900,917	-
Total Current Liabilities	<u>58,611,724</u>	<u>49,170,657</u>
NONCURRENT LIABILITIES		
Notes Payable - Long-Term	70,826,882	431,684,021
Bonds Payable - Long-Term	21,186,960	-
Bonds Payable - Partnerships	55,100,217	-
Accrued Interest - Long-Term	5,833,002	15,486,545
Net Pension Liability	18,244,562	-
Total OPEB Liability - HBRP	986,736	-
Derivative Instruments	112,304	-
Total Noncurrent Liabilities	<u>172,290,663</u>	<u>447,170,566</u>
Total Liabilities	230,902,387	496,341,223
DEFERRED INFLOWS OF RESOURCES		
Pension Related	14,442,218	-
OPEB RHIA Related	159,979	-
OPEB HBRP Related	572,980	-
Total Deferred Inflows of Resources	<u>15,175,177</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	246,077,564	496,341,223
NET POSITION		
Net Investment in Capital Assets	36,809,131	110,081,810
Restricted:		
Net OPEB Asset	410,866	-
Real Estate Sale Proceeds	26,219,155	-
Residual Receipts	14,841	1,646,039
Funds Held in Trust	14,467,974	12,061,201
Unused PILOT Funds	138,538	-
Program Reserves	7,202,726	-
Total Restricted	<u>48,454,100</u>	<u>13,707,240</u>
Unrestricted	303,440,689	(1,968,679)
Total Net Position	<u>388,703,920</u>	<u>121,820,371</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 634,781,484</u>	<u>\$ 618,161,594</u>

**HOME FORWARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

	Home Forward	Discretely Presented Component Units
OPERATING REVENUES		
Dwelling Rental	\$ 19,646,817	\$ 34,884,534
Nondwelling Rental	2,753,199	240,887
HUD Operating Subsidies	137,536,342	1,386,547
HUD Grants	10,634,052	-
Development Fee Revenue	8,388,232	-
State, Local, and Other Grants	130,199,410	-
Other	6,723,868	3,735,448
Total Operating Revenues	315,881,920	40,247,416
OPERATING EXPENSES		
Housing Assistance Payments	233,505,647	256
Administration	19,142,347	7,652,406
Tenant Services	8,628,277	2,671,475
Program Expense	11,332,753	1,943,267
Utilities	4,952,817	5,570,679
Maintenance	9,513,304	9,078,747
Depreciation	7,608,972	21,252,279
General and Other	2,786,227	4,531,276
Total Operating Expenses	297,470,344	52,700,385
OPERATING INCOME (LOSS)	18,411,576	(12,452,969)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	1,039,637	74,122
Interest Expense	(2,714,122)	(8,303,887)
Financing Costs	(1,869)	-
Loss on Disposal of Capital Assets	(950,019)	(28,020)
Gain on Sale of Capital Assets	23,950,995	-
Other Expense	(2,515,045)	-
Total Nonoperating Revenues (Expenses), Net	18,809,577	(8,257,785)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	37,221,153	(20,710,754)
CAPITAL CONTRIBUTIONS		
HUD Nonoperating Contributions	2,144,470	-
Partner Contributions	-	84,687,105
Total Capital Contributions	2,144,470	84,687,105
INCREASE IN NET POSITION	39,365,623	63,976,351
Net Position - Beginning of Year	349,338,297	57,844,020
NET POSITION - END OF YEAR	\$ 388,703,920	\$ 121,820,371

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

	Home Forward
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from HUD Grants	\$ 152,096,922
Receipts from State, Local, and Other Grants	138,169,748
Receipts from Tenants and Landlords	36,901,575
Receipts from Developer Fees	5,461,500
Receipts from Others	7,569,725
Receipt of Cash Restricted for Deposits Payable	(91,810)
Payments to Landlords	(232,245,704)
Payments to and on Behalf of Employees	(30,716,627)
Payments to Vendors, Contractors, and Others	(23,822,650)
Net Cash Provided by Operating Activities	53,322,679
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Line of Credit	11,787,691
Payments on Line of Credit	(8,684,516)
Net Cash Provided by Noncapital Financing Activities	3,103,175
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Line of Credit	13,500,000
Payments on Line of Credit	(13,000,000)
Proceeds from Issuance of Notes Payable	5,559,540
Proceeds from Issuance of Bonds Payable - Partnerships	5,717,905
Interest Paid on Notes and Bonds Payable	(2,426,816)
Principal Payments on Notes Payable	(4,122,202)
Principal Payments and Amortization of Premium and Discount on Bonds Payable	(1,619,468)
Principal Payments on Bonds Payable - Partnerships	(90,509,520)
HUD Capital Contributions	1,877,576
Other Nonoperating Contributions, Net	(2,515,045)
Acquisition and Construction of Capital Assets	(23,384,350)
Proceeds from the Sale of Capital Assets	33,390,587
Net Cash Used by Capital and Related Financing Activities	(77,531,793)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(4,434,919)
Financing Fees Paid	(1,964)
Issuance of Notes Receivable	(48,886,404)
Issuance of Notes Receivable - Partnerships	(5,717,905)
Collections on Notes Receivable	33,384,082
Collections on Notes Receivable - Partnerships	90,509,520
Change in Due from Partnerships, Net	(4,733,709)
Change in Investments in Partnerships, Net	(2,049,472)
Investment Income Received	4,755,823
Net Cash Provided by Investing Activities	62,825,052
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,719,113
Cash and Cash Equivalents - Beginning of Year	83,117,380
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 124,836,493

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

**RECONCILIATION OF OPERATING INCOME TO NET CASH
FROM OPERATING ACTIVITIES**

Operating Income	\$ 18,411,576
Adjustments to Reconcile Operating Income to Cash Flows Provided by Operating Activities:	
Depreciation	7,608,972
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Accounts Receivable, Net	17,092,382
Developer Fee Receivable	(2,926,732)
Prepaid Expenses	(279,197)
Accounts Payable	(1,623,384)
Other Accrued Liabilities	(204,287)
Unearned Revenue	16,540,305
Deposits, Payable from Restricted Assets	(91,810)
Deferred Outflows of Resources - Pensions	(418,633)
Deferred Outflows of Resources - OPEB	48,274
Deferred Inflows of Resources - Pensions	12,927,305
Deferred Inflows of Resources - OPEB	42,669
Net Pension Liability	(13,617,719)
Net OPEB Asset and Net OPEB Liability	(187,042)
Net Cash Provided by Operating Activities	<u>\$ 53,322,679</u>

SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS

Change in Investment in Partnerships	<u>\$ 2,049,472</u>
Total Noncash Transactions	<u>\$ 2,049,472</u>

See accompanying Notes to Financial Statements.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Federal Housing Act of 1937 authorized public housing authorities. Utilizing the 1937 Federal Housing Act, the Portland City Council established the Housing Authority of Portland as a municipal corporation under the Oregon Revised Statutes in December 1941. On May 18, 2011, Home Forward changed its legal name from Housing Authority of Portland to Home Forward. Housing Authority of Portland is now a registered name of Home Forward. Home Forward is a municipal corporation located in Portland, Oregon.

Home Forward is governed by a nine-member Board of Commissioners; four appointments are recommended by the City of Portland, two by the City of Gresham, two by Multnomah County and one representative from participants of Home Forward's housing programs. Home Forward is not financially dependent on the City of Portland and is not considered a component unit of the City. The Executive Director is appointed by the Board and is responsible for the daily functioning of Home Forward.

The governmental reporting entity consists of Home Forward, the primary government, and its blended and discretely presented component units.

Component units are legally separate organizations for which the Board of Commissioners is financially accountable or other organizations whose nature and significant relationship with Home Forward are such that exclusion would cause the Home Forward's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Home Forward's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on Home Forward. The basic financial statements include both blended and discretely presented component units. The blended component units are legally separate entities, and are considered, in substance, part of Home Forward's operations, and so data from these units is combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the primary government.

Blended Component Units

Home Forward's operations include five blended component units, which are included in the basic financial statements and consists of legally separate entities for which Home Forward is financially accountable.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

Home Forward Development Enterprises (HFDE), formerly known as New Columbia Community Campus Corporation (N4C) was formed in 2005 to support the New Columbia Community. On April 16, 2013, N4C changed its name to Home Forward Development Enterprises and was repurposed to support all of Home Forward's development and housing operations efforts.

Home Forward Community Partnerships (HFCP), formerly known as Evergreen Housing was formed in 1988 to support Home Forward for charitable purposes as permitted by Section 501(c)(3) of the Internal Revenue Code. On December 2, 2015 Evergreen Housing changed its name to Home Forward Community Partnerships.

St. Francis, LLC was formed September 17, 2015, as a result of the purchase of St. Francis Limited Partnership due to a HUD debt refinancing requirement.

Gateway Park Apartments Limited Partnership (Gateway Park LP) was formed as a Tax Credit Limited Partnership on November 7, 2002 to purchase and rehabilitate a 144 unit apartment complex located on NE 100th Avenue. On March 1, 2018, Key Community Development Corporation transferred their interest as the Limited Partner to HFDE.

Home Forward Insurance Group LLC (HFIG) was formed December 14, 2020 to support Home Forward in long term risk management program savings through use of a formalized self-insurance program.

Home Forward is legally entitled to or can otherwise access the resources of HFDE, HFCP, HFIG, St. Francis, LLC, and Gateway Park LP at the discretion of Home Forward management. Because HFDE, HFCP, HFIG, St. Francis, LLC, Gateway Park LP and Home Forward have this financial and operational relationship, generally accepted accounting principles requires that the financial statements of these entities be blended into the Home Forward financial statements.

Discretely Presented Component Units

Home Forward follows the guidance provided by the Governmental Accounting Standards Board (GASB) for the relationship of housing authorities as general partners of limited low income tax credit partnerships whereby the limited partners have majority ownership but have delegated the majority of their rights regarding the operations of the partnership to the housing authority. For these entities, Home Forward exercises the majority of control over day-to-day operations.

Home Forward is the general partner and owns a 0.01% to 1% investment in each of the following discretely presented component unit limited partnerships:

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

General Partner Ownerships presented in December 31, 2021 discretely presented component unit results:

- 1115 SW 11th Avenue Limited Partnership
- Beech Street Limited Partnership
- Cecelia Limited Partnership
- Civic Redevelopment Limited Partnership
- East Group Limited Partnership
- Haven Limited Partnership
- Humboldt Gardens Limited Partnership
- Jeffery Apartment Limited Partnership
- Lloyd Housing Limited Partnership
- North Group Limited Partnership
- RAC Housing Limited Partnership
- Square Manor Limited Partnership
- Stephens Creek Crossing North Limited Partnership
- Stephens Creek Crossing South Limited Partnership
- Trouton Limited Partnership
- Woolsey Limited Partnership
- Wests Limited Partnership
- Woods East Limited Partnership
- FP2 Limited Partnership
- 3000 Powell Limited Partnership
- Baldwin PSH Limited Partnership
- Central Group Limited Partnership

As a general practice, Home Forward's liability is not limited to initial investment and/or any future funding requirements. The limited partnerships have a December 31 year-end and complete financial statements may be obtained by contacting the Chief Financial Officer, Home Forward, 135 S.W. Ash Street, Portland, Oregon 97204.

Programs Administered by Home Forward

Home Forward administers Annual Contribution Contracts to provide low-income housing with primary financial support from the U.S. Department of Housing and Urban Development (HUD) and develops and manages affordable properties. Programs administered by Home Forward are as follows:

Public Housing

Home Forward owns, operates and maintains 425 units at December 31, 2021. The properties with Public Housing units were acquired through grants and subject to the terms of an Annual Contributions Contract with HUD. Revenues consist primarily of rents and other fees collected from tenants, and an Operating Subsidy from HUD. Funds from the Capital Grant Program provided by HUD are used to maintain and improve this Public Housing portfolio. Substantially all additions to land, structures and equipment of Public Housing are accomplished through these capital grant funds.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Programs Administered by Home Forward (Continued)

Rent Assistance

Section 8 of the U.S. Housing and Community Development Act of 1974 provides Housing Assistance Payments on behalf of lower-income families to participating housing owners. Under this program, the landlord-tenant relationship is between a rental-housing owner and a family, rather than Home Forward and a family as in the Public Housing program. For approved housing, HUD contracts with Home Forward to enter into contracts with owners to make assistance payments for the difference between the approved contract rent and the actual rent paid by the lower-income families, between 28.5% and 31% of adjusted household gross income. Housing Assistance Payments made to landlords and some participants are funded through Annual Contributions Contracts. At December 31, 2021, Home Forward administered approximately 10,450 vouchers through several programs authorized by Section 8. Additionally, Home Forward administers the Short-Term Rent Assistance program on behalf of the City of Portland, the City of Gresham, and Multnomah County.

Affordable Housing and Special Needs Housing

Home Forward owns or is a partner in 6,607 units of housing. The Affordable Housing portfolio consists of 67 multifamily properties representing 5,684 units, of which 3,283 are owned through tax credit partnerships. The Special Needs portfolio consists of 30 properties representing 498 units. The Special Needs properties were developed using grant funds received from the State of Oregon and Federal programs combined with contributions from Home Forward and other local agencies.

Resident Services

Home Forward coordinates and provides social and economic development programs for families and administers a variety of community housing and service partnerships throughout Multnomah County. Funding for these programs comes from HUD, Medicare, participant fees, charitable organizations and private donations.

Development

Home Forward pursues development projects that augment the supply of low-cost housing, provides essential services to residents and revitalizes overall communities. These projects include renovation of older/existing housing, new construction and pilot projects.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Home Forward operates as an enterprise activity. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Home Forward distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses are derived from providing services in connection with Home Forward's ongoing operations. Operating revenues generally include rental income, operating subsidies, operating grant revenue and development fee income. Operating expenses generally include housing assistance payments, occupancy charges, development services, tenant services, administrative expenses and depreciation on capital assets. All other revenue and expenses not meeting this definition are classified as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Use of Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is Home Forward's policy to use restricted resources first and the unrestricted resources as they are needed.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is classified in the following three components:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted

This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation reduced by liabilities relating to those restricted assets.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Unrestricted

This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts deposited in checking, money market accounts and the Oregon Local Government Investment Pool (LGIP) or investments with original maturities of 90 days or less. The LGIP is managed by the Oregon State Treasurer as an alternative to commercial money market accounts. Deposits are subject to collateral requirements. Deposits in the LGIP are recorded at fair value, which is the same as the value of the pool shares. Investments in the LGIP are included in the Oregon Short-Term Fund, which is not registered with the U.S. Securities and Exchange Commission as an investment company. Investments in the Oregon Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board.

Cash and Cash Equivalents – Restricted and Investments – Restricted

This consists of funds set aside for:

Family Self-Sufficiency Funds consist of amounts deposited under the Family Self-Sufficiency (FSS) program. Under the FSS program, if the income of a tenant enrolled in the program increases, instead of decreasing the subsidy amount, the original subsidy continues to be paid and the difference between the original and new subsidy amount is deposited into an escrow account. If the tenant enrolled in the program attains certain target goals related to self-sufficiency, the tenant is awarded money from the escrow account to use for various purposes stated in the tenant’s self-sufficiency plan such as college tuition or a down payment for the purchase of a home.

Tenant Security Deposits represent the refundable deposits received from tenants and held in trust to secure the performance of a rental agreement. As of Tenant security deposits in excess of any outstanding damage or rent charges must be returned to the departing tenants within 31 days after the termination of the tenancy. The funds are typically held in segregated bank accounts since these funds may not be used for operations. Effective March 1, 2020 the City of Portland released the Portland FAIR Ordinance which established new requirements for landlords related to interest earnings and reporting requirements for security deposits. Home Forward ceased collection of security deposits as of January 1, 2020 however deposits collected before that date were grandfathered and continue to be allowed to earn interest that may be retained for operations.

Rental Assistance Demonstration Acquisition Proceeds are externally restricted funds which consist of net proceeds received from the sale of 2,320 public housing units to various Limited Partnerships. These proceeds are used to fund the development of new affordable housing multi-family properties or for large-scale rehabilitation projects to existing affordable housing properties.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – Restricted and Investments – Restricted (Continued)

Section 18 Acquisition Proceeds are externally restricted funds which consist of net proceeds received from the sale of 1,199 public housing units to various Limited Partnerships. These proceeds are used to fund the development of new affordable housing multi-family properties or for large-scale rehabilitation projects to existing affordable housing properties.

Funds Held in Trust consist primarily of replacement reserves held in trust and by Home Forward for Affordable Housing properties owned and operated by Home Forward. In addition, the balance includes performance guarantee and other funds held in trust and by Home Forward under various agreements. The reserves are invested in interest-bearing bank accounts and are externally restricted for the purposes of maintaining required reserve funds or purchasing or constructing capital assets or other noncurrent assets. As such, the amounts are classified as restricted, noncurrent assets. During the year ended December 31, 2021, the reserves were funded as required under the various agreements.

Debt Service Funds include externally restricted funds on deposit with various trustees relating to the servicing of debt. Funds are invested in guaranteed investment contracts and short-term marketable securities.

PILOT funds are maintained to fund Payments in Lieu of Taxes (PILOT) on certain rental properties owned by Home Forward. Under an agreement with the city of Portland, Home Forward is required to make an annual payment equal to \$200,000. Home Forward also makes annual payments to the city of Fairview. Total payment to city of Fairview for the year ended December 31, 2021 was \$30,475.

In August 2020, the Board of Commissioners approved Resolution 20-08-02 authorizing Home Forward to establish a pure captive insurance limited liability company domiciled in the State of Hawaii. On December 24, 2020, HFIG was formed and licensed. The Captive is a Class 2 limited liability company managed by Home Forward as the sole member and will insure the risks of Home Forward and its affiliates. Pursuant to Hawaii Revised Statutes 431:19-104, HFIG's minimum required capital and surplus of \$500,000 was on deposit in the Corporation's name at First Hawaiian Bank on December 24, 2020.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Risk

Federal regulations require that public funds on deposit with financial institutions be secured at a rate of 100% of amounts in excess of deposit insurance coverage. Home Forward maintains cash balances at several financial institutions, some in excess of the federally insured amount of \$250,000 per Employer Identification Number. Financial institutions insure these excess balances either via the Oregon state treasurer's office by designating these balances as Public Funds per ORS 295 or via other collateral agreements at the Bank of New York Mellon. At December 31, 2020, all of Home Forward's funds were collateralized.

Investments

Pursuant to Home Forward's Moving to Work Agreement with the Department of Housing and Urban Development (HUD), Home Forward's Investment Policy dated September 2013 is written in conformance with ORS Chapter 456 – Housing. Home Forward's investment program shall be operated in conformance with Oregon Revised Statutes and Applicable Federal Law. Specifically, Home Forward's investment policy is written in conformance with ORS Chapter 294 – County and Municipal Financial Administrations, which allows for federal funds to be invested in securities permitted under Oregon state law.

HF Insurance Group, LLC deposits cash and makes investment purchases in accordance with its Cash and Investment Policy. The policy defines how the funds are to be managed and invested by HFIG. The policy applies to activities of HFIG with regard to maintaining and investing the financial assets of operating funds, loss reserves, and other financial sources.

Due from Partnerships, Net

Consists primarily of development and management fees earned by Home Forward through its involvement as the General Partner in tax credit partnerships and partnership project costs paid by Home Forward on behalf of the partnerships (see Note 5). The fees are typically paid based on the availability of net cash flow of the partnerships or from the proceeds of capital contributions to the partnerships. Management reviews the balance for likelihood of collection and records an allowance for doubtful accounts based on the type and age of the individual receivables.

Notes Receivable (Noncurrent)

Consists primarily of loans to tax credit partnerships for the development of affordable housing. These loans have a maturity date greater than one year in duration. Management reviews the balance for likelihood of collection and records an allowance for doubtful accounts based on the type and age of the individual receivables (see Note 6).

Notes Receivable – Partnerships, Net

Consists of required payments to be made by the Partnerships to Home Forward to pay required debt service payments on the Multi-Family Housing Revenue Bonds in which Home Forward has an ownership interest.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in Partnerships

Represents Home Forward's equity interest in 22 limited partnerships, which are reported as Home Forward's discretely presented component units (see Note 7). These investments are accounted for under the equity method because Home Forward either holds a controlling interest or has "significant influence" over the operations of the partnerships.

Under the equity method, the initial investment is recorded at cost and is increased or decreased by Home Forward's share of income or losses and is increased by contributions and decreased by distributions. Management reviews the investment in partnerships for possible impairment in value whenever events or circumstances indicate the carrying value of the investment may not be recoverable.

Capital Assets

Capital Assets include land, construction in progress, buildings and improvements, and equipment. All capital assets are recorded at cost except for donated capital assets which are recorded at acquisition value at the time of donation. Depreciation is computed on the straight-line method based on the estimated useful lives of the individual assets: 15 to 40 years for buildings and improvements and 3 to 20 years for equipment. When debt is issued for construction of capital assets, interest is capitalized during construction up to the placed-in-service date. Maintenance and repairs are charged to expense when incurred. Assets with costs in excess of \$5,000 are capitalized and depreciated from the respective placed-in-service date.

Management reviews land, buildings and improvements, equipment, and construction in progress for possible impairment whenever events or circumstances cause a material and unanticipated decline in the service utility of an asset. Impairment is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources (expense) until then. Home Forward has three items that qualify for reporting in this category. The deferred amount related to pensions is recognized as an outflow of resources in the period when Home Forward recognizes pension expense. The deferred amount related to OPEB is recognized as an outflow of resources in the period when Home Forward recognizes OPEB expense. The deferred amount related to derivative instruments represents the fair value of swap agreements recognized as a liability in Home Forward's statement of net position with the offsetting losses in deferred outflows of resources.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources (Continued)

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenue) until that time. Home Forward has two types of items that qualify for reporting in this category. The deferred amount related to pensions is recognized as an inflow of resources in the period Home Forward recognizes a reduction of pension expense. The deferred amount related to OPEB is recognized as an inflow of resources in the period Home Forward recognizes a reduction of OPEB expense.

Net OPEB (Asset)/Liability

Home Forward has two other post-employment benefits (OPEB) plans: 1. Retirement Health Insurance Account (RHIA) and 2. Home Forward Health Benefit Retiree Program (HBRP). For purposes of measuring the net OPEB RHIA asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see Note 16). For purposes of measuring the total OPEB HBRP liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been actuarially determined using assumptions regarding the future cost of the retiree health plan and that it will retain its current relationship to the cost of the active plan, and that the active plan cost will maintain a reasonable relationship to direct compensation (see Note 16).

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see Note 15).

Unearned Revenue

Unearned revenue consists primarily of land lease prepayments, advanced grant payments received from HUD programs and payments received from non-HUD sources that have not been earned as of December 31, 2021.

Other Accrued Liabilities – Current

Represents the current liabilities due and payable to the General Partner for operating expenses paid on behalf of the Limited Partnership. These include wages and purchase card transactions.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Operating subsidies are recognized in the period funds are received. Revenues from grants are recognized in the periods designated by the grantor as the associated costs are incurred. Revenues from contracts and rental revenues are recognized when the associated services are provided.

Compensated Absences

All full-time and part-time employees who are regularly scheduled to work at least 20 hours per week are eligible to earn paid annual leave. Eligible employees begin to accrue annual leave as of their hire date; however, the accrued time does not become earned, useable or payable until the completion of 90 days of continuous service. Earned paid annual leave time may be carried over and accumulated up to a maximum of two years' accrual as of January 1 of any year. Total accrued compensated absences as of the year ended December 31, 2021 were \$2,061,124 and are a component of other accrued liabilities.

Income Taxes

Home Forward adopted the provisions of FASB ASC *Topic 740-10 Accounting for Uncertainty in Income Taxes* on April 1, 2009, as applicable to the tax credit limited partnerships presented as discretely presented component units in the basic financial statements. These Oregon tax credit limited partnerships were formed in conformity with the provisions of Section 42 of the Internal Revenue Code, thus no provision has been made for income taxes. There was no effect on net position in the current year as a result of adopting this Topic. No expense for interest or penalties is recognized in the financial statements. Management believes the tax credit limited partnerships have not taken any uncertain tax positions, as defined in the Topic.

Effect of New Pronouncements

For the fiscal year ended December 31, 2021, Home Forward has adopted the following GASB statements:

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest costs incurred before the end of a construction period.

Home Forward is currently analyzing its accounting practices to identify the potential impact on the financial statements for the following GASB statements:

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of New Pronouncements (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest costs incurred before the end of a construction period.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. This Statement addresses accounting and financial reporting implications that result from the replacement of an IBOR.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The purpose of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Statement was implemented in 2019; however, the Statement continues to have an impact on upcoming standards. The Statement Postpones GASB Statement 87, *Leases*, by 18 months and postpones the following Statements by 12 months:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of New Pronouncements (Continued)

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 LOW INCOME HOUSING TAX CREDIT LIMITED PARTNERSHIPS

The low-income housing tax credit program is the result of federal legislation that allows investors certain tax incentives for investing in low-income housing. Under terms of the federal tax code and extended use agreements with the state of Oregon, the buildings must continue to serve the targeted population for 30 years; after 15 years, Home Forward has the option to purchase the property from the partnership.

Tax Credit Limited Partnerships are created to finance and own affordable housing. Home Forward acts as Managing General Partner of each partnership. Although each Tax Credit Limited Partnership is structured differently, they are generally financed via loans to the partnership, contributions of equity by the general and limited partners, and other sources. In some transactions, Home Forward issues bonds and loans the proceeds to the Tax Credit Limited Partnership. Tax-exempt bond issuances are secured by the underlying partnership real estate and, in some cases, by the general revenues of Home Forward. The bonds and notes payable are offset by notes receivable from the partnerships. The partnerships make payments to Home Forward for debt service. Home Forward may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects. Because of limitations posed by the Internal Revenue Service, all such funds are received by Home Forward and lent to the partnerships. These funds are accounted for as notes receivable from the partnerships if the proceeds are used for developing the property. Other advances are included in amounts due from partnerships and are reflected in Note 5. Notes payable related to the partnerships are reflected in Note 11. A summary of Home Forward's long-term debt, including debt pertaining to the tax credit partnerships, is reflected in Note 12. A summary of notes receivable from the partnerships is reflected in Note 6.

Home Forward typically earns a developer's fee for its role in bringing the project to fruition. These fees are earned based on certain events or dates relative to the development of the project. Developer fees are paid primarily from development proceeds and available cash flows. Under the various partnership agreements, the balance of developer fees not paid during the construction phase are generally required to be paid within 10 to 15 years of the project having been placed in service and may accrue interest on unpaid balances. For the year ended December 31, 2021, Home Forward earned \$8,388,232 in developer fees and was paid \$5,461,500.

At December 31, 2021, the balance of the development fees owed to Home Forward is \$27.4 million. The fees are included within notes receivable on the statement of net position. Some tax credit projects also pay a General Partner's management fee and/or a tenant services fee; these fees are reflected in other operating revenues and totaled \$372,504 as of December 31, 2021.

Home Forward did not purchase the remaining interest of any of its Tax Credit Limited Partnerships during the year ended December 31, 2021.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Pursuant to Home Forward's Moving to Work Agreement with HUD, Home Forward's Investment Policy dated September 2013 is written in conformance with ORS Chapter 456—Housing. Home Forward's investment program shall be operated in conformance with Oregon Revised Statutes and applicable federal law. Specifically, Home Forward's investment policy is written in conformance with ORS Chapter 294 – County and Municipal Financial Administration, which allows for federal funds to be invested in securities permitted under Oregon state law.

As of the year ended December 31, 2021, cash and investments consisted of the following

Cash and Cash Equivalents	\$ 79,570,594
Cash and Cash Equivalents - Restricted	45,265,899
Total Cash and Cash Equivalents	<u>\$ 124,836,493</u>
Investments	\$ 295,656
Investments - Restricted	5,802,977
Total Investments	<u>\$ 6,098,633</u>

At December 31, 2021, all of Home Forward's bank balances were insured first by federal depository insurance of \$250,000 per institution and any balances in excess of that amount were collateralized by either a Tri-Party agreement or by the Oregon State Public Funds Collateral Pool.

Investment Risk Disclosures

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, Home Forward will not be able to recover the value of the investment securities that are in the possession of the outside party. As of the year ended December 31, 2021, all investments were insured or registered, and held by Home Forward or its agent in Home Forward's name, or uninsured and unregistered, with securities held by the counterparty's trust department or agent in Home Forward's name and were not exposed to custodial credit risk.

Credit risk of investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This credit risk is measured by the credit quality rating of investments in debt securities as described by a nationally recognized statistical rating organization such as Standard and Poor's (S&P).

To minimize credit risk, Home Forward's policies provide that investments in corporate indebtedness are rated a minimum of A1, P1, 3a3 and investments in municipal debt obligations of the state of Oregon that are A or better. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investment Risk Disclosures (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of Home Forward's investment in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools). To minimize concentration of credit risk, Home Forward's investments are made from a selection of diverse issuers. As of December 31, 2021, Home Forward is not exposed to concentration risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Home Forward selects investments of varied maturities to mitigate this risk.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. In accordance with Home Forward's investment policy, Home Forward does not invest in securities associated with exchange rates and therefore is not exposed to foreign currency risk.

As of the year ended December 31, 2021, Home Forward's restricted investments consist of a guaranteed investment contract and a repurchase agreement with Bayerische with a S&P rating of AAA and a weighted average maturity more than three years in the amount of \$472,680 and \$475,941, respectively.

Investments restricted at December 31, 2021 mature between January 2027 and December 2029 and the interest rate on the investments ranges from 4.39% to 4.57%.

Fair Value of Financial Instruments

Investments held by Home Forward are stated at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Home Forward determines the fair value of these investments on a monthly basis, based on quoted market prices. Outside trustees provide monthly statements to report the fair value and pricing of the assets held by them, which are also based on quoted market prices. During Fiscal Year 2017, Home Forward adopted GASB 72 *Fair Value Measurement and Application*. GASB 72 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under GASB 72 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Home Forward has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Fair Value of Financial Instruments (Continued)

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 as compared to December 31, 2021. Investments in derivatives are valued based upon quoted prices for similar assets in active markets.

Certificates of Deposit and Guaranteed Investment Contracts are carried at amortized cost, thus are not included in the fair value hierarchy.

Certificate of Deposit	\$	295,656
Guaranteed Investment Contract		472,680

The following table sets forth by level, within the fair value hierarchy, Home Forward's assets and liabilities at fair value as of December 31, 2021:

	<u>Total</u>	<u>Level 2</u>
Repurchase Agreement	\$ 475,941	\$ 475,941
Derivative Instrument	(112,304)	(112,304)

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of the year ended December 31, 2021:

HUD Grants	\$ 2,648,293
State, Local, and Other Grants	1,625,873
Tenants and Landlords	3,310,875
Other	698,326
Total Accounts Receivable	<u>8,283,367</u>
Less: Allowances for Doubtful Accounts	<u>(1,107,151)</u>
Accounts Receivable, Net	<u>\$ 7,176,216</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 DUE FROM PARTNERSHIPS

Due from Partnerships consists of the following as of the year ended December 31, 2021:

Stephen's Creek Crossing North (4%)	\$ 62,585
Cecelia Limited Partnership	856,844
Woolsey Limited Partnership	781,851
West's Limited Partnership	15,465
Stephen's Creek Crossing North (9%)	45,639
Woods East Limited Partnership	(188,806)
Square Manor Limited Partnership	175,626
Lloyd Housing Limited Partnership	26,855
North Group Limited Partnership	441,738
East Group Limited Partnership	687,518
Central Group Limited Partnership	1,861,424
Baldwin PSH Limited Partnership	334,158
3000 Powell Limited Partnership	2,001,873
All Other Partnerships	<u>1,732,875</u>
Total Due from Partnerships	8,835,645
Less: Allowances for Doubtful Accounts	<u>(2,291,318)</u>
Due from Partnerships, Net	<u>\$ 6,544,327</u>

NOTE 6 NOTES RECEIVABLE AND ACCRUED INTEREST

Notes and accrued interest receivable consist of the following as of December 31, 2021:

Partnerships Notes	\$ 317,105,123
Homeowners Notes	<u>208,300</u>
Total Notes Receivable	317,313,423
Accrued Interest Receivable	14,673,049
Less: Allowances for Doubtful Accounts	<u>(13,470,422)</u>
Total Notes and Accrued Interest Receivables, Net	<u>\$ 318,516,050</u>

Partnership notes have been issued to the limited partnerships invested in by Home Forward. These notes are used for the purpose of acquiring, constructing, and/or remodeling buildings for housing and other housing related purposes. These notes have an interest range of 0% to 6% with various maturity dates through 2074. As described in each note agreement, payments will be made from available cash flows.

Home Forward shares a long-term commitment with Neighborhood House to operate an early childhood education center at the Stephens Creek Crossing Children Center. The note was paid off in 2021.

Homeowners' notes are secured by deed of trust and no longer accrue interest. Deferred interest was forgiven if the owner completed required homeowner education classes and remained in the house for five years. Principal is payable upon sale of property or various dates between 2033 through 2037.

**HOME FORWARD
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NOTE 7 INVESTMENTS IN PARTNERSHIPS

Investments in partnerships consist of the following as of December 31, 2021:

Investments in Limited Liability Partnerships

RAC Housing Limited Partnerships	\$ 21,185,411
Cecelia Limited Partnership	1,272,494
Haven Limited Partnership	515,797
The Jeffrey Limited Partnership	50,931
The Morrison Limited Partnership	25,998
St. Francis Park Limited Partnership	442,811
Square Manor Limited Partnership	291,673
North Group Limited Partnership	69
Central Group Limited Partnership	100
Baldwin Limited Partnership	100
Powell Limited Partnership	100
Fountain Place 2	100
Lloyd Housing Limited Partnership	4,234,032
Total Investments in Partnerships	<u>\$ 28,019,616</u>

NOTE 8 CAPITAL ASSETS

Land, structures, and equipment activity of Home Forward was as follows for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Disposals	Transfers	Balance, December 31, 2021
Land	\$ 32,148,053	\$ 6,728,231	\$ (89,000)	\$ -	\$ 38,787,284
Construction in Progress	8,126,170	6,791,216	(6,198,819)	(2,603,323)	6,115,244
Total Capital Assets Not being Depreciated	40,274,223	13,519,447	(6,287,819)	(2,603,323)	44,902,528
Buildings and Improvements	203,623,604	2,416,769	(8,901,506)	1,661,326	198,800,193
Equipment	12,892,620	-	(1,676,137)	941,997	12,158,480
	216,516,224	2,416,769	(10,577,643)	2,603,323	210,958,673
Less Accumulated Depreciation:					
Buildings and Improvements	(114,159,229)	(7,147,495)	5,991,620	-	(115,315,104)
Equipment	(11,026,105)	(461,477)	1,456,515	-	(10,031,067)
	(125,185,334)	(7,608,972)	7,448,135	-	(125,346,171)
Total Capital Assets being Depreciated	91,330,890	(5,192,203)	(3,129,508)	2,603,323	85,612,502
Total Capital Assets, Net	<u>\$131,605,113</u>	<u>\$ 8,327,244</u>	<u>\$ (9,417,327)</u>	<u>\$ -</u>	<u>\$ 130,515,030</u>

**HOME FORWARD
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NOTE 9 LINES OF CREDIT

Home Forward has an \$8,000,000 operating revolving line of credit. The line of credit is used for short-term funding needs. The line of credit is collateralized by the general revenues of Home Forward, maturing December 1, 2024. Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2021, gross draws, including initial draws and draws after repayments, on the line of credit were \$13,500,000 which represents both principal and accrued interest. The remaining outstanding line of credit balance for December 31, 2021 was \$4,500,000.

A summary of activity for Home Forward's line of credit for year ended December 31, 2021 is as follows:

Balance January 1, 2021	Draws	Repayments	Balance December 31, 2021
\$ 4,000,000	\$ 13,500,000	\$ (13,000,000)	\$ 4,500,000

Home Forward has a ten 10-year, \$20,000,000 real estate revolving line of credit, maturing December 20, 2028. The line of credit will be used to provide capital for real estate development activities. Collateral requirements include first deed of trust (and assignment of rents, if applicable) on a real estate collateral pool with a 75% maximum commitment to collateral value (75% LTV). Home Forward has identified that the three properties Grace Peck, Rosenbaum Plaza and Unthank will serve as the properties for the collateral pool. As borrower, Home Forward has the option to replace the properties identified as collateral provided other covenants are in compliance of the new collateral. Additional requirements are that for accounts which are wholly owned and/or controlled by Home Forward. Home Forward will aggregately maintain a minimum of \$12,500,000 in deposit balances at Beneficial State bank during the term of the credit facility and Home Forward will maintain a 5-year certificate of deposit of \$275,000 with Beneficial State Bank.

Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2021, gross draws, including initial draws and draws after repayments, on the line of credit were \$11,787,691 which represents both closing costs and accrued interest. The remaining outstanding line of credit balance for the year ended December 31, 2021 was \$6,943,107.

A summary of activity for Home Forward's line of credit for the year ended December 31, 2021 is as follows:

Balance January 1, 2021	Draws	Repayments	Balance December 31, 2021
\$ 3,839,932	\$ 11,787,691	\$ (8,684,516)	\$ 6,943,107

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NOTE 10 NOTES PAYABLE

Notes payable of Home Forward consist of the following as of December 31, 2021:

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Schiller Way	1.50 %	2030	Monthly	Deed of Trust	Borrower fails to pay principal and interest and doesn't cure within 15 days after due date and Lender may declare all sums owed	If Borrower becomes insolvent all principal and interest become automatically due	N/A	\$ 323,448
Richmond Place	3.00	Sale of Property	Cash Flow	Deed of Trust	Beneficiary may declare all principal balance and accrued interest due immediately if loan payments are not paid by due date; beneficiary may take possession of property and collect all rents	Failure to disclose (any misrepresentation), beneficiary has the option to declare all principal balance and interest immediately due	N/A	862,042
Turning Point	7.49	2032	Monthly	Secured by Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing and a Pledge and Security Agreement	Borrower fails to pay any amount within 10 days of due date and Lender may declare entire loan due and payable; Borrower fails to perform or comply with any other covenant or condition under agreement. Borrower fails to show evidence of full or substantial compliance with governmental authority over property and not cured in 30 day period, if property is seized by any governmental agency, material adverse change in financial condition of borrower and not remedied within 30 days	Not applicable	N/A	287,164
Willow Tree	4.42	2036	Monthly	Secured by Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing and a Pledge and Security Agreement	Borrower fails to pay any amount within 10 days of due date and Lender may declare entire loan due and payable; Borrower fails to perform or comply with any other covenant or condition under agreement. Borrower fails to show evidence of full or substantial compliance with governmental authority over property and not cured in 30 day period, if property is seized by any governmental agency, material adverse change in financial condition of borrower and not remedied within 30 days	Not applicable	N/A	489,726
Cambridge Court	1.00	2032	Monthly	Lender has a lien on the land and all improvements and a security interest in personal property	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclosure of property	Not applicable	N/A	376,825
Cambridge Court	-	2032	Cash Flow	Lender has a lien on the land and all improvements and a security interest in personal property	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclosure of property	Not applicable	N/A	395,975
Dawson Park	3.00	2022	Cash Flow	Assignment of leases and rents and real property to the Lender	Borrower fails to pay debt owed to Lender, fails to maintain property, fails to have insurance, failure to pay liens, taxes and assessment, failure to abide by loan agreement, failure to maintain a reserve for real property taxes, failure to keep senior liens current, failure to not permit additional liens for financing without consent will make the unpaid principal balance due immediately	Not applicable	N/A	294,277
Fenwick Apts	3.77	2025	Monthly	Trust deed, security agreement, assignment of leases and rents, and fixture filing	Borrower fails to make payment of any amount payable under this loan entire indebtedness becomes immediately due	Not applicable	N/A	943,160
Fenwick Apts	-	Sale of Property	Cash Flow	Security agreement in property including accessories, additions, replacements and accession now and hereinafter affixed connected to property	Failure to pay sum due under this agreement within 10 days, failure to pay general debts when due, failure to comply with covenants under agreement and not cured within 30 days, failure to obtain lender's consent to transaction (sale, transfer of proceeds from agreement), failure to disclose material facts, default under other loans, default by guarantor or failure to replace guarantor within 90 days. Lender may declare the entire remaining balance of principal and interest due immediately. Lender can place a lien on the land and all buildings and improvements. Lender may take action to recover monetary damages caused by violation or attempted violation of any covenant, condition, agreement or obligation. Damages can include but not be limited to all costs, expenses, including but not limited to staff and administrative expenses, fees including legal	Not applicable	N/A	1,175,032
Fenwick Apts	3.00	2034	Monthly	Trust Deed, Security interest in personal property collateral	Failure to pay sum due under this agreement within 10 days, failure to pay general debts when due, failure to comply with covenants under agreement and not cured within 30 days, failure to obtain lender's consent to transaction (sale, transfer of proceeds from agreement), failure to disclose material facts, default under other loans, default by guarantor or failure to replace guarantor within 90 days. Lender may declare the entire remaining balance of principal and interest due immediately. The Trustee at Lender's direction shall have the right to foreclose by notice and sale of property. Upon any occurrence of any Event of Default interest shall accrue on the unpaid principal balance at a rate equal to the less of four percentage points above the current rate.	Not applicable	N/A	111,994
Helen Swindells	3.00	2023	Cash Flow	Trust Deed in the property and all tenements along with leases and rents of the property	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, title is free of encumbrance, pay liens, taxes and assessments, abide by loan agreement covenants, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	1,483,870

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NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Helen Swindells	3.00	2023	Cash Flow	Trust Deed in the property and all tenements along with leases and rents of the property	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, title is free of encumbrance, pay liens, taxes and assessments, abide by loan agreement covenants, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	\$ 600,451
Kelly Place	4.80	2028	Monthly	Trust Deed covering the real property and other collateral	Borrower fails to perform any obligation to pay principal or interest and doesn't cure within 15 days when due	If Borrower becomes insolvent, all sums of principal and interest under the Note become automatically due and payable	N/A	203,450
James Hawthorne	-	Sale of Property	Cash Flow	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or place a lien on the property	Not applicable	N/A	5,728,950
North Interstate	-	Sale of Property	Cash Flow	Trust Deed	Not applicable	Not applicable	N/A	912,948
Yards at Union Station	1.00	2027	Monthly	Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale. Upon the event of default, interest can be increased of 4 percentage points above the current interest rate.	Not applicable	N/A	680,287
Pearl Court	3.00	2027	Monthly	Trust Deed, Security Agreement, UCC1	An event of default is constituted as the following: failure to make any payment when due any loan documents and not cured within 10 days, failure to perform any covenant, agreement or obligation under any of the Loan Documents if not cured within 60 days will lead to the declaration any or all indebtedness secured by the Trust to be due and payable immediately, foreclose the trust deed as a mortgage, cause any or all of the property to be sold under the power of sale, elect to exercise its right with respect to Leases & Rents	Not applicable	Acceleration of the entire unpaid principal balance of the Note and other indebtedness secured by the Trust Deed securing this note upon any sale or transfer is automatic	433,827
Peter Paulson	7.91	2024	Cash Flow	Trust Deed and assignment of leases and collection of rents	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, pay liens, taxes and assessments, abide by loan agreement covenants, monthly reserve is maintained by borrower, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	1,021,301
Peter Paulson	0.50	2024	Cash Flow	Trust Deed and assignment of leases and collection of rents	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, pay liens, taxes and assessments, abide by loan agreement covenants, monthly reserve is maintained by borrower, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	250,000
Peter Paulson	-	2024	Cash Flow	Trust Deed and assignment of leases and collection of rents	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, pay liens, taxes and assessments, abide by loan agreement covenants, monthly reserve is maintained by borrower, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	689,635
Schiller Way	-	Sale of Property	Cash Flow	Not applicable	Events of default are constituted as follows: failure to pay any sum due under agreement within 10 days of due date, failure to comply with covenants, failure to obtain Loan provider's consent in sale, transfer or assignment of proceeds, failure to comply with agreement, failure to pay general debts when due, failure to disclose material facts, default under other grants, default by guarantor or failure to replace guarantor will cause the entire remaining unpaid balance immediately due and loan will become lien on the property	Not applicable	N/A	505,351
SW 45th (Carriage Hill Apts)	-	Sale of Property	Cash Flow	Line of credit trust deed, security agreement, fixture and filing and assignment of leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property	Not applicable	N/A	178,241

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NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
SW 45th (Carriage Hill Apts)	3.00	2032	Monthly	Line of credit trust deed, security agreement, fixture and filing and assignment or leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property	Not applicable	N/A	\$ 24,557
Willow Tree	-	2035	Cash Flow	Line of credit trust deed, security agreement, fixture and filing and assignment or leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property	Not applicable	N/A	145,649
Fairview Oaks & Woods	3.05	2047	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	Events of default include: borrower fails to pay or deposits amounts when due under the note, fraud or material misrepresentation or material omission by borrower or any of its officers, directors, members, commencement of a foreclosure action or proceeding, any material failure by Borrower to comply obligations under Security Instrument, failure by borrower to perform obligations under regulatory agreement will be cured	Not applicable	If a monetary event of default occurs for a period of 30 days, the entire unpaid principal balance and any accrued interest and all other amounts payable to becomes due and payable	10,229,331
Rockwood Station	3.58	2047	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	Events of default include: borrower fails to pay or deposit amounts when due under the note, fraud or material misrepresentation or material omission by borrower or any of its officers, directors, members, commencement of a foreclosure action or proceeding, any material failure by Borrower to comply obligations under Security Instrument, failure by borrower to perform obligations under regulatory agreement will be cured	Not applicable	If a monetary event of default occurs for a period of 30 days, the entire unpaid principal balance and any accrued interest and all other amounts payable to becomes due and payable	4,132,693
Rockwood Station (Mpower)	6.00	2025	Monthly	Security interest in the Efficiency Measures, Memo of ESA	Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable.	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approve by Lender, Borrower's failure to make any payment within 10 days of due date, and other default or breach of any term in the Note or other Loan documents	66,300
Hawthorne Home	6.00	2029	Monthly	Trust Deed	Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.	Not applicable	N/A	33,119
Madison Home	6.00	2029	Monthly	Deed of Trust	If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender	Not applicable	N/A	32,835
North Interstate	6.00	2033	Monthly	Deed of Trust	If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.	Not applicable	N/A	336,837

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NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Project Open Door	1.00	2027	Monthly	Trust Deed	<p>If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.</p> <p>If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.</p>	Not applicable	N/A	\$ 105,765
Taylor Home	7.00	2029	Monthly	Deed of Trust	<p>Events of default can allow Lender to declare all sums owed this loan and other loan documents. Events of default include: Borrower fails to pay when due any sums payable under Note or any other Loan document, performance of obligations to cure failure in cure period provided, recording of any claim of lien on property (for more than 20 days), failure of any representation or warranty of Borrower in any of the Loan documents and continuation of failure for 10 days, material adverse change in financial condition of Borrower, voluntary bankruptcy, insolvency or dissolution, involuntary bankruptcy, material management or organization change in Borrower which Lender determines has a material adverse effect on the loan, the failure of the Deed of Trust to be a valid first lien upon property, discovery of any significant hazards materials on property, unsecured indemnity agreement.</p>	Not applicable	N/A	31,704
Ashcreek Commons	0.04	2034	Monthly	Deed of Trust	<p>Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property</p>	Not applicable	If Borrower fails to pay when due any sums payable or a Default occurs Lender may declare all sums owing immediately due and payable	1,454,406
Ainsworth Court	-	2052	Cash Flow	Subordination agreement to be secured by certain liens and encumbrances against the property, Lien on the land	<p>If an event of default has occurred, the entire unpaid principal balance of the mortgage loan, any accrued interest, interest accruing at the default rate, the prepayment premium (if applicable) at the option of Lender shall be immediately due and payable without notice to Borrower. In addition Lender shall have rights and remediate including foreclosure on and/or the power of sale of the property. The following events are events of default: failure by Borrower to pay or deposit when due amounts required the Note or any other Loan document, failure of Borrower to maintain insurance coverage, failure by Borrower to maintain property as single asset status, any warranty or representation is false or inaccurate, fraud, gross negligence or will misconduct or material misrepresentation (including on financial statements, rent rolls or other report information, request from Lender in regards to disbursements from Replacement Account Funds), occurrence of any transfer not permitted by Loan Document, occurrence of a bankruptcy event, commencement of forfeiture action (whether civil or criminal) which could lead to forfeiture of the property or impair the lien on the property, any failure by Borrower to complete any repair related to fire, life or safety issues within terms of Loan agreement, and any exercise by the holder of any debt instrument secured by mortgage or deed on the property of a right to declare all amounts due immediately.</p>	Not applicable	N/A	1,049,004
Ainsworth Court	4.77	2034	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	<p>If an event of default has occurred and is continuing the entire unpaid principal balance of the loan, any accrued interest, interest accruing at the default rate or prepayment premium (if applicable) and all other indebtedness at the option of Lender is immediately due and payable without prior written consent to Borrower.</p>	Not applicable	If an event of default has occurred and is continuing the entire unpaid principal balance of the loan, any accrued interest, interest accruing at the default rate or prepayment premium (if applicable) and all other indebtedness at the option of Lender is immediately due and payable without prior written consent to Borrower.	1,841,442

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NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Madrona Apartments	5.31	2034	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	<p>If default has occurred, the unpaid principal balance of the mortgage loan, accrued int, int accruing at the default rate, prepayment premium (if applicable) at the option of Lender shall be immediately due & payable without notice. Lender shall have rights and remediate including foreclosure on and/or the power of sale of the property. The events of default are: failure by Borrower to pay or deposit when due amounts required the Note or any other Loan document, failure of Borrower to maintain insurance coverage, failure by Borrower to maintain property as single asset status, any warranty or representation is false or inaccurate, fraud, gross negligence or will misconduct or material misrepresentation (including on financial statements, rent rolls or other report information, request from Lender in regards to disbursements from Replacement Account Funds), occurrence of any transfer not permitted by Loan Document, occurrence of a bankruptcy event, commencement of forfeiture action (civil or criminal) leading to forfeiture of the property or impair the lien on the property, any failure by Borrower to complete any repair related to fire, life or safety issues within terms of Loan agreement, a right to declare all amounts due immediately.</p>	Not applicable	If an event of default has occurred and is continuing the entire unpaid principal balance of the loan, any accrued interest, interest accruing at the default rate or prepayment premium (if applicable) and all other indebtedness at the option of Lender is immediately due and payable without prior written consent to Borrower.	\$ 1,085,367
Kelly Place (Multnomah)	-	2046	Maturity Date	Trust deed	<p>Failure to perform the covenants and conditions in trust deed shall give the option to declare the unpaid balance due on the Note immediately. If any material fact is not disclosed all indebtedness can be due and payable and the trust deed may be foreclosed on including the recouping of reasonable expenses such as attorney fees.</p> <p>Events of default include: failure to pay any of the obligations of the loan before due date, the occurrence of a breach of covenant, agreement, condition, provision, representation or warranty contained in Trust Deed or any Loan documents, or a writ of execution or any similar process shall be issued against or any part or interest in the estate or any judgement involving monetary damages that become a lien on the property. In the case of these acceleration of all debt occurs and is immediately due and payable, lender can take possession of all or any part of the property, lender can foreclose the property and sale under applicable law. Lender can take over management, rents and revenues of the property</p> <p>Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property</p>	Not applicable	N/A	350,456
Rockwood Landing	-	2058	Maturity Date	Trust deed, security agreement, and fixture filing	<p>Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property</p>	Not applicable	N/A	150,000
Gretchen Kafoury	3.00	2031	Maturity Date	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	<p>Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property</p>	Not applicable	N/A	2,664,000
Stephens Creek Crossing	-	2014	Converts to Grant	Pledge Agreement of Assets	<p>Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans results may lead to Lender declaring all unpaid balance due immediately</p>	Not applicable	N/A	1,798,318
Hamilton West	3.00	2031	Monthly	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	<p>Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantors or failure to replace guarantor may lead to Lender declaring all unpaid balance due immediately</p>	Not applicable	N/A	481,492
Hamilton West	- %	Sale of Property	Cash Flow	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	<p>Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantors or failure to replace guarantor may lead to Lender declaring all unpaid balance due immediately</p>	Not applicable	N/A	2,039,641
Helen Swindells (Mpower)	6.00	2024	Monthly	Security interest in the Efficiency Measures, Memo of ESA	<p>Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable.</p>	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approve by Lender, Borrower's failure to make any payment within 10 days of due date of payment, and other default or breach of any term in the Note or other Loan documents	29,999

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Rockwood Landing (Mpower)	6.00	2025	Monthly	Security interest in the Efficiency Measures, Memo of ESA	Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable. In any event representation or warranty shall be found untrue or performance of any obligation, term, covenant or warranty shall constitute default under the Note and Deed of Trust can declare all sums secured immediately due and payable	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approved by Lender, Borrower's failure to make any payment within 10 days of due date of payment, and other default or breach of any term in the Note or other Loan documents	\$ 28,103
Rockwood Landing	3.05	2029	Monthly	Deed of Trust, Security Agreement and Fixture Filing, Assignment of Leases and Rents	Events of default: Monetary Default (failure to pay sums when due required under the Note), fraud or material misrepresentation in regards to i) loan application, ii) financial statement or rent, iii) the commencement of a forfeiture action or proceeding, iv) any material failure to perform or comply with any of its obligation under Security Instrument, v) failure to perform any HUD obligations under the Regulatory Agreement can lead to the immediate payment of unpaid principal and accrued interest Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	260,770
St. Francis LLC	3.38	2050	Monthly	Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	If a Monetary Event of Default occurs (and continues for 30 days) the entire unpaid principal balance, any accrued interest will become due & payable.	3,506,315
Sequoia Square	3.00	2031	Monthly	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	58,717
St Francis LLC	-	Sale of Property	Cash Flow	Trust Deed and Assignment of Leases	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	5,228,509
Sequoia Square	8.08	2031	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	521,281
Sequoia Square	3.99	2031	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	313,163
Sequoia Square	-	Sale of Property	Cash Flow	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	514,486

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NOTES TO FINANCIAL STATEMENTS
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NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Lovejoy Station	3.00	2032	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	\$ 2,083,026
The Alexis	2.78	2040	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Events of default include: failure to pay principal or interest on debt when (within 5 days of due date), the trust estate or any portion is transferred in violation of sale or increase in interest rate on sale, failure to perform or comply with any other covenant in Deed of Trust (fails to cure within 30 days), writ of execution or attachment is levied against the property or any judgement involving monetary damages against property and a lien is placed on the property, event of default within the Loan agreement occurs, breach or default under any mortgage, trust deed or lien on the property that is either senior or subordinate to the Trust Deed can lead to entire indebtedness becoming immediately due and payable or the right to foreclose by judicial foreclosure on the property or a trustee will be designated to sell property.	Not applicable	N/A	5,058,755
Gateway Park	5.10	2033	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Default include: Default in the performance of any of its covenants or agreements in any loan document, any representation to current or historical information in regards to certificate, notice report or financial statement that is incorrect in any material respect, any authorization now or hereafter necessary to enable Borrower to comply with obligations under the Trust Deed or Note fails to be timely issued or granted, Borrower becomes bankrupt, insolvent, winding up or reorganization, Borrower receives a proceeding in court for liquidation, dissolution or the readjustment of debts, Borrower effects a change of ownership or transfers any interest without prior written consent, Borrower fails to terminate Property management agreement after request of Lender or makes new satisfactory arrangements for a new management agent which allows Lender to declare all or any portion of debt immediately due and payable, the Lender can take possession of the property and collect rents, the Lender will be empowered to foreclose on Property and sell the Property.	Not applicable	N/A	4,473,219
Powell	-	2022	Monthly	Not applicable	Not applicable	Not applicable	N/A	29,484
4720 North Maryland	-	2026	Monthly	Deed of trust	Event of default: maker fails to pay all or any other portion due within 10 days after written notice, makers fails to pay the outstanding balance on maturity date, event of default defined under deed of trust.	Not applicable	N/A	4,447,685
4720 North Maryland	5.25	2023	Monthly	Deed of trust	Events of default include: Non Payment- Failure to pay any installment or, other non-compliance (failure to comply with any other covenant of Agreement or other Loan Documents, non compliance with governmental regulations, other material breach, seizure	Not applicable	N/A	495,000
Total								73,049,382
Less Current Portion of Notes Payable								(2,222,500)
Total Notes Payable - Long-Term								<u>\$ 70,826,882</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 NOTES PAYABLE (CONTINUED)

Notes payable includes those notes related to equity gap financing. Equity gap financing is utilized to fund the difference between project costs and sources of construction and permanent financing, These notes bear interest rates between 0.00% and 8.08% with maturities due up through 2058 except for certain equity gap notes, which are not payable unless the property is sold.

A summary of activity of Home Forward's notes payable for the year ended December 31, 2021 is as follows:

Balance January 1, 2021	Increase	Decrease	Balance December 31, 2021
<u>\$ 71,612,044</u>	<u>\$ 5,559,540</u>	<u>\$ (4,122,202)</u>	<u>\$ 73,049,382</u>

Minimum debt payments due over the next five years and thereafter in five-year increments are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,222,500	\$ 1,586,095
2023	4,580,986	1,439,812
2024	5,199,074	1,290,091
2025	2,719,512	1,105,129
2026	6,433,657	1,028,018
2027 - 2031	9,529,199	4,070,647
2032 - 2036	9,253,906	2,835,051
2037 - 2041	7,179,450	1,952,410
2042 - 2046	4,872,030	523,930
2047 - 2051	887,060	47,943
2052 - 2055	1,199,006	-
Total	<u>54,076,380</u>	<u>15,879,127</u>
Notes With No Set Maturity	18,973,002	-
Total	<u>\$ 73,049,382</u>	<u>\$ 15,879,127</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 BONDS PAYABLE

Bonds payable of Home Forward, which are secured by mortgages on the respective properties, consist of the following as of December 31, 2021:

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance	
Dawson Park 2012	Fixed	3.37 %	2027	Pledge of all legal available revenues of the Project, b) moneys on deposit in a loan reserve fund, c) moneys on deposit in a debt service reserve fund, d) general revenues of Home Forward not previously or subsequently pledge to a specific purpose and legally available. Deed of trust with a security interest in the land and improvement which encompasses the Project.	Events of default include: default in the due debt payment, failure of the Property to perform any other covenant, agreement or obligation under Loan agreement or regulatory agreement, event of default under the Deed of Trust, filing of a petition in voluntary bankruptcy or reorganization, insolvency, involuntary bankruptcy, dissolution or liquidation which can lead to the Authority to declare the entire balance due and payable immediately, the Authority may foreclose the Deed of Trust and Authority may recover monetary damages caused by such violation.	Not applicable	Not applicable	\$ 773,051	
New Market West 2013	Variable	1.73	2023	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to observe or perform any obligation or agreement in the Trust Deed, any representation that is proved to be incorrect, false or misleading in material respect when made or default in the payment or performance of an obligation and continuance of default, any default under the continuing covenant agreement or any other Bond document can lead to all obligations immediately payable in full (any Swap shall be terminated in accordance with terms). Lender can cause the Property to be sold to satisfy the obligations, Lender can obtain appointment of a receiver as it pertains to the i) the adequacy of the security for the repayment of its obligations, ii) the existence of a declaration that the obligations are immediately due and payable.	Not applicable	Not applicable	2,771,822	
Pearl Court	Fixed	4.50	2027	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtednesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	2,440,000	
Gretchen Kafoury	Fixed	4.00	2034	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtednesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	3,465,000	
Hamilton West	Fixed	4.00	2034	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtednesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	2,980,000	
Yards at Union Station	Fixed	4.85	2029	Leasehold Trust Deed, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtednesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	3,060,000	
Lovejoy Station	Fixed	1.45	2033	Leasehold Trust Deed, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtednesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	7,215,000	
								Total	22,704,873
								Less: Current Portion of Bonds Payable	(1,656,725)
								Total	21,048,148
								Plus Unamortized Premiums	220,137
								Less: Unamortized Discounts	(81,325)
								Total Long-Term Bonds Payable	<u>\$ 21,186,960</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 BONDS PAYABLE (CONTINUED)

A summary of activity of Home Forward's bonds payable for the year ended December 31, 2021 is as follows:

Balance January 1, 2021		Balance December 31, 2021
\$ 24,312,271	Draws \$ -	Repayments \$ (1,607,398)
\$ 24,312,271	\$ -	\$ (1,607,398)
		\$ 22,704,873

Minimum debt payments due over the next five fiscal years and thereafter are as follows:

Year Ending December 31,	Principal	Interest
2022	\$ 1,656,725	\$ 837,984
2023	4,149,887	781,776
2024	1,599,181	654,395
2025	1,668,911	587,852
2026	1,738,802	513,250
2027 - 2031	6,121,367	1,659,863
2032 - 2034	5,770,000	497,725
Total	\$ 22,704,873	\$ 5,532,845

For the variable rate debt, the December 31, 2021 interest rate of 1.73% was used for the New Market West 2012 Bonds.

*Final debt payments for New Market West 2012 Bonds are assumed to be made on August 1, 2023, upon the expiration of the associated swap agreement.

NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS

Home Forward issued Multi-Family Housing Revenue Bonds, Tax-Exempt Tax Credit Notes Receivable and Taxable Tax Credit Notes Receivable for the purpose of providing financing to Internal Revenue Service Section 42 Partnerships (see Note 7 and Note 18) in which Home Forward has an ownership interest. The Partnerships are required to make payments on the Notes Receivable to Home Forward, the General Partner of the Partnerships, sufficient to make required debt service payments on the Bonds.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Bonds payable—partnerships and the corresponding notes receivable—partnerships consist of the following at December 31:

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Civic Redevelopment Limited Partnership	Variable	0.09	2038	Multifamily Mortgage, Assignment of Rents and Security Agreement	Events of default: failure to pay the principal or purchase price of, premium if any or interest on any bond when due, failure by the credit facility provider to make when due a requirement payment under the credit facility, failure to overserve or perform any of the covenants, agreements or conditions on the part of the Authority in the indenture or in the bonds and continues for 30 days can lead to the acceleration of the declaration the principal of all bonds then outstanding and interest accrued immediately due and payable	In the event of default, the entire unpaid principal balance, accrued int and all other amounts payable shall be at once become due and payable at the option of the Lender, without prior notice to the Borrower	7,800,000
Trouton Limited Partnership	Variable	0.16	2037	Line of Credit Commercial Deed of Trust, Assignment, Security Agreement and Fixture filing	Events of default include the following: default in the due and punctual payment of the principal or premium or interest on any Bond when due, failure to pay the purchase price of any variable rate bond tendered when such payment is due, default by the Authority in the observance of any other covenants, agreements (including ground lease and mixed finance amendment) or conditions in the indenture, loan agreement or the bonds (not cured within 60 days) can lead to the acceleration of the bonds including principal and interest accrued due immediately, foreclosure of the deed of trust and power sale.	If any Event of Default occurs the Trustee shall be entitled to upon written notice to the Authority, the Bank, the Remarketing agent and the partnership or the owners of a majority in aggregate principal of the bonds at the time outstanding is entitled to declare the principal of all of the bonds then outstanding and the interest accrued due payable and immediately	4,590,000
Cecelia Limited Partnership	Variable	0.18	2035	Line of Credit Commercial Deed of Trust, Assignment, Security Agreement and Fixture filing	Events of default include the following: default in the due and punctual payment of the principal or premium or interest on any Bond when due, failure to pay the purchase price of any variable rate bond tendered when such payment is due, default by the Authority in the observance of any other covenants, agreements or conditions in the indenture, loan agreement or the bonds (not cured within 60 days) can lead to the acceleration of the bonds including principal and interest accrued due immediately.	If any Event of Default occurs the Trustee shall be entitled to upon written notice to the Authority, the Bank, the Remarketing agent and the partnership is entitled to declare the principal of all of the bonds then outstanding and the interest accrued due payable and immediately	2,770,000
Stephens Creek Crossing North LP	Fixed	4.56	2031	Line of Credit Construction Leasehold Deed of Trust, Assignment, Security Agreement and Fixture Filing	Events of default: payment obligation failure, transfer of any or all part of property not included in the trust deed, failure to perform or comply with any obligations in trust deed (and not cured for 30 days), an event of default under the note or loan agreement, change in zoning or public restriction in regards to the use of the property if it would be in violation of zoning ordinance or regulation, default under any lease, default under any other mortgage, deed of trust or security agreement covering the property or an execution or attachment is levied against the property and is not discharged or stayed within 30 days of being levied can lead to acceleration of all obligations becoming due and payable without notice of default or acceleration, the property can be foreclosed upon and the power of sale can be enacted. A judicial action can be submitted for foreclosure of the Deed of Trust. In the event of default, collection of rents can be assumed by Lender	In the event of default all obligations shall become due and payable without notice of default, notice of acceleration or intention to accelerate. The property can be foreclosed upon and the power of sale can be enacted. A judicial action can be submitted for foreclosure of the Deed of Trust and collection of rents can be assumed by Lender.	2,729,854
Forward Balance to the Next Page							\$ 17,889,854

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NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
						Forward Balance from the Previous Page	\$ 17,889,854
Humboldt Gardens Limited Partnership	Fixed	6.17	2040	Line of Credit Construction Leasehold Deed of Trust, Assignment, Security Agreement and Fixture Filing	Event of default: failure to pay any installment of principal or the redemption price of any bond when due, failure to pay any installment of interest during the variable rate period and during reset period, failure to pay any installment of interest due the fixed rate period, failure by the Authority to perform or observe any material covenant, agreement or condition in the bond indenture (continues for 60 days), default in the timely payment of any installment of the amounts (other than Loan repayments) fees payable to the Authority (continues for 30 days), default under the Regulatory agreement has occurred and continues will lead to the declaration of all outstanding bonds be immediately due and payable including interest, implementation of actions for the recovery of the amounts due on the Note, the Loan Agreement and other Loan Documents, foreclosure upon the collateral held by the Trustee for the obligations of the Borrower, implementation of remedies may be available under the Loan documents. Trustee has the right to revenue fund account and other amounts (excluding the Rebate fund) pledged under the Indenture to the payment of Trustee expenses, to the payment of the bonds or reimbursement to the Owners of the Bonds.	Not applicable	785,000
Westis Limited Partnership	Fixed	4.18	2052	Revenues and receipts therefrom and the security therefore (including the Security Instrument) and the amounts on deposit from time to time in any and all funds established under the Funding Loan Agreement	Events of default: failure by the Borrower to pay any Borrower Loan Payment on the date such payment is due, failure by or behalf of Borrower to pay when due any amount required to be paid under any of the other funding loan documents, an Event of Default as defined by any other Funding Loan Document, any representation made by Borrower, the General Partner or Guarantor in any Funding Loan Document or in any report, certificate, financial statement or other instrument, agreement or document by the Borrower that is false or misleading in any material respect, the Borrower makes a general assignment for the benefit of credits or shall generally not be paying its debt as they become due, bankruptcy, any portion of the Borrower required equity to be made by the Equity investor is not received, failure to comply with ERISA, any material litigation or proceeding against the Borrower, the General Partner or the Guarantor or the property, if a final judgement is issued for monetary damages in excess of \$50,000 is not paid and discharged prior to completion date, a failure to pay when due any monetary obligation to any Person in excess of \$100,000 and such failure continues beyond the expiration of any grace period, a final and unappealable and uninsured money judgment in favor of any other person other than a governmental authority in the aggregate sum of \$50,000 or more against Borrower, the general partner or the guarantor that is not paid prior to completion date, the inability of the Borrower to satisfy any condition for the receipt of a Disbursement and failure to resolve, construction or rehabilitation is abandoned or halted prior to the completion date (as long as not caused by unforeseeable conditions such as acts fire, strikes, disruption of shipping acts of terrorism), Borrower fails to keep in force and effect any material permit, license, consent or approval required under the loan agreement, failure to substantially complete the construction or rehab on or prior to the substantial completion date, failure of Borrower to satisfy conditions to conversion or before the conversion date, failure by any subordinate lender to disburse the proceeds of its subordinate loan, an Event of Default occurs under any of subordinate loan documents, any failure by the Borrower to perform or comply with any of its obligations under the loan agreement (and continues for 30 days), a seizure or forfeiture of the property can lead to declaring the borrower payment obligations to be immediately due and payable including prepayment premium.	Event of default can make all borrower payment obligations immediately due and payable including the prepayment premium	12,630,765
						Forward Balance to the Next Page	\$ 31,305,619

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
						Forward Balance from the Previous Page	\$ 31,305,619
Woods East Limited Partnership	Fixed	4.18	2052	Revenues and receipts therefrom and the security therefore (including the Security Instrument) and the amounts on deposit from time to time in any and all funds established under the Funding Loan Agreement	Events of default: failure by the Borrower to pay any Borrower Loan Payment on the date such payment is due, failure by or behalf of Borrower to pay when due any amount required to be paid by Borrower under any of the other funding loan documents, an Event of Default as defined by the Borrower note, the Security Instrument or any other Funding Loan Document, any representation made by Borrower, the General Partner or Guarantor in any Funding Loan Document or in any report, certificate, financial statement or other instrument, agreement or document by the Borrower that is false or misleading in any material respect, the Borrower makes a general assignment for the benefit of credits or shall generally not be paying its debt as they become due, bankruptcy, any portion of the Borrower required equity to be made by the Equity investor is not received, failure to comply with ERISA, any material litigation or proceeding against the Borrower, the General Partner or the Guarantor or the property, if a final judgement is issued for monetary damages in excess of \$50,000 is not paid and discharged prior to completion date, a failure to pay when due any monetary obligation to any Person in excess of \$100,000 and such failure continues beyond the expiration of any grace period, a final and un-appealable and uninsured money judgment in favor of any other person other than a governmental authority in the aggregate sum of \$50,000 or more against Borrower, the general partner or the guarantor that is not paid prior to completion date, the inability of the Borrower to satisfy any condition for the receipt of a Disbursement and failure to resolve, construction or rehabilitation is abandoned or halter prior to the completion date (as long as not caused by unforeseeable conditions such as acts fire, strikes, disruption of shipping acts of terrorism), Borrower fails to keep in force and effect any material permit, license, consent or approval required under the loan agreement, failure to substantially complete the construction or rehab on or prior to the substantial completion date, , failure of Borrower to satisfy conditions to conversion or before the conversion date, failure by any subordinate lender to disburse the proceeds of its subordinate loan, an Event of Default occurs under any of subordinate loan documents, any failure by the Borrower to perform or comply with any of its obligations under the loan agreement (and continues for 30 days), a seizure or forfeiture of the property can lead to declaring the borrower payment obligations to be immediately due and payable including prepayment premium.	Event of default can make all borrower payment obligations immediately due and payable including the prepayment premium	14,956,145
Square Manor Limited Partnership	Fixed	4.25	2035	Leasehold Trust Deed, Security Agreement, Assignment of Leases and Rents and Fixture Filing	Events of default: borrower fails to make any payment within 10 days when due, borrower fails to comply with or perform when due any other term, obligation, covenant, or condition contained in the note, borrower makes representation that is false or misleading in any material way, borrower dissolves or becomes insolvent or bankrupt, any creditor tries to take any of property on or in which lender has a lien or security interest, any guarantor of the note seeks to limit/modify/ revoke such guarantor's guaranty with Lender can lead interest rate increase of 4% per annum in excess of the interest rate otherwise than in effect of 18% per annum whichever is greater and lead to the balance of unpaid principal and accrued interest immediately due and payable.	Not applicable	4,021,465
3000 Powell Limited Partnership	Fixed	2.20	2025	Deed of Trust		Not applicable	5,717,905
						Total	56,001,134
						Less: Current Portion of Bonds Payable	(900,917)
						Total Bonds Payable and Notes Receivable - Partnerships	<u>\$ 55,100,217</u>

*For the variable rate debt, the December 31, 2021, interest rate, as provided above, was used for the future interest calculation.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

A summary activity of Home Forward’s bonds payable at December 31, 2021 is as follows:

Balance January 1, 2021	Draws	Repayments	Balance December 31, 2021
<u>\$ 140,792,749</u>	<u>\$ 5,717,905</u>	<u>\$ (90,509,520)</u>	<u>\$ 56,001,134</u>

Minimum debt payments due over the next five fiscal years and thereafter are as follows:

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 900,917	\$ 1,633,491
2023	6,538,674	1,480,522
2024	856,694	1,452,190
2025	898,739	1,422,573
2026	936,952	1,391,645
2027 - 2031	7,261,049	6,415,164
2032 - 2036	11,594,676	4,858,414
2037 - 2041	13,152,124	3,420,814
2042 - 2046	5,626,686	2,339,250
2047 - 2051	6,932,063	1,033,873
2052	1,302,560	25,085
Total	<u>\$ 56,001,134</u>	<u>\$ 25,473,021</u>

NOTE 13 DERIVATIVE INSTRUMENTS

Home Forward issued variable rate demand bonds and notes for its New Market West headquarters building and for three separate projects: Cecelia Limited Partnership (Cecelia), Trouton Limited Partnership (Trouton), and Civic Redevelopment Limited Partnership (Civic).

The bonds for each have the following common characteristics:

- Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- The LOCs and CEA are intended not only to provide security to bondholders, but also to make periodic interest payments for which Home Forward regularly reimburses the banks.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 13 DERIVATIVE INSTRUMENTS (CONTINUED)

- The banks act as a remarketing agent, reselling at market rates any bonds sold by bondholders. They have committed to repurchase bonds that cannot be resold on the open market.
- New Market West's interest rates are recalculated monthly, based on the rate at which bond can be remarketed. Interest rates for other bonds are recalculated weekly, based on the rate at which bonds can be remarketed.
- The annual remarketing fee on the outstanding amount of the bonds is 0.08% (Civic), 0.10% (Trouton) and 0.125% (Cecelia). New Market West is not subject to an annual remarketing fee.
- For bonds where the underlying financed asset is not the pledge for the bonds, the underlying credit for the bonds is the general funds of Home Forward.

Civic Redevelopment Limited Partnership entered into a swap agreement with Freddie MAC. The new agreement caps the variable rate on the bonds to 3.6625%. The agreement is set to expire on September 1, 2023. In conjunction with the sale of Cecelia, Trouton, and New Market West-2012 bonds, Home Forward entered into interest rate swap agreements. Home Forward uses interest rate swap agreements in order to reduce the volatility related to variable rate interest debt, or market risk. The swap agreements effectively convert the interest rate on variable rate debt to a fixed rate. These swaps call for Home Forward to receive interest at a variable rate and to pay interest at a fixed rate.

The Cecelia bonds mature in 2035. The variable rate on the bonds was .17% as of December 31, 2021. The swap instrument associated with the remaining bonds matured July 1, 2021, and is fixed at 4.39% on a notional amount of \$2.720 million at December 31, 2021 for which Home Forward receives the 30 day SIFMA rate. The swap expired on July 1, 2021 so the value of the swap was \$-0- as of December 31, 2021.

The Trouton bonds mature in 2037. The variable rate on the bonds was .17% as of December 31, 2021. The swap instrument associated with the remaining bonds matures July 1, 2022, and is fixed at 4.188% on a notional amount of \$4.500 million at December 31, 2021 for which Home Forward receives the 30 day SIFMA rate. The fair value loss of the swap was \$103,587 as of December 31, 2021.

New Market West bonds mature in 2038. The variable rate on the bonds was 1.697% as of December 31, 2021. The bond documents were amended effective December 31, 2021 to amend the LIBOR language and extend the term to August 2023. The swap instrument associated with the remaining bonds mature August 1, 2023 and is fixed at 1.73% on a notional amount of the outstanding principal of the New Market Bonds Series 2012 up to \$4.21 million for which Home Forward receives 78.5% of the 30 day LIBOR rate. The fair value loss of the swap was \$8,717 as of December 31, 2021.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 13 DERIVATIVE INSTRUMENTS (CONTINUED)

The fair value of the swap instruments is calculated from proprietary models using a mid-market basis. The change in fair market value of Home Forward's swap transactions for the years ended December 31, 2021 was a decrease of \$256,394. The fair value of the swap instruments is reflected as derivative instruments liability on the basic financial statements and are offset by corresponding deferred outflows of resources - derivative instruments.

There are certain risks associated with any hedging investment. These risks include credit risk, basis risk, termination risk, rollover risk, interest rate risk, and market access risk.

- *Credit Risk* – Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- *Basis Risk* – Risk is minimized for the Cecilia and Trouton deals as both the underlying debt pays out based on weekly auction rates and the SIFMA rate is an average of auction rate activity.
- *Termination Risk* – Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- *Rollover Risk* – Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- *Interest Rate Risk* – Home Forward's swaps are structured to reduce Home Forward's exposure to interest rate risk by converting a variable rate to a fixed rate.
- *Market Access Risk* – Market access risk is the risk that a government will not be able to enter credit markets or that credit will become costlier. The ability to sell auction rate securities (ARS) in an auction may be adversely affected if there are not sufficient buyers willing to purchase all the ARS at a rate equal to or less than the ARS maximum rate. In the event of failed auctions, the bonds may default to a higher rate as defined in the bonds' official statements.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 RETIREMENT PLANS

Plan Descriptions

Home Forward is a participating employer in the State of Oregon Public Employees' Retirement System (PERS). PERS, a cost sharing multiple employer defined benefit plan and a fiduciary fund of the state of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, Oregon, 97281-3700, or by calling 1-888-320-7377.

As a member of PERS, Home Forward contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost sharing multiple-employer defined benefit other post-employment benefit (OPEB) plan administered by PERS.

Actuarial Assumptions for the Calculation of Pension and OPEB Assets, Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension and OPEB

As both plans are administered by PERS, many of the actuarial assumptions were the same for the pension plan and OPEB-RHIA plan. Refer to Note 15 and Note 16 for pension or OPEB-RHIA specific assumptions, respectively.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of occurrence of events into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown below are based on the 2018 Experience Study, which reviewed experience for the four-year period ended on December 31, 2018.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions for the Calculation of Pension and OPEB Assets, Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension and OPEB (Continued)

The total pension and OPEB liabilities based on the December 31, 2019 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study Report	2018, Published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.40%
Projected Salary Increases	3.40% Overall Payroll Growth
Investment Rate of Return	6.90%
Mortality	Health Retirees and Beneficiaries: RP2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-back as described in the valuation. Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled Retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annual Return (Geometric)</u>
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	(2.50)	1.76
Total	100.00 %	
Assumed Inflation - Mean		2.40 %

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION

PERS Pension (Defined Benefits)

Home Forward is a participant of the PERS pension program. PERS benefits, as described by the PERS 2021 Comprehensive Annual Financial Report are as follows:

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a nonretired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in an PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lump-sum and monthly payments, if eligible. The monthly payment must be a minimum of \$30 per month for deaths that occur July 30, 2003, and earlier; \$200 per month for deaths that occur after July 30, 2003.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION (CONTINUED)

PERS Pension (Defined Benefits) (Continued)

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a nonduty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a nonduty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The COLA is capped at 2.0%.

OPSRP Pension Programs

Home Forward is a participant of the pension programs, a hybrid defined benefit/defined contribution plan for those employees hired after August 29, 2003. OPSRP benefits, as described by the PERS 2020 Comprehensive Annual Financial Report are as follows:

OPSRP Pension Benefits (Defined Benefit)

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

General Service

1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 1/2 years.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION (CONTINUED)

OPSRP Pension Programs (Continued)

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

OPSRP Individual Account Program (Defined Contribution)

Pension Benefits: Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a).

Death Benefits

Upon the death of a nonretired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Risk Pooling

In 2001, the Oregon legislature amended ORS 238.227 allowing for local government entities to pool their PERS pension assets and liabilities with the state of Oregon and other organizations joining the pool. Contribution rates are actuarially determined based on the experience of the overall pool as opposed to the potentially more volatile experience of the individual member. On January 19, 2010, Home Forward's Board of Commissioners approved Home Forward's inclusion in the State & Local Government Rate Pool (SLGRP).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION (CONTINUED)

Funding Status

Employees who are OPSRP members are required by state statute to contribute 6.0% of their salary to OPSRP and employers may agree to pay this required contribution. Home Forward pays the employee's required contribution for all represented employees and nonrepresented employees hired before April 1, 2012. Additionally, employers are required to contribute actuarially computed amounts as determined by PERS on actuarial valuations performed at least every two years. Rates are subject to change as a result of subsequent actuarial valuations and legislative actions.

Employer contribution rates in effect July 1, 2021 to June 30, 2023 are:

	<u>Tier 1/Tier 2</u>	<u>OPSRP</u>
Pension Contribution Rate	21.01 %	17.54 %
Retiree Health Care Rate	0.05	-
Total Employer Contribution	<u>21.06 %</u>	<u>17.54 %</u>

Employer contribution rates in effect July 1, 2019 to June 30, 2021 are:

	<u>Tier 1/Tier 2</u>	<u>OPSRP</u>
Pension Contribution Rate	20.69 %	14.96 %
Retiree Health Care Rate	0.70	0.43
Total Employer Contribution	<u>21.39 %</u>	<u>15.39 %</u>

The amount contributed by Home Forward for the year ended December 31, 2021 was approximately \$4,659,753 which represents the required contributions for both the employee and the employer for the year presented.

Net Pension Assets and Liabilities

At December 31, 2021, Home Forward reported a liability of \$18,244,562 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. Home Forward's proportion of the net pension liability was based on a projection Home Forward's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, Home Forward's proportion was 0.15246390% which increased from its proportion of 0.14600027% measured as of June 30, 2020.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION (CONTINUED)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2021, Home Forward recognized a decrease to pension expense of \$1,109,049 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 1,717,659	\$ -
Net Differences Between Expected and Actual Experience	1,707,810	-
Changes in Assumptions	4,567,163	48,015
Net Differences Between Projected and Actual Earnings on Plan Investments	-	13,506,308
Changes in Proportion	1,233,386	301,640
Difference Between the Employer's Contributions and the Employer's Proportion Share of Contributions	74,743	586,255
Total	\$ 9,300,761	\$ 14,442,218

The amount of \$1,717,659 reported as of the year ended December 31, 2021 as deferred outflow of resources related to pensions resulting from Home Forward contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	Deferred Outflows (Inflows) of Resources
2022	\$ (1,325,455)
2023	(1,237,843)
2024	(1,741,382)
2025	(3,054,832)
2026	500,396
Total	\$ (6,859,116)

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Home Forward's Proportionate Share of the Net Pension Liability and Net Pension Asset to Changes in the Discount Rate

The following presents the Home Forward's proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.90%) or 1% higher (7.90%) than the current rate:

1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
\$ 35,827,955	\$ 18,244,562	\$ 3,533,644

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Payables to the Pension Plan

The balance of PERS payable as of the year ended December 31, 2021 was \$238,727. This balance is recorded in other accrued liabilities on the statement of net position.

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Retirement Health Insurance Account (RHIA)

RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statutes (ORS) 238.420 established this trust fund. The Oregon legislature has the ability to establish and amend the benefit provisions of the RHIA. The plan closed to new entrants after August 29, 2003. The Schedule of Employer Allocations and OPEB Amounts by Employer along with PERS audited financial statements and the Schedule of OPEB Amounts under GASB Statement No. 75 prepared by PERS' third-party actuaries as of and for the year ended June 30, 2020 (the measurement period) may be obtained online at <https://www.oregon.gov/pers> or by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, Oregon, 97281-3700, or by calling 1-888-320-7377.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
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NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Retirement Health Insurance Account (RHIA) (Continued)

ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premium coverage, whichever is less, shall be paid from the RHIA, established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment the member must 1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, 2) receive both Medicare Parts A and B coverage, and 3) enroll in a PERS sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the benefit if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance-funded on an actuarially determined basis and amounted to \$67,196 for the year ended December 31, 2021. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in health care costs. Participating employees are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.50% of annual covered PERS payroll and 0.00% of OPSRP payroll. The PERS board sets the employer contribution rate based on creditable compensation for active members reported by employers. Effective March 31, 2018, Home Forward adopted GASB Statement No. 75 where Home Forward recognizes a liability as the employees earn benefits by providing services. Changes to OPEB liability are recognized immediately as OPEB expenses or deferred outflows/inflows of resources.

Net OPEB Asset/Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2021, Home Forward reported an asset of \$410,866 for its proportionate share of the collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the collective net OPEB asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to June 30, 2021. Home Forward's proportion of the collective net OPEB assets was based on a projection of Home Forward's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2020 measurement date, Home Forward's proportion was 0.11964643%, which increased from its proportion measured as of June 30, 2019 (0.08330245%).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Net OPEB Asset/Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended December 31, 2021, Home Forward recognized a decrease in OPEB expense of \$71,492 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contribution Subsequent to Measurement Date	\$ 79,695	\$ -
Differences Between Expected and Actual Experience	-	11,431
Changes in Assumptions	8,084	6,112
Net Differences Between Projected and Actual Earning on Plan Investments	-	97,644
Changes in Proportionate Share	<u>30,875</u>	<u>44,792</u>
Total	<u>\$ 118,654</u>	<u>\$ 159,979</u>

The amount of \$79,695 reported for the year ended December 31, 2021 as deferred outflow of resources related to OPEB resulting from Home Forward contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended December 31, 2022. Other amounts reported as deferred outflow and inflow of resources related to OPEB will be recognized in Home Forward's OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ (29,837)
2023	(38,047)
2024	(22,292)
2025	(30,844)
Total	<u>\$ (121,020)</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
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NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Sensitivity of Home Forward’s Proportionate Share of the Collective Net OPEB Asset to Changes in the Discount Rates

The following presents Home Forward’s proportionate share of the collective net OPEB asset, as well as what Home Forward’s proportionate share of the collective net OPEB asset at the measurement date June 30, 2021 would be if it were calculated using a discount rate that is 1% lower (5.90%) or 1% higher (7.90%) than the current rate:

1% Decrease (5.90%)	Current Rate (6.90%)	1% Increase (7.90%)
\$ (363,351)	\$ (410,866)	\$ (451,456)

Home Forward Health Benefit Retiree Program (HBRP) (Implicit Benefit Subsidy)

The Health Benefit Retiree Program is a post-employment single employee benefit plan that provides health insurance to eligible Home Forward retirees. As a condition of participation in PERS, Home Forward is required to offer healthcare insurance coverage to retirees and their spouses until the retired employee reaches the age for obtaining Medicare coverage. Under this requirement, the employer is required to provide access to the same plan(s) available for current employees. Though Home Forward does not pay any portion of the retiree’s healthcare insurance, the retired employee receives an implicit benefit of a lower healthcare premium which is subsidized among the premium cost of coverage for active employees.

As Home Forward pays none of the premiums of health insurance coverage for retirees from age 58 to 65, Home Forward has not established and does not intend to establish a trust fund to supplement the costs for other post-employment benefit obligation related to this implicit benefit. Home Forward’s regular health care benefit providers underwrite the retirees’ policies. Retirees may not convert the benefit into an in lieu of payment to secure coverage under independent plans. At December 31, 2020 there were nine retirees and/or surviving spouses receiving the post-employment implicit healthcare benefits.

Effective March 31, 2018, Home Forward adopted GASB Statement No. 75 where Home Forward recognizes a liability as the employees earn benefits by providing services. Changes to the OPEB liability are recognized immediately as OPEB expenses or deferred outflows/inflows of resources.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of the year ended December 31, 2021, Home Forward reported a total OPEB liability of \$986,737 for its implicit benefit subsidy based on a measurement date of December 31, 2021.

The following table shows the changes in the total OPEB liability for the year ended December 31, 2021:

	Total OPEB Liability
Balance - Beginning of Year	\$ 932,648
Benefit Payments	(48,271)
Service Cost	83,100
Interest on Total OPEB Liability	19,259
Change in Assumptions	-
Experience (Gain) Loss	-
Balance - End of Year	<u>\$ 986,736</u>

For the year ended December 31, 2021, Home Forward recognized OPEB revenue of \$25,241 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 99,642	\$ 181,791
Changes of Assumptions or Other Inputs	-	391,189
Total	<u>\$ 99,642</u>	<u>\$ 572,980</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in Home Forward's OPEB expenses as follows:

<u>Year Ending December 31,</u>	Deferred Inflows of Resources - OPEB HBRP
2022	\$ (78,697)
2023	(78,697)
2024	(78,697)
2025	(78,697)
2026	(78,090)
All Subsequent Years	(80,460)
Total	<u>\$ (473,338)</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions for Implicit Benefit Subsidy

Certain actuarial assumptions for the Implicit Benefit subsidy calculation are from the actuarial report as of December 31, 2021. Rates of mortality, retirement, and withdrawal are the same rates that were used in the December 31, 2020 actuarial valuation of the Oregon Public Employees Retirement System and are updated after each new PERS actuarial valuation is completed. For the other demographic assumptions such as entrance and persistence, the experience study was completed in December 2020.

Valuation Date	December 31, 2020
Measurement Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Interest Discount Rate	2.12% per year
Kaiser Medical Cost Annual Trend Rate	5% in all future years.
Providence Medical Cost Annual Trend Rate	7% initial increase, reducing to 5% over 4 years.
Dental Cost Annual Trend Rate	3% in all future years.
Mortality Rates	Rates of mortality for active male employees are 75% of the male generational rates and rate of mortality for active female employees are 60% of the female generational rates.
Inflation Rate	2.5% in all future years.
Salary Scale	3.5% in all future years.

Long-Term Expected Rate of Return

The 2.12% discount rate assumption is the December 31, 2021 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. This discount rate represents the long-term investment yield on Home Forward's assets.

Sensitivity of Total OPEB Liability to Changes in the Discount Rates

The following presents what Home Forward's total OPEB liability at December 31, 2021 would be if it were calculated using a discount rate that is 1% lower (1.12%) or 1% higher (3.12%) than the current rate:

1% Decrease (1.12%)	Current Rate (2.12%)	1% Increase (3.12%)
<u>\$ 1,070,878</u>	<u>\$ 986,736</u>	<u>\$ 907,883</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents what Home Forward's total OPEB liability at December 31, 2021 would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current health care cost trend rates.

1% Decrease	Current Rate	1% Increase
\$ 861,555	\$ 986,736	\$ 1,136,479

NOTE 17 DEFERRED COMPENSATION PLAN

Home Forward offers employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Home Forward's employees, permits them to defer a portion of their salary to future years. Annual deferrals are limited to the lesser of \$19,500 or 100% of includable compensation. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. This plan is administered by a third party and is not included in Home Forward's basic financial statements.

NOTE 18 BLENDED COMPONENT UNITS

The condensed statements of net position of the blended component units are as follows as of December 31, 2021:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP
Assets					
Current Assets	\$ 8,420,110	\$ 1,880,985	\$ 9,561	\$ 1,276,165	\$ 610,877
Noncurrent Assets	37,641,872	-	-	-	-
Capital Assets	-	-	-	6,881,482	3,965,752
Total Assets	\$ 46,061,982	\$ 1,880,985	\$ 9,561	\$ 8,157,647	\$ 4,576,629
Liabilities					
Current Liabilities	\$ 754,230	\$ 1,750	\$ -	\$ 233,284	\$ 492,805
Noncurrent Liabilities	-	-	-	8,661,715	4,193,170
Total Liabilities	754,230	1,750	-	8,894,999	4,685,975
Net Position					
Restricted	-	189,990	-	581,351	-
Unrestricted	45,307,752	1,689,245	9,561	(1,318,703)	(109,346)
Total Net Position	45,307,752	1,879,235	9,561	(737,352)	(109,346)
Total Liabilities and Net Position	\$ 46,061,982	\$ 1,880,985	\$ 9,561	\$ 8,157,647	\$ 4,576,629

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

The condensed statements of revenues, expenses, and changes in net position of the blended component units are as follows for the year ended December 31, 2021:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP
Operating Revenues					
Dwelling Rental	\$ -	\$ -	\$ -	\$ 838,336	\$ 1,660,092
Nondwelling Rental	-	-	-	142,223	5,467
State, Local and Other Grants	-	-	83,000	-	-
Other	-	1,377,258	11,449	28,469	13,847
Total Operating Revenues	-	1,377,258	94,449	1,009,028	1,679,406
Operating Expenses					
Administration	574,060	279,893	17,623	294,763	248,500
Tenant Services	-	-	83,000	70	19,260
Program Expense	-	-	-	-	19,649
Utilities	-	-	-	156,732	372,857
Maintenance	-	218,023	-	210,346	415,434
Depreciation	-	-	-	187,818	334,630
General and Other	5,305	300	270	131,636	194,284
Total Operating Expenses	579,365	498,216	100,893	981,365	1,604,614
Operating Income (Loss)	(579,365)	879,042	(6,444)	27,663	74,792
Nonoperating Revenues (Expenses)					
Investment Income	1,005,830	187	28	635	530
Interest Expense	-	-	-	(127,852)	(225,214)
Other Nonoperating Expenses	-	-	-	-	(2,395)
Total Nonoperating Revenues (Expenses)	1,005,830	187	28	(127,217)	(227,079)
Income/Loss before Capital Contributions	426,465	879,229	(6,416)	(99,554)	(152,287)
Capital Contributions					
Other Nonoperating Contributions	-	-	-	(32,109)	-
Increase (Decrease) in Net Position	426,465	879,229	(6,416)	(131,663)	(152,287)
Net Position - Beginning of Year	44,881,287	1,000,006	15,977	(605,689)	42,941
Net Position - End of Year	\$ 45,307,752	\$ 1,879,235	\$ 9,561	\$ (737,352)	\$ (109,346)

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

The condensed statements of cash flows of the blended component units are as follows:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP
Cash Flows from Operating Activities					
Receipts from State, Local and Other Grants	\$ -	\$ -	\$ 83,000	\$ -	-
Receipts from Tenants and Landlords	-	-	-	923,217	1,626,389
Receipts from Others	-	775,000	11,447	54,134	20,759
Payments to and on Behalf of Employees	(50,408)	-	-	(293,353)	(282,489)
Payments to Vendors, Contractors, and Others	192,540	(496,465)	(100,892)	(450,827)	(919,860)
Total Cash Provided (Used) by Operating Activities	142,132	278,535	(6,445)	233,171	444,799
Cash Flows from Capital and Related Financing Activities					
Interest Paid on Notes and Bonds Payable	-	-	-	(119,814)	(235,544)
Principal Payments on Notes Payable	-	-	-	(83,336)	(266,155)
Receipt of Cash Restricted for Deposits Payable	-	-	-	52	-
Acquisition and Construction of Capital Assets	-	-	-	(14,672)	(67,682)
Change in Investment in Partnership	-	1,000,000	-	(32,109)	-
Total Cash Provided (Used) by Capital and Related Financing Activities	-	1,000,000	-	(249,879)	(569,381)
Cash Flows from Investing Activities					
Decrease in Accrued Interest on Notes Payable	709,190	-	-	-	-
Collections on Notes Receivable	816,887	-	-	-	-
Change in Due from Partnerships	-	-	-	(362)	7,676
Investment Income Received	1,005,830	2,478	28	635	530
Total Cash Provided (Used) by Investing Activities	2,531,907	2,478	28	273	8,206
Net Increase (Decrease) in Cash and Cash Equivalents	2,674,039	1,281,013	(6,417)	(16,435)	(116,376)
Cash and Cash Equivalents - Beginning of Year	\$4,684,602	\$597,706	\$15,978	\$1,259,506	\$655,798
Cash and Cash Equivalents - End of Year	<u>\$ 7,358,641</u>	<u>\$ 1,878,719</u>	<u>\$ 9,561</u>	<u>\$ 1,243,071</u>	<u>\$ 539,422</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION

Home Forward is the General Partner and holds a 0.01% to 1% interest in each of the following limited partnerships (see Note 2 and Note 7). Summarized partnership information as of and for the year ended December 31, 2021 is as follows:

	Central Group	North Group	East Group	Trouton	Woolsey	Civic Redevelopment	Humboldt Gardens	1115 SW 11th Avenue
ASSETS								
Cash and Cash Equivalents	\$ 1,056,169	\$ 5,293,485	\$ 7,648,102	\$ 824,581	\$ 941,396	\$ 60,732	\$ 80,476	\$ 305,577
Cash and Cash Equivalents - Restricted	1,779,090	1,342,361	3,007,672	1,223,652	901,975	3,186,861	1,379,279	1,180,352
Accounts Receivables	1,186,412	49,182	55,691	58,847	32,158	36,784	42,242	15,198
Other Assets	5,870,934	725,847	4,258,645	388,958	69,224	474,390	148,545	27,628
Capital Assets, Net	53,704,537	84,556,996	66,134,807	18,909,793	8,109,761	9,975,036	17,444,272	10,345,411
Total Assets	<u>\$ 63,597,142</u>	<u>\$ 91,967,871</u>	<u>\$ 81,104,917</u>	<u>\$ 21,405,831</u>	<u>\$ 10,054,514</u>	<u>\$ 13,733,803</u>	<u>\$ 19,094,814</u>	<u>\$ 11,874,166</u>
LIABILITIES AND NET POSITION								
LIABILITIES								
Current Liabilities	\$ 12,403,723	\$ 7,932,665	\$ 10,324,858	\$ 586,436	\$ 297,321	\$ 949,192	\$ 259,821	\$ 106,579
Long-Term Liabilities	48,958,231	66,225,280	49,286,497	31,072,640	4,961,944	15,139,339	21,393,237	10,892,217
NET POSITION								
Net Investment in Capital Assets	4,961,837	20,967,726	18,410,875	(11,226,879)	3,517,420	(1,972,406)	(2,214,064)	(537,530)
Funds Held in Trust	-	1,289,904	220,928	794,949	238,288	575,559	872,500	949,208
Unrestricted (Deficit)	(2,726,649)	(4,447,704)	2,861,759	178,685	1,039,541	(957,881)	(1,216,680)	463,692
Total Liabilities and Net Position	<u>\$ 63,597,142</u>	<u>\$ 91,967,871</u>	<u>\$ 81,104,917</u>	<u>\$ 21,405,831</u>	<u>\$ 10,054,514</u>	<u>\$ 13,733,803</u>	<u>\$ 19,094,814</u>	<u>\$ 11,874,166</u>
Operating Revenues	\$ 1,691,151	\$ 4,297,918	\$ 3,712,587	\$ 3,380,831	\$ 1,460,973	\$ 1,788,855	\$ 1,352,857	\$ 1,136,142
Operating Expenses	(2,367,671)	(6,321,346)	(5,449,435)	(4,460,456)	(2,351,200)	(1,864,881)	(2,461,485)	(1,392,174)
Operating Income (Loss)	(676,520)	(2,023,428)	(1,736,848)	(1,079,625)	(890,227)	(76,026)	(1,108,628)	(256,032)
Nonoperating Revenues	-	11,996	151	6,134	695	794	4,616	5,024
Nonoperating Expenses	(109,207)	(1,900,602)	(1,190,522)	(388,460)	(182,128)	(537,788)	(235,398)	(11,052)
Loss Before Capital Contributions	(785,727)	(3,912,034)	(2,927,219)	(1,461,951)	(1,071,660)	(613,020)	(1,339,410)	(262,060)
Capital Contributions	3,020,915	26,826,032	24,748,657	-	-	25,998	-	-
Change in Net Position	2,235,188	22,913,998	21,821,438	(1,461,951)	(1,071,660)	(587,022)	(1,339,410)	(262,060)
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	-	-
Beginning Net Position, As Restated	-	(5,104,072)	(327,876)	(8,791,294)	5,866,909	(1,767,706)	(1,218,834)	1,137,430
Ending Net Position	<u>\$ 2,235,188</u>	<u>\$ 17,809,926</u>	<u>\$ 21,493,562</u>	<u>\$ (10,253,245)</u>	<u>\$ 4,795,249</u>	<u>\$ (2,354,728)</u>	<u>\$ (2,558,244)</u>	<u>\$ 875,370</u>

**HOME FORWARD
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NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

	RAC Housing	Stephens Creek Crossing South	Stephens Creek Crossing North	Beech Street	West	Woods East	Haven
ASSETS							
Cash and Cash Equivalents	\$ 122,529	\$ 294,267	\$ 392,641	\$ 188,601	\$ 2,384,015	\$ 1,152,652	\$ 41,705
Cash and Cash Equivalents - Restricted	1,575,205	537,640	844,766	229,934	1,629,018	2,229,231	367,496
Accounts Receivables	103,669	32,440	56,446	6,172	68,053	81,095	6,800
Other Assets	27,309	51,177	185,664	55,551	1,134,728	1,404,959	32,204
Capital Assets, Net	20,909,586	8,696,826	15,999,311	6,840,768	42,237,717	48,009,956	2,705,292
Total Assets	<u>\$ 22,738,298</u>	<u>\$ 9,612,350</u>	<u>\$ 17,478,828</u>	<u>\$ 7,321,026</u>	<u>\$ 47,453,531</u>	<u>\$ 52,877,893</u>	<u>\$ 3,153,497</u>
LIABILITIES AND NET POSITION							
LIABILITIES							
Current Liabilities	\$ 847,768	\$ 127,920	\$ 243,709	\$ 72,722	\$ 401,140	\$ 299,183	\$ 137,193
Long-Term Liabilities	1,252,968	4,224,740	16,556,909	1,189,792	34,151,184	40,934,128	3,333,492
NET POSITION							
Net Investment in Capital Assets	19,656,619	4,452,408	(615,168)	5,659,637	8,995,223	6,901,651	202,857
Funds Held in Trust	717,860	529,065	825,449	222,734	1,236,026	1,760,140	88,340
Unrestricted (Deficit)	263,083	278,217	467,929	176,141	2,669,958	2,982,791	(608,385)
Total Liabilities and Net Position	<u>\$ 22,738,298</u>	<u>\$ 9,612,350</u>	<u>\$ 17,478,828</u>	<u>\$ 7,321,026</u>	<u>\$ 47,453,531</u>	<u>\$ 52,877,893</u>	<u>\$ 3,153,497</u>
Operating Revenues	\$ 4,252,393	\$ 758,945	\$ 1,188,687	\$ 511,498	\$ 3,487,521	\$ 4,507,049	\$ 524,431
Operating Expenses	(3,435,838)	(1,042,693)	(1,817,483)	(887,081)	(4,111,792)	(5,233,761)	(673,441)
Operating Income (Loss)	816,555	(283,748)	(628,796)	(375,583)	(624,271)	(726,712)	(149,010)
Nonoperating Revenues	-	1,426	2,339	606	15,163	19,869	33
Nonoperating Expenses	(31,187)	(93,627)	(125,850)	(3,786)	(969,349)	(1,183,874)	(101,694)
Loss Before Capital Contributions	785,368	(375,949)	(752,307)	(378,763)	(1,578,457)	(1,890,717)	(250,671)
Capital Contributions	-	-	-	-	-	-	-
Change in Net Position	785,368	(375,949)	(752,307)	(378,763)	(1,578,457)	(1,890,717)	(250,671)
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	(5,295)	-
Beginning Net Position, As Restated	19,852,194	5,635,639	1,430,517	6,437,275	14,479,664	13,540,594	(66,517)
Ending Net Position	<u>\$ 20,637,562</u>	<u>\$ 5,259,690</u>	<u>\$ 678,210</u>	<u>\$ 6,058,512</u>	<u>\$ 12,901,207</u>	<u>\$ 11,644,582</u>	<u>\$ (317,188)</u>

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

	Cecelia	The Jeffrey Apartments	Square Manor	Lloyd Housing	FP2	3000 Pow ell	Baldw in	Total
ASSETS								
Cash and Cash Equivalents	\$ 106,725	\$ 109,378	\$ 287,588	\$ 667,705	\$ 71,475	\$ 7,176	\$ 173,960	\$ 22,210,935
Cash and Cash Equivalents - Restricted	830,237	855,622	700,953	1,824,921	360,856	-	-	25,987,121
Accounts Receivables	38,650	13,207	99,375	192,500	-	-	-	2,174,921
Other Assets	126,020	10,223	231,948	550,016	480,480	5,170,886	2,478,741	23,904,077
Capital Assets, Net	7,883,226	8,820,532	14,788,329	60,075,794	25,055,376	8,899,092	3,782,111	543,884,529
Total Assets	<u>\$ 8,984,858</u>	<u>\$ 9,808,962</u>	<u>\$ 16,108,193</u>	<u>\$ 63,310,936</u>	<u>\$ 25,968,187</u>	<u>\$ 14,077,154</u>	<u>\$ 6,434,812</u>	<u>\$ 618,161,583</u>
LIABILITIES AND NET POSITION								
LIABILITIES								
Current Liabilities	\$ 406,633	\$ 125,496	\$ 1,048,910	\$ 3,211,359	\$ 5,507,113	\$ 2,585,742	\$ 1,295,174	\$ 49,170,657
Long-Term Liabilities	13,842,640	8,651,330	11,525,593	32,014,170	19,391,007	7,868,181	4,305,047	447,170,566
NET POSITION								
Net Investment in Capital Assets	(5,374,686)	169,202	3,864,526	27,943,517	5,805,724	1,030,911	(517,591)	110,081,809
Funds Held in Trust	778,488	433,909	379,778	1,788,289	5,825	-	-	13,707,239
Unrestricted (Deficit)	(668,217)	429,025	(710,614)	(1,646,399)	(4,741,482)	2,592,320	1,352,182	(1,968,688)
Total Liabilities and Net Position	<u>\$ 8,984,858</u>	<u>\$ 9,808,962</u>	<u>\$ 16,108,193</u>	<u>\$ 63,310,936</u>	<u>\$ 25,968,187</u>	<u>\$ 14,077,154</u>	<u>\$ 6,434,812</u>	<u>\$ 618,161,583</u>
Operating Revenues	\$ 1,603,396	\$ 878,040	\$ 968,703	\$ 2,745,442	\$ -	\$ -	\$ -	\$ 40,247,419
Operating Expenses	(2,236,690)	(1,441,453)	(1,423,860)	(3,288,562)	(304,283)	-	-	(52,565,585)
Operating Income (Loss)	(633,294)	(563,413)	(455,157)	(543,120)	(304,283)	-	-	(12,318,166)
Nonoperating Revenues	3,127	1,294	135	720	-	-	-	74,122
Nonoperating Expenses	(215,620)	-	(319,885)	(731,878)	-	-	(129,518)	(8,461,425)
Loss Before Capital Contributions	(845,787)	(562,119)	(774,907)	(1,274,278)	(304,283)	-	(129,518)	(20,705,469)
Capital Contributions	-	-	-	25,478,162	-	3,623,231	964,109	84,687,104
Change in Net Position	(845,787)	(562,119)	(774,907)	24,203,884	(304,283)	3,623,231	834,591	63,981,635
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	-	(5,295)
Beginning Net Position, As Restated	(4,418,628)	1,594,255	4,308,597	3,881,523	1,374,350	-	-	57,844,020
Ending Net Position	<u>\$ (5,264,415)</u>	<u>\$ 1,032,136</u>	<u>\$ 3,533,690</u>	<u>\$ 28,085,407</u>	<u>\$ 1,070,067</u>	<u>\$ 3,623,231</u>	<u>\$ 834,591</u>	<u>\$ 121,820,360</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

Summarized Capital Assets – Discretely Presented Component Units

Land, structures, and equipment activity of the discretely presented component units was as follows for the year ended December 31, 2021:

	Balance 12/31/20	Additions and Transfers In	Disposals and Transfers Out	Balance 12/31/2021
Land	\$11,329,876	\$5,050,000	\$ -	\$ 16,379,876
Construction in Progress	11,150,763	53,178,965	(4,774,773)	59,554,955
Total Capital Assets not Being Depreciated	\$22,480,639	58,228,965	(4,774,773)	75,934,831
Buildings and Improvements	573,121,061	14,604,560	(74,446)	587,651,175
Capital Lease	29,370,000	10,890,000	-	40,260,000
Equipment	20,489,824	127,143	(15,292)	20,601,675
Total	622,980,885	25,621,703	(89,738)	648,512,850
Less: Accumulated Depreciation	(159,332,054)	(21,252,279)	21,181	(180,563,152)
Total Capital Assets Being Depreciated	463,648,831	4,369,424	(68,557)	467,949,698
Total Capital Assets, Net	<u>\$ 486,129,470</u>	<u>\$ 62,598,389</u>	<u>\$ (4,843,330)</u>	<u>\$ 543,884,529</u>

Summarized Notes Payable – Discretely Presented Component Units

Notes payable of the discretely presented component units consist of the following:

	December 31, 2021
Notes Payable - General Partner	\$ 196,260,000
Mortgages and Other Housing Related Notes	237,542,719
Total	433,802,719
Less Current Portion	(2,118,698)
Noncurrent Portion	<u>\$ 431,684,021</u>

A summary of activity of the discretely presented component units' notes payable is as follows:

Balance January 1, 2021	Increase	Decrease	Balance December 31, 2021
<u>\$430,016,860</u>	<u>\$96,149,575</u>	<u>\$ (92,363,716)</u>	<u>\$ 433,802,719</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 20 COMMITMENTS AND CONTINGENCIES

Leases

At December 31, 2021, Home Forward has approximately 10,380 dwelling units under lease to Section 8 landlords. The terms of these leases extend up to one year. Housing assistance payments under these leases, including FSS program contributions, for the year ended December 31, 2021 was approximately \$112,777,223.

Construction Commitments

As of December 31, 2021, Home Forward had construction commitments of approximately \$94,741,017.

Contingent Liabilities

Home Forward has entered into long-term use agreements with the City of Portland, Multnomah County and the State of Oregon in exchange for development funds for group homes and other projects. These agreements expire between 2019 and 2065. Repayment of an amortized portion of these funds is required if Home Forward does not use the properties according to their intended purposes. Home Forward has not and does not intend to violate those agreements. The exposure, if recorded, would be approximately \$3,169,457.

General Partner Operating Deficit Guarantees

In relation to the performance of the tax credit partnerships for which Home Forward is the general partner, Home Forward has agreed to provide certain levels of funding in the event of partnership operating deficits that exceed operating reserves. The maximum amount required to fund excess operating deficits ranges from zero to the total amount of the excess operating deficit for a single partnership. As of December 31, 2021, no additional liability existed relating to excess operating deficits for any of the partnerships.

NOTE 21 RISK MANAGEMENT

Home Forward operates in an industry subject to various risks of loss related to torts, theft, damage, destruction, errors and omissions, injuries to employees or participants, and natural disasters.

Home Forward contracts with Marsh & McLennan Companies (Marsh) for broker services. Annually, Marsh markets the agency's insurance coverage needs to a wide variety of insurance markets. From this effort, Marsh's comprehensive insurance program provides appropriate levels of insurance coverage for property, boiler and machinery equipment, casualty/general liability, automotive, umbrella, financial and professional lines, crime, and cyber/special risks.

Marsh's comprehensive insurance provides coverage for 2,504 affordable units, 1 New Market West property, 463 public housing units, 227 special needs units 1 parcel of land being held for future development, and 50 vehicles. It also includes actions by Home Forward employees, directors, officers and departments. This does not include the 497 units Home Forward's Asset Management manages as part of our inter-governmental agreement with the City of Portland.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 21 RISK MANAGEMENT (CONTINUED)

Marsh coverage as of December 31, 2021, includes:

Liabilities	Deductible	Coverage
Property/Earthquake/Flood/Business Interruption	\$ 100,000	\$ 100,000,000
Boiler/Machinery/Equipment	5,000	100,000,000
General Liability	250,000	2,000,000
Automobile	250,000	2,000,000
Professional Liability	250,000	2,000,000
Umbrella Liability	-	10,000,000
Public Officials Liability	100,000	2,000,000
Fidelity and Crime	25,000	1,000,000

Home Forward contracts with SAIF Corporation to provide workers' compensation and employer liability coverage of \$1,000,000 per incident with no deductible.

Settlements have not exceeded coverage during the last three years. Home Forward has one liability claim as of December 31, 2021.

For several years, Home Forward experienced significant increases in its insurance costs. In order to address these increases, Home Forward created a Home Forward controlled pure captive insurance company.

In August 2020, the Board of Commissioners approved Resolution 20-08-02 authorizing Home Forward to establish a pure captive insurance company. On December 24, 2020, the HF Insurance Group LLC (HFIG) was formed. The Captive is a Class 2 limited liability company managed by Home Forward as the sole member and will insure the risks of Home Forward and its affiliates.

This captive will allow Home Forward to provide insurance coverage to itself and its related entities, reduce its exposure in the retail insurance market, and gain access to reinsurance markets. It will also allow Home Forward to build insurance reserves to support its ability to retain more risk. The captive was initially structured to provide only property related coverage but on January 1, 2022 also began to provide general liability, auto liability, and Errors & Omissions insurance coverage. We continue to explore additional types of insurance for future policy years.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Draft
Subject to Change
8/31/22

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST SEVEN FISCAL YEARS***

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Measurement Date	(a) Home Forward's Proportion of the Net Pension Liability (Asset)	(b) Home Forward's Proportionate Share of the Net Pension Liability (Asset)	(c) Home Forward's Covered Payroll	(b/c) Home Forward's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2021	0.15246390 %	\$ 18,244,562	\$ 23,403,663	77.96%	87.6%
December 31, 2020	0.14600007	31,862,281	22,943,155	138.87	75.80
December 31, 2019	0.14322567	24,774,611	18,423,720	134.47	80.20
December 31, 2018**	0.14164116	21,456,770	17,367,082	123.55	82.10
March 31, 2018	0.15329650	20,664,424	17,227,380	119.95	83.10
March 31, 2017	0.15888919	23,852,957	17,299,181	137.88	80.50
March 31, 2016	0.15526214	8,914,316	17,560,069	50.76	91.90
March 31, 2015	0.16124152	(3,654,885)	16,954,319	(21.56)	103.60

SCHEDULE OF PENSION CONTRIBUTIONS

Year Ended	(a) Statutorily Required Contribution	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) Home Forward's Covered Payroll	(b/c) Contributions as a Percent of Covered Payroll
December 31, 2021	\$ 3,387,161	\$ 3,387,161	-	\$ 23,403,663	14.47 %
December 31, 2020	2,758,006	2,758,006	-	22,943,155	12.02
December 31, 2019	2,044,769	2,044,769	-	18,423,720	11.10
December 31, 2018**	1,846,617	1,846,617	-	17,367,082	10.63
March 31, 2018	1,755,769	1,755,769	-	17,227,380	10.19
March 31, 2017	1,476,588	1,476,588	-	17,299,181	8.54
March 31, 2016	1,465,817	1,465,817	-	17,560,069	8.35
March 31, 2015	1,565,938	1,565,938	-	16,954,319	9.24

Since the December 31, 2013 actuarial valuation, the system-wide actuarial accrued liability has increased primarily due to the Moro decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon State Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reduction the 2013 Oregon legislature made to future system Cost of Living Adjustments (COLA) through Senate Bill 822 and 861. The reversal increased the benefits projected to be paid by employers compared to those developed in the prior actuarial valuation, and consequently increased plan liabilities. The employers' projected long-term contribution effort has been adjusted for the estimated impact of the Moro Decision. In accordance with statute, a biennial review of actuarial methods and assumptions was completed in 2017 to be used for the December 31, 2016 actuarial valuation, which explains the significant increase in Home Forward's proportionate share of the net pension liability for the fiscal year ended March 31, 2017.

*Fiscal year ended March 31, 2015 was the first year of implementation of GASB Statement No. 68, therefore, only eight years of information is shown.

**This line represents the nine-month period ended December 31, 2018, as Home Forward changed its fiscal year-end to December 31 effective April 1, 2018.

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST FOUR FISCAL YEARS***

OTHER POST EMPLOYMENT BENEFITS

Retirement Health Insurance Account (RHIA)

Schedule of Changes in Net OPEB Asset and Related Ratios*

Date Measurement Date	Proportion of the Net OPEB Asset	Proportionate Share of the Net OPEB Asset	Covered Payroll	Percentage of Covered Payroll
June 30, 2021	0.08330245 %	\$ 410,866	\$ 23,403,663	1.76%
June 30, 2020	0.08330245	169,736	22,943,155	0.74
June 30, 2019	0.14722967	284,501	18,423,720	1.54
June 30, 2018	0.13862370	154,742	17,367,082	0.89
June 30, 2017	0.14138662	59,006	17,227,380	0.34

Schedule of OPEB Contributions*

Year Ended	(a) Contractually Required Contribution**	(b) Contributions in Relation to the Contractually Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) Covered Payroll	(b/c) Percentage of Covered Payroll
December 31, 2020	\$ 67,196	\$ 67,196	\$ -	\$ 23,403,663	0.29 %
December 31, 2020	61,211	61,211	-	22,943,155	0.27
December 31, 2019	73,049	73,049	-	18,423,720	0.40
December 31, 2018***	66,536	66,536	-	17,367,082	0.38
March 31, 2018	109,892	109,892	-	17,227,380	0.64

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of changes in net OPEB asset and related ratios and schedule of OPEB contributions are presented in accordance with GASB Statement No. 75's reporting requirement. Fiscal year ended March 31, 2018 was the first year of implementation of GASB Statement No. 75, therefore, only five years of information is shown.

**Based on the actuarial report.

***This line represents the nine-month period ended December 31, 2018, as Home Forward changed its fiscal year-end to December 31 effective April 1, 2018.

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST FOUR FISCAL YEARS***

OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Retiree Access to Home Forward Benefit Retiree Program (Implicit Benefit Subsidy)

Schedule of Changes in Total Liability and Related Ratios*

	December 31, 2021***	December 31, 2020***	December 31, 2019***	December 31, 2018***	March 31, 2018***
Beginning of Year - January 1	\$ 932,648	\$ 887,379	\$ 900,487	\$ 1,415,327	\$ 1,384,796
Benefit Payments	(48,271)	(60,911)	(98,600)	(66,832)	67,210
Service Cost	83,100	80,290	50,593	36,662	51,747
Interest on Total OPEB Liability	19,259	18,167	34,899	42,494	(58,362)
Change in Assumptions	-	119,179	-	(512,048)	(15,894)
Experience (Gain) Loss	-	(111,456)	-	(15,116)	(14,170)
Total Changes	<u>54,088</u>	<u>45,269</u>	<u>(13,108)</u>	<u>(514,840)</u>	<u>30,531</u>
End of Year - December 31	<u>\$ 986,736</u>	<u>\$ 932,648</u>	<u>\$ 887,379</u>	<u>\$ 900,487</u>	<u>\$ 1,415,327</u>
Covered Payroll**	\$23,403,663	\$22,943,155	\$17,030,216	\$16,454,315	\$15,368,318
Total Liability as a Percentage of its Covered Payroll	4.22%	4.07%	5.21%	5.47%	9.21%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of changes in OPEB liability and related ratios is presented in accordance with GASB Statement No. 75's reporting requirement. Fiscal year ended March 31, 2018 was the first year of implementation of GASB Statement No. 75, therefore, only five years of information is shown. Fiscal year ended December 31, 2018 information only included nine months from April 1, 2018 to December 31, 2018.

**Based on the actuarial report.

***The table above is as of the measurement date of the actuarial report. As such, the information is presented one year prior to the fiscal year ending shown.

OTHER SUPPLEMENTARY INFORMATION

Draft
Subject to Change
8/31/22

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING
DECEMBER 31, 2021

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	St. Francis
ASSETS AND DEFERRED OUTFLOWS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 2,180,503	\$ 533,441	\$ 1,168,011	\$ 1,713,397	\$ 118,749	\$ 32,476	\$ 118,606	\$ 384,593	\$ 571,777	\$ 370,904
Cash and Cash Equivalents - Restricted	16,872	183,028	9,963	15,793	170,667	756,998	507,495	1,794,504	1,095,340	875,830
Accounts Receivable, Net	2,825,768	23,122	1,392,034	1,472,147	1,403	22,270	11,197	82,333	12,240	13,204
Prepaid Expenses	-	-	628	312	279	19,023	5,777	8,669	3,760	16,227
Total Current Assets	5,023,143	739,591	2,570,636	3,201,649	291,098	830,767	643,075	2,270,099	1,683,117	1,276,165
NONCURRENT ASSETS										
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-
Capital Assets not being Depreciated	157,489	579,600	206,657	76,467	292,240	432,880	138,456	101,278	624,827	1,016,855
Capital Assets being Depreciated, Net	359,822	2,021,344	750,775	490,044	1,579,711	1,653,615	296,229	1,353,957	1,839,984	5,864,627
Total Noncurrent Assets	517,311	2,600,944	957,432	566,511	1,871,951	2,086,495	434,685	2,366,135	2,464,811	6,881,482
Total Assets	\$ 5,540,454	\$ 3,340,535	\$ 3,528,068	\$ 3,768,160	\$ 2,163,049	\$ 2,917,262	\$ 1,077,760	\$ 4,636,234	\$ 4,147,928	\$ 8,157,647
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts Payable	\$ 10,192	\$ 40,516	\$ 16,939	\$ 10,847	\$ 88,006	\$ 246,105	\$ 212,594	\$ 111,899	\$ 19,884	\$ 8,097
Accrued Interest Payable	-	4,963.00	-	-	3,243	1,682,114	18,288	385,965	1,622,758	78,925
Other Accrued Liabilities	25,875	57	16,293	17,250	-	8,209	-	1,433	-	-
Deferred Revenue	11,141	4,442	12,194	10,286	12,726	17,350	20,496	45,045	42,454	39,172
Deposits, Payable from Restricted Assets	17,160	7,116	9,963	15,793	13,769	27,434	24,435	86,325	68,546	33,981
Current Portion of Notes and Bonds Payable	-	58,890.00	-	-	63,024.00	10,693.00	424,459.00	437,901.00	95,000.00	73,109
Total Current Liabilities	64,368	115,984	55,389	54,176	180,768	1,991,905	700,272	1,068,568	1,848,642	233,284
NONCURRENT LIABILITIES										
Notes Payable	-	1,026,476	-	-	2,167,162	2,103,627	-	355,926	2,664,000	8,661,715
Bonds Payable	-	-	-	-	-	-	642,868.00	2,080,000	3,370,000	-
Total Noncurrent Liabilities	-	1,026,476	-	-	2,167,162	2,103,627	642,868	2,435,926	6,034,000	8,661,715
Total Liabilities	64,368	1,142,460	55,389	54,176	2,347,930	4,095,532	1,343,140	3,504,494	7,882,642	8,894,999
NET POSITION	\$ 5,476,086	\$ 2,198,075	\$ 3,472,679	\$ 3,713,984	\$ (184,881)	\$ (1,178,270)	\$ (265,380)	\$ 1,131,740	\$ (3,734,714)	\$ (737,352)
Total Liabilities and Net Position	\$ 5,540,454	\$ 3,340,535	\$ 3,528,068	\$ 3,768,160	\$ 2,163,049	\$ 2,917,262	\$ 1,077,760	\$ 4,636,234	\$ 4,147,928	\$ 8,157,647

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2021

	Ainsworth Court	Fairviews	Rockwood Station	Willow Tree	The Alexis	Ash Creek	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial
ASSETS AND DEFERRED OUTFLOWS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 333,632	\$ 5,730,223	\$ 3,278,732	\$ 34,660	\$ -	\$ -	\$ 16,661	\$ 10,326	\$ 286,510	\$ 25,903
Cash and Cash Equivalents - Restricted	75,678	2,113,232	1,216,046	219,102	\$ 230,390	\$ 161,493	89,969	282,922	131,355	-
Accounts Receivable, Net	390,108	90,942	85,092	9,652	\$ 231,499	132,025	7,592	20,395	5,767	2,219
Prepaid Expenses	1913	-	-	921	\$ 54,783	9,044	95	3,518	1,065	939
Total Current Assets	1441331	7,934,397	4,579,870	264,335	516,672	302,562	259,317	317,161	424,697	29,061
NONCURRENT ASSETS										
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	\$ -	-	-	-	-	-
Capital Assets not being Depreciated	1,115,635	943,432	702,000	162,767	\$ 465,000	363,581	275,924	285,850	618,598	-
Capital Assets being Depreciated, Net	1011,493	10,528,934	3,483,907	852,288	\$ 6,823,306	873,961	1,007,459	1,611,245	319,633	18,562
Total Noncurrent Assets	2,127,128	11,472,366	4,185,907	1,015,055	7,288,306	1,237,542	1,283,383	1,897,095	938,231	18,562
Total Assets	\$ 3,568,459	\$ 19,406,763	\$ 8,765,777	\$ 1,279,390	\$ 7,804,978	\$ 1,540,104	\$ 1,542,700	\$ 2,214,256	\$ 1,362,928	\$ 47,623
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts Payable	\$ 17,909	\$ 1,801,382	\$ 1,000,577	\$ 12,311	\$ 373,472	\$ 75,664	\$ 544,902	\$ 16,546	\$ 152,388	\$ 63,774
Accrued Interest Payable	7,564.00	26,000.00	10,835.00	1,804.00	12,110	4,934	404	1,971,473	814	-
Other Accrued Liabilities	-	-	-	870	-	-	-	-	-	-
Deferred Revenue	19,418	130,710	68,852	8	\$ 116,094	7,910	3,166	28,945	4,882	-
Deposits, Payable from Restricted Assets	44,302	202,014	118,541	5,020	\$ 19,154	9,654	9,539	42,205	5,400	-
Current Portion of Notes and Bonds Payable	106,712.00	273,241.00	129,987.00	25,241.00	\$ 94,758	92,372.00	36,328.00	-	28,166.00	-
Total Current Liabilities	195,905	2,433,347	1,328,792	45,254	615,588	190,534	594,339	2,059,169	191,650	63,774
NONCURRENT LIABILITIES										
Notes Payable	2,783,735	9,956,091	4,069,007	610,134	\$ 4,963,997	1,362,034	792,472	1,960,936	525,740	-
Bonds Payable	-	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	2,783,735	9,956,091	4,069,007	610,134	4,963,997	1,362,034	792,472	1,960,936	525,740	-
Total Liabilities	2,979,640	12,389,438	5,397,799	655,388	5,579,585	1,552,568	1,386,811	4,020,105	717,390	63,774
NET POSITION	\$ 588,819	\$ 7,017,325	\$ 3,367,978	\$ 624,002	\$ 2,225,393	\$ (12,464)	\$ 155,889	\$ (1,805,849)	\$ 645,538	\$ (16,151)
Total Liabilities and Net Position	\$ 3,568,459	\$ 19,406,763	\$ 8,765,777	\$ 1,279,390	\$ 7,804,978	\$ 1,540,104	\$ 1,542,700	\$ 2,214,256	\$ 1,362,928	\$ 47,623

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2021

	Commercial Space at Lloyd Housing	Yards at Union Station	Rockwood Landing	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Fountain Place	Totals
ASSETS AND DEFERRED OUTFLOWS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 142	\$ 284,863	\$ 109,567	\$ 214,697	\$ 30,149	\$ 126,214	\$ 441,992	\$ -	\$ -	\$ 1,826,178
Cash and Cash Equivalents - Restricted	-	979,843	133,141	1,314,113	183,943	76,934	1,771,589	-	-	15,046,240
Accounts Receivable, Net	176	29,013	5,041	5,987	10,338	1,876	49,499	-	-	6,932,939
Prepaid Expenses	-	12,444	1,069	16,868	2,473	-	24,490	-	-	184,297
Total Current Assets	318	1,306,163	248,818	1,551,665	226,903	205,024	2,287,570	-	-	40,425,204
NONCURRENT ASSETS										
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	3,610	-	-	-	-	-	-	-	3,610
Capital Assets not being Depreciated	-	671,000	225,000	406,124	448,845	90,000	1,997,915	-	-	13,309,320
Capital Assets being Depreciated, Net	1,685,209	1,653,699	1,047,404	3,399,794	1,823,630	792,427	7,965,606	-	-	61,108,665
Total Noncurrent Assets	1,685,209	2,328,309	1,272,404	3,805,918	2,272,475	882,427	9,963,521	-	-	74,421,595
Total Assets	\$ 1,685,527	\$ 3,634,472	\$ 1,521,222	\$ 5,357,583	\$ 2,499,378	\$ 1,087,451	\$ 12,251,091	\$ -	\$ -	\$ 114,846,799
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts Payable	\$ 7,803	\$ 121,165	\$ 17,264	\$ 24,403	\$ 146,419	\$ 331,085	\$ 122,896	\$ 842,640	\$ -	\$ 6,437,679
Accrued Interest Payable	-	25,172.00	979.00	61,901.00	107,587	1,263	12,162	-	-	6,150,358
Other Accrued Liabilities	-	-	5,278	-	609	3,276	-	-	-	79,150
Deferred Revenue	-	7,823	2,413	40,202	8,872	5,459	46,209	-	-	706,269
Deposits, Payable from Restricted Assets	-	77,110	16,346	64,848	14,748	900	115,845	-	-	1,050,148
Current Portion of Notes and Bonds Payable	-	414,327.00	37,738.00	129,195.00	68,464.00	22,466	729,124.00	-	-	3,351,195
Total Current Liabilities	7,803	645,597	80,018	320,549	346,699	364,449	1,135,336	842,640	-	17,774,799
NONCURRENT LIABILITIES										
Notes Payable	-	585,960	401,135	2,471,938	1,339,182	1,227,319	1,858,902	-	-	51,887,488
Bonds Payable	-	2,740,000	-	2,900,000	-	-	6,848,812	-	-	18,581,680
Total Noncurrent Liabilities	-	3,325,960	401,135	5,371,938	1,339,182	1,227,319	8,707,714	-	-	70,469,168
Total Liabilities	7,803	3,971,557	481,153	5,692,487	1,685,881	1,591,768	9,843,050	842,640	-	88,243,967
NET POSITION	\$ 1,677,724	\$ (337,085)	\$ 1,040,069	\$ (334,904)	\$ 813,497	\$ (504,317)	\$ 2,408,041	\$ (842,640)	\$ -	\$ 26,602,832
Total Liabilities and Net Position	\$ 1,685,527	\$ 3,634,472	\$ 1,521,222	\$ 5,357,583	\$ 2,499,378	\$ 1,087,451	\$ 12,251,091	\$ -	\$ -	\$ 114,846,799

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING
YEAR ENDED DECEMBER 31, 2021

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	St. Francis
OPERATING REVENUES										
Dwelling Rental	\$ 708,423	\$ 448,632	\$ 509,266	\$ 589,035	\$ 306,990	\$ 534,236	\$ 703,134	\$ 1,817,941	\$ 1,172,833	\$ 838,336
Nondwelling Rental	31,285	86	91,001	1,263	360	19,873	1,898	22,843	6,345	142,223
HUD Operating Subsidies	644,308	276,828	382,260	546,044	-	-	-	-	-	-
State, local and other grants	-	-	48,400	-	-	-	-	-	-	-
Other	8,871	6,036	9,071	18,487	14,945	42,352	16,381	56,340	10,841	28,469
Total Operating Revenues	1,392,887	731,582	1,039,998	1,154,829	322,295	696,461	721,413	1,897,124	1,190,019	1,009,028
OPERATING EXPENSES										
Housing Assistance Payments	\$ 473	\$ -	\$ 43	\$ 2,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	197,947	53,524	191,557	326,363	53,346	265,127	175,950	430,476	395,428	294,763
Program Expense	249	48,126	122	3,047	-	52,993	571	7,074	7,792	-
Tenant Services	330	1,153	-	596	-	5,499	3,670	-	70	70
Utilities	144,909	73,512	156,052	92,756	42,894	117,669	85,592	191,089	183,179	156,732
Maintenance	172,261	238,723	166,130	174,421	36,590	256,721	189,004	486,786	205,759	210,346
Depreciation	16,523	186,357	55,350	66,799	72,246	109,558	142,336	394,740	304,265	187,818
General and Other	64,549	35,453	88,608	65,718	18,647	68,515	38,406	155,843	96,319	131,636
Total Operating Expenses	597,241	636,848	657,862	732,341	223,723	876,082	635,529	1,666,008	1,192,812	981,365
OPERATING INCOME (LOSS)	795,646	94,734	382,136	422,488	98,572	(179,621)	85,884	231,116	(2,793)	27,663
NONOPERATING REVENUES (EXPENSES)										
Investment Income	\$ 2,192	\$ 861	\$ 1,737	\$ 4,425	\$ 159	\$ 1,922	\$ 2,032	\$ 22,847	\$ 1,565	\$ 635
Interest Expense	-	(59,816)	-	-	(41,063)	(64,533)	(54,273)	(126,439)	(221,265)	(127,852)
Loss on Sale of Assets	-	-	-	-	-	-	(4,963)	-	-	-
Total Nonoperating Revenues (Expenses)	2,192	(58,955)	1,737	4,425	(40,904)	(62,611)	(57,204)	(103,592)	(219,700)	(127,217)
CAPITAL CONTRIBUTIONS										
Other Nonoperating Contributions	(348,000)	-	(200,000)	(340,000)	(24,634)	-	(74,043)	(40,000)	-	(32,109)
Total Capital Contributions	(348,000)	-	(200,000)	(340,000)	(24,634)	-	(74,043)	(40,000)	-	(32,109)
INCREASE (DECREASE) IN NET POSITION	449,838	35,779	183,873	86,913	33,034	(242,232)	(45,363)	87,524	(222,493)	(131,663)
Net Position - Beginning of Year	5,026,248	2,162,296	3,288,806	3,627,071	(217,915)	(936,038)	(220,017)	1,044,216	(3,512,221)	(605,689)
NET POSITION - END OF YEAR	<u>\$ 5,476,086</u>	<u>\$ 2,198,075</u>	<u>\$ 3,472,679</u>	<u>\$ 3,713,984</u>	<u>\$ (184,881)</u>	<u>\$ (1,178,270)</u>	<u>\$ (265,380)</u>	<u>\$ 1,131,740</u>	<u>\$ (3,734,714)</u>	<u>\$ (737,352)</u>

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Ainsworth Court	Fairviews	Rockwood Station	Willow Tree	Ash Creek	The Alexis	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial
OPERATING REVENUES										
Dwelling Rental	\$ 868,436	\$ 4,470,740	\$ 2,382,019	\$ 200,449	\$ 502,487	\$ 411,486	\$ 205,801	\$ 609,092	\$ 188,989	\$ -
Nondwelling Rental	1,882	21270	4,558	11,053	5,047	\$ 0	68,944	1,240	267	32,084
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	-
Other	6,988	58,882	48,215	2,970	51,798	\$ 3,099	1,369	10,845	456	67,581
Total Operating Revenues	877,306	4,550,892	2,434,792	214,472	559,332	414,585	276,114	621,177	189,712	99,665
OPERATING EXPENSES										
Housing Assistance Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	12,860	486,161	360,161	41,012	40,331	\$ 67,673	58,730	236,060	33,892	11,128
Program Expense	-	380	-	-	35,296	-	3,047	-	-	-
Tenant Services	-	-	7,284	-	-	-	-	78	-	-
Utilities	94,901	428,516	223,324	29,117	78,897	\$ 82,549	79,265	139,060	34,140	50,227
Maintenance	107,906	687,889	352,693	57,402	91,255	\$ 54,945	52,349	179,471	40,659	19,382
Depreciation	159,355	889,296	404,890	112,520	185,479	\$ 112,619	63,904	135,276	79,261	1,720
General and Other	32,865	341,969	249,118	13,706	61,462	\$ 11,749	29,146	67,631	13,690	5,533
Total Operating Expenses	516,887	2,834,211	1,597,470	253,757	492,720	329,535	286,441	757,576	201,642	87,990
OPERATING INCOME (LOSS)	360,419	1,716,681	837,322	(39,285)	66,612	85,050	(10,327)	(136,399)	(11,930)	11,675
NONOPERATING REVENUES (EXPENSES)										
Investment Income	\$ 1,009	\$ 17,086	\$ 12,696	\$ 121	\$ 220	\$ 154	\$ 3	\$ 234	\$ 24	\$ -
Interest Expense	(10,1945)	(315,720)	(132,467)	(22,139)	(147,206)	(59,803)	(4,327)	(76,730)	(10,241)	-
Loss on Sale of Assets	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(100,936)	(298,634)	(119,771)	(22,018)	(146,986)	(59,649)	(4,324)	(76,496)	(10,217)	-
CAPITAL CONTRIBUTIONS										
Other Nonoperating Contributions	(242,344)	-	-	-	-	(30,000)	200,996	5,335	392,208	-
Total Capital Contributions	(242,344)	-	-	-	-	(30,000)	200,996	5,335	392,208	-
INCREASE (DECREASE) IN NET POSITION	17,139	1418,047	717,551	(61,303)	(80,374)	(4,599)	186,345	(207,560)	370,061	11,675
Net Position - Beginning of Year	571,680	5,599,278	2,650,427	685,305	2,305,767	(7,865)	(30,456)	(1,598,289)	275,477	(27,826)
NET POSITION - END OF YEAR	<u>\$ 588,819</u>	<u>\$ 7,017,325</u>	<u>\$ 3,367,978</u>	<u>\$ 624,002</u>	<u>\$ 2,225,393</u>	<u>\$ (12,464)</u>	<u>\$ 155,889</u>	<u>\$ (1,805,849)</u>	<u>\$ 645,538</u>	<u>\$ (16,151)</u>

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Commercial Space at Lloyd Housing	Yards at Union Station	Rockwood Landing	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Fountain Place	Totals
OPERATING REVENUES										
Dwelling Rental	\$ -	\$ 1,525,476	\$ 300,437	\$ 1,215,878	\$ 539,077	\$ 137,451	\$ 1,946,875	\$ 11,288	\$ -	\$ 23,144,807
Nondwelling Rental	-	593	14,965	52,635	-	160	312,062	-	-	943,937
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	1,849,440
	-	-	-	-	-	-	-	-	-	48,400
Other	-	48,185	8,435	18,218	9,271	9,214	100,901	9,929	-	668,149
Total Operating Revenues	-	1,574,254	323,837	1,286,731	548,348	146,825	2,359,838	21,217	-	26,654,733
OPERATING EXPENSES										
Housing Assistance Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,157
Administration	11,932	404,589	79,536	435,624	107,147	32,274	378,700	15,298	-	5,306,589
Program Expense	-	6,602	-	-	-	-	58,687	-	-	223,986
Tenant Services	-	-	-	92	15,213	-	-	-	-	34,055
Utilities	-	181,734	76,081	216,700	131,961	23,810	206,562	3,729	-	3,324,957
Maintenance	-	366,773	65,683	236,861	143,113	66,832	391,291	2,905	-	5,054,150
Depreciation	54,385	423,595	162,075	200,345	61,801	44,358	297,232	18,624	-	4,942,727
General and Other	-	12,129	19,939	143,424	37,398	15,516	161,593	4,182	-	2,093,912
Total Operating Expenses	66,317	1,504,590	403,314	1,233,046	496,633	182,790	1,494,065	44,738	-	20,983,533
OPERATING INCOME (LOSS)	(66,317)	69,664	(79,477)	53,685	51,715	(35,965)	865,773	(23,521)	-	5,671,200
NONOPERATING REVENUES (EXPENSES)										
Investment Income	\$ 984	\$ 19,001	\$ 27	\$ 1,578	\$ 195	\$ 77	\$ 22,886	\$ 11	\$ -	\$ 114,681
Interest Expense	-	(173,632)	(12,470)	(136,500)	(66,839)	(14,248)	(357,906)	-	-	(2,327,414)
Loss on Sale of Assets	-	(4,434)	-	-	(2,912)	-	(7,513)	(871,207)	-	(891,029)
Total Nonoperating Revenues (Expenses)	984	(159,065)	(12,443)	(134,922)	(69,556)	(14,171)	(342,533)	(871,196)	-	(3,103,762)
CAPITAL CONTRIBUTIONS										
Other Nonoperating Contributions	(1,244,900)	-	-	-	3,698	1,256	(73,946)	(1,865,744)	(1,282,780)	(5,195,007)
Total Capital Contributions	(1,244,900)	-	-	-	3,698	1,256	(73,946)	(1,865,744)	(1,282,780)	(5,195,007)
INCREASE (DECREASE) IN NET POSITION	(1,310,233)	(89,401)	(91,920)	(81,237)	(14,143)	(48,880)	449,294	(2,760,461)	(1,282,780)	(2,627,569)
Net Position - Beginning of Year	2,987,957	(247,684)	1,131,989	(253,667)	827,640	(455,437)	1,958,747	1,917,821	1,282,780	29,230,401
NET POSITION - END OF YEAR	\$ 1,677,724	\$ (337,085)	\$ 1,040,069	\$ (334,904)	\$ 813,497	\$ (504,317)	\$ 2,408,041	\$ (842,640)	\$ -	\$ 26,602,832

**HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – SPECIAL NEEDS HOUSING
DECEMBER 31, 2021**

ASSETS	Carriage Hill	Project Open Door	Total
CURRENT ASSETS	\$ 13,140	\$ 55,782	\$ 68,922
Cash and Cash Equivalents	22,396	89,987	112,383
Cash and Cash Equivalents - Restricted	1,607	12,945	14,552
Total Current Assets	<u>37,143</u>	<u>158,714</u>	<u>195,857</u>
NONCURRENT ASSETS			
Capital Assets not being Depreciated	75,424	71,104	146,528
Capital Assets being Depreciated, Net	213,952	286,112	500,064
Total Noncurrent Assets	<u>289,376</u>	<u>357,216</u>	<u>646,592</u>
Total Assets	<u>\$ 326,519</u>	<u>\$ 515,930</u>	<u>\$ 842,449</u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 39,199	\$ 22,458	\$ 61,657
Accrued Interest Payable	59	87	146
Other Accrued Liabilities	301	937	1,238
Unearned Revenue	931	9,876	10,807
Deposits, Payable from Restricted Assets	175	1,382	1,557
Current Portion of Bond Payable - Partnerships	1,902	17,204	19,106
Total Current Liabilities	<u>42,567</u>	<u>51,944</u>	<u>94,511</u>
NONCURRENT LIABILITIES			
Notes Payable	200,896	88,560	289,456
Total Liabilities	<u>243,463</u>	<u>140,504</u>	<u>383,967</u>

**HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – SPECIAL NEEDS HOUSING
YEAR ENDED DECEMBER 31, 2021**

	Carriage Hill	Project Open Door	Total
OPERATING REVENUES			
Dwelling Rental	\$ 33,498	\$ 77,574	\$ 111,072
Other	-	30	30
Total Operating Revenues	<u>33,498</u>	<u>77,604</u>	<u>111,102</u>
OPERATING EXPENSES			
	31	214	245
Administration	3,525	10,693	14,218
Utilities	9,570	15,889	25,459
Maintenance	7,306	25,545	32,851
Depreciation	12,389	20,561	32,950
General and Other	2,202	5,354	7,556
Total Operating Expenses	<u>35,023</u>	<u>78,256</u>	<u>113,279</u>
OPERATING LOSS	(1,525)	(652)	(2,177)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	112	216	328
Interest Expense	(910)	(1,033)	(1,943)
Total Nonoperating Revenues (Expenses)	<u>(798)</u>	<u>(817)</u>	<u>(1,615)</u>
DECREASE IN NET POSITION	(2,323)	(1,469)	(3,792)
Net Position - Beginning of Year	85,379	376,895	462,274
NET POSITION - END OF YEAR	<u>\$ 83,056</u>	<u>\$ 375,426</u>	<u>\$ 458,482</u>

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
Home Forward
Portland, Oregon

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Home Forward's basic financial statements, and have issued our report thereon dated REPORT DATE. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Minimum Standards for Audits of Oregon Municipal Corporations*. Our auditors' report includes a reference to other auditors. Novogradac & Company LLP and Jones & Roth PC audited the financial statements of the aggregate discretely presented component units. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditors.

Compliance

As part of obtaining reasonable assurance about whether Home Forward's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures, which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing, nothing came to our attention that caused us to believe Home Forward was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of ORS as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered Home Forward's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Home Forward's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Home Forward's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Purpose of this Report

This report is intended solely for the information and use of the board of commissioners, management of Home Forward, and the Oregon Secretary of State and is not intended to be, and should not be, used by anyone other than these specified parties.

Mandy L. Merchant
CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

**HOME FORWARD
SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2021**

Draft
Subject to Change
9/13/22

**HOME FORWARD
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YEAR ENDED DECEMBER 31, 2021**

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Draft
Subject to Change
9/13/22

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Home Forward
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Home Forward's basic financial statements, and have issued our report thereon dated REPORT DATE. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units as described in our report on Home Forward's financial statements. The audits of the discretely presented component units were not performed in accordance with *Government Auditing Standards* and, accordingly, this report does not include the results of the other auditors' testing of internal control over financial reporting or instances of reportable noncompliance associated with the aggregate discretely presented component units.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Home Forward's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Home Forward's internal control. Accordingly, we do not express an opinion on the effectiveness of Home Forward's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Home Forward’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

Draft
Subject to Change
9/13/22

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Home Forward
Portland, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Home Forward's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Home Forward's major federal programs for the year ended December 31, 2021. Home Forward's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Home Forward's basic financial statements include the operations of discretely presented component units which may have received federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2021. Our audit, described below, did not include the operations of the aggregate discretely presented component units because other auditors were engaged to perform audits of compliance, if applicable.

In our opinion, Home Forward complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Home Forward and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Home Forward's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Home Forward's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Home Forward's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Home Forward's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Home Forward's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Home Forward's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Home Forward's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Home Forward as of and for the year ended December 31, 2021, and have issued our report thereon dated REPORT DATE, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Board of Commissioners
Home Forward

CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

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Subject to Change
9/13/22

**HOME FORWARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021**

Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct:				
Multifamily Housing Service Coordinators	14.191	Not applicable	\$ -	\$ 458,412
Section 8 Project-Based Cluster:				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	Not applicable	-	176,499
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	Not applicable	-	690,089
Subtotal Section 8 Project-Based Cluster			-	866,588
Continuum of Care Program	14.267	Not applicable	-	6,336,650
Resident Opportunity and Supportive Services - Service Coordinators	14.870	Not applicable	-	79,725
HOPE VI Cluster:				
Demolition and Revitalization of Severely Distressed Public Housing	14.866	Not applicable	-	103,702
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	Not applicable	-	29,736,518
Section 8 Mainstream Vouchers	14.879	Not applicable	-	1,152,571
Subtotal Housing Voucher Cluster			-	30,889,089
Moving to Work Demonstration Program	14.881	Not applicable	-	106,606,251
COVID-19 Housing Choice Vouchers CARES Act Funding	14.HCC	Not applicable	-	1,612,121
Subtotal Moving to Work Demonstration Program			-	108,218,372
Family Self-Sufficiency Program	14.896	Not applicable	-	568,303
Subtotal Direct Programs			-	147,520,841
Pass-through from the City of Portland:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant/Entitlement Grants	14.218	Not available	-	3,176,957
Total U.S. Department of Housing and Urban Development			-	150,697,798
U.S. Department of Justice				
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	Not available	-	92,420
Total U.S. Department of Justice			-	92,420
U.S. Department of Labor				
Pass-through from Worksystems, Inc.:				
WIOA Cluster:				
WIA Youth Activities	17.259	Not available	-	67,702
Total U.S. Department of Labor			-	67,702

See accompanying Notes to Schedule of Federal Awards.

**HOME FORWARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of the Treasury				
Pass-through from the City of Portland:				
COVID-19 Coronavirus Relief Fund	21.019	Not available	-	\$ 2,915,250
COVID-19 Emergency Rental Assistance Program	21.023	Not available	-	32,363,518
Total U.S. Department of the Treasury			-	35,278,768
U.S. Department of Homeland Security				
Direct:				
Emergency Food and Shelter National Board Program	97.024	Not applicable	-	754,678
Disaster Grants - Public Assistance	97.036	Not applicable	-	-
Total U.S. Department of Homeland Security			-	754,678
Total Expenditures of Federal Awards			\$ -	\$ 186,798,946

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9/13/22

See accompanying Notes to Schedule of Federal Awards.

**HOME FORWARD
NOTES TO SCHEDULE OF FEDERAL AWARDS
DECEMBER 31, 2021**

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards (Schedule) presents the activities of all federal award programs of Home Forward. Home Forward's reporting entity is defined in Note 1 of Home Forward's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Home Forward, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of Home Forward.

Home Forward's reporting entity includes the operations of discretely presented component units which may have expended federal awards that are not included in the schedule of expenditures of federal awards for the year ended December 31, 2021.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting and include capitalized expenditures. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of assistance listing number 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

Home Forward did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 LOANS OUTSTANDING

Home Forward participates in federal award programs that sponsor revolving loan programs, which are administrated by Home Forward and the city of Portland, Oregon (City). The City contracts Home Forward to collect loan repayments for these programs through servicing and trust arrangements. The funds are returned to the City upon repayment of the principal and interest. The federal government has imposed certain significant continuing compliance requirements with respect to the loans rendered under the Home Investment Partnerships (HOME) Program (assistance listing number 14.239). The City is responsible to administer the continuing compliance requirements and report the outstanding loan balances. During the year ended December 31, 2021, Home Forward did not incur expenditures related to new loans under the HOME program.

**HOME FORWARD
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Program

Assistance Listing Number

14.218
21.019
21.023

Name of Federal Program or Cluster

Community Development Block Grant
COVID-19 Coronavirus Relief Fund
COVID-19 Emergency Rental Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**HOME FORWARD
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a)

Draft
Subject to Change
9/13/22

Board of Commissioners
Home Forward
Portland, Oregon

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward as of and for the year ended December 31, 2021, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated March 29, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Home Forward are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2021.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the allowance for doubtful accounts is based on the history of past write-offs and collections, and current credit conditions. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability is based on management's knowledge and experience about past and current events, assumptions about future events, and actuarial computations performed by outside specialists. We evaluated the key factors and assumptions used to develop the net pension liability and evaluate the liabilities' effectiveness in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net OPEB liabilities are based on management's knowledge and experience about past and current events, assumptions about future events, and actuarial computations performed by outside specialists. We evaluated the key factors and assumptions used to develop the net OPEB liabilities and evaluate the liabilities' effectiveness in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the fair market value of derivative instruments and their evaluation of the effectiveness of those derivative instruments is based on management's knowledge and experience about past and current events, assumptions about future events, and outside third parties. We evaluated the key factors and assumptions used to develop the fair market value of derivative instruments and their effectiveness in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated REPORT DATE.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor’s work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor’s work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Supplementary information in relation to the financial statements as a whole

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

With respect to the combining schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of Home Forward and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

Draft
Subject to Change
9/13/22



MEMORANDUM

To: Board of Commissioners
Date: September 20, 2022

From: Amanda Saul, Assistant Director
for General Obligation Bond
Development
503.802.8552
Subject: Authorize Contract Amendment
for Early Purchase of Materials for
Fairfield Apartments Renovation
Project
Resolution 22-09-07

Robert Dell, Project Manager
Development and Community
Revitalization
503.802.8528

The Board of Commissioners is requested to authorize the Executive Director, or her designee, to amend the current contract between Home Forward and Walsh Construction Company to secure materials for the Fairfield Apartments renovation project.

This action supports Strategic Plan Goal, One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

BACKGROUND

In 2018, Home Forward began asset managing the Fairfield Apartments for the Portland Housing Bureau (PHB), the current owner. Since 2018, Home Forward and PHB have recognized that the building needed significant upgrades to meet seismic and other health and safety building code requirements. In April 2021, Home Forward applied to Oregon Housing and Community Services for funding for a renovation project at the Fairfield and was notified of its award of that funding in July 2021.

The building, which has 82 Single Room Occupancy (SRO) units, will be fully rehabilitated, creating 75 new units, which will be a mix of studios and SROs and ground floor community and commercial space. The existing tenants will be relocated while the building is rehabbed and will have a right to return. In addition to the returning tenants, the new project will serve chronically homeless individuals with funding for supportive services from

the Joint Office of Homeless Services.

Home Forward will be the developer and the general partner in a Low Income Housing Tax Credit (LIHTC) partnership that will own the property for 15 years, and the sole owner following the dissolution of the LIHTC partnership. The property will continue to be restricted to affordable housing for at least 99 years.

The Board has previously authorized the submission of low-income housing tax credits and funding applications (Resolutions 20-03-04, 21-01-02), the execution of site control documentation (Resolutions 20-03-05, 21-01-03), the use of the design-build alternative procurement process (Resolution 21-07-02), contracting with Walsh for design-build services (Resolution 21-09-01), and amending the contract with Walsh to include full design-phase services (Resolution 21-12-05).

OVERVIEW

The Board's previous authorizations for the design-build contract included \$68,000 for the programming phase and \$1,600,000 for full design services. Prior to construction, Walsh will secure bids on all work in the scope and staff will request Board approval for a guaranteed maximum price (currently estimated at approximately \$14.3 million) and a 10% owner's contingency. This step is anticipated to be taken in late 2022 or early 2023.

In advance of bidding out the full scope of work, Walsh has identified materials that have long lead-times or are seeing sustained inflation, such as windows, siding, roofing, and flooring. Walsh has secured pricing for ordering these materials now, which will provide for construction to proceed on schedule and for the securing of the materials without additional inflation. Materials that arrive prior to construction will be stored and insured by Walsh. This resolution will amend the existing contract, increasing the amount by \$1,470,176, to purchase these materials. As with other project pre-development costs, Home Forward's line of credit will fund payments prior to closing, with repayment to occur after financial closing in early 2023.

CONCLUSION

Home Forward staff requests that the Board of Commissioners authorize the Executive Director or her designee to execute an amendment to the design-build contract between Home Forward and Walsh Construction Company for the early purchase of materials for the Fairfield Apartments renovation project in the amount of \$1,470,176.

Staff presented the content of this resolution to the Real Estate and Development (READ) Committee at its September 02, 2022, meeting.



RESOLUTION 22-09-07

RESOLUTION 22-09-07 AUTHORIZES THE EXECUTIVE DIRECTOR TO AMEND HOME FORWARD'S CONTRACT WITH WALSH CONSTRUCTION CO. TO INCREASE THE AMOUNT BY \$1,470,176 TO PURCHASE MATERIALS FOR THE FAIRFIELD APARTMENTS RENOVATION PROJECT

WHEREAS, Home Forward, a housing authority and a public body corporate and politic of the State of Oregon, seeks to encourage the provision of long-term housing for low-income persons residing in Multnomah County, Oregon; and

WHEREAS, Home Forward has acknowledged the need to renovate the Fairfield Apartments for the benefit of residents and the surrounding community; and

WHEREAS, Home Forward awarded Walsh Construction, Co. the contract to undertake design-build services for the Fairfield Apartments renovation project; and

WHEREAS, Home Forward's contract with Walsh Construction, Co. for design-build services at the Fairfield Apartments is progressing on schedule for an early 2023 construction start; and

WHEREAS, Home Forward contracting rules require approval of the Home Forward Board of Commissioners for contract amendments in excess of \$500,000;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward hereby authorizes the Executive Director, or her designee, to amend the current contract between Home Forward and Walsh Construction Co. to increase the amount by \$1,470,176 to purchase materials for the Fairfield Apartments renovation project.

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory N. Mathews, Secretary

Damien R. Hall, Chair



MEMORANDUM

To: Board of Commissioners
Date: September 20, 2022

From: April Berg, Assistant Director
Development and Community
Revitalization
503.802.8326
Subject: Authorize Contract Amendment
for Early Purchase of Materials for
Grace Peck Terrace Renovation
Project
Resolution 22-09-08

Robert Dell, Project Manager
Development and Community
Revitalization
503.802.8528

The Board of Commissioners is requested to authorize the Executive Director, or her designee, to amend the current contract between Home Forward and Walsh Construction Company to secure materials for the Grace Peck Terrace renovation project.

This action supports Strategic Plan Goal, One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

BACKGROUND

Grace Peck Terrace, located at 1839 NE 14th Avenue, is a six-story building with 95 one-bedroom units. It was built in 1980. Several building systems need work, such as the envelope, heating, emergency generator, and sprinkler systems. To address these issues, Home Forward staff have planned a building renovation project.

For the Grace Peck Terrace renovation project, the Board has previously authorized the design-build alternative procurement process (Resolution 21-03-05), applying for funding (Resolution 21-06-04), contracting with Walsh for design-build services (Resolution 21-06-05), authorizing the use of bonds (Resolution 21-10-03), and amending the design-build contract to include full design services (Resolution 21-10-04).

OVERVIEW

The Board's previous authorizations for the design-build contract included \$77,750 for the programming phase and \$1,380,000 for full design services. Prior to construction, Walsh will secure bids on all work in the scope and staff will request Board approval for a guaranteed maximum price (currently estimated at approximately \$17.6 million) and a 10% owner's contingency. This step is anticipated to be taken in late 2022 or early 2023.

In advance of bidding out the full scope of work, Walsh has identified materials that have long lead-times or are seeing sustained inflation, such as windows, siding, roofing, flooring, and the new emergency generator. Walsh has secured pricing for ordering these materials now, which will provide for construction to proceed on schedule and for the securing of the materials without additional inflation. Materials that arrive prior to construction will be stored and insured by Walsh. This resolution will amend the existing contract, increasing the amount by \$1,425,842, to purchase these materials. As with other project pre-development costs, Home Forward's line of credit will fund payments prior to closing, with repayment to occur after financial closing in Spring of 2023.

CONCLUSION

Home Forward staff requests that the Board of Commissioners authorize the Executive Director or her designee to execute an amendment to the design-build contract between Home Forward and Walsh Construction Company for the early purchase of materials for the Grace Peck Terrace renovation project in the amount of \$1,425,842.

Staff presented the content of this resolution to the Real Estate and Development (READ) Committee at its September 02, 2022, meeting.



RESOLUTION 22-09-08

RESOLUTION 22-09-08 AUTHORIZES THE EXECUTIVE DIRECTOR TO AMEND HOME FORWARD'S CONTRACT WITH WALSH CONSTRUCTION CO. TO INCREASE THE AMOUNT BY \$1,425,842 TO PURCHASE MATERIALS FOR THE GRACE PECK TERRACE RENOVATION PROJECT

WHEREAS, Home Forward, a housing authority and a public body corporate and politic of the State of Oregon, seeks to encourage the provision of long-term housing for low-income persons residing in Multnomah County, Oregon; and

WHEREAS, Home Forward has acknowledged the need to renovate Grace Peck Terrace for the benefit of residents and the surrounding community; and

WHEREAS, Home Forward awarded Walsh Construction, Co. the contract to undertake design-build services for the Grace Peck Terrace renovation project; and

WHEREAS, Home Forward's contract with Walsh Construction, Co. for design-build services at Grace Peck Terrace is progressing on schedule for an early 2023 construction start; and

WHEREAS, Home Forward contracting rules require approval of the Home Forward Board of Commissioners for contract amendments in excess of \$500,000;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward hereby authorizes the Executive Director, or her designee, to amend the current contract between Home Forward and Walsh Construction Co. to increase the amount by \$1,425,842 to purchase materials for the Grace Peck Terrace renovation project.

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory N. Mathews, Secretary

Damien R. Hall, Chair



MEMORANDUM

To: Board of Commissioners
Date: September 20, 2022

From: April Berg, Assistant Director
Development & Community
Revitalization
503.802.8326
Subject: Authorize Contract with Epic Land
Solutions, Inc. for Professional
Relocation Services at Grace Peck
Terrace Apartments
Resolution 22-09-09

Myriam Demezas Jones
Relocation Project Manager
503.802.8502

The Board of Commissioners is requested to authorize the Executive Director, or her designee, to execute a contract between Home Forward and Epic Land Solutions, Inc. for professional relocation services in the amount of \$1,245,183. This amount encompasses the complete professional relocation services by Epic Land Solutions for Grace Peck Terrace during the planned renovations. The contract services, as further described below, will begin immediately upon board approval.

This action supports Strategic Plan Goal, One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

BACKGROUND

Grace Peck Terrace is a single-building, six-story affordable housing property with 95 one-bedroom units. It is located at 1839 NE 14th Avenue, in Portland, Oregon. This property houses a senior and disabled population. Grace Peck participates in HUD's aging-in-place supportive housing program, Congregate Housing Services Program (CHSP).

The Board of Commissioners previously adopted Resolution 21-06-05 declaring Home Forward's intent for renovations at Grace Peck Terrace. Tenant relocation is a necessary component to complete the required renovations.

OVERVIEW

Grace Peck's renovation requires the temporary relocation of current residents. Each resident will be temporary relocated within the building from eight to twelve weeks, depending upon the final scope and their unit location.

In July 2022, Home Forward conducted a formal procurement process to select a relocation services provider. Staff selected Epic Land Solutions (Epic) to provide relocation services for Grace Peck Terrace. Epic's costs were comparable to other relocation projects and reasonable based on the needs of the residents and the construction plan. As with other project pre-development costs, the Home Forward development line of credit will fund relocation costs payments prior to financial closing next spring. Funds received at closing will reimburse the development line of credit.

Upon the Board of Commissioner's authorization, Epic Land Solutions will begin resident assessments and will develop an appropriate relocation plan for each resident. Upon Home Forward's approval of the relocation plan, Epic Land Solutions will provide continued relocation services and case management during the moves and the renovations period.

CONCLUSION

Home Forward staff requests that the Board of Commissioners authorize the Executive Director, or her designee, to execute a contract between Home Forward and Epic Land Solutions, Inc. for professional relocation services at Grace Peck Terrace Apartments in an amount of \$1,245,183.

Staff presented the content of this resolution to the Real Estate and Development (READ) Committee at its August 5, 2022 meeting.



RESOLUTION 22-09-09

RESOLUTION 22-09-09 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE CONTRACT AND AMENDMENTS WITH EPIC LAND SOLUTIONS, INC. FOR TENANT RELOCATION SERVICES AT GRACE PECK TERRACE

WHEREAS, Home Forward, a housing authority and a public body corporate and politic of the State of Oregon, seeks to encourage the provision of long-term housing for persons with low income residing in Multnomah County, Oregon; and

WHEREAS, Home Forward staff managed a competitive procurement process to select and award Epic Land Solutions, Inc. a contract to provide tenant relocation services during the renovation of Grace Peck Terrace; and

WHEREAS, Epic Land Solutions will develop a relocation plan appropriate to the needs of Grace Peck's current residents; and

WHEREAS, Epic Land Solutions will execute said relocation plan in compliance with all HUD relocation guidelines, as well as any applicable state and local rules; and

WHEREAS, Epic Land Solution's relocation contract services will not exceed \$1,245,183; and

WHEREAS, Home Forward contracting rules require approval of the Home Forward Board of Commissioners for contracts in excess of \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward authorizes and directs the Executive Director, or her designee, to execute a contract between Home Forward and Epic Land Solutions, Inc. in a not-to-exceed amount of \$1,245,183 for tenant relocation at Grace Peck.

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory N. Mathews, Secretary

Damien R. Hall, Chair



MEMORANDUM

To: Board of Commissioners

Date: September 20, 2022

From: April Berg, Assistant Director,
Development and Community
Revitalization
503.802.8326

Subject: Authorize Contract Amendment
with LMC Construction to
Complete the Renovations at
Stark Manor, Fir Acres, and
Eastwood Court Apartments
Resolution 22-09-10

Lewis Lyles, Project Manager,
Development and Community
Revitalization
503.802.8484

The Board of Commissioners is requested to authorize the Executive Director, or her designee, to amend the design-build contract between Home Forward and LMC Construction Company to complete the 85-Stories Group 7 renovations at Stark Manor, Fir Acres and Eastwood Court Apartments. Staff requests authorization of \$1,700,000 of additional construction expenditure authority, which includes a contingency of 10%.

This action supports Home Forward's Strategic Plan Goal, One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

BACKGROUND

Eastwood Court (32 units), Fir Acres (32 units), and Stark Manor (30 units) are existing multi-family housing developments consisting of townhomes built in 1970 and located in Gresham. Upon completion of the renovation work at these properties, long-term operating costs will be reduced through improved building systems.

In March 2021, the Board authorized contracting with LMC Construction for \$18,225,411 (Resolutions 21-03-08) to renovate Stark Manor, Fir Acres and Eastwood Court. The

amount consisted of a Guaranteed Maximum Price (GMP) contract of \$16,672,379 and an owner's contingency.

OVERVIEW

Although staff anticipated and budgeted for construction scope changes once renovations began, several site-specific issues arose that led to cost increases. These cost increases are of a scale (i.e. more than \$500,000 in the aggregate) that require further board authorization. Examples include:

- **COVID**
The COVID-related supply chain and staffing challenges have increased costs and will delay completion. The project is 90% complete with a completion date of October 2022, approximately four months later than the original completion date.
- **ROOF LEAKS AT EASTWOOD**
Severe weather revealed multiple roof leaks. The roof replacement scope required 100% roof sheathing, reframing roof eaves, replacement of bath fans, attic ventilation and repair to the existing siding at the roof-to-wall transitions.
- **WATER MAIN REPLACEMENT**
During concrete work on the site, evidence of deterioration to the water main was observed. The original 1970 water main required replacement at Fir Acres.
- **NEW SITE AMENITIES**
In each renovation project we strive to enhance the livability and environment for our residents. In this case, a priority upgrade included outdoor resident lounge areas consisting of covered picnic shelters, Bar-B-Que stations, and raised garden beds at Stark Manor and Fir Acres.

The funding source for requested increase in construction spending is soft cost savings. These soft cost savings are from reduced costs in building permits, relocation, consulting fees and soft cost contingency usage.

CONCLUSION

Home Forward staff requests that the Board of Commissioners authorize \$1,700,000 of additional construction expenditures to complete the remaining renovations at Stark Manor, Fir Acres and Eastwood Court Apartments.

Staff presented a draft of this memo and resolution to the Real Estate and Development (READ) Committee at the September 2, 2022 meeting.



RESOLUTION 22-09-10

RESOLUTION 22-09-10 AUTHORIZES THE EXECUTIVE DIRECTOR, OR HER DESIGNEE, TO AMEND THE DESIGN-BUILD CONTRACT BETWEEN HOME FORWARD AND LMC CONSTRUCTION TO COMPLETE THE RENOVATIONS FOR 85 STORIES GROUP 7 AT STARK MANOR, FIR ACRES, AND EASTWOOD COURT APARTMENTS

WHEREAS, Home Forward, a housing authority, and a public body corporate and politic of the State of Oregon, seeks to encourage the provision of long-term housing for low-income persons residing in Multnomah County, Oregon; and

WHEREAS, Home Forward Board of Commissioners has acknowledged the need to rehabilitate Stark Manor, Fir Acres and Eastwood Court for the benefit of residents and the surrounding communities; and

WHEREAS, the Home Forward Board of Commissioners previously authorized construction expenditures of \$18,225,411 million for Stark Manor, Fir Acres and Eastwood Court renovations; and

WHEREAS, COVID-19 adversely impacted Home Forward's ability to secure materials and labor as originally anticipated for Stark Manor, Fir Acres and Eastwood Court; and

WHEREAS, the full renovations of Stark Manor, Fir Acres and Eastwood Court ultimately required more construction scope and costs than initially projected; and

WHEREAS, Home Forward contracting rules require approval of the Home Forward Board of Commissioners for contract amendments in excess of \$500,000;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward hereby authorizes the Executive Director, or her designee, to increase the maximum expenditure under the design-build contract with LMC Construction for Stark Manor, Fir Acres and Eastwood Court by \$1,700,000.

FURTHER RESOLVED, that the Board of Commissioners ratifies and affirms all actions previously taken or documents previously executed to accomplish the foregoing.

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory N. Mathews, Secretary

Damien R. Hall, Chair



MEMORANDUM

To: Board of Commissioners
Date: September 20, 2022

From: Jonathan Trutt, Director,
Development and Community
Revitalization (DCR)
503.802.8507
Subject: Authorize Increase in Construction
Contingency for the Renovation of
Fountain Place Apartments
Resolution 22-09-11

Patrick Rhea, Project Manager,
Development and Community
Revitalization
503.802.8311

The Board of Commissioners is requested to authorize the Executive Director or her designee to approve additional construction expenditures to complete the renovations of Fountain Place Apartments. The requested authorization will increase construction expenditures by up to \$1,937,390.

This action supports Strategic Plan Goal, One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and the neighborhoods it serves.

BACKGROUND

Fountain Place is brick building located at 929 SW Salmon Street in downtown Portland. Prior to its renovations, which included substantial seismic upgrades, it was an unreinforced masonry building. Construction is now 100% complete and Fountain Place is leasing up. It is currently home to approximately 20 households and tracking towards full occupancy by the end of November.

In December 2019, Resolution 19-12-02 authorized \$15.5 million in construction expenditures to renovate Fountain Place Apartments. Immediately after closing on Fountain Place’s financing, Home Forward instructed Lorentz Bruun Construction (LBC) to

begin work on March 26, 2020. This was three days after Governor Brown issued Executive Order 20-12: “Stay Home, Save Lives.”

Fountain Place has faced cost and schedule challenges, which the board has addressed by passing Resolutions 21-12-06 (increasing construction expenditures by \$1.265 million) and Resolution 22-04-03 (increasing Home Forward’s funding of Fountain Place’s renovations by up to \$2.875 million).

OVERVIEW

As Fountain Place’s total construction costs come into focus, Home Forward will need to increase the amount of our construction contract. Per Home Forward’s Procurement policies, contract amendments in excess of \$500,000 require Board authorization. Staff anticipates that \$1,937,390 of additional construction spending authorization should suffice to complete Fountain Place’s physical renovations. Home Forward will pay this not-to-exceed \$1,937,390 of additional construction costs using the following funding sources:

Home Forward Funding	\$	185,417
Additional Funding from Oregon Housing and Community Services	\$	1,751,973
	\$	1,937,390

CONCLUSION

Staff requests an increase of \$1,937,390 of construction expenditure authority to complete Fountain Place’s renovations.

Staff presented a draft of this memo and resolution to the READ committee at its September 2, 2022 meeting.



RESOLUTION 22-09-11

RESOLUTION 22-09-11 AUTHORIZES THE EXECUTIVE DIRECTOR OR HER DESIGNEE TO INCREASE DESIGN AND CONSTRUCTION EXPENDITURES ON FOUNTAIN PLACE'S RENOVATIONS BY \$1,937,390

WHEREAS, Fountain Place is a 74-unit affordable Home Forward property located at 929 SE Salmon Street in Portland;

WHEREAS, Home Forward elected to seismically reinforce and substantially renovate Fountain Place;

WHEREAS, the Home Forward Board of Commissioners has previously authorized \$17,682,610 million of design and construction expenditures with Lorentz Bruun Construction for Fountain Place's renovations; and

WHEREAS, Fountain Place has experienced construction cost increases due to scheduling challenges and unforeseen building conditions;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward hereby authorizes the Executive Director, or her designee, to amend the design build contract with Lorentz Bruun by an additional not-to-exceed amount of \$1,937,390;

FURTHER RESOLVED, that the Board of Commissioners ratifies and affirms all actions previously taken or documents previously executed to accomplish the foregoing.

ADOPTED: SEPTEMBER 20, 2022

Attest:

Home Forward:

Ivory N. Mathews, Secretary

Damien R. Hall, Chair

STAFF REPORTS

Procurement & Contracts Department
MONTHLY CONTRACT REPORT
Contracts Approved 07/01/22 - 08/31/22

PUBLIC IMPROVEMENT
(CONSTRUCTION & MAINTENANCE SERVICES)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3018	0	MJ General Contracting	\$ 111,000.00	BCC Flood emergency restoration event 2 (5/1 loss)	Property Management	7/25/2022	11/30/2022
C3019	0	MJ General Contracting	\$ 110,000.00	BCC Flood emergency restoration event 3 (3/25 loss)	Property Management	7/25/2022	11/30/2022
C3013	0	Fulcrum Construction & Building Services LLC	\$ 521,235.00	Schiller Way Ventilation and Roof Rehab	DCR	7/29/2022	3/31/2023
C3017	0	MJ General Contracting	\$ 116,000.00	BCC Flood emergency restoration event 1 (5/20 loss)	Property Management	8/8/2022	11/30/2022
C2988	0	All Aspects Renovations by Valet Living Turns LLC	\$ 7,112.02	Community room kitchen rehab at NW Tower	Property Management	8/16/2022	8/15/2022
Subtotal			\$ 865,347.02				5

GOODS & SERVICES

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3012	0	ValleyScapes Landscape Solutions	\$ 24,672.00	Landscaping and grounds maintenance at Humboldt Gardens	Property Management	7/1/2022	6/30/2023
C3015	0	Phil-Am Enterprises DBA Environmental Resources Inc	\$ 5,702.58	Asbestos abatement at Ruth Haefner Plaza	Property Management	7/1/2022	12/31/2022
C3010	0	Pono Security	\$ 150,000.00	24 hr. Security at Hollywood East	Property Management	7/11/2022	2/13/2023
C3011	0	Pono Security	\$ 150,000.00	24 hr. Security at NW Towers	Property Management	7/11/2022	2/13/2023
C2986	0	Coin Meter	\$ 872.00	Leasing laundry machines at Project Open Door	Property Management	7/13/2022	4/30/2023
C3007	0	MopHeadz	\$ 46,764.00	Cleaning community spaces, offices, and unit vacates at Tukwila Springs	Property Management	7/13/2022	6/30/2023
C3023	0	Eclipse Security Service	\$ 1,500.00	Security at Project Open Door	Property Management	7/13/2022	10/15/2022
C3022	0	Treecology Inc.	\$ 11,270.00	Pruning at Celilo and Carlton Court	Property Management	7/19/2022	9/1/3022

C3028	0	Jacobs Heating & Air Conditioning	\$ 7,960.00	Installation of ductless A/C in the elevator control room at Williams Plaza	Property Management	7/25/2022	10/1/2022
C2993	0	Canaan Land Tile LLC	\$ 6,015.00	Door replacement for garbage closet at NMW	IFSS	7/26/2022	9/1/2022
C3034	0	ValleyScapes Landscape Solutions	\$ 6,365.40	Landscaping at NW Tower	Property Management	8/11/2022	8/9/2023
C3016	0	HD Supply	\$ 23,947.28	Portable AC units for Tamarack and Hollywood East	DCR	8/16/2022	12/31/2022
C3038	0	Apollo Drain & Rooter	\$ 8,210.00	Repair back flow at Peaceful Villa	Property Management	8/23/2022	9/17/2022
C3044	0	Portland Mechanical Contractors	\$ 4,852.00	HVAC maintenance service at NW tower	Property Management	8/25/2022	8/31/2023
C3045	0	Total Mechanical	\$ 13,889.00	HVAC maintenance service at HWE	Property Management	8/31/2022	12/31/2023
Subtotal			\$ 462,019.26				15

PERSONAL SERVICE CONTRACTS

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3014	0	Nims and Associates	\$ 30,000.00	Consulting work for Yardi	IT	7/5/2022	12/31/2022
C3008	0	Classie Moore	\$ 5,625.00	Program Coordinator at New Columbia & Tamarack for K-Ching Summer Youth Employment Program	Community Services	7/13/2022	8/30/2022
C3025	0	Creative Financial Staffing LLC	\$ 50,000.00	Recruitment for Assistant Controller position	FAAM	7/15/2022	12/16/2022
C3030	0	CSG Advisors, Inc.	\$ 15,000.00	Prepare evaluation matrix, facilitate discussion of financial proposals, assist in developing questions for proposers, and lead in interviews of lenders.	DCR	7/28/2022	12/31/2022
C3021	0	Trupp HR Inc	\$ 128,000.00	Compensation & classification study per BFF rule 46-0340	Executive	8/11/2022	10/31/2023
C3031	0	Le Chevallier Strategies	\$ 9,000.00	Assisting with communications related to current events and other media and public engagement as needed	Executive	8/11/2022	12/31/2022
C3029	0	EI Porvenir Services LLC	\$ 89,700.00	Data survey, facilitate work sessions, leadership & coaching	Talent & Organizational Development	8/15/2022	5/1/2023
C3036	0	Maureen L. Guthner	\$ 5,750.00	Rent study for Grace Peck Terrace renovation project	DCR	8/19/2022	3/30/2023
C3032	0	Corporation for Supportive Housing (CSH)	\$ 51,500.00	Consulting service to review P&P, staffing models, conduct stakeholder interviews; provide recommendations for service redesign	Community Services	8/22/2022	8/31/2023
C3037	0	Crisis & Trauma Resources Institute	\$ 30,140.00	Provide design and delivery of organizational wide de-escalation training	Talent & Organizational Development	8/29/2022	12/15/2022

C3043	0	Clarity Loan Forgiveness Consulting	\$ 1,000.00	Loan Forgiveness Webinar	Talent & Organizational Development	8/29/2022	10/22/2022
Subtotal			\$ 415,715.00				11

PROFESSIONAL SERVICE CONTRACTS (A&E)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3020	0	Reitmeier Mechanical	\$ 8,280.00	Providing mechanical engineering to address ventilation issues and additional cooling as needed for the corridors as The Yards.	DCR	7/18/2022	12/31/2022
Total			\$ 8,280.00				1

AMENDMENTS TO EXISTING CONTRACTS

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2658	2	RFM, LLC	\$ 7,500.00	Dahlke cell tower coordination	DCR	7/5/2022	12/26/2022
C2827	8	Paul Brothers	\$ 3,091.42	PCO 016, 017 Dekum Head Start Clegg Child Care	DCR	7/6/2022	7/31/2022
C3002	1	Bennett Electric NW LLC	\$ -	Replace electrical wiring at NMW; amended to add time	IFSS	7/14/2022	12/31/2022
C2925	1	EHP LLC	\$ -	Documentary project; amended to add time	Executive	7/15/2022	9/1/2022
C2327	13	LMC, Inc.	\$ -	Group 7 GMP CO #9	DCR	7/18/2022	12/31/2022
C2716	1	Spectrum Enterprises Inc.	\$ -	Move-In file audit for Group 7- Dahlke Manor, Fir Acres, Stark Manor and Eastwood Court; amended to add time	Property Management	7/27/2022	12/31/2022
C3000	2	Prime Legacy	\$ 1,838.31	Rebuild of 3 units at Schrunk; amended to update scope (including demolition)	Property Management	7/28/2022	9/15/2022
C2462	7	Sera Architects PC	\$ 2,410.00	Baldwin Adding scope of work for canopy redesign and structural engineering services.	DCR	8/3/2022	11/30/2022
C2482	10	Bremik Construction	\$ 79,371.00	Change of scope: add bathroom drains and change stair flooring	DCR	8/3/2022	11/11/2022
C2505	4	Centric Elevator	\$ -	Dahlke elevator modernization - change in schedule	DCR	8/8/2022	12/15/2022
C2960	1	Seyoung Sung	\$ -	Data Analysis Consulting; amended to extend contract	Executive	8/10/2022	10/31/2022

C2825	1	KPFF Consulting Engineers	\$ 20,500.00	Group 7 post-construction ALTA survey for Eastwood Court	Executive	8/13/2022	2/28/2023
C2983	1	Hahn & Associates, Inc.	\$ 19,925.00	Phase II ESA for Peaceful Villa	DCR	8/15/2022	7/1/2023
C2975	1	Environmental Works	\$ -	Radon mitigation at project open door and nathaniel's way; amended to add time	Property Management	8/16/2022	12/31/2022
C2109	9	Holst Architecture	\$ 42,000.00	Powell A&E scope amendment	DCR	8/17/2022	12/31/2023
C2077	4	Waste Management	\$ 429,300.00	Garbage & Recycling Services for Multiple Properties; amended to add time	Prop Mgmt	8/18/2022	12/31/2022
C2999	1	Expressive Connections	\$ -	Mental Health First Aid Training; amended to add time	Talent & Organizational Development	8/22/2022	9/15/2022
C2092	22	Lorentz Bruun Construction	\$ 199,840.00	Amending scope to Fountain Place Design build CO #20	DCR	8/23/2022	6/30/2023
C2801	1	Carbonell Cleaning Solutions	\$ 63,780.00	Landscaping at Floresta, Townhouse Terrace, Demar Downs, Hunter's Run, Tillicum North, Tillicum South, Powellhurst Woods, Harold Lee Village; amended to	Property Management	8/24/2022	8/31/2023
C3000	1	Prime Legacy	\$ 8,145.85	Rebuild of 3 units at Schrunk; amended to update scope	Property Management	8/24/2022	9/15/2022
C2539	2	NW Enforcement	\$ 11,790.00	Security at Strong Properties; amended to extend contract and update rates	Asset Management	8/26/2022	6/30/2023
C2763	2	Greenfield Geotechnical	\$ -	Geotechnical Services for investigation and report the Troutdale Project; amended to add time	DCR	8/27/2022	12/1/2025
Subtotal			\$ 889,491.58				22

OTHER AGREEMENTS (Revenue contracts, 3rd Party contracts, MOU's, IGA's)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
Subtotal			\$ -				0
Total			\$ 2,640,852.86				54

**Procurement & Contracts Department
FUTURE FORMAL PROCUREMENTS
6-Month Look Ahead - September 2022**

Estimated Contract Amount	Description	Dept.	Solicitation Period
\$900k	Security Improvements @ Celilo Court	DCR	August 2022
TBD	Garbage & Recycling Services for Multiple Properties	Property Management	In progress
\$1.5 million	CHSP Housekeeping & Personal Care	Community Services	TBD
TBD	A&E for N. Maryland	DCR	TBD
TBD	CM/GC for N. Maryland	DCR	TBD