



hope. access. potential.



Home Forward's GOALS team is celebrated at a graduation ceremony for 23 participants.

## Board of Commissioners Meeting

Location:

Multnomah County Building  
501 SE Hawthorne Blvd  
Portland, Oregon 97214

Date & Time:

March 20, 2018  
6:15 PM

## **PUBLIC NOTICE:**



Home Forward  
BOARD OF COMMISSIONERS  
will meet on  
Tuesday, March 20, 2018  
At 6:15 pm  
At the Multnomah County Building  
501 SE Hawthorne Blvd.  
In the Board of Commissioners Room



**MEMORANDUM**

To: Community Partners

Date: March 14, 2018

From: Michael Buonocore, Executive  
Director

Subject: Home Forward Board of  
Commissioners March Meeting

---

The Board of Commissioners of Home Forward will meet on Tuesday, March 20, 2018 at the Multnomah County Building, 501 SE Hawthorne Blvd., in the Board of Commissioners Room, at 6:15 P.M. The commission meeting is open to the public.

The meeting site is accessible, and persons with disabilities may call 503.802.8423 or 503.802.8554 (TTY) for accommodations (e.g. assisted listening devices, sign language, and/or oral interpreter) by 12:00 pm (noon), Friday, March 16, 2018.

# AGENDA



## BOARD OF COMMISSIONERS MEETING

MULTNOMAH COUNTY BUILDING  
COMMISSIONERS BOARD ROOM  
501 SE HAWTHORNE BLVD.  
PORTLAND, OREGON

MARCH 20, 2018 6:15 PM

### INTRODUCTION AND WELCOME

### PUBLIC COMMENT

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

### MEETING MINUTES

| Topic   |
|---|
| Minutes of February 20, 2018 Board of Commissioners Conference Call<br>Minutes of March 7, 2018 Board of Commissioners Work Session |

### MISSION MOMENT

| Topic                               | Presenter           |
|-------------------------------------|---------------------|
| 25 Years of Family Self Sufficiency | Odalis Perez-Crouse |

### CONSENT CALENDAR

| Following Reports and Resolutions: |  |                              |                              |
|------------------------------------|--|------------------------------|------------------------------|
| 18-03                              | Topic  | Presenter/POC                | Phone #                      |
| 02                                 | Authorize Bond Inducement for 85 Stories Group 5 | Jonathan Trutt<br>Ben Loftis | 503.802.8507<br>503.802.8510 |

|    |  |                                |                              |
|----|--|--------------------------------|------------------------------|
| 03 | Authorize the Submission of 4% Low Income Housing Tax Credits Applications for 85 Stories Group 5        | Jonathan Trutt<br>Ben Loftis   | 503.802.8507<br>503.802.8510 |
| 04 | Authorize the Submission of 4% Low Income Housing Tax Credits Applications for Fountain Place Apartments | Jonathan Trutt<br>Molly Rogers | 503.802.8507<br>503.802.8437 |

## REPORTS / RESOLUTIONS

| Following Reports and Resolutions: |   |                                   |                              |
|------------------------------------|---|-----------------------------------|------------------------------|
| 18-03                              | Topic   | Presenter/POC                     | Phone #                      |
| 05                                 | Authorize Insurance Renewal   | Peter Beyer                       | 503.802.8538                 |
| 06                                 | Authorize Fiscal Year 18 12-31-18 Budget  | Peter Beyer                       | 503.802.8538                 |
| 07                                 | Authorize Adoption of Findings and Approval of an Exemption from Competitive Bidding for a Construction Contract with Walsh Construction for the Framework Building                     | Jonathan Trutt<br>Berit Stevenson | 503.802.8507<br>503.802.8541 |
| 08                                 | Authorize Construction Contract for the Framework Building  | Jonathan Trutt                    | 503.802.8507                 |
| 09                                 | Authorize Adoption of Findings Identifying Framework Project LLC as the Sole-Source for the Completed Design and Related Construction Administration Services for the Framework Project | Jonathan Trutt<br>Berit Stevenson | 503.802.8507<br>503.802.8541 |
| 10                                 | Authorize Framework Housing – 4% Low Income Housing Tax Credit Financing and Partnership Amendment  | Jonathan Trutt<br>Theresa Auld    | 503.802.8507<br>503.802.8519 |

## **EXECUTIVE SESSION**

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

## **THE NEXT MEETING OF THE BOARD OF COMMISSIONERS**

The March Work Session will be on Wednesday, April 4, 2018 at 5:30 PM. The meeting will take place at Home Forward, 135 SW Ash Street in the Columbia Room. The next Board of Commissioners meeting will be Tuesday, April 17, 2018 at 6:15 PM. This meeting will take place at the Multnomah County Building, 501 SE Hawthorne Blvd, in the Commissioners Board Room.

## **HOME FORWARD DEVELOPMENT ENTERPRISE CORPORATION BOARD**

The Home Forward Development Enterprise Board will meet following the March 20, 2018, Board of Commissioners meeting.

## **ADJOURN**

# MINUTES





BOARD OF COMMISSIONERS MEETING  
VIA CONFERENCE CALL  
HOME FORWARD  
135 SW Ash Street—Portland, Oregon  
February 20, 2018

**COMMISSIONERS PRESENT**

Chair Miki Herman, Vice Chair and Treasurer Damien Hall, Commissioners Richard Anderson, Matthew Gebhardt, TomiRene Hettman, Jenny Kim, Wendy Serrano and David Widmark

**STAFF PRESENT**

Theresa Auld, Peter Beyer, Michael Buonocore, Ian Davie, Celia Strauss, Jonathan Trutt

**Counsel Present**

None

Chair Miki Herman convened the meeting at 5:30 PM.

**PUBLIC COMMENT**

There was no public comment.

**MEETING MINUTES**

**Minutes of the January 23, 2018 Board of Commissioners Meeting**

Chair Miki Herman requested a motion authorizing approval of the minutes to the January 23, 2018 Board of Commissioners Meeting. Commissioner Jenny Kim moved to adopt the minutes and Commissioner Wendy Serrano seconded the motion.

**The vote was as follows:**

Chair Miki Herman—Aye  
Vice Chair and Treasurer Damien Hall—Aye  
Commissioner Richard Anderson —Aye  
Commissioner Matthew Gebhardt—Aye

Commissioner TomiRene Hettman – Aye  
Commissioner Jenny Kim—Aye  
Commissioner Wendy Serrano – Aye  
Commissioner David Widmark – Aye

## CONSENT CALENDAR

RESOLUTION 18-02-01 Authorize Contract Amendment for Agency-wide Legal Services

RESOLUTION 18-02-02 Authorize the Submission of the Local Innovation and Fast Track (LIFT) and LIHTC Application for the Civic Station Site

Celia Strauss read the title of the resolutions on the Consent Calendar. There being no questions, Chair Miki Herman requested a motion to approve. Commissioner Mathew Gebhardt moved to adopt the Consent Calendar and Commissioner Wendy Serrano seconded the motion.

The vote was as follows:

Chair Miki Herman—Aye  
Vice Chair and Treasurer Damien Hall—Aye  
Commissioner Richard Anderson —Aye  
Commissioner Matthew Gebhardt—Aye  
Commissioner TomiRene Hettman – Aye  
Commissioner Jenny Kim—Aye  
Commissioner Wendy Serrano – Aye  
Commissioner David Widmark – Abstained

RESOLUTION 18-02-03 Authorize Contract with Walsh Construction Company for Design/Build Services for the Renovation of Medallion and Williams Plaza Apartments

Development Director Jonathan Trutt presented the resolution and highlighted the proposed phases of the construction and conversion for apartments Medallion and Williams Plaza. Given the complexities of the project, Trutt said Walsh presented the best proposal. As the work progresses the board can anticipate amendments to the contract.

Director Trutt affirmed Chair Miki Herman's question that the resolution had been reviewed by the READ Committee. There being no further questions, Chair Miki Herman requested a motion to approve Resolution 18-02-03. Commissioner Richard Anderson moved to approve, and Commissioner David Widmark seconded the motion.

The vote was as follows:

Chair Miki Herman—Aye  
Vice Chair and Treasurer Damien Hall—Aye  
Commissioner Richard Anderson —Aye  
Commissioner Matthew Gebhardt—Aye  
Commissioner TomiRene Hettman – Aye  
Commissioner Jenny Kim—Aye  
Commissioner Wendy Serrano – Aye  
Commissioner David Widmark – Aye

#### ADJOURN

There being no further business, Chair Miki Herman adjourned the meeting at 5:40 PM.

#### EXECUTIVE SESSION

The Board of Commissioners of Home Forward did not meet in Executive Session pursuant to ORS 192.660(2).

Attached to the Official Minutes of Home Forward are all Resolutions adopted at this meeting, together with copies of memoranda and material submitted to the Commissioners and considered by them when adopting the foregoing resolutions.

Celia M. Strauss  
Recorder, on behalf of  
Michael Buonocore, Secretary

ADOPTED: MARCH 20, 2018

Attest:

Home Forward:

---

Michael Buonocore, Secretary

---

Mary Ann Herman, Chair



BOARD OF COMMISSIONERS MEETING  
AT WORK SESSION  
HOME FORWARD  
135 SW Ash Street—Portland, Oregon  
March 7, 2018

**COMMISSIONERS PRESENT**

Chair Miki Herman, Vice Chair and Treasurer Damien Hall, Commissioners Richard Anderson, Matthew Gebhardt, TomiRene Hettman, Jenny Kim, and Wendy Serrano (via conference call)

**STAFF PRESENT**

Elise Anderson, Carolina Abdalah, April Berg, Peter Beyer, Michael Buonocore, Tim Collier, Ian Davie, Dena Ford-Avery, Yvette Hernandez, Kitty Miller, Brendan O'Brien, Melissa Richardson, Molly Rogers, Amanda Saul, Ian Slingerland, Celia Strauss, Jonathan Trutt

**Counsel Present**

None

Chair Miki Herman opened the meeting at 5:30 PM. She turned the meeting over to Executive Director Michael Buonocore.

**RESOLUTION 18-03-01 Authorize Execution of Intergovernmental Agreement with the City of Portland for Asset Management and Development Consulting Services**

Michael Buonocore introduced Shannon Callahan, Interim Director for the Portland Housing Bureau. Callahan thanked the board and said how important the Home Forward partnership with PHB is. The achievement of this agreement sets the stage for the first in the state. She went on to highlight the City's commitment to affordable housing and the significant expertise Home Forward will provide.

Development Director Jonathan Trutt introduced Amanda Saul, who has been key in working to reach this agreement and will bring her wealth of expertise as we transition.

Asset Management Director Molly Rogers highlighted the key points of the agreement as were previously presented to the board at the February work session. Vice Chair Damien Hall asked what had changed since then. Rogers said the vetting at the work session fueled some small tweaks to the language. These changes clarified roles and why we are doing the work for the City. She noted that the agreement is dated January 15, 2018, signaling work already underway. This agreement will capture work for a three and half year period. Jonathan Trutt offered that one substantive change was the addition of resident services. Callahan added that there were also some small technicalities that spoke to the general obligation bond itself. The Portland City Council approved the IGA in February. Callahan and Rogers both added that it was also thoroughly vetted with the bond oversight committee.

There was some discussion regarding how media issues would be handled. In response to Chair Herman's concern around staff capacity, Rogers noted that the three properties (identified in the Exhibit B of the agreement) have been assigned to a seasoned asset manager. She is confident of our capacity. Into week one, we are learning the nuances and will keep the board apprised as we move forward. If there are more properties added, we anticipate there would be a need for additional staff.

Chief Financial Officer Peter Beyer assured Commissioner Jenny Kim that since we do this type of work, our general liability insurance covers us. There was discussion around future contracts and it was noted that there would be task orders that outline the mechanisms and the City's procurement policies would apply. Although, Director Trutt added we would handle the procurements.

There being no further questions, Chair Miki Herman requested a motion to approve Resolution 18-03-01. Commissioner Richard Anderson moved to approve, and Commissioner Mathew Gebhardt seconded the motion.

The vote was as follows:

Chair Miki Herman—Aye  
Vice Chair and Treasurer Damien Hall—Aye  
Commissioner Richard Anderson —Aye  
Commissioner Matthew Gebhardt—Aye  
Commissioner TomiRene Hettman – Aye  
Commissioner Jenny Kim—Aye  
Commissioner Wendy Serrano – Aye

## ADJOURN

There being no further business, Chair Miki Herman adjourned the meeting at 5:55 PM and the regular Board Work Session resumed.

## EXECUTIVE SESSION

The Board of Commissioners of Home Forward did not meet in Executive Session pursuant to ORS 192.660(2).

Attached to the Official Minutes of Home Forward are all Resolutions adopted at this meeting, together with copies of memoranda and material submitted to the Commissioners and considered by them when adopting the foregoing resolutions.

Celia M. Strauss  
Recorder, on behalf of  
Michael Buonocore, Secretary

ADOPTED: MARCH 20, 2018

Attest:

Home Forward:

---

Michael Buonocore, Secretary

---

Mary Ann Herman, Chair

# CONSENT CALENDAR



**MEMORANDUM**

|       |   |          |   |
|-------|---|----------|---|
| To:   | Board of Commissioners  | Date:    | March 20, 2018  |
| From: | Jonathan Trutt, Director, Development<br>and Community Revitalization<br>503.802.8507 | Subject: | Authorize a Resolution Declaring<br>an Intent to Issue Bonds for 85<br>Stories Group 5<br>Resolution 18-03-02 |
|       | Ben Loftis, Development Finance<br>Manager<br>503.802.8510                            |          |   |

The Board of Commissioners is requested to approve an Inducement Resolution that declares its intention to issue and sell revenue bonds of Home Forward in a principal amount of not to exceed \$36 million and to reimburse the borrower or itself from proceeds of the bonds for expenditures made by Home Forward or the borrower before the issue date of the bonds, in connection with the rehabilitation of seven 4% tax credit properties: Tamarack Apartments, Camelia Court, Eliot Square, Schrunk Riverview Tower, Maple Mallory, Bel Park, and Winchell Court, containing, in the aggregate, 350 units of low-income housing. These properties are known collectively as 85 Stories Group 5 ("Group 5").

Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility (here, low-income housing) that are made before the issue date of bonds, to be reimbursed from bond proceeds, the issuer must declare an official intent to reimburse such expenditures from bond proceeds. This resolution is Home Forward's declaration of official intent to reimburse expenditures for the project made before the issue date from proceeds of tax-exempt private activity bonds.



Although this inducement resolution announces Home Forward's intent to issue the bonds, and to use bond proceeds to reimburse expenditures prior to the date of issue, it does not obligate Home Forward to issue the bonds, or determine the specific terms of the bonds. Board of Commissioner approval of a separate "bond resolution" would be required prior to the issuance of any bonds to finance the 85 Stories Group 5 project.

Home Forward will also seek 4% Low Income Housing Tax Credits (LIHTCs) for the purposes of financing acquisition and rehabilitation of Group 5. Home Forward staff is preparing to request an allocation of Private Activity Bond Cap from the Private Activity Bond Committee of the Oregon State Treasury in 2018 for the financing of this project, pending this authorization.

Staff provided the Real Estate and Development (READ) Committee of Home Forward's board a draft copy of this resolution in advance of the publication of the agenda and packet for the March 20, 2018 board meeting.



## RESOLUTION 18-03-02

### RESOLUTION 18-03-02 AUTHORIZES DECLARING AN INTENT TO ISSUE NOT TO EXCEED \$36,000,000 OF REVENUE BONDS FOR THE COMBINED SECTION 18 DISPOSITION AND RENTAL ASSISTANCE DEMONSTRATION PRESERVATION PROJECT KNOWN AS “85 STORIES”

**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 or limited liability companies of which Home Forward will be a general partner or managing member (collectively, the “Borrower”) to finance the acquisition and rehabilitation some or all of the Tamarack Apartments, Camelia Court, Eliot Square, Schrunk Riverview Tower, Maple Mallory, Bel Park, and Winchell Court apartment complexes located in the City of Portland, Oregon, and containing approximately 350 units in the aggregate, in connection with Group 5 of Home Forward’s 85 Stories project, all to provide housing for low-income persons (collectively, the “Project”), the estimated cost of which is not expected to exceed \$68,000,000; 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 \$36,000,000 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 \$36,000,000; and

**WHEREAS**, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations.

**NOW, THEREFORE, BE IT RESOLVED:**

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 \$36,000,000, and to reimburse itself or the Borrower 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, the Borrower is 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) 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.

**ADOPTED: MARCH 20, 2018**

**Attest:**

**Home Forward:**

---

Michael Buonocore, Secretary

---

Mary Ann Herman, Chair

## CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director of Home Forward and keeper of the records of Home Forward, CERTIFY:

1. That the attached Resolution No. 18-03-02 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of Home Forward, as adopted at a meeting of Home Forward held on March 20, 2018, and duly recorded in the minute books of Home Forward.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 20<sup>th</sup> day of March, 2018.

HOME FORWARD

---

Executive Director and Secretary



## MEMORANDUM

|       |   |          |   |
|-------|---|----------|---|
| To:   | Board of Commissioners  | Date:    | March 20, 2018  |
| From: | Jonathan Trutt, Director, Development<br>and Community Revitalization<br>503.802.8507 | Subject: | Authorize the Submission of<br>4% Low Income Housing Tax<br>Credits Applications for 85<br>Stories Group 5<br>Resolution 18-03-03 |
|       | Ben Loftis, Development Finance<br>Manager<br>503.802.8510                            |          |   |

The Board of Commissioners (“the Board”) is requested to approve a resolution authorizing the Executive Director to execute and deliver such documents as may be required to enable Home Forward to submit to Oregon Housing and Community Services (“OHCS”) an application for 4% Low Income Housing Tax Credits (“LIHTC”) and other potential OHCS funding resources, such as a Weatherization Grant, for the NE Grand development.

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.

85 Stories is the large-scale preservation effort of our public housing portfolio, located throughout Multnomah County. These multi-family housing buildings have operated as public housing for years. The existing public housing subsidy and regulations significantly restrict our options to finance needed repairs. The preservation effort consists of converting our public housing portfolio to a rent assistance voucher-based subsidy stream, performing critical rehabilitation where needed.

Home Forward has already converted 1,446 public housing units to a rent assistance voucher-based subsidy stream at the following properties:

- Gallagher Plaza and Northwest Tower and Annex (also known as 85 Stories Group 1)
- Hollywood East and Sellwood Center (also known as 85 Stories Group 2)
- Martha Washington Apartments, The Jeffrey, Bud Clark Commons, Madrona Place, Rockwood Station and Fairview Oaks and Woods (also known as 85 Stories Group 3)
- New Columbia, Humboldt Gardens and Stephens Creek Crossing (also known as 85 Stories Group 4)

Since 2007, it has been a stated goal of Home Forward to reposition our existing portfolio of rental housing in order to preserve our ownership of existing units, improve the physical and financial condition of the portfolio, and to continue to serve households living with low and extremely low incomes. Over time, the Board has acted to authorize a variety of strategies and tactics aimed at accomplishing our broader goals. The table below illustrates a few of these prior authorizations.

| Initiative  | Description of Initiative and Goals   | BOC Action  |
|---|---|---|
| <b>Public Housing Preservation Initiative</b>   | <ul style="list-style-type: none"> <li>• Replace units that are inherently inefficient to operate with more efficient housing stock.</li> <li>• Address unmet and unfunded capital needs across the portfolio.</li> <li>• Bring back unused public housing subsidy or “banked” units to increase the current public housing supply</li> </ul>   | Resolutions:<br>07-07-02,<br>July 2007                                |
| <b>Conversion or Subsidy Change (Section 18 process combined with new project based vouchers)</b> | <ul style="list-style-type: none"> <li>• Affirmed the prior preservation goals:</li> <li>• Increase the level of federal subsidy to a point viable to maintain our portfolio of rental housing that serves low-income households.</li> <li>• Home Forward will continue to own or control each of the properties involving these units.</li> <li>• Existing residents will see no practical regulatory impact and will be held harmless financially as a result of this change of subsidy.</li> </ul> | Resolutions:<br>09-01-03,<br>January 2009;<br>11-03-02,<br>March 2011 |

|  |   |   |
|--|---|---|
| <b>American Recovery and Reinvestment Act (ARRA)</b> | <ul style="list-style-type: none"> <li>Accepted \$9,733,309 in ARRA funds for the preservation of existing multifamily public housing projects.</li> </ul>  | Resolutions:<br>09-04-01,<br>April 2009;<br>09-06-02,<br>June 2009                                  |
| <b>Local Blended Subsidy</b>                         | <ul style="list-style-type: none"> <li>Local operating subsidy initiative designed to blend public housing and Section 8 resources into a single program for the purpose of creating reasonable and reliable operating support.</li> </ul>  | Resolutions:<br>10-12-02,<br>December 2010  |
| <b>HOPE VI Redevelopment of Hillsdale Terrace</b>    | <ul style="list-style-type: none"> <li>Won a HOPE VI grant to leverage the redevelopment of Hillsdale Terrace, the remaining severely distressed public housing property suitable for razing and redeveloping.</li> </ul>   | Resolutions:<br>11-06-10,<br>June 2011  |
| <b>Rental Assistance Demonstration (RAD)</b>         | <ul style="list-style-type: none"> <li>Affirmed the prior preservation goals</li> <li>Converts existing public housing to either Project-based Voucher or Project-based Rental Assistance</li> <li>Supports basic real estate development, finance and management concepts</li> </ul> | Resolutions:<br>13-12-09,<br>December 2013;<br>15-07-01,<br>July 2015;<br>16-10-05,<br>October 2016 |

85 Stories Group 5 is the subject of this resolution, which consists of 350 public housing units at the following properties:

- Bel Park
- Camelia Court
- Eliot Square
- Maple Mallory
- Schrunk Riverview Tower
- Tamarack Apartments
- Winchell Court

The next step will be to submit an application for 4% LIHTC, which are noncompetitive, and can be applied for at any time. Based on a scheduled construction start in the fourth quarter of 2018, we anticipate submitting 4% LIHTC application materials to Oregon Housing and Community Services (OHCS) in the second quarter of 2018. The 4% LIHTC is critical for leveraging sufficient capital for this development. The risks associated with



pursuing this award include (1) the reality that leveraging outside capital is dependent on the state of financial markets and (2) the assumption that Home Forward will be able to attract lenders and investors to the project. These risks are mitigated by Home Forward's strong history of attracting outside capital, and Home Forward's experience successfully operating and asset managing LIHTC housing. Home Forward possesses the internal capacity to write a 4% LIHTC application and to manage our role in this development process.

Multiple funding partners have expressed interest in working on 85 Stories Group 5. We plan to publish a Request for Proposals for investor and lender proposals to encourage competitive terms and pricing.

The budget for development of 85 Stories Group 5 is approximately \$68 million, which will be generated from a variety of sources, primarily LIHTC equity, debt and Home Forward investment. LIHTC equity is expected to provide \$19.2 million.

Staff provided the Real Estate and Development (READ) Committee of Home Forward's board a draft copy of this resolution in advance of the publication of the agenda and packet for the March 20, 2018 board meeting.



## RESOLUTION 18-03-03

RESOLUTION 18-03-03 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE AND DELIVER SUCH DOCUMENTS RELATED TO THE SUBMISSION OF APPLICATIONS TO THE STATE OF OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT (“OHCS”) SEEKING RESOURCES INCLUDING BUT NOT LIMITED TO LOW INCOME HOUSING TAX CREDITS FOR THE PRESERVATION AND REHABILITATION OF 350 UNITS OF HOUSING TO BE OWNED BY A TO-BE-DETERMINED LIMITED PARTNERSHIP AND AUTHORIZING HOME FORWARD OFFICIALS TO EXECUTE DOCUMENTS RELATED TO FUNDS AWARDED BY OHCS FOR BEL PARK, CAMELIA COURT, ELIOT SQUARE, MAPLE MALLORY, SCHRUNK RIVERVIEW TOWER, TAMARACK APARTMENTS AND WINCHELL COURT, ALSO KNOWN AS 85 STORIES GROUP 5

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

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

**WHEREAS**, Home Forward has long acknowledged the need to rehabilitate Bel Park, Camelia Court, Eliot Square, Maple Mallory, Schrunk Riverview Tower, Tamarack Apartments and Winchell Court for the benefit of residents and the surrounding community, to improve the quality of Home Forward’s traditional public housing stock and to provide more housing and supportive service opportunities for Home Forward’s residents; and

**WHEREAS**, Home Forward stands ready to proceed by having the capacity, experience and ability to complete the successful rehabilitation of Bel Park, Camelia Court, Eliot Square, Maple Mallory, Schrunk Riverview Tower, Tamarack Apartments and Winchell Court; and

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

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of Home Forward authorizes and directs the Executive Director to execute and deliver such documents related to the submission of applications to the State of Oregon Housing and Community Services (OHCS) seeking resources including but not limited to Low Income Housing Tax Credits for the preservation and rehabilitation of 350 units of housing to be owned by a to-be-determined limited partnership, of which Home Forward will be the General Partner, and authorizes the Executive Director to execute any document related to the submission of applications to OHCS for Bel Park, Camelia Court, Eliot Square, Maple Mallory, Schrunck Riverview Tower, Tamarack Apartments and Winchell Court, also known as 85 Stories Group 5.

**ADOPTED: MARCH 20, 2018**

**Attest:**

**Home Forward:**

---

Michael Buonocore, Secretary

---

Mary Ann Herman, Chair



## MEMORANDUM

|       |   |          |  |
|-------|---|----------|--|
| To:   | Board of Commissioners  | Date:    | March 20, 2018   |
| From: | Jonathan Trutt, Director, Development<br>and Community Revitalization<br>503.802.8507 | Subject: | Authorize the Submission of<br>4% Low Income Housing Tax<br>Credits Applications for<br>Fountain Place Apartments<br>Resolution 18-03-04 |
|       | Molly Rogers, Director of Asset<br>Management and Policy<br>503.802.8437              |          |  |

The Board of Commissioners (“the Board”) is requested to approve a resolution authorizing the Executive Director to execute and deliver such documents as may be required to enable Home Forward to submit to Oregon Housing and Community Services (“OHCS”) an application for 4% Low Income Housing Tax Credits (“LIHTC”) and other OHCS funding resources, for Fountain Place Apartments.

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.

In 2002, Home Forward entered into a Low Income Housing Tax Credit (LIHTC) Partnership to acquire and conduct minor rehabilitation on Fountain Place Apartments, an 80-unit property located at 929 SW Salmon Street in Downtown Portland. The property consists of 62 studio, 15 one-bedroom, and three two-bedroom apartments. Home Forward utilized a combination of tax credit equity, a loan from US Bank, and funding from the Portland Housing Bureau to finance the development. In exchange for the tax credit equity, the Partnership provided Key Bank with 10 years of tax credits and tax losses. Key Bank exited the Partnership and Home Forward became sole owner on March 1, 2018.

Fountain Place Apartments is a 106-year old, six story midrise apartment community, reserved for households with incomes between 30% and 80% of area median income. The property includes 20 units with project based rental assistance. The property has a contract with Giving Tree to provide resident services and social services activities for residents. Two other service agencies partner with Fountain Place: Northwest Pilot Project (NWPP) and Transition Projects, Inc. (TPI). NWPP refers homeless, low income, and disabled seniors to Fountain Place, and receives a preference for 10 of the 20 PBV units. TPI provides individuals with the services, resources, and tools they need to end their homelessness, secure housing, and maintain that housing, and receives a preference for the other 10 PBV units.

A capital needs assessment for the property is under way and preliminary cost estimates identify more needs than the existing replacement reserves can support. OHCS has gap financing for affordable housing perversion and rehabilitation. They are pairing their gap financing with their 4% LIHTC tax-exempt bond program.

The next steps will be to submit applications for OHCS 2018 gap financing and 4% LIHTC tax-exempt bond program. 4% LIHTCs are noncompetitive, and can be applied for at any time, but the gap financing is available on a first-come, first-served basis. The OHCS 2018 gap financing applications will be accepted by OHCS beginning on April 17, 2018. It is our goal to submit the gap financing and 4% LIHTC tax-exempt bond program applications on April 17, 2018.

The 4% LIHTC is critical for leveraging sufficient capital for this development, including the OHCS gap financing. The risks associated with pursuing this award include that the ability to leverage outside capital is dependent on the state of financial markets and assumes Home Forward will be able to attract lenders and investors to the project. This risk is mitigated by Home Forward's strong history of attracting outside capital, and Home Forward's experience successfully operating and asset managing LIHTC housing. Home Forward possesses the internal capacity to write a 4% LIHTC application, an OHCS gap financing application and to manage our role in this development process.

We plan to publish a Request for Proposals for investor and lender proposals to encourage competitive terms and pricing.

Because the OHCS gap financing application was released on March 1, 2018, staff was not able to provide the Real Estate and Development (READ) Committee of Home Forward's board an update prior to their March 2018 meeting.



## RESOLUTION 18-03-04

**RESOLUTION 18-03-04 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE AND DELIVER SUCH DOCUMENTS RELATED TO THE SUBMISSION OF APPLICATIONS TO THE STATE OF OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT (“OHCS”) SEEKING RESOURCES INCLUDING BUT NOT LIMITED TO 2018 GAP FINANCING AND LOW INCOME HOUSING TAX CREDITS FOR THE PRESERVATION AND REHABILITATION OF 80 UNITS OF HOUSING TO BE OWNED BY A TO-BE-DETERMINED LIMITED PARTNERSHIP AND AUTHORIZING HOME FORWARD OFFICIALS TO EXECUTE DOCUMENTS RELATED TO FUNDS AWARDED BY OHCS FOR FOUNTAIN PLACE APARTMENTS**

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

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

**WHEREAS**, Home Forward stands ready to proceed by having the capacity, experience and ability to complete the successful rehabilitation of Fountain Place Apartments; and

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

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of Home Forward authorizes and directs the Executive Director to execute and deliver such documents related to the submission of applications to the State of Oregon Housing and Community Services (OHCS) seeking resources including but not limited to 2018 gap financing and Low Income Housing Tax Credits for the preservation and rehabilitation of 80 units of housing to be owned by a to-be-determined limited partnership, of which Home Forward will be the General Partner, and authorizes the Executive Director to execute any document related to the submission of applications to OHCS for Fountain Place Apartments.

ADOPTED: MARCH 20, 2018

Attest:

Home Forward:

---

Michael Buonocore, Secretary

---

Mary Ann Herman, Chair

# RESOLUTIONS



Placeholder for  
Resolution 18-03-05 – Authorize Insurance Renewal



## MEMORANDUM

To: Board of Commissioners

Date: March 20, 2018

From: Peter Beyer, Chief Financial  
Officer  
503.802.8538

Subject: Authorize Fiscal Year 2018 12-31-  
18 Budget  
Resolution 18-03-06

The Board of Commissioners is requested to approve the FY18 12-31-18 budget for Home Forward. Home Forward is in the process of transitioning from a March 31 fiscal year end to a December 31 fiscal year end. As such, this budget covers the period from April 1, 2018 to December 31, 2018. Fiscal year 2019 will be the first full fiscal year under the calendar year timeframe.

The budget is comprised of four main sections:

- A. Management Discussion (page 1)
- B. Agency level information
  - Operating statement with Funding Flow Analysis (pages 8 to 9)
  - Line Item Analysis and Budget Assumptions (pages 10 to 13)
- C. Operating Group level information
  - Operating Statement by Operating Group (pages 14 to 16)
  - Budget Commentary (pages 17 to 42)
- D. Additional Attachments (pages 43 to 54)
  - Includes information regarding Moving to Work (MTW) initiatives, households served, MTW proration trends, funding vs costs trends, headcount changes, and an acronym key.

The budget highlights the anticipated activity for our main mission-based business lines as well as the administrative departments. The mission-based business lines include:

- Development and Community Revitalization
- Public Housing portfolio
- Affordable Housing portfolio (excludes tax credits)
- Property Management
- Asset Management
- Integrated Facilities Services
- Rent Assistance
- Resident Services

Planned activities for the upcoming year include:

- Over 15,600 households will be served during the year.
- Occupancy levels are expected to remain high at an average of 98% across the portfolio.
- The first 791 units under Phase 1 of the Rental Assistance Demonstration (RAD)/Section 18 project has been completed. Full subsidy conversion will be begin with this fiscal year.
- Pre-conversion work on the next Phase 2 of the RAD/Section 18 will occur during this fiscal year in anticipation of the next conversion taking place early 2019.
- The development team will continue working on the Northeast Grand and Framework projects.
- Fountain Place, an 80 unit building and former tax credit property will now be part of the affordable portfolio.
- Due to federal funding uncertainty, we do not anticipate being able to pull any households from the voucher waitlist.

Key financial highlights for the Fiscal Year 2018 budget include (numbers may differ slightly from source documents due to rounding):

- Annual operating revenues are anticipated to be \$118.1 million with \$68 million in housing choice voucher subsidy.
- Annual operating expenses will increase from \$116.9 million and includes \$73.8 million in housing assistance payments.
- This is expected to yield operating income of \$1.2 million with net other income (expense) of (\$2.8 million).

- Net capital contributions from outside funders will total \$0.5 million with an additional \$5.0 million of real estate reserves being used during the fiscal year.
- The combined impact of the above items yields a change in net position of (\$1.1 million).
- Finally, agency results are converted from a generally accepted accounting principles (GAAP) format to a funding flow presentation to better present the funds available to support agency operations and reserves.

This year's budget was prepared with several estimates, the most significant being the level of federal funding available for the Section 8 and Public Housing programs. At the time of budget approval, the federal government is operating under a continuing resolution. Estimates of the main federally funded programs are based on the best assumptions regarding current and historical funding levels. If, during the upcoming fiscal year, the actual funding levels are materially different from those included in the budget, we will return to the board for approval of an adjusted budget.

ATTACHMENT

FY2018 ending 12-31-18 Budget



## RESOLUTION 18-03-06

### RESOLUTION 18-03-06 APPROVING AND ADOPTING HOME FORWARD'S BUDGET FOR THE FISCAL YEAR ENDING DECEMBER 31, 2018

**WHEREAS**, Home Forward is committed to the maintaining high standards relating to the management of fiscal resources and the stewardship of public funds and assets; and

**WHEREAS**, the staff of Home Forward has carefully and thoughtfully prepared the fiscal year 2018 budget to administer the programs and accomplish the objectives of the Agency for the period beginning April 1, 2018 and ending December 31, 2018; and

**WHEREAS**, the budget identifies expected sources of revenue and funds held in reserves which are sufficient to cover planned expenditures for the fiscal year, and;

**WHEREAS**, the Board of Commissioners has reviewed the budget and inquired with staff on the various aspects and components of the budget;

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Commissioners of Home Forward approves and adopts the budget as submitted for the fiscal year ending December 31, 2018.

**ADOPTED: MARCH 20, 2018**

**Attest:**

**Home Forward:**

---

Michael Buonocore, Secretary

---

Mary Ann Herman, Chair



**Fiscal Year 2018**  
**ending 12-31-18**

# Budget

**April 1, 2018 through December 31, 2018**

Original Submission:  
March 20, 2018

# Table of Contents

|  |           |
|--|-----------|
| <b>Management Discussion</b>   | <b>1</b>  |
| <b>Operating Statement &amp; Summary of Funding Flow</b>                                 | <b>8</b>  |
| <b>Line Item Analysis &amp; Assumptions</b>  | <b>10</b> |
| <b>Operating and Administrative Segment Review</b>                                       | <b>14</b> |
| Operating Statement by Operating Group .....   | 14        |
| Funding Flow Analysis By Operating Group .....   | 15        |
| Staffing Summary by Operating Group .....  | 16        |
| Budget Commentary – Rent Assistance .....  | 17        |
| Budget Commentary – Public Housing Portfolio.....  | 20        |
| Budget Commentary – Affordable Housing Portfolio .....                                   | 23        |
| Budget Commentary – Asset Management .....   | 25        |
| Budget Commentary – Property Management .....  | 26        |
| Budget Commentary – Safety.....  | 29        |
| Budget Commentary – Integrated Facilities Services.....                                  | 31        |
| Budget Commentary – Development & Community Revitalization .....                         | 33        |
| Budget Commentary – Community Services .....   | 38        |
| Budget Commentary – Administration .....   | 40        |
| Budget Commentary – Real Estate Finance .....  | 42        |
| <b>Attachments</b>   | <b>43</b> |
| Summary of Moving to Work Initiative Funds.....  | 43        |
| Estimated Households Served by Category .....  | 46        |
| Estimated Rent Assistance Households Served by Category .....                            | 47        |
| Subsidy Proration Trends .....   | 48        |
| Cumulative Change in HCV Funding vs. Cumulative Change in Metro Area Apartment Rent..... | 49        |
| FTE Change Comparison Schedule .....   | 50        |
| Acronym Key.....   | 51        |
| Operating Statement by Operating Group .....   | 53        |
| Funding Flow Analysis By Operating Group .....   | 54        |

# Management Discussion

**This document presents the planned activities and financial budget for Home Forward for the nine month period beginning April 1, 2018 and ending December 31, 2018 (FY 18 12-31-18). Home Forward is moving to a calendar year fiscal year with the first full year taking place in 2019.**

## General Overview

The Federal Housing Act of 1937 authorized the creation of public housing authorities. Utilizing the 1937 Federal Housing Act, the Portland City Council established Home Forward (at that time, the Housing Authority of Portland) as a municipal corporation under the Oregon Revised Statutes in December 1941.

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 and two by Multnomah County. 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.

Home Forward is one of only 39 public housing authorities in the country (out of more than 3,000) that have been selected by the U.S. Department of Housing and Urban Development (HUD) and approved by Congress to participate in the Moving to Work (MTW) program. Moving to Work is a long-term federal pilot program designed to learn whether public housing authorities can serve their communities better with more local discretion over funding allocation, policies, and procedures. Home Forward has been operating as a Moving to Work agency since April 1, 1999. The MTW designation allows for exemptions from certain federal requirements allowing the merger of Housing Choice Voucher & administrative funds and Public Housing Operating & Capital funds into a single fund. This enables Home Forward to create and implement innovative programs across its four main mission-based business lines.

The mission-based business lines are:

- **Development** – includes work on large scale development projects such as 85 Stories, part of Home Forward's public housing preservation initiative, and improvement of our existing properties through the use of Capital Grants, local grants and mainstream financing products. Revenue for this group is generated from developer fees; fees which may be earned in one reporting period but paid in a different period.
- **Real Estate Properties** – Home Forward owns, manages, or is a partner in 109 properties with over 6,400 units. (Of these totals, 16 properties with 2,145 units are owned through tax credit partnerships of which Home Forward is the minority owner. The forecasted and budgeted results of these 16 properties are not included in this document.)

For public housing, revenue is generated from two main sources 1) HUD subsidies - based on a HUD-approved rate multiplied by the number of HUD-approved units multiplied by a proration rate and 2) tenant revenue – rents collected from residents which are driven by occupancy levels and by tenant income levels.

For affordable housing properties, revenue is mainly generated by tenant rents and impacted by occupancy levels and contractually allowed affordable rental rates based on unit size.

- **Real Estate Services** – Real Estate Services includes Asset Management, Property Management and Integrated Facilities Services for our affordable, master-leased, and public housing properties.



As part of Home Forward's strategic plan, the Asset Management group now provides long-term planning services to all of Home Forward's real estate portfolio. Asset Management generates fee income as well as uses cash flow generated from the real estate portfolio.

Home Forward's Property Management group is responsible for overseeing the daily operations, compliance and maintenance at 42 properties. These 42 properties provide housing for 2,383 households. The group generates property management fees to cover its costs.

Integrated Facilities Services is Home Forward's specialized maintenance services including electrical work, plumbing, pest control, painting, and garbage, trash and recycling hauling. Fees are earned based on billable services to Home Forward's real estate portfolio.

- **Rent Assistance** – includes traditional and non-traditional rent assistance programs. Traditional programs include Housing Choice Vouchers, Vouchers for Homeless Vets (VASH), Family Unification Program Vouchers (FUP), SRO/MODs and Shelter Plus Care. Non-traditional rent assistance programs include short and medium-term rent assistance and rent assistance combined with partner services. Home Forward provides rent assistance to over 10,000 households on an annual basis.

This year, Home Forward will add 791 in Rental Assistance Demonstration (RAD) Vouchers. This is a result of the first phase of RAD subsidy conversion from Public Housing Operating Subsidy and Capital Grant funding to Project-Based Vouchers.

The Housing Choice Voucher Program (Section 8) is the largest rent assistance program administered by Home Forward, with funding determined by vouchers authorized, voucher utilization and proration rates.

- **Community Services** – includes social and economic development programs for families, along with administration of community housing and service partnerships throughout Multnomah County. Programs include congregate supportive housing and family self-sufficiency programs. These programs are typically funded by cost reimbursement grants and property fees.

## Budget Principles

The budget document provides greater context around where we are investing our resources to achieve the goals of ensuring the members of our community are housed.

This document presents comparative budget information in two formats, first in a Generally Accepted Accounting Principle (GAAP) format and second in a Funding Flow (simplified operating cash basis) format. It is important for the reader to understand this distinction as certain revenue and expense items may be recorded in one fiscal year, while the cash involved impacts a different fiscal year (such as development fee revenue) or has no cash impact (such as depreciation expense). Additionally, this document only presents the results of Home Forward and does not include the budget of any component units.

The budget was created with several guiding principles:

- All funds will be accounted for, meaning that current year activities will be funded with current year revenue, business line reserves, allowable transfers from other programs, or agency-level reserves. Also, any remaining funds will be assigned to reserves for specific purposes or to general reserves to address funding volatility.
- Because the life cycle of development projects spans several years, we monitor development performance to match that life cycle rather than using a single year snapshot.

- Revenues for the Housing Choice Voucher Program and administration, Public Housing Operating Subsidy and Public Housing Capital Grant are budgeted based on estimated calculations of rates and prorations as determined from the January 2018 actual funding. With the federal government operating on a continuing resolution, our actual funding was the best indicator of future funding.
- Funds using MTW flexibility are aligned with strategic initiatives.
- Home Forward strives to meet the MTW requirement of serving substantially the same number of households as it would if it did not have MTW status.
- Funds from the sale of real estate will be used only for the acquisition, development, and/or preservation of real estate assets.

## **Budget Summary**

See section “Line Item Analysis & Assumptions” for a more detailed analysis of line item changes, and section “Operating and Administrative Segment Review” for a more detailed analysis of results by operating group.

## **Key Activities and Financial Highlights for FY 18 12-31-18**

(Please note: numbers may differ slightly from source documents due to rounding)

Key activities planned for FY 18 12-31-18 include:

- The Rent Assistance department plans to have utilization at 92%. Actual utilization rates have fallen below planned levels due to lease up challenges resulting from Portland’s tight rental market and rising voucher costs. Unfortunately, federal funding has not been adequate to meet these housing costs. As a result, Home Forward has stopped pulling from the voucher waitlist and does not anticipate being able to pull from the waitlist during this fiscal year.
- Additionally, Home Forward will receive 791 units of RAD Voucher funding as part of the conversion from public housing to a voucher funding stream.
- Development will provide development services to Lloyd Housing LP and the Framework project. Development is projected to earn \$5.4 million in developer fee for the Lloyd and Framework projects.
- Public Housing will serve 1,284 households in 33 public housing properties given the expected occupancy rate of 98%.
- Properties in Home Forward’s Affordable Housing Portfolio will serve 4,217 households given the expected average occupancy rate of 98%. Home Forward-owned affordable properties are expected to serve 2,434 households, tax credit limited partnerships will serve 2,102 households, and special needs properties will serve 505 households.
- For this fiscal year, Fountain Place (an 80 unit apartment building) will convert from a tax credit limited partnership to being fully owned by Home Forward.
- In support of the emerging “One” strategic plan, Community Services will begin to look at trauma, healing and equity as integral components for meaningful engagement and service delivery, with the goal of extending services and support to a greater number of Home Forward recipients.

Financial highlights of the upcoming budget include:

- Annual operating revenues are projected to be \$118.1 million. This is mainly due to:
  - \$5.4 million in developer fee revenue from Lloyd Housing (\$3.8 million), Framework (\$1.6 million).
  - Public Housing Operating Subsidy revenue of \$6.0 million which reflects reduced funding due to phase 1 of the RAD conversion of 791 units to Project-Based Voucher Subsidy.
  - HUD funding for Housing Choice Vouchers is projected to increase due to the RAD conversion (\$2.4 million).
  - Admin fee will increase \$402 thousand due to additional funding received for the RAD Vouchers.
- Annual operating expenses is projected to be of \$116.9 million. This is mainly due to:
  - The Rent Assistance department projects the utilization rate to be 94.2%. Actual utilization rates have fallen below planned levels due to lease up challenges resulting from Portland's tight rental market and the lack of federal funds to cover rising housing costs.
  - Overall personnel expenses will be \$9.5 million for the upcoming budget year.
  - Other administrative expenses will be \$6.4 million primarily due to investment in Home Forward's information technology infrastructure of \$321 thousand along with \$142 thousand in consultant expenses related to the YARDI upgrade, property management fees of \$789 thousand, and costs associated with legal services of \$197 thousand.
  - Other Tenant Services expense will be \$1.4 million primarily due to \$634 thousand related to CHSP and \$202 thousand for support services at Bud Clark Commons.
  - Other maintenance expenses will be \$6.0 million primarily due to major maintenance projects at multiple affordable properties in FY18 12-31-18.
- Of the \$116.9 million of operating expenses, \$73.8 million represents rent assistance payments made directly to landlords on behalf of Home Forward participants. Backing out this activity, Home Forward's operating expenses would be \$43.1 million.
- Based on the impact of items above, operating income is projected to be \$1.2 million.
- The combined impact yields an \$1.1 million decrease in changes to net assets.

### **Impact on Funding Flow**

As noted in the Budget Principles section, the agency presents its budget in not only a GAAP presentation but also in a funding flow format. The standard expectation of the funding flow is that Home Forward programs (excluding development) will break even for the fiscal year, and that development activities will (at a minimum) break even over the course of the life of its various projects.

A funding flow summary presented by operating group is presented below:

*“Non-reserve funding flow adjustments”* include add-backs for depreciation, offsets for allocated capital acquisitions and certain debt payments, property-level reserves, and increases/decreases related to the timing of affordable housing cash flows.

*“Reserve transfers in”* to fund current activities reflect the inflow of reserve funds to cover current year expenses. This activity translates to a reduction of agency reserves.

*“Additions to reserves”* reflect the transfer of remaining operating income into reserve accounts. Please note, the bracketed number in this column does not represent an outflow of agency cash but rather an increase to agency reserves.

Net reserves are dedicated to the following identified purposes:

- \$5.4 million of collected development fee revenue is transferred to reserves and used to cover department operations and fund project costs that span multiple fiscal years.
- As part of a ten year plan to ensure adequate reserve levels for Home Forward, \$375 thousand will be directed to an insurance reserve and \$225 thousand for an agency-level capital reserve.
- Using single fund flexibility, \$1.6 million will be drawn from Home Forward-held reserves to fund MIF initiatives.
- \$93 thousand will be contributed to Agency Initiatives as a result of the cash flow of the operating groups.
- \$435 thousand will be available from business line-level reserves to address funding volatility.

## Staffing Update

Home Forward staff provide services that are funded with both agency resources (Home Forward legal entity) and resources from other legal entities, such as several tax credit partnerships. The breakout by funding source and the change in budgeted full-time equivalents (FTEs) is:

| Full-Time Equivalents (FTEs) by Funding Source |        |                          |            |
|--|--------|--------------------------|------------|
|  | FY 18  | FY 18 12-31-18<br>Budget | Inc.(Dec.) |
| Agency Funded                                  | 250.87 | 251.09                   | 0.22       |
| Other Legal Entity Funded                      | 35.24  | 36.36                    | 1.12       |
| Total Agency Managed Positions                 | 286.11 | 287.45                   | 1.34       |

In total, full-time equivalent employees have increased by 1.3 FTE due to positions related to RAD.

## Risks and Opportunities

As is the case every year, the level of congressional appropriations determines federal funding. While this funding has been volatile over the last five years, there is extreme uncertainty as to what level of investment the federal government will continue to provide. Given the passage of several continuing resolutions, the latest of which expires March 23, 2018, and a lack of detailed information from the Congressional Appropriations bill, we have had to develop a budget with estimates for most of its major federal program. The approach used was to base funding activity on flat funding and historical trends, to use program reserves as needed, and to prepare to implement budget revisions as soon as more accurate information is available.

Also, with the reduction of corporate taxes, interest in the federal Low Income Housing Tax Credit (LIHTC) is likely to decline. The reduction in the corporate tax rate from 35 percent to 21 percent reduces the tax loss benefits of LIHTC investments, which causes a reduction in pricing for tax credit properties. This reduction may impact Home Forward by requiring more internal funds or higher levels of debt to develop future properties or even cause planned real estate deals to be delayed for an extended period. For development projects, there is always the risk of delays in construction but we are confident in the historical success of the Development team to monitor and manage projects to mitigate this risk. Additionally, the Development team monitors new funding opportunities and strategies for financing affordable housing.

Not only is there volatility at the federal level but the State of Oregon is facing a \$1.7 billion budget deficit, an increase from last year's deficit stemming from the changes to federal tax law. Absent an increase in state-level tax revenues, significant budget cuts will need to be made to balance the state budget.

In addition to funding volatility, in any given year there is the potential for weather-related incident/natural disaster that impacts most agency properties.

## Conclusion

Home Forward's FY18 12-31-18 budget was developed with the context that our community continues experiencing a major shortage in housing that is affordable. Our dedicated staff continue to align much needed services to support our families, but we depend on receiving appropriate levels of federal funding to match the reality of housing costs. Absent a renewed commitment from our federal partners, we will struggle with, but never give up on achieving our mission - to assure that the people of the community are sheltered.

# Operating Statement & Summary of Funding Flow

## Operating Statement

| <b><u>Operating Statement</u></b>             | <b><u>FY18 12-31-18 Budget</u></b> |
|---|------------------------------------|
| Dwelling Rental                               | 14,313,791                         |
| Non-dwelling Rental                           | 1,909,046                          |
| HUD Subsidies -Housing Assistance             | 67,815,576                         |
| HUD Subsidies -Admin Fee                      | 5,298,156                          |
| HUD Subsidies -Public Housing                 | 5,968,996                          |
| HUD Grants                                    | 4,932,979                          |
| Development Fee Revenue, Net                  | 5,335,331                          |
| State, Local & Other Grants                   | 5,062,420                          |
| Other Revenue                                 | 7,460,561                          |
| Total IA Revenue                              | -                                  |
| <b>Total Operating Revenues</b>               | <b>118,096,857</b>                 |
| PH Subsidy Transfer                           | -                                  |
| Housing Assistance Payments                   | 73,750,733                         |
| Administration                                | 11,762,355                         |
| Administrative Personnel Expense              | 5,410,149                          |
| Other Admin Expenses                          | 6,352,206                          |
| Fees/overhead charged                         | (3)                                |
| Tenant Services                               | 3,085,516                          |
| Tenant Svcs Personnel Expense                 | 1,677,313                          |
| Other Tenant Svcs Expenses                    | 1,408,203                          |
| Program Expense                               | 7,984,996                          |
| Maintenance                                   | 8,445,409                          |
| Maintenance Personnel Expense                 | 2,447,074                          |
| Other Maintenance Expenses                    | 5,998,335                          |
| Utilities                                     | 3,816,437                          |
| Total IA Expense                              | (88,763)                           |
| Depreciation                                  | 6,555,420                          |
| General                                       | 1,591,741                          |
| Impairment Charge                             | -                                  |
| <b>Total Operating Expenses</b>               | <b>116,903,841</b>                 |
| <b>Operating Income (Loss)</b>                | <b>1,193,015</b>                   |
| <b>Total Overhead Allocations</b>             | <b>(0)</b>                         |
| <b>Operating Income (Loss) after Overhead</b> | <b>1,193,016</b>                   |
| Investment Income                             | 495,538                            |
| Interest Expense                              | (2,176,285)                        |
| Gain (Loss) on Sale of Assets                 | (1,114,845)                        |
| <b>Net Other Income (Expense)</b>             | <b>(2,795,593)</b>                 |
| HUD Nonoperating Contributions                | 535,604                            |
| <b>Net Capital Contributions</b>              | <b>535,604</b>                     |
| <b>Change in Net Position</b>                 | <b>(1,066,974)</b>                 |

Funding Flow Analysis

| <u>Funding Flow Analysis</u>               | <u>FY 18 12-31-18 Budget</u> |
|--|------------------------------|
| <b>Funding Flow Analysis</b>               | <b>\$ 1,193,016</b>          |
| Funding Flow Adjustments                   | (1,193,015)                  |
| <b>Final Funding Source or (Shortfall)</b> | <b>\$ 0</b>                  |



# Line Item Analysis & Assumptions

## Revenue

### Dwelling Rental \$19.1 million

- Affordable Housing Portfolio - \$16.4 million due to property transitions (\$1.7 million), high occupancy rates and rate increases (capped at 5%) except for Project-Based Vouchers (no increase).
- Public Housing Portfolio - \$2.7 million - will continue to benefit from the continuing impact of rent reform and the implementation of minimum rents.

### Non-dwelling Rental \$2.0 million

- Non-dwelling rental includes commercial rents, payments received from special needs master-leased properties, land lease revenue, cell tower revenues, and parking revenue.

### HUD Subsidies - Housing Assistance \$66 million

- HUD's Housing Choice Voucher proration is budgeted to at 97.1%, the current effective rate as of January 2018.
- RAD Funding will be \$2.8 million for the 791 converted vouchers.

### HUD Subsidies - Administrative Fees \$5.3 million

- Administrative Fee funding will benefit from the RAD conversion of 791 units, resulting in \$400 thousand in funding for the budget year.
- Administrative fees for HUD Housing Assistance are budgeted based on funding appropriations and assume flat rate for CY 2018.

### HUD Subsidies - Public Housing \$6.0 million

- Budget assumes that Operating Subsidy's proration will be 85% the next budget year. The Operating Subsidy will be \$2.8 million less than previous fiscal year, as 791 units have converted to RAD Project-Based Voucher funding.

### Development Fee Revenue \$5.4 million

- Projected for the following Projects:

| Project<br>(in millions) | Accrued Developer Fee Revenue |
|--------------------------|-------------------------------|
| Lloyd Housing LP         | \$3.8                         |
| Framework Project        | 1.6                           |
| Total                    | \$5.4                         |

HUD, State, Local & Other Grants \$5 million

| Grant<br>(in thousands)          | FY 18 12-31-18<br>Budget |
|----------------------------------|--------------------------|
| Short-Term Rent Assistance       |                          |
| State of Oregon                  | \$590                    |
| Homeless Family System of Care   | 3,688                    |
| United Way                       | 48                       |
| PILOT Revenue                    | 119                      |
| Short-Term Rent Assistance Total | \$4,445                  |
| Medicaid                         | 321                      |
| City of Portland – Bud Clark     | 297                      |
| Total                            | \$5,062                  |

Other Revenue \$7.3 million

| Other Revenue<br>(in thousands)                             | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Portability Revenue   | \$3,695                  |
| Property Related Income – Management & General Partner Fees | 644                      |
| Property Related Income – Operations                        | 578                      |
| Property Related Income – Community Services                | 555                      |
| West & Woods Contributions                                  | 392                      |
| Integrated Facilities Services Fees                         | 1,399                    |
| Other   | 10                       |
| Total   | \$7,273                  |

## Expense

Personnel Expense \$17.3 million

- Total Full-time Equivalents (FTE) for agency funded positions in are budgeted to be 251.0 FTE. An additional 36.3 FTE are funded directly from tax credit limited partnerships. Combined FTE are 287.5 FTE, a 1.3 FTE increase from the FY 18 Budget.

| Personnel Expense<br>(in thousands)  | FY 18 12-31-18<br>Budget |
|--------------------------------------|--------------------------|
| Administrative Personnel Expense     | \$5.4                    |
| Community Services Personnel Expense | 1.7                      |
| Program Expense                      | 7.7                      |
| Maintenance Personnel Expense        | 2.4                      |
| Total Personnel Expense              | <u>\$17.3</u>            |

- Planned compensation increases and higher PERS expense are factored into the above data.

Other Administrative Expense \$6.4 million

- Affordable Housing Portfolio is projected to have the following expenses
  - Outside Payroll \$1.4 million
  - Management fees \$740 thousand
- Public Housing is projected to incur \$2.1 million in Property Management fees.
- Administrative groups \$1.9 million due to \$610 thousand in software and licensing fees, \$142 thousand for the YARDI upgrade and \$277 thousand for consultant projects related to the YARDI upgrade and other agency projects.

Other Tenant Services Expenses \$1.4 million

- Tenant Services Expense is projected to include \$1.1 million in contracted resident services.

Other Maintenance Expenses \$6.5 million

- \$1.6 million in projects at public housing properties
- \$4.3 million in projects at affordable housing properties
- \$224 thousand in projects at master-leased properties
- \$173 thousand in projects at New Market West

Utilities \$4.1 million

- Sewer rates are rising while rates continue to decrease for gas and fuel.

Total Inter Agency (IA) Expense (\$89 thousand)

- This credit represents the cost of labor associated with capital projects that will be moved to work in progress and capitalized as part of property improvements on the Agency balance sheet.

Depreciation \$6.5 million

- Depreciation represents the non-cash write-down of the properties physical assets. Depreciation expense decreases \$319 thousand in the Affordable Housing Portfolio primarily due to treatment of tax credit conversions.

General \$1.6 million

- Bad Debt Expense is projected to be \$296 thousand based on historical debt.
- General insurance expenses will again increase due to rising premium rates and is projected to be \$835 thousand.

### **Net Other Income (Expense)**

Investment Income \$496 thousand

- Investment Income is projected to increase based upon higher interest rates.
- Interest Expense (\$2.3 million) is primarily due to property transitions (\$330 thousand, Fairview \$300 thousand, Lovejoy \$259 thousand).

Gain (Loss) on Sale of Assets \$1.1 million

- The offsetting budgeted loss on sale of assets represents reductions in the “book” value of assets reported when undepreciated assets are replaced during renovation activities.
  - In the next budget Fairview Oaks (\$758 thousand) and Richmond Place (\$242 thousand) are expected to experience write-offs from renovations.

# Operating and Administrative Segment Review

## FY 18 12-31-18 Operating Statement by Operating Group\*

| Operating Statement                                  | Rent Assistance    | Public Housing Portfolio | Affordable Portfolio | Asset Management      | Property Management | Safety              | Integrated Facilities | Development         | Community Services  | Administration     | Real Estate Finance | Reserves              | Elimination        | Home Forward Total    |
|--|--------------------|--------------------------|----------------------|-----------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|--------------------|---------------------|-----------------------|--------------------|-----------------------|
| Dwelling Rental                                      | \$ -               | \$ 2,653,821             | \$ 15,335,847        | \$ -                  | \$ -                | \$ -                | \$ -                  | \$ -                | \$ -                | \$ -               | \$ -                | \$ -                  | \$ (3,675,877)     | \$ 14,313,791         |
| Non-dwelling Rental                                  | -                  | 118,925                  | 1,259,634            | -                     | -                   | -                   | -                     | -                   | 27,351              | 367,243            | 503,136             | -                     | (367,243)          | 1,909,046             |
| HUD Subsidies -Housing Assistance                    | 65,668,736         | -                        | 2,146,840            | -                     | -                   | -                   | -                     | -                   | -                   | -                  | -                   | -                     | -                  | 67,815,576            |
| HUD Subsidies -Admin Fee                             | 5,298,156          | -                        | -                    | -                     | -                   | -                   | -                     | -                   | -                   | -                  | -                   | -                     | -                  | 5,298,156             |
| HUD Subsidies -Public Housing                        | 43,084             | 5,686,138                | -                    | -                     | 126,750             | -                   | -                     | -                   | 113,024             | -                  | -                   | -                     | -                  | 5,968,996             |
| HUD Grants   | 3,547,734          | 234,744                  | -                    | -                     | 556,589             | -                   | -                     | -                   | 593,911             | -                  | -                   | -                     | -                  | 4,932,979             |
| Development Fee Revenue, Net                         | -                  | -                        | -                    | -                     | -                   | -                   | -                     | 5,335,331           | -                   | -                  | -                   | -                     | -                  | 5,335,331             |
| State, Local & Other Grants                          | 4,444,873          | -                        | -                    | -                     | -                   | -                   | -                     | -                   | 617,547             | -                  | -                   | -                     | -                  | 5,062,420             |
| Other Revenue  | 3,790,250          | 65,149                   | 475,881              | 449,934               | 3,060,885           | -                   | 1,404,018             | -                   | 594,317             | -                  | -                   | -                     | (2,379,872)        | 7,460,561             |
| Total IA Revenue                                     | 88,090             | -                        | -                    | 48,785                | 15,247              | -                   | -                     | 81,911              | 450,942             | 31,642             | -                   | -                     | (716,618)          | -                     |
| <b>Total Operating Revenues</b>                      | <b>82,880,924</b>  | <b>8,758,778</b>         | <b>19,218,202</b>    | <b>498,719</b>        | <b>3,759,471</b>    | <b>-</b>            | <b>1,404,018</b>      | <b>5,417,242</b>    | <b>2,397,092</b>    | <b>398,885</b>     | <b>503,136</b>      | <b>-</b>              | <b>(7,139,610)</b> | <b>118,096,857</b>    |
| PH Subsidy Transfer                                  | -                  | -                        | -                    | -                     | -                   | -                   | -                     | -                   | -                   | -                  | -                   | -                     | -                  | -                     |
| Housing Assistance Payments                          | 77,337,847         | -                        | -                    | -                     | -                   | -                   | -                     | -                   | -                   | -                  | -                   | -                     | (3,587,114)        | 73,750,733            |
| Administrative Personnel Expense                     | 252,833            | -                        | -                    | 182,480               | 212,837             | 71,260              | 62,913                | 257,146             | 108,431             | 4,262,249          | -                   | -                     | -                  | 5,410,149             |
| Other Admin Expenses                                 | 506,880            | 2,536,319                | 3,212,529            | 75,018                | 201,495             | 8,250               | 28,214                | 139,093             | 118,666             | 1,900,482          | 5,130               | -                     | (2,379,872)        | 6,352,206             |
| Fees/overhead charged                                | 285,906            | -                        | -                    | 30,322                | 4,433               | -                   | -                     | 46,582              | -                   | (3)                | -                   | -                     | (367,243)          | (3)                   |
| Tenant Svcs Personnel Expense                        | 447,008            | -                        | -                    | -                     | -                   | -                   | -                     | 128,018             | 1,102,286           | -                  | -                   | -                     | -                  | 1,677,313             |
| Other Tenant Svcs Expenses                           | 91,973             | 40,672                   | 21,333               | -                     | -                   | -                   | -                     | -                   | 1,209,883           | 44,343             | -                   | -                     | -                  | 1,408,203             |
| Program Expense                                      | 3,645,783          | 1,021,231                | 73,020               | 655,259               | 749,943             | -                   | 137,204               | 1,237,039           | 402,234             | 63,284             | -                   | -                     | -                  | 7,984,996             |
| Maintenance Personnel Expense                        | -                  | 1,288,760                | 67,070               | -                     | 313,952             | -                   | 777,293               | -                   | -                   | -                  | -                   | -                     | -                  | 2,447,074             |
| Other Maintenance Expenses                           | -                  | 1,641,730                | 4,001,375            | -                     | 77,448              | 11,000              | 88,462                | -                   | -                   | 178,320            | -                   | -                     | -                  | 5,998,335             |
| Utilities  | -                  | 1,509,202                | 2,152,259            | -                     | -                   | -                   | 71,910                | -                   | -                   | 83,065             | -                   | -                     | -                  | 3,816,437             |
| Total IA Expense                                     | 199,157            | -                        | 354,098              | 237,089               | 277,329             | 8,643               | -                     | 154,194             | 149,893             | (663,784)          | -                   | -                     | (805,382)          | (88,763)              |
| Depreciation   | 1,026              | 2,047,868                | 4,170,361            | -                     | 4,878               | -                   | 3,816                 | 90,693              | -                   | 208,104            | 66,204              | -                     | (37,530)           | 6,555,420             |
| General  | 128,498            | 310,785                  | 958,971              | 434                   | 136,292             | -                   | 13,874                | -                   | 2,074               | 40,809             | 3                   | -                     | -                  | 1,591,741             |
| <b>Total Operating Expenses</b>                      | <b>82,896,911</b>  | <b>10,396,568</b>        | <b>15,011,016</b>    | <b>1,180,603</b>      | <b>1,978,607</b>    | <b>99,153</b>       | <b>1,183,686</b>      | <b>2,052,765</b>    | <b>3,093,467</b>    | <b>6,116,869</b>   | <b>71,337</b>       | <b>-</b>              | <b>(7,177,141)</b> | <b>116,903,841</b>    |
| <b>Operating Income (Loss)</b>                       | <b>(15,988)</b>    | <b>(1,637,790)</b>       | <b>4,207,185</b>     | <b>(681,883)</b>      | <b>1,780,864</b>    | <b>(99,153)</b>     | <b>220,332</b>        | <b>3,364,477</b>    | <b>(696,374)</b>    | <b>(5,717,984)</b> | <b>431,799</b>      | <b>-</b>              | <b>37,530</b>      | <b>1,193,015</b>      |
| <b>Total Overhead Allocations</b>                    | <b>1,543,234</b>   | <b>-</b>                 | <b>98,443</b>        | <b>670,500</b>        | <b>1,769,992</b>    | <b>7,501</b>        | <b>222,398</b>        | <b>853,952</b>      | <b>501,620</b>      | <b>(5,667,640)</b> | <b>-</b>            | <b>-</b>              | <b>-</b>           | <b>(0)</b>            |
| <b>Operating Income (Loss) after Overhead</b>        | <b>(1,559,222)</b> | <b>(1,637,790)</b>       | <b>4,108,742</b>     | <b>(1,352,383)</b>    | <b>10,872</b>       | <b>(106,654)</b>    | <b>(2,066)</b>        | <b>2,510,524</b>    | <b>(1,197,994)</b>  | <b>(50,343)</b>    | <b>431,799</b>      | <b>-</b>              | <b>37,530</b>      | <b>1,193,016</b>      |
| <b>Reserve Funding</b>                               | <b>1,677,131</b>   | <b>-</b>                 | <b>(693,750)</b>     | <b>-</b>              | <b>32,850</b>       | <b>(0)</b>          | <b>(20,763)</b>       | <b>1,145,063</b>    | <b>385,952</b>      | <b>(283,152)</b>   | <b>(140,317)</b>    | <b>(2,103,014)</b>    | <b>-</b>           | <b>(0)</b>            |
| <b>Operating Income (Loss) after Reserve Funding</b> | <b>117,909</b>     | <b>(1,637,790)</b>       | <b>3,414,992</b>     | <b>(1,352,383)</b>    | <b>43,722</b>       | <b>(106,654)</b>    | <b>(22,829)</b>       | <b>3,655,587</b>    | <b>(812,042)</b>    | <b>(333,496)</b>   | <b>291,482</b>      | <b>(2,103,014)</b>    | <b>37,530</b>      | <b>1,193,015</b>      |
| Investment Income                                    | -                  | -                        | 132,235              | -                     | -                   | -                   | -                     | -                   | -                   | 356,652            | 6,651               | -                     | -                  | 495,538               |
| Interest Expense                                     | -                  | -                        | (2,007,304)          | -                     | -                   | -                   | -                     | -                   | -                   | (87,324)           | (81,657)            | -                     | -                  | (2,176,285)           |
| Gain (Loss) on Sale of Assets                        | -                  | (5,889)                  | (1,108,956)          | -                     | -                   | -                   | -                     | -                   | -                   | -                  | -                   | -                     | -                  | (1,114,845)           |
| <b>Net Other Income (Expense)</b>                    | <b>-</b>           | <b>(5,889)</b>           | <b>(2,984,026)</b>   | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>269,328</b>     | <b>(75,006)</b>     | <b>-</b>              | <b>-</b>           | <b>(2,795,593)</b>    |
| HUD Nonoperating Contributions                       | -                  | 230,061                  | -                    | -                     | -                   | -                   | -                     | -                   | -                   | -                  | 305,543             | -                     | -                  | 535,604               |
| <b>Net Capital Contributions</b>                     | <b>-</b>           | <b>230,061</b>           | <b>1,550,000</b>     | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>              | <b>2,000,000</b>    | <b>-</b>            | <b>-</b>           | <b>1,794,543</b>    | <b>(5,039,000)</b>    | <b>-</b>           | <b>535,604</b>        |
| <b>Other Equity Changes</b>                          | <b>-</b>           | <b>-</b>                 | <b>-</b>             | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>           | <b>-</b>            | <b>-</b>              | <b>-</b>           | <b>-</b>              |
| <b>Change In Net Position</b>                        | <b>\$ 117,909</b>  | <b>\$ (1,413,618)</b>    | <b>\$ 1,980,967</b>  | <b>\$ (1,352,383)</b> | <b>\$ 43,722</b>    | <b>\$ (106,654)</b> | <b>\$ (22,829)</b>    | <b>\$ 5,655,587</b> | <b>\$ (812,042)</b> | <b>\$ (64,168)</b> | <b>\$ 2,011,018</b> | <b>\$ (7,142,014)</b> | <b>\$ 37,530</b>   | <b>\$ (1,066,974)</b> |

\*See Appendix for larger version of this table.

## FY 18 12-31-18 Funding Flow Analysis By Operating Group\*

|   | Rent<br>Assistance    | Public Housing<br>Portfolio | Affordable<br>Portfolio | Asset<br>Management   | Property<br>Management | Safety              | Integrated<br>Facilities | Development         | Community<br>Services | Administration     | Real Estate<br>Finance | Reserves    | Elimination      | Home<br>Forward<br>Total |
|---|-----------------------|-----------------------------|-------------------------|-----------------------|------------------------|---------------------|--------------------------|---------------------|-----------------------|--------------------|------------------------|-------------|------------------|--------------------------|
| <b>Operating Income (Loss) after Overhead</b>                   | <b>\$ (1,559,222)</b> | <b>\$ (1,637,790)</b>       | <b>\$ 4,108,742</b>     | <b>\$ (1,352,383)</b> | <b>\$ 10,872</b>       | <b>\$ (106,654)</b> | <b>\$ (2,066)</b>        | <b>\$ 2,510,524</b> | <b>\$ (1,197,994)</b> | <b>\$ (50,343)</b> | <b>\$ 431,799</b>      | <b>\$ -</b> | <b>\$ 37,530</b> | <b>\$ 1,193,016</b>      |
| <b>Real Estate Portfolio</b>                                    |                       |                             |                         |                       |                        |                     |                          |                     |                       |                    |                        |             |                  |                          |
| Affordable Housing Properties Operating Activity                | -                     | -                           | (8,196,159)             | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | (8,196,159)              |
| Revenue from Properties to Home Forward                         | -                     | -                           | -                       | (449,934)             | -                      | -                   | -                        | -                   | (355,029)             | -                  | (251,691)              | -           | -                | (1,056,654)              |
| Unrestricted Cash to HAP  | -                     | -                           | 2,295,227               | 449,934               | -                      | -                   | -                        | -                   | 390,061               | -                  | 1,185,288              | -           | -                | 4,320,510                |
| Net Replacement Reserve Activity (New Market West)              | -                     | -                           | -                       | -                     | -                      | -                   | -                        | -                   | -                     | (73,800)           | -                      | -           | -                | (73,800)                 |
| Net Replacement Reserve Activity (Special Needs)                | -                     | -                           | (139,901)               | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | (139,901)                |
| <b>Developer Fee - Impact to Funding Flow</b>                   |                       |                             |                         |                       |                        |                     |                          |                     |                       |                    |                        |             |                  |                          |
| Developer Fee Revenue   | -                     | -                           | -                       | -                     | -                      | -                   | -                        | (5,335,331)         | -                     | -                  | -                      | -           | -                | (5,335,331)              |
| Developer Fee - Cash to HAP(Net)                                | -                     | -                           | -                       | -                     | -                      | -                   | -                        | 1,541,000           | -                     | -                  | -                      | -           | -                | 1,541,000                |
| <b>Financing/Investment Activity</b>                            |                       |                             |                         |                       |                        |                     |                          |                     |                       |                    |                        |             |                  |                          |
| Investment Income - Unrestricted                                | -                     | -                           | -                       | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | -                        |
| Principal & Interest - Special Needs                            | -                     | -                           | (85,833)                | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | (85,833)                 |
| Principal & Interest - New Market West                          | -                     | -                           | -                       | -                     | -                      | -                   | -                        | -                   | (124,911)             | -                  | -                      | -           | -                | (124,911)                |
| <b>Capital Acquisitions</b>                                     |                       |                             |                         |                       |                        |                     |                          |                     |                       |                    |                        |             |                  |                          |
| IT Equipment and Software                                       | (15,750)              | -                           | -                       | (15,750)              | (15,750)               | -                   | (1,750)                  | (15,750)            | (5,250)               | -                  | -                      | -           | -                | (70,000)                 |
| <b>Non-Cash Operating Activity</b>                              |                       |                             |                         |                       |                        |                     |                          |                     |                       |                    |                        |             |                  |                          |
| Depreciation Expense  | 1,026                 | 2,047,868                   | 4,079,171               | -                     | 4,878                  | -                   | 3,816                    | 90,693              | -                     | 208,104            | 66,204                 | -           | (37,530)         | 6,464,230                |
| <b>Operating Activity Funded by Cash Reserves</b>               |                       |                             |                         |                       |                        |                     |                          |                     |                       |                    |                        |             |                  |                          |
|   | -                     | -                           | -                       | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | -                        |
| <b>MIF Initiative Reserve Activity</b>                          |                       |                             |                         |                       |                        |                     |                          |                     |                       |                    |                        |             |                  |                          |
| MTW Special Initiates Fund                                      | 1,000,302             | -                           | -                       | -                     | -                      | -                   | -                        | -                   | 40,845                | 40,950             | -                      | -           | -                | 1,082,097                |
| MTW - Local Blended Subsidy (LBS)                               | 902,439               | -                           | -                       | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | 902,439                  |
| MTW Administration  | -                     | -                           | -                       | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | -                        |
| Excess Section 8 - LBS  | (328,796)             | -                           | -                       | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | (328,796)                |
| Tax Credit Support Services                                     | -                     | -                           | -                       | -                     | -                      | -                   | -                        | -                   | 237,640               | -                  | -                      | -           | -                | 237,640                  |
| MTW Reserve   | -                     | -                           | -                       | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | -                        |
| <b>Special Purpose Reserve Activity</b>                         |                       |                             |                         |                       |                        |                     |                          |                     |                       |                    |                        |             |                  |                          |
| Inter Departmental Reserve Transfers                            | -                     | -                           | -                       | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | -                        |
| Agency Initiatives  | -                     | -                           | (1,461,248)             | 1,368,133             | -                      | 106,654             | -                        | -                   | 889,728               | -                  | (903,267)              | -           | -                | -                        |
| DCR Operating Reserve   | -                     | -                           | -                       | -                     | -                      | -                   | -                        | 1,208,864           | -                     | -                  | -                      | -           | -                | 1,208,864                |
| Affordable Portfolio Reserve                                    | -                     | -                           | (225,000)               | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | (225,000)                |
| Insurance Reserve   | -                     | -                           | (375,000)               | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | (375,000)                |
| Funding Source or (Shortfall)                                   | (0)                   | 410,078                     | 0                       | 0                     | 0                      | 0                   | -                        | 0                   | 0                     | (0)                | 528,333                | -           | 0                | 938,412                  |
| Department Reserve Activity                                     | -                     | -                           | -                       | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | -                        |
| Public Housing Portfolio  | -                     | (410,079)                   | -                       | -                     | -                      | -                   | -                        | -                   | -                     | -                  | -                      | -           | -                | (410,079)                |
| Real Estate Finance   | -                     | -                           | -                       | -                     | -                      | -                   | -                        | -                   | -                     | 0                  | (528,333)              | -           | -                | (528,333)                |
| Funding Required or (Contributed) for Current Agency Activities | -                     | (410,079)                   | -                       | -                     | -                      | -                   | -                        | -                   | -                     | 0                  | (528,333)              | -           | (0)              | (938,412)                |
| <b>Final Funding Source or (Shortfall)</b>                      | <b>\$ (0)</b>         | <b>\$ (0)</b>               | <b>\$ 0</b>             | <b>\$ 0</b>           | <b>\$ 0</b>            | <b>\$ 0</b>         | <b>\$ -</b>              | <b>\$ 0</b>         | <b>\$ -</b>           | <b>\$ 0</b>        | <b>\$ (0)</b>          | <b>\$ -</b> | <b>\$ -</b>      | <b>\$ 0</b>              |

\*See Appendix for larger version of this table. Numbers may be off slightly due to rounding.

## FY 18 12-31-18 Staffing Summary by Operating Group

|                                    | Rent<br>Assistance | Public Housing<br>Portfolio | Affordable<br>Portfolio | Asset<br>Management | Property<br>Management | Safety   | Integrated<br>Facilities | Development | Community<br>Services | Administration | Agency<br>Funded | Limited<br>Partnerships | Agency<br>Managed |
|------------------------------------|--------------------|-----------------------------|-------------------------|---------------------|------------------------|----------|--------------------------|-------------|-----------------------|----------------|------------------|-------------------------|-------------------|
| <b>FY 18 12-31-18 Budgeted FTE</b> | 68.7               | 39.9                        | 2.0                     | 9.0                 | 18.5                   | 0.8      | 13.4                     | 17.0        | 29.4                  | 52.5           | <b>251.2</b>     | 36.4                    | 287.6             |
| <b>FY 2018 Budgeted FTE</b>        | 68.4               | 44.2                        | 1.6                     | 9.0                 | 15.7                   | 0.8      | 13.9                     | 17.0        | 29.2                  | 51.2           | <b>251.0</b>     | 35.3                    | 286.3             |
| <b>Changes</b>                     | <b>0.3</b>         | <b>(4.3)</b>                | <b>0.4</b>              | <b>-</b>            | <b>2.8</b>             | <b>-</b> | <b>(0.5)</b>             | <b>-</b>    | <b>0.2</b>            | <b>1.3</b>     | <b>0.2</b>       | <b>1.1</b>              | <b>1.3</b>        |

## Budget Commentary – Rent Assistance

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$82,880,924             |
| Operating Expense   | 82,896,911               |
| Operating Income Before OH                                      | (15,988)                 |
| Allocated Overhead  | 1,543,234                |
| Operating Income After OH                                       | (1,559,222)              |
| Funding Flow Activity   | 1,559,221                |
| Funding Required or (Contributed) for Current Agency Activities | \$0                      |
| Total Budgeted FTE  | 68.7                     |

### Key Assumptions

Housing Choice Voucher Assistance funding is \$65.7 million, \$793 thousand for FUP and \$3.6 million for VASH.

Due to a lack of a Congressional Appropriations Bill and Continuing Resolutions, the January 2018 HCV funding rate is reflected for the full year.

Housing Choice Voucher Housing Assistance Payments are \$77.6 million, \$813 thousand for FUP and \$3.7 million for VASH.

| Program Cost/Expenses | Total Vouchers | Average Voucher Cost | Total HAP Expense |
|-----------------------|----------------|----------------------|-------------------|
| Tenant-Based          | 6,092          | \$753.20             | \$38,415,106      |
| Project-Based         | 2,326          | 811.28               | 20,136,845        |
| VASH                  | 591            | 726.43               | 3,699,337         |
| FUP                   | 100            | 958.51               | 813,382           |
| RAD                   | 791            | \$547.71             | \$2,779,375       |

Average voucher costs continue to rise but enacted policies such as the Project-Based Voucher rent increase freeze have significantly slowed the rate of increases as compared to previous years.

Total Budgeted FTE for the year remains flat.

### Major Programs/Initiatives/Activities and Estimated Budget Impact

Housing Choice Vouchers – \$69.4 million:

The Housing Choice Voucher (HCV) program is the federal government's major program for assisting very low-income families, seniors, and people with disabilities to afford decent, safe, and sanitary housing in the private



market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. Home Forward manages three distinct HCV programs:

- Moving to Work (MTW) Vouchers - \$64.9 million
  - Home Forward manages 8,418 Moving to Work Vouchers. Due to ongoing funding constraints, utilization of these vouchers for FY 18 12-31-18 is anticipated to be 92.1%.
- Veterans Affairs Supportive Housing (VASH) Vouchers - \$3.7 million
  - Home Forward manages 591 VASH Vouchers in partnership with the Department of Veterans Affairs. Utilization of these vouchers for FY 18 12-31-18 is anticipated to be 97.1%.
- Family Unification Program (FUP) Vouchers - \$814 thousand
  - Home Forward manages 100 FUP Vouchers. Utilization of these vouchers for FY 18 12-31-18 is anticipated to be 94%.
- Rental Assistance Demonstration (RAD) Vouchers - \$2.4 million
  - Home Forward manages 791 RAD Vouchers from conversions that occurred in calendar year 2017. Utilization of these vouchers for FY 18 12-31-18 is anticipated to be 97%.

Homeless Prevention Services – \$7.8 million:

In addition to federally funded HCV, Home Forward receives grant funding and partners with community service providers to offer Short-Term Rent Assistance (STRA). Serving approximately 455 households per month, STRA provides limited housing assistance to households in Multnomah County that are experiencing homelessness or are at risk of homelessness. Home Forward also manages Shelter Plus Care grants, serving approximately 468 households per month, which provide rent assistance and supportive services to people with disabilities who are experiencing homelessness.

Rent Assistance Moving to Work Initiatives - \$1.9 million:

Home Forward uses Moving to Work flexibility to fund a variety of local programs that support affordable housing and further align the organization with our strategic operating plan. Among these programs are:

- Alder and Earl Boyles School Housing Partnerships - \$310 thousand
  - Home Forward will provide short to medium-term rent assistance and leverage support at community schools with the goal of improving academic outcomes and housing stability.
- Local Blended Subsidy - \$902 thousand
  - Local Blended Subsidy (LBS) program uses a blend of MTW Section 8 and RAD 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. LBS has been utilized for 284 units at three properties. This includes 130 units at Bud Clark Commons, 45 units at Madrona Place, and 109 units at Stephens Creek Crossing.

The remainder of MIF activity can be found in the Moving to Work Initiative Schedule included in the Appendix.

## Rental Assistance Demonstration (RAD) - \$402 thousand

Home Forward converted a total of 791 RAD units and will receive an administrative fee of \$402 thousand for these units. The conversion will shift the funding from Public Housing Operating Subsidy and Capital Grant Funding to Project-Based Voucher Funding.

| Properties Converted to Housing Choice Voucher Subsidy in FY 18 |                 |
|---|-----------------|
| Property  | Units Converted |
| Fairview Oaks & Woods   | 40              |
| Martha Washington   | 25              |
| New Columbia – Cecelia  | 72              |
| New Columbia – Haven  | 29              |
| New Columbia – Trouton  | 125             |
| New Columbia – Woolsey  | 71              |
| Rockwood Station  | 25              |
| The Jeffrey   | 20              |
| Bud Clark Commons   | 130             |
| Humboldt Gardens  | 100             |
| Stephens Creek Crossing – North                                 | 64              |
| Stephens Creek Crossing – South                                 | 45              |
| Madrona Place   | 45              |
| Total RAD Conversions   | 791             |

## Budget Commentary – Public Housing Portfolio

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$8,758,778              |
| Operating Expense   | 10,396,568               |
| Operating Income Before OH                                      | (1,637,790)              |
| Allocated Overhead  | -                        |
| Operating Income After OH                                       | (1,637,790)              |
| Funding Flow Activity   | 2,047,868                |
| Funding Required or (Contributed) for Current Agency Activities | \$(410,079)              |
| Total Budgeted FTE  | 39.9                     |

The Public Housing Portfolio includes the budget activity for 33 traditional public housing properties and 40 property-level staff. Home Forward's public housing stock provides an important resource to the community by providing housing for 1,310 units throughout Multnomah County. Property staff focus on the management and maintenance of the properties and work towards preserving the aging housing stock.

In FY 18 12-31-18, staff will continue to integrate maintenance, property management, inspections, and services with the goal of decreasing maintenance costs and turnover time.

### Key Assumptions

| Public Housing Portfolio Operating Subsidy Assumptions |                |
|--|----------------|
|  | FY 18 12-31-18 |
| Units in Public Housing Portfolio                      | 1,310          |
| Eligibility Per Unit Per Month                         | \$637          |
| Budgeted Proration                                     | 85%            |
| Budgeted Proration Per Unit Per Month                  | \$541          |
| Total Subsidy (in millions)                            | \$6.0          |

Households Served – occupancy is assumed at 98%.

FTEs – During FY 18 staff reviewed open positions, workloads and consolidated property assignments where feasible. The result was a net decrease of 3.1 FTE. This includes:

- Decreases:
  - 2.2 FTE Maintenance Supervisor

- 0.3 FTE Maintenance Generalist III
- 2.2 FTE Maintenance Generalist I
- Increases:
  - 1.6 FTE net change between Property, Site and Assistant Property Managers

### Major Programs/Initiatives/Activities and Estimated Budget Impact

Home Forward converted a total of 791 RAD units (from Public Housing Operating Subsidy funding to voucher funding) in the previous fiscal year. Within the Public Housing Portfolio, Madrona Place was the only property to convert to RAD in FY 18.

| Properties Converted to Housing Choice Voucher Subsidy in FY 18 |                 |                |
|---|-----------------|----------------|
| Property  | Units Converted | Department     |
| Madrona Place   | 45              | Public Housing |
| Total RAD Conversions   | 45              |                |

Property staff will assist with conversion of 350 units of public housing to RAD. This conversion will occur at 7 properties, beginning in January 2019. This will involve completing inspections, signing new leases and conducting program briefings for each household.

Outside of work planned under the RAD conversion, planned Capital Grant projects include plumbing and sewer line repair at Dekum Court, abatement at Dekum Court, garbage enclosure repair at Demar Downs, and a capital needs assessment for the entire Public Housing Portfolio.

### Major Revenue and Expense Items

Operating Revenue is \$8.8 million.

- Dwelling Rental is \$2.7 million.
- HUD Subsidies for public housing is \$5.7 million.
- HUD Grants are \$235 thousand.

Operating Expense is \$10.4 million.

- Maintenance is \$2.9 million and includes \$1.3 million in Maintenance Personnel Expense (includes planned compensation increases), and \$1.6 million in Other Maintenance Expenses.
- Administration is \$2.5 million and includes \$2.1 million in property management fees charged by the Property Management department. The remaining administration expenses includes \$95 thousand in communications and equipment expense, \$63 thousand in courtesy patrols, and \$33 thousand in legal expenses.
- Depreciation is \$2.0 million.
- Utilities are \$1.5 million.

- Program Expense is \$1.0 million.

Operating Income after Overhead is \$(1.6 million). Agency Overhead is charged through Property Management and is allocated to Public Housing Portfolio through the property management fee.

#### **Funding Required for Current Agency Activities**

Net Capital Contributions are \$230 thousand.

The Public Housing Portfolio fully funds all of its operations and has \$410 thousand in cash flow projected for future property needs.

## Budget Commentary – Affordable Housing Portfolio

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$19,218,202             |
| Operating Expense   | 15,011,016               |
| Operating Income Before OH                                      | 4,207,185                |
| Allocated Overhead  | 98,443                   |
| Operating Income After OH                                       | 4,108,742                |
| Funding Flow Activity   | (4,108,742)              |
| Funding Required or (Contributed) for Current Agency Activities | \$(1,461,248)            |
| Total Budgeted FTE  | 2                        |

The Affordable Housing Portfolio consists of 58 properties with 2,944 units throughout Multnomah County financed by private debt, public debt, and tax credits.

The summary data below is for properties owned exclusively by Home Forward, which includes the Master-Leased Portfolio (505 units in 34 properties). Tax credit partnership activity is excluded except for the unrestricted cash generated and remitted to Home Forward. The FTE for this operating group is only 2, since the majority of the FTE are at the external property management companies. The expenses are on the Home Forward financials, but the FTE are not included in the Home Forward head count as they are not managed through Home Forward payroll.

The Affordable Housing Portfolio is a major contributor of revenue to the agency through cash flow from mature properties. The major challenge for the Affordable Housing Portfolio in the upcoming year is balancing the agency's need for cash flow while completing much needed capital improvements at a number of aging sites. Rising insurance costs and the transition to RAD funding will be other issues in the upcoming fiscal year.

### Key Assumptions

| Change on Net Operating Income and Unit Size by Transition |                |       |                |
|--|----------------|-------|----------------|
| Type   | Property       | Units | FY 18 12-31-18 |
| Tax Credit Conversion                                      | Fountain Place | 80    | \$14,628       |
| Total  |                | 80    | \$14,628       |

The average budgeted occupancy is 98% (consistent with actual property performance).

FTE has increased by 0.4 FTE due to maintenance staff at some master-leased properties.

## **Major Programs/Initiatives/Activities and Estimated Budget Impact**

Insurance premiums are projected to be \$573 thousand as premium rates continue to rise.

To prepare for increased insurance deductibles, a \$375 thousand insurance reserve will be funded from a combination of Property and Asset Management department reserves.

\$4.3 million in Maintenance Projects including the following large projects:

- Fairview Oaks (Exterior Rehab)
- Unthank (Heaters and Exterior Rehab)
- Grace Peck (Parking Lot and Smart Burners)
- Rockwood Landing (Roof Replacement)
- Gretchen Kafoury (Terrace Deck and Siding)

## **Major Revenue and Expense Items**

Operating Revenues are budgeted to be \$20.3 million (\$1.7 million due to property transitions). The below comments highlight the major trends.

- Dwelling rental is projected to be \$16.4 million which is attributable to high occupancy rates, and rental increases capped at 5%.
- Madrona (45 units), Fairview (40 units) and Rockwood (20 units) have converted to RAD subsidy and will be receiving funding through the voucher funding. For Fairview and Rockwood, only the units receiving Public Housing Operating Subsidy have converted.

Operating Expenses are projected to be \$15.9 million (\$1.4 million due to property transitions).

- Utilities of \$2.4 million reflecting rate increases and \$299 thousand from property transitions.
- Depreciation of \$4.2 million (\$319 thousand as a result of property transitions).

## **Funding Required for Current Agency Activities**

- Unrestricted cash to the agency is expected to be \$4.3 million, of which \$1.6 million has been reallocated to the appropriate operating groups.
- The funding of a Real Estate Capital Reserve (\$225 thousand) is part of a ten-year plan to address capital needs within the Affordable Housing Portfolio. This is a \$100 thousand decrease from the prior year.
- The funding of a \$375 thousand insurance reserve that is intended to pay for deductibles in the upcoming year.

## Budget Commentary – Asset Management

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$498,719                |
| Operating Expense   | 1,180,603                |
| Operating Income Before OH                                      | (681,883)                |
| Allocated Overhead  | 670,500                  |
| Operating Income After OH                                       | (1,352,383)              |
| Funding Flow Activity   | 1,352,383                |
| Funding Required or (Contributed) for Current Agency Activities | \$1,368,133              |
| Total Budgeted FTE  | 9.0                      |

The Asset Management group is responsible for overseeing the performance of the entire Home Forward portfolio with the following breakdown:

| Portfolio Type | Properties | Units |
|----------------|------------|-------|
| Public Housing | 33         | 1,310 |
| Special Needs  | 34         | 505   |
| Affordable     | 24         | 2,434 |
| Tax Credit     | 17         | 2,102 |
| Total          | 108        | 6,351 |

### Key Assumptions

Changes in Staffing – Asset Management staffing is projected to hold steady at 9 FTE.

### Major Revenue and Expense Items

As noted in the Affordable Housing Portfolio section, the Asset Management department needs \$1.4 million to fully fund all planned operations to oversee the performance of the properties.

- Operating Expenses of \$1.2 million are mainly comprised of personnel expenses and reflect planned compensation increases.
- Overhead is projected to be \$671 thousand for the upcoming budget year.

### Funding Required for Current Agency Activities

The Asset Management department needs \$1.4 million to fully fund all planned operations.



## Budget Commentary – Property Management

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$3,759,471              |
| Operating Expense   | 1,978,607                |
| Operating Income Before OH                                      | 1,780,864                |
| Allocated Overhead  | 1,769,992                |
| Operating Income After OH                                       | 10,872                   |
| Funding Flow Activity   | (10,872)                 |
| Funding Required or (Contributed) for Current Agency Activities | \$-                      |
| Total Budgeted FTE  | 18.5                     |

Property Management is the service department for Home Forward's self-managed properties. The Property Management group is responsible for overseeing the compliance and maintenance at 33 traditional public housing properties, one project-based Section 8 RAD property, and eight tax credit properties that include tax credits and project-based Section 8 RAD. These 42 properties provide housing for 2,383 households.

| Subsidy Type                | Properties |
|-----------------------------|------------|
| Public Housing              | 33         |
| Project-Based Section 8 RAD | 1          |
| Tax Credit                  | 8          |
| Total Properties Managed    | 42         |

Overall, the Property Management group supervises 95 FTE. Thirty-six of those staff are budgeted in Home Forward tax credit properties. The operating activity for the tax credit properties is reported outside of the Property Management budget but their associated overhead costs are included. Another 40 staff are budgeted at the traditional public housing properties and the associated costs are within the Public Housing Portfolio budget. The 18.5 staff captured in this budget include management and compliance staff, and maintenance staff who provide peer training and backfill.

Property Management will continue to transition their business model and support the goals of Home Forward's Strategic Operations Plan. In FY 18 Property Management supported the first public housing properties converting to RAD (Rental Assistance Demonstration) and will participate in RAD Phase 2 and Section 18 applications for the remaining public housing properties. In FY 18 12-31-18, Property Management will continue to provide support for properties converting to RAD and Section 18.

| Managed Properties Converted to Housing Choice Voucher Subsidy in FY 18 |                 |                     |
|---|-----------------|---------------------|
| Property  | Units Converted | Department          |
| Bud Clark Commons   | 130             | Property Management |
| Humboldt Gardens  | 100             | Property Management |
| Stephens Creek Crossing – North   | 64              | Property Management |
| Stephens Creek Crossing – South   | 45              | Property Management |
| Total RAD Conversions   | 339             |                     |

Over the last year Property Management reviewed vacant staff positions, workloads and consolidated assignments where feasible. Property Management will also continue to evaluate how best to integrate maintenance, property management, inspections, and services with the goal of decreasing maintenance costs and turnover time.

### Key Assumptions

FTEs – Property Management shows a net increase of 2.8 FTE. This includes:

- Decreases:
  - 1 FTE Property Manager II
- Increases:
  - 1 FTE Compliance Specialist focused on training and onboarding
  - 1 FTE Compliance Manager
  - 1 FTE Maintenance Generalist I
  - 0.5 FTE Maintenance Generalist III
  - 0.3 FTE Maintenance Supervisor

The Property Manager II position was reclassified to a Compliance Manager. The Compliance Specialist position was added to support the department through the RAD and LIHTC conversions. The Maintenance Generalist I and Maintenance Generalist III were moved from property budgets into the department budgets. Both positions will fill in at properties when there are vacancies. Even though these positions are budgeted within the Property Management department, the majority of the expense will be charged directly to properties. The Maintenance Supervisor position was previously budgeted at the properties as well and will be providing support during RAD.

### Major Programs/Initiatives/Activities and Estimated Budget Impact

Physical Needs Assessments are budgeted for the proposed Section 18 properties and are funded by Capital Fund grant.

Property Management staff will support the conversion of five RAD public housing properties and two Section 18 properties beginning in January 2019.

Property Management will provide support for the 26 public housing properties pending future conversions of RAD and Section 18 applications.

Continue to assess property management operations and develop strategies to achieve a sustainable business model.

### **Major Revenue and Expense Items**

Operating Revenue is forecasted to be \$3.8 million.

- Public Housing HUD Subsidies is \$127 thousand.
- Other Revenue is \$3.1 million and includes a property management fee model where fees are being charged to properties instead of being charged overhead. This will allow for the indirect costs to be captured in Operating Expenses. Property Management Fees are projected to total \$2.7 million.
  - \$2.1 million from the Public Housing Portfolio.
  - \$600 thousand from Tax Credit Property Management fees.
- HUD Grants are \$557 thousand.

Operating Expenses are forecasted at \$2 million.

- Administration Expenses are \$414 thousand.
  - \$213 thousand is in Administrative Personnel Expense.
  - \$201 thousand is in Other Admin Expenses. Other Admin Expenses include \$51 thousand in Office Rent; \$46 thousand for consultants and staff training to support RAD conversions; \$25 thousand for Gresham police support; and \$10,000 for staff safety and other training.
- Program Expense is \$750 thousand, primarily in personnel expense.
- Maintenance Expenses are \$391 thousand, \$314 thousand of which are Maintenance Personnel Expenses and \$77 thousand are Other Maintenance Expenses.
- Total Inter-Agency Expense is \$277 thousand.
- General Expenses are \$136 thousand, comprised mainly of Payment in Lieu of Taxes (PILOT).
- Personnel expenses include planned compensation increases.

Operating Income Before Overhead is \$1.8 million.

Allocated Overhead is \$1.8 million.

Operating Income after Overhead is a \$11 thousand.

### **Funding Required for Current Agency Activities**

Sufficient property management fee revenue results in zero use of funding for agency activities.

## Budget Commentary – Safety

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$-                      |
| Operating Expense   | 99,153                   |
| Operating Income Before OH                                      | (99,153)                 |
| Allocated Overhead  | 7,501                    |
| Operating Income After OH                                       | (106,654)                |
| Funding Flow Activity   | 106,654                  |
| Funding Required or (Contributed) for Current Agency Activities | \$106,654                |
| Total Budgeted FTE  | 0.8                      |

Safety coordinates Home Forward's property and staff safety awareness and training. The overarching objective is to utilize a proactive approach in reducing losses, with a focus on providing safe and comfortable homes for residents, and a safe and inviting workplace for employees. The Safety group identifies potential risks to properties and operations, develops strategies to mitigate risks, and delivers safety and compliance training to Home Forward staff.

### Key Assumptions

FTEs – the Safety group includes:

- 0.4 FTE Director of Integrated Services and Safety
- 0.4 FTE Facilities and Safety Supervisor

### Major Programs/Initiatives/Activities and Estimated Budget Impact

Staff will conduct physical assessments of properties and make safety and training recommendations. This will include:

- Tracking and ensuring compliance with various occupational, safety laws, regulations, and
- Creating and implementing safety policies to guide agency departments and staff.

### Major Revenue and Expense Items

Operating Expenses are \$99 thousand for FY 18 12-31-18.

- Administration includes \$71 thousand in Personnel Expenses and \$8 thousand in Other Admin Expenses for training and support of safety activities.

Overhead Allocations are \$8 thousand based on Home Forward's allocation methodology.

Operating Income after Overhead is \$(107) thousand.

**Funding Required for Current Agency Activities**

Safety will use \$107 thousand of Agency funding for FY 18 12-31-18 activities.

## Budget Commentary – Integrated Facilities Services

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$1,404,018              |
| Operating Expense   | 1,183,686                |
| Operating Income Before OH                                      | 220,332                  |
| Allocated Overhead  | 222,398                  |
| Operating Income After OH                                       | (2,066)                  |
| Funding Flow Activity   | 2,066                    |
| Funding Required or (Contributed) for Current Agency Activities | \$-                      |
| Total Budgeted FTE  | 13.4                     |

Integrated Facilities Services is the operating group for Home Forward’s specialized maintenance services.

Services include electrical work, plumbing, pest control, painting, trash/hauling, and garbage and recycling pick up. Home Forward-managed properties utilize Integrated Facilities Services based on need and are billed for services provided.

### Key Assumptions

FTEs – Facilities Services shows a net decrease of 0.5 FTE. This includes:

- Decreases:
  - 1 FTE Maintenance Generalist II
- Increases:
  - 0.5 FTE Supervising Electrician

### Major Programs/Initiatives/Activities and Estimated Budget Impact

Improve how services are billed to properties for a more efficient process.

Continued planning and analysis of services to Home Forward Properties.

In FY 18 12-31-18, Integrated Facilities Services has positioned itself as a self-sustaining business unit. Trades billing on an hourly basis provide services at rates that are competitive with, and in some instances, below market rates.

The Trash and hauling service is uniquely equipped to provide vacate and hauling services that are not available from third party providers. More analysis is planned to determine how this department might expand its business.

## **Major Revenue and Expense Items**

Operating Revenue is \$1.4 million.

Operating Expenses are \$1.2 million.

- Administrative personnel expense and program personnel expense in support of department administration is \$200 thousand and includes planned compensation increases.

Each trade is forecasted to generate positive net operating income.

Allocated Overhead is \$222 thousand.

## **Funding Required for Current Agency Activities**

Integrated Facilities fully funds its operations, requiring no funding for agency activities.

## Budget Commentary – Development & Community Revitalization

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$5,417,242              |
| Operating Expense   | 2,052,765                |
| Operating Income Before OH                                      | 3,364,477                |
| Allocated Overhead  | 853,952                  |
| Operating Income After OH                                       | 2,510,524                |
| Funding Flow Activity   | (2,510,524)              |
| Funding Required or (Contributed) for Current Agency Activities | \$-                      |
| Total Budgeted FTE  | 17.0                     |

The Development and Community Revitalization (DCR) department undertakes development of new affordable rental housing, plus acquisition and rehabilitation of existing affordable housing properties. As part of its development and rehabilitation efforts, DCR is also responsible for structuring the financing that supports these construction activities. Relocation services are provided as necessary in support of various development and rehabilitation projects. The department earns Developer Fees to support the costs of development.

- Active Projects: 13
- Active Projects – total budget: \$153 million

### Key Assumptions

DCR staffing is budgeted to remain at 17 FTE for FY 18 12-31-18 staffing levels.

- Full-term Senior Developer position is added to FY 18 12-31-18 budget to assist Portland Housing Bureau's (with the passage of the 2016 General Obligation Bond) plan to create 1,300 affordable housing units. Home Forward will be acting as a development consultant. All staff cost will be funded from the developer fee earnings for this project.
- The increase in FTE due to the addition of the Senior Developer position will offset by the elimination of the Design and Construction Project Manager position in FY 18 12-31-18. This position which is currently vacant and will likely be needed in FY 2019 to complete the work associated with the repositioning the entire Public Housing Portfolio via RAD conversions and Section 18 dispositions.
- The Relocation Specialist position, which is currently vacant is expected to be filled in FY 18 12-31-18 to assist with the increased workload due to a public housing repositioning effort.
- The department will continue to utilize inter-agency transfers to reflect staffing costs capitalized in real properties or transferred from other departments.



| Developer Fees Accrued and Received FY 18 12-31-18 (amount in Millions) |                |                               |                                   |
|---|----------------|-------------------------------|-----------------------------------|
| Project   | Project Budget | Accrued Developer Fee Revenue | Developer Fee Cash to be Received |
| St. Francis Park  | \$23.2         | \$0.0                         | \$0.1                             |
| Square Manor  | 20.1           | 0.0                           | 0.7                               |
| Lloyd Housing LP  | 76.9           | 3.8                           | 0.0                               |
| Framework Project   | 28.9           | 1.6                           | 0.4                               |
| Total   | \$149.1        | \$5.4                         | \$1.2                             |

### Major Programs/Initiatives/Activities and Estimated Budget Impact

St. Francis Park Development - Home Forward has partnered with Catholic Charities for the development of an affordable housing project in Southeast Portland. Home Forward served as the Limited Partner Investor and developer of record with Catholic Charities serving as the General Partner and property manager. Construction was completed and the property received the final Certificate of Occupancy in August 2017.

| St. Francis Park<br>(In Millions) | FY 15 | FY 16 | FY 17  | FY 18 | FY 18<br>12-31-18 |
|-----------------------------------|-------|-------|--------|-------|-------------------|
| Total Project Uses                | \$2.2 | \$4.0 | \$13.9 | \$3.0 | \$0.1             |
| Total Project Sources             | \$2.2 | \$4.0 | \$13.9 | \$3.0 | \$0.1             |

Square Manor – Gladstone Square and Multnomah Manor Apartments Rehabilitation – This tax credit partnership utilizes a 4% low income housing tax credits, bond funds, grants and reserve funds. Rehabilitation project for Gladstone Square began in March 2017 and Multnomah Manor began in May 2017. Rehabilitation of these properties was completed in January 2018.

| Square Manor<br>(In Millions) | FY 17  | FY 18 | FY 18<br>12-31-18 | FY 19 |
|-------------------------------|--------|-------|-------------------|-------|
| Total Project Uses            | \$10.3 | \$8.7 | \$1.0             | \$0.1 |
| Total Project Sources         | \$10.3 | \$8.7 | \$1.0             | \$0.1 |

Lloyd Housing (formerly known as NE Grand) –This project is a mixed-use new construction development. The Portland Housing Bureau awarded the land and funding to Home Forward. This tax credit partnership will utilize 4% low income housing tax credits, bond funds, grants and reserve funds. Construction finance closed in December 2017 and construction began in January 2018. Project completion schedule is December 2019.

| Lloyd Housing<br>(In Millions) | FY 18  | FY 18<br>12-31-18 | FY 19  | FY 20 | FY21  |
|--------------------------------|--------|-------------------|--------|-------|-------|
| Total Project Uses             | \$21.4 | \$30.7            | \$14.1 | \$1.5 | \$9.2 |
| Total Project Sources          | \$21.4 | \$30.4            | \$14.1 | \$1.5 | \$9.2 |

Framework Housing Project – Home Forward has partnered with Beneficial Bank LLC to redevelop their existing real estate property in the Pearl District. The project will develop the site consisting of commercial and affordable housing condominiums. Home Forward will serve as the General Partner and co-developer responsible for the construction of the housing units. Cody Developer will serve as the lead developer responsible for the construction of the commercial units. Framework is a mixed-use new construction development. This tax credit partnership will utilize 4% low income housing tax credits, bond funds, grants and reserve funds. Close of construction finance is scheduled in March 2018 and construction is scheduled to begin in March 2018.

| Framework<br>(In Millions) | FY 18 | FY 18<br>12-31-18 | FY 19 | FY 20 |
|----------------------------|-------|-------------------|-------|-------|
| Total Project Uses         | \$6.3 | \$16.0            | \$4.8 | \$1.8 |
| Total Project Sources      | \$6.3 | \$16.0            | \$418 | \$1.8 |

Capital Improvement Projects – Currently, there are eight capital improvement projects in progress. Total budget for these projects is \$3.5 million utilizing the Capital Fund Program (CFP) grant and reserves fund.

| Projects                                | Project Budget<br>(in Millions) | Estimated Project<br>Completion |
|---|---------------------------------|---------------------------------|
| Harold Lee Comprehensive Rehabilitation | \$1.8                           | April 2018                      |
| Tamarack Sewer Emergency Repair         | 0.1                             | December 2018                   |
| Williams Plaza Water Line Repair        | 0.1                             | April 2018                      |
| Fairview Woods Recladding               | 1.0                             | June 2018                       |
| Richmond Place Rehabilitation           | 0.5                             | June 2018                       |
| Total                                   | \$3.5                           |                                 |

### Major Revenue and Expense Items

Operating Revenue of \$5.4 million from Developer Fees.

| Developer Fees (in Millions) |        |                   |
|------------------------------|--------|-------------------|
| Projects                     | Total  | FY 18<br>12-31-18 |
| Lloyd Housing LP             | \$8.3  | \$3.8             |
| Framework                    | 3.3    | 1.6               |
| Total                        | \$11.6 | \$5.4             |

Total Operating Expense of \$2.1 million primarily due to:

- Personnel expenses of \$1.6 million.
- Other administrative expenses of \$430 thousand attributed to:
  - Office Rent Expense of \$47 thousand,
  - Preliminary/Close-out Development Expenses of \$38 thousand,
  - Training and Travel Expenses of \$34 thousand,
  - Other Miscellaneous Admin Expenses of \$157 thousand, and
  - Inter-Agency Expenses of \$154 thousand.

#### **Funding Required for Current Agency Activities**

The cash to Home Forward highlights the cyclical nature of projects where developer fees earned and paid over the next fiscal years. The project lifecycle of the department exhibited by:

- The St. Francis Park project generates \$1.4 million in developer fee over multiple fiscal years. The first installment of \$250 thousand paid at the close of finance in March 2016. In FY 18 12-31-18 expected payments of earned developer fees is \$534 thousand.
  - Second installment of \$250 thousand is due to be paid upon receipt of Final Cost Certification of the Eligible Basis scheduled in April 2018.
  - Third installment of \$234 thousand is due to be paid upon receipt of Form 8609 scheduled in June 2018.
  - Fourth installment of \$50 thousand is due to be paid upon satisfaction of all conditions of Final Installment scheduled in July 2018.
  - Developer fee balance of \$616 thousand evidenced by a promissory note will be paid out of the Limited Partnership cash flow from Operations.
- Square Manor will generate \$1.2 million in developer fee over multiple fiscal years. The first installment of \$188 thousand paid from the proceeds of the Limited Partners Second Installment to the Partnership in January 2018. In FY 18 12-31-18 expected payments of earned developer fees is \$753 thousand.
  - Second installment of \$189 thousand is due at construction completion scheduled in April 2018.

- Third installment of \$494 thousand is due upon receipt of Final Cost Certification of the Eligible Basis scheduled in September 2018.
- Fourth installment of \$70 thousand is due upon receipt of Form 8609 scheduled in October 2018.
- Development fee balance of \$300 thousand evidenced by a promissory note will be paid out of the Limited Partnership cash flow from Operations.
- Lloyd Housing will generate \$8.3 million in developer fee over multiple fiscal years.
  - First installment of \$5.4 million is due at Conversion Installment estimated in April 2021.
  - Second installment of \$574 thousand is due upon receipt of Limited Partner's Final Installment estimated in August 2021.
  - Developer fee balance of \$2.3 million evidenced by a promissory note will be paid out of the Limited Partnership cash flow from Operations and proceeds available for distribution from Capital Transaction.
- Framework Housing will generate \$3.3 million in developer fee over multiple fiscal years. The first installment of \$493 thousand is due at the close of construction finance estimated in March 2018.
  - Second installment of \$424 thousand is due at construction completion scheduled in April 2019.
  - Third installment of \$1.4 million is due upon receipt of Final Cost Certification of the Eligible Basis scheduled in February 2020.
  - Fourth installment of \$319 thousand is due upon receipt of Form 8609 scheduled in May 2020.
  - Developer fee balance of \$669 thousand evidenced by a promissory note will be paid out of the Limited Partnership cash flow from Operations.

## Budget Commentary – Community Services

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$2,397,092              |
| Operating Expense   | 3,093,467                |
| Operating Income Before OH                                      | (696,374)                |
| Allocated Overhead  | 501,620                  |
| Operating Income After OH                                       | (1,197,994)              |
| Funding Flow Activity   | 1,197,994                |
| Funding Required or (Contributed) for Current Agency Activities | \$889,728                |
| Total Budgeted FTE  | 29.4                     |

The Community Services department provides services for Home Forward residents, utilizing both in-house staff and contractors. In FY 18 12-31-18, the Community Services team will continue to play a pivotal role in the coordination and delivery of services at 51 Home Forward properties throughout Multnomah County. The group plans to deliver services to approximately 3,000 residents providing around 15,000 service interactions. Through intentional alignment with community partners, the department will work holistically with both individual and family systems to further their goals of social, emotional, academic and economic advancement and well-being. In support of the “One” Strategic Plan, the department will infuse trauma awareness, healing and equity for meaningful engagement and service delivery. Community Services will also attempt to extend services and support to a greater number of Home Forward recipients through asset development, the creation of a Health and Support Services platform and alignment with early childhood strategies identified by the Program Director of Education and Youth Initiatives. Finally, with proposed shifts in funding, we foresee opportunities to critically review organizational practices and extend strategies to adequately fund services over time.

This summary includes the services budgets for Home Forward’s three HOPE VI developments (Humboldt Gardens, Stephens Creek Crossing and New Columbia), Bud Clark Commons, 85 Stories - Phase I and programs and services to residents at traditional affordable housing and public housing properties.

### Key Assumptions

FTEs – Community Services FTE is flat for FY 18 12-31-18.

### Major Programs/Initiatives/Activities and Estimated Budget Impact

Barrier Reduction and Opportunity Funds: \$20 thousand is proposed in Moving to Work Initiative funds (MIF) to continue efforts to implement strategies to increase independence at senior and individuals with disabilities, short-term respite care for individual impact by violence and to provide opportunities for economic advancement a family properties.

Service Approach Redesign: \$19 thousand is proposed in Moving to Work Initiative funds to create a service delivery model that meets the needs and wants of Home Forward’s residents and participants.

Service staff will continue to support residents during the RAD conversions.

### **Major Revenue and Expense Items**

Operating Revenue is \$2.4 million:

- Program Fees from properties are \$867 thousand.
- State, Local and Other Grants are \$618 thousand.
  - \$321 thousand in Medicaid Revenue from senior/disabled support services CHSP program.
  - \$297 thousand from the City of Portland for Bud Clark Commons programs.
- HUD grants are \$594 thousand from senior/disabled support services, family services, and Stephens Creek Crossing programs.

Operating Expenses are \$3.1 million:

- Tenant Services expense is \$2.3 million
  - Direct Community Services, Program Supplies, Contract Tenant Services and other related expenses are \$1.2 million.
  - Tenant Services Personnel Expense is \$1.1 million and includes budgeted benefits and payroll increases.
- Program Personnel Expense is \$402 thousand and Admin Personnel Expenses of \$108 thousand.
- Other Admin expenses of \$119 thousand (\$19 thousand for Consultants, \$34 thousand for training and travel).
- Inter-Agency expense is \$150 thousand and includes \$53 thousand of estimated accounting and financial support services.

Operating Loss Before Overhead is \$(696 thousand).

Allocated Overhead in Community Services is \$502 thousand.

### **Funding Required for Current Agency Activities**

The Community Services department needs \$890 thousand to fully fund all planned operations.

There is \$308 thousand in funding flow activity. \$237 thousand is for resident support services at the tax credit properties and \$41 thousand is for support services for seniors and people with disabilities.

## Budget Commentary – Administration

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$398,885                |
| Operating Expense   | 6,116,869                |
| Operating Income Before OH                                      | (5,717,984)              |
| Allocated Overhead  | (5,667,640)              |
| Operating Income After OH                                       | (50,343)                 |
| Funding Flow Activity   | 50,343                   |
| Funding Required or (Contributed) for Current Agency Activities | \$-                      |
| Total Budgeted FTE  | 52.5                     |

The Administration group provides management and administrative support to Home Forward's operating departments. In addition, the Administration group researches, develops new program opportunities, and manages agency-level initiatives to further the Agency's mission.

### Key Assumptions

Staffing increase of 1.3 FTE primarily due to:

- Increases:
  - 0.75 FTE Human Resource Assistant
  - 0.55 FTE other miscellaneous changes

### Major Programs/Initiatives/Activities and Estimated Budget Impact

Software Upgrade and Migration - \$143 thousand

- During the year, Home Forward will work on upgrading its primary estate software platform to YARDI Voyager 7s. The new system will be a cloud based service and will allow Home Forward to take advantage of the newer functionality and features only available on the cloud platform including improved navigation tools and a customized user interface. The upgrade also allows Home Forward to stay supported as YARDI discontinues their support of previous versions of Voyager.

Resident Legal Services and Expungement Partnership - \$41 thousand

- Working with community partner Metropolitan Public Defenders, this initiative helps Home Forward residents meet ongoing obligations to the courts, request criminal record expungements and provide other legal and consulting services.

## **Major Revenue and Expense Items**

Operating Revenue, primarily rent charged to the operating groups for New Market West (NMW), is \$398 thousand.

Operating Expenses are \$6.2 million

- Personnel costs are \$4.3 million. These costs reflect an addition of 0.75 FTE as described above, planned compensation increases and a higher PERS liability.
- Software and Information Technology equipment expenses are \$610 thousand primarily due to licensing fees (YARDI and Microsoft) and upgrading obsolete computers.
- Consultant expenses are \$277 thousand primarily due to the Upgrade and Migration to YARDI Voyager 7s.
- Training expenses are \$91 thousand for programming including Trauma Informed Care, MTW conferences and other organizational training.
- \$178 thousand for maintenance needs at New Market West including \$57 thousand for lighting upgrades.
- There is \$47 in Agency Initiatives, primarily \$39 thousand for the Resident Legal Services and Expungement partnership.

## **Funding Required for Current Agency Activities**

Overhead for Administration is \$5.7 million.

Home Forward will utilize MTW flexibility to finance \$41 thousand in legal services for residents.



## Budget Commentary – Real Estate Finance

| Summary Budget Data   | FY 18 12-31-18<br>Budget |
|---|--------------------------|
| Operating Revenue   | \$503,136                |
| Operating Expense   | 71,337                   |
| Operating Income Before OH                                      | 431,799                  |
| Allocated Overhead  | -                        |
| Operating Income After OH                                       | 431,799                  |
| Departmental Reserve Transfer                                   | 3,419                    |
| Funding Required or (Contributed) for Current Agency Activities | \$(1,431,600)            |
| Total Budgeted FTE  | -                        |

The Real Estate Finance group captures the financing activity for Home Forward. It allows for greater transparency by isolating the operating and financing activities of the agency.

### Major Revenue and Expense Items

#### West and the Woods Limited Partnerships

- Land lease revenue is \$253 thousand.
- Cell tower revenue is \$75 thousand.

#### New Columbia

- Land lease revenue is \$68 thousand.

#### Stephens Creek Crossing

- Land lease revenue is \$108 thousand.
- Home Forward owned site improvements at Stephens Creek Crossing will generate \$66 thousand of depreciation expense in FY 18 12-31-18. These are non-cash expenses.

Real Estate Finance will contribute \$1.4 million in unrestricted cash to the agency.

# Attachments

## Summary of Moving to Work Initiative Funds

| Initiative                                   | Description   | First Year | FY 18<br>12-31-18<br>Budget<br>(9 mo.) |
|--|---|------------|--|
| Action for Prosperity*                       | In collaboration with community partners, transition participants into employment within two years by providing access to stable housing, case management, and priority access to workforce services.   | FY 12      | \$-                                    |
| Economic Opportunity Program                 | Home Forward will provide support along with Worksource and Human Solutions to provide assistance to unstably housed or homeless households who are successfully engaged in Worksource training or employment programs.   | FY 16      | 108,657                                |
| Earl Boyles Housing Partnership              | Home Forward will provide short to medium-term rent assistance and leverage school support at Earl Boyles School with the goal of improved academic outcomes and housing stability.   | FY 17      | 112,161                                |
| STRA Funding (sub-programs Oxford and Alder) | In collaboration with community partners, provide limited housing assistance to eligible households in Multnomah County who are at risk of eviction, are newly homeless, or are experiencing immediate crises in their housing.   | FY 12      | 396,934                                |
| Expungement Partnership                      | Working with community partner Metropolitan Public Defender to support Home Forward residents with the following: criminal record expungements; consultation to meet ongoing obligations to the courts; recurring events in the community to provide drop in expungement and consultation services. | FY 17      | 40,950                                 |
| Worksystems Liaison                          | Funds an agreement with Worksystems for residents in pursuit of economic advancement products.  | FY 17      | 35,438                                 |
| Barrier Reduction and Opportunities          | Combines initiatives to promote asset building, short-term respite care for resident impacted by community violence and assists senior and disabled population age-in-place by maintain their quality of life.  | FY 12      | \$40,845                               |

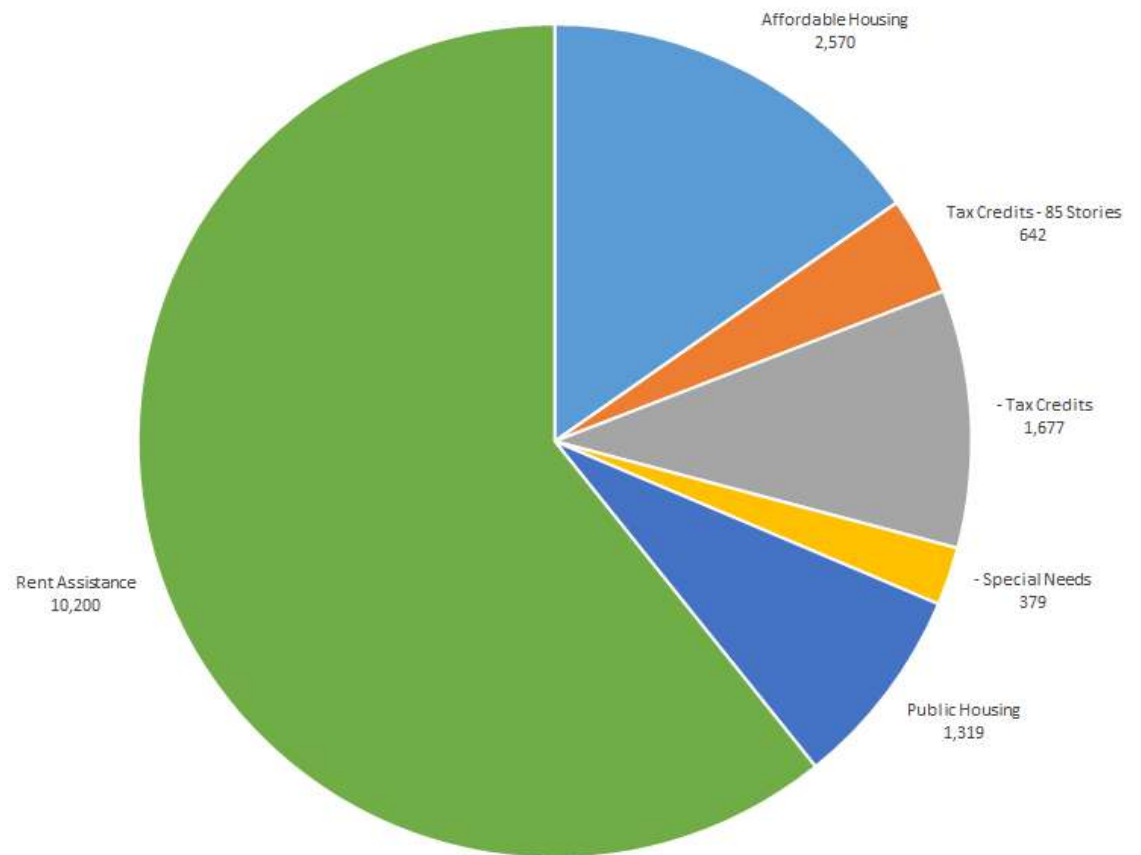
| Initiative                           | Description   | First Year | FY 18<br>12-31-18<br>Budget<br>(9 mo.) |
|--------------------------------------|---|------------|--|
| Neighbor 2 Neighbor                  | A grant program for resident groups from our public or affordable housing communities. Resident groups submit applications for grant funds to improve their community livability and reinforce community values.  | FY 12      | \$-                                    |
| Local Blended Subsidy (LBS)          | LBS uses a blend of MTW Section 8 and public housing operating funds to subsidize rental units. Leveraging subsidy allows for a more adequate revenue stream and increases the number of households that can be served. Funds will pay for the LBS implementation costs.  | FY 12      | 902,439                                |
| VASH Security Deposit                | Initiative addresses a serious barrier to successful use of VASH Vouchers by providing security deposits for homeless veterans leasing units requiring deposits.  | FY 12      | 15,918                                 |
| Landlord Incentive Fund              | Attract new landlords and units in low poverty areas to the Housing Choice Voucher program. Eligible units must be located in zip codes considered low-poverty areas and not have had a Housing Choice Voucher tenant in the prior 24 months.   | FY 13      | 15,750                                 |
| Domestic Violence Transfer Funds     | In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, Implement an inter-jurisdictional transfer program to assist participants who are victims of domestic violence relocate to cities outside Multnomah County. Home Forward will provide up to \$2,000 in relocation assistance for up to five households per year. | FY 13      | 7,875                                  |
| Alder School                         | Home Forward will provide short to medium-term rent assistance and leverage school support at Alder school with the goal of improved academic outcomes and housing stability.   | FY 14      | 197,941                                |
| New Doors/NAFY                       | Leverages services dollars from Multnomah County to assist Oxford foster youth.   | FY 14      | 15,258                                 |
| Family Unification Program Extension | Fulfills public commitment to extend vouchers focused on reuniting youth with the families.   | FY 14      | 44,150                                 |
| OHI                                  | Opportunity Housing Initiative – programs to explore different approaches to help families achieve economic independence.   | FY 12      | \$2,977                                |

| Initiative              | Description  | First Year | FY 18<br>12-31-18<br>Budget<br>(9 mo.) |
|-------------------------|--|------------|--|
| Tenant Education        | A program designed to help our tenants better understand the rental process. | FY 16      | \$47,246                               |
| Total – MTW Initiatives |  |            | <u>\$1,984,539</u>                     |

\*Action for Prosperity amount is now included in the STRA Funding amount

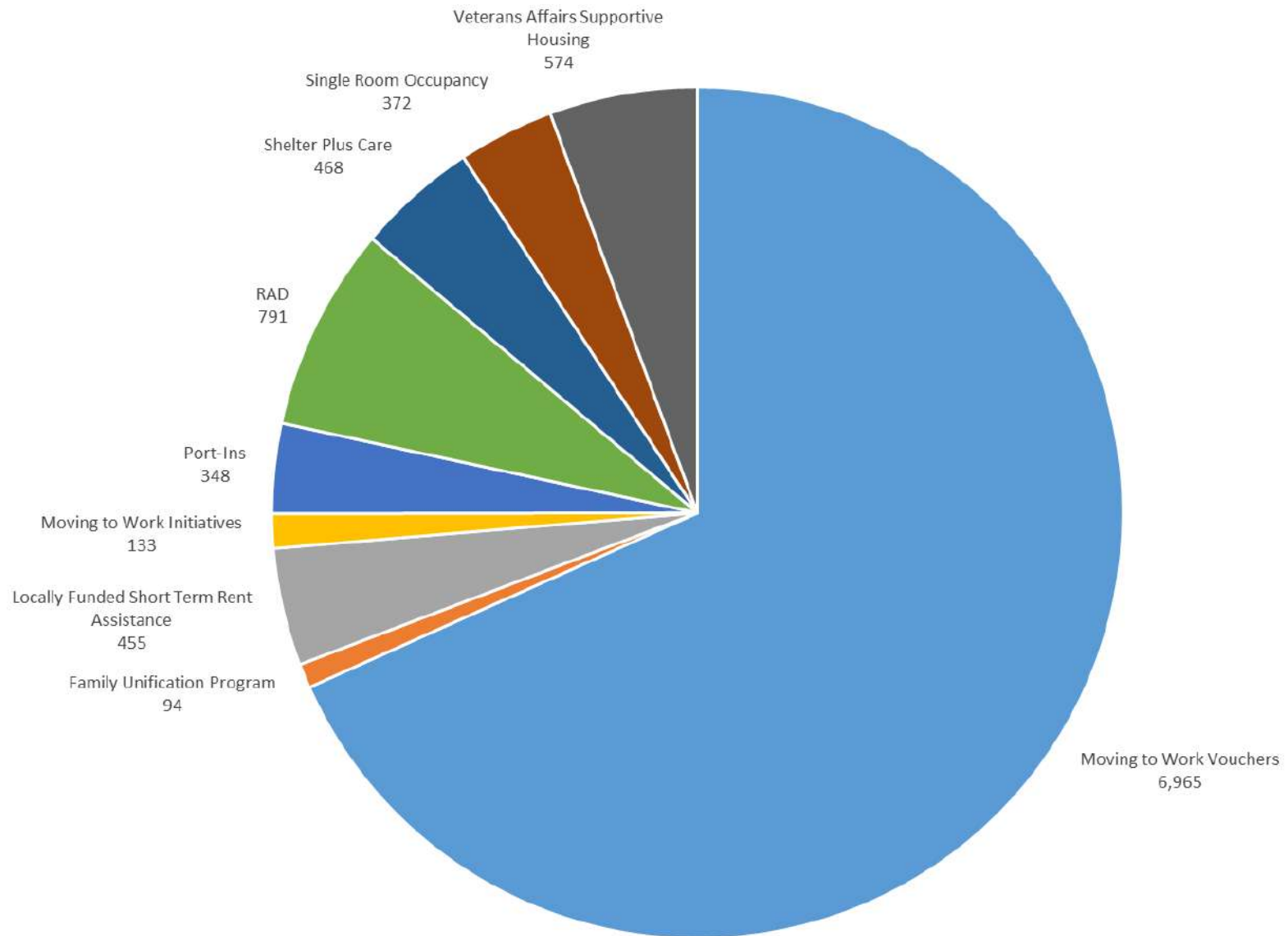
## FY 18 12-31-18 Estimated Households Served by Category

| Category   | Households Served | Percent |
|--|-------------------|---------|
| Affordable Housing   | 2,570             | 17%     |
| Special Needs  | 379               | 2%      |
| Tax Credits – 85 Stories   | 642               | 4%      |
| Tax Credits  | 1,677             | 11%     |
| Public Housing Portfolio   | 1,319             | 8%      |
| Rent Assistance  | 10,200            | 65%     |
| Total  | 16,787            |         |
| Rent Assistance Occupying Affordable Housing / Tax Credit Units* | (1,166)           | -7%     |
| Unduplicated Total   | 15,621            | 100%    |



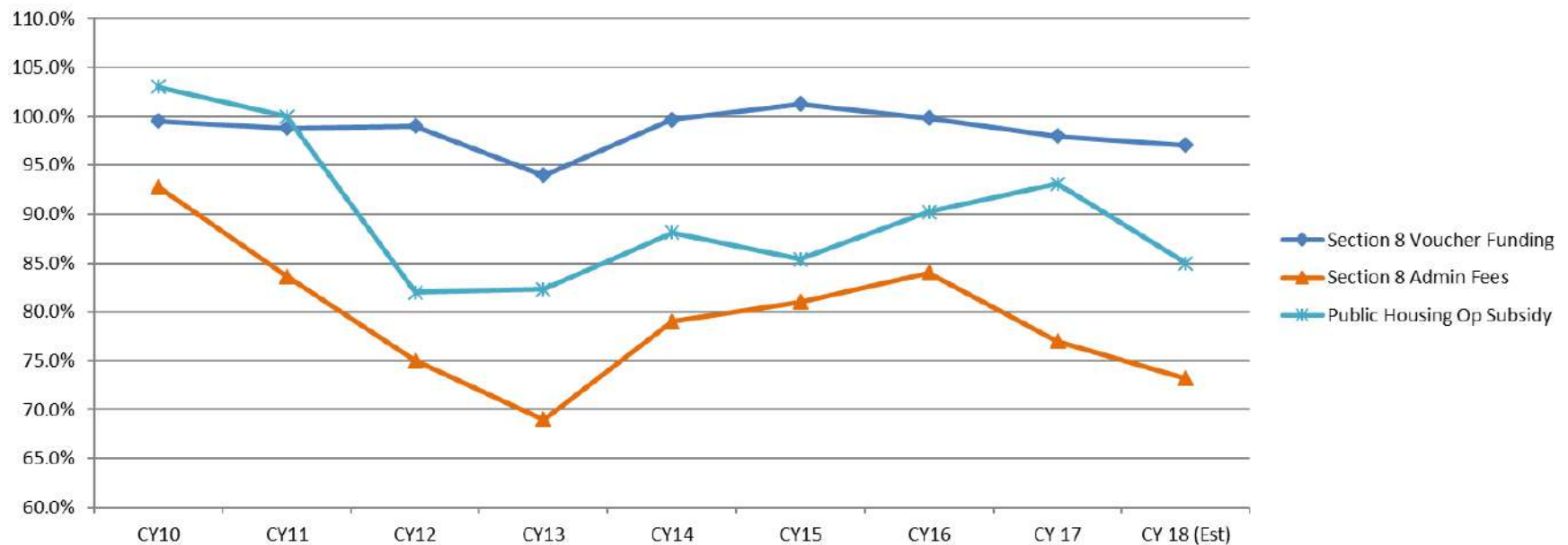
\*Rent Assistance Occupying Affordable Units represents voucher holders that live within our Affordable and Tax Credit properties. The 1,166 represents residents already included in the Rent Assistance / Affordable Housing / Tax Credit Portfolios. An adjustment is made to provide an unduplicated total.

## FY 18 12-31-18 Estimated Rent Assistance Households Served by Category



## Subsidy Proration Trends

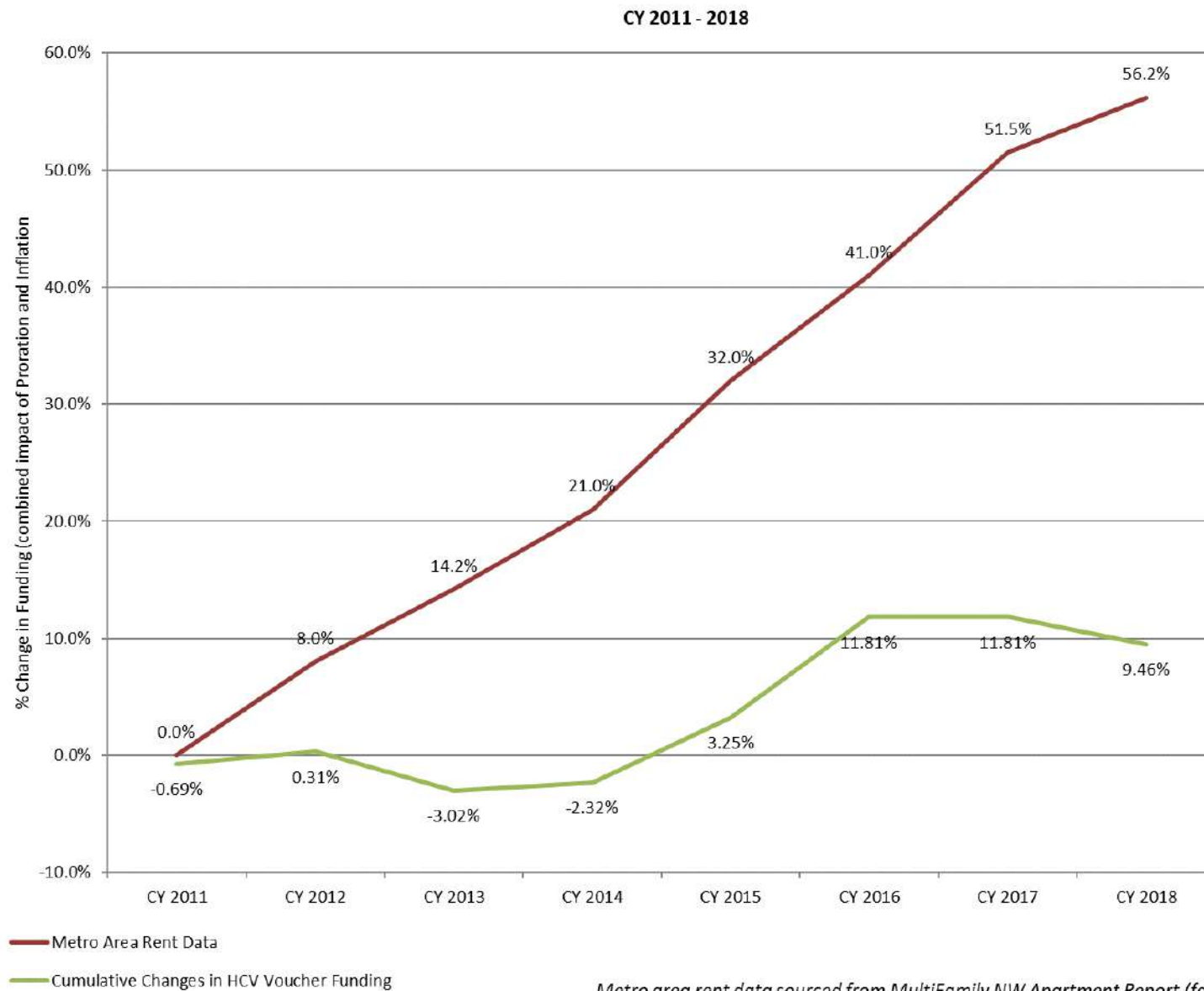
| Subsidy Proration Trends <sup>(1,2)</sup> |        |        |       |       |       |        |       |       |                         |
|---|--------|--------|-------|-------|-------|--------|-------|-------|-------------------------|
| Actual Funding Year                       | CY 10  | CY 11  | CY 12 | CY 13 | CY 14 | CY 15  | CY16  | CY 17 | CY 18 (Est)             |
| Home Forward Budget Year                  | FY 11  | FY 12  | FY 13 | FY 14 | FY 15 | FY 16  | FY 17 | FY 18 | FY 18 (Est)<br>12-31-18 |
| Section 8 Voucher Funding                 | 99.5%  | 98.8%  | 99.0% | 94.0% | 99.7% | 101.2% | 99.9% | 98.0% | 97.1%                   |
| Section 8 Admin Fees                      | 92.8%  | 83.6%  | 75.0% | 69.0% | 79.0% | 81.0%  | 84.0% | 77.0% | 73.2%                   |
| Public Housing Operating Subsidy          | 103.0% | 100.0% | 82.0% | 82.3% | 88.1% | 85.4%  | 90.2% | 93.1% | 85.0%                   |



1. Proration represents the percentage of full funding under HUD's program formula. Percentages below 100% represent inadequate federal budget appropriations based on HUD's program formulas.

2. Admin Fee CY 18 estimates are equal to the CY 17 actual award. CY 18 Operating Subsidy is based upon a 5-year trend of actual proration.

## Cumulative Change in HCV Funding vs. Cumulative Change in Metro Area Apartment Rent





## FTE Change Comparison Schedule

### FY 18 12-31-18 Summary of FTE Changes

#### New Positions

|                           |     |
|---------------------------|-----|
| Human Resources Assistant | 0.8 |
| Supervising Electrician   | 0.5 |
| Compliance Manager        | 1.0 |
| Compliance Specialist     | 1.0 |
| Program Supervisor        | 1.0 |
| Project Coordinator       | 1.0 |

|                     |     |
|---------------------|-----|
| Total New Positions | 5.3 |
|---------------------|-----|

#### Eliminated Positions

|                                    |       |
|------------------------------------|-------|
| Property Management Reorganization |       |
| Maintenance Generalist I           | (1.0) |
| Maintenance Generalist II          | (1.0) |
| Maintenance Generalist III         | (2.2) |
| Property Manager II                | (0.9) |

|                            |       |
|----------------------------|-------|
| Total Eliminated Positions | (5.1) |
|----------------------------|-------|

|                   |     |
|-------------------|-----|
| All Other Changes | 1.1 |
|-------------------|-----|

|                                |      |
|--------------------------------|------|
| Net Increase (Decrease) in FTE | 1.34 |
|--------------------------------|------|

## Acronym Key

**85 Stories:** Multi-year development initiative to change the subsidy structure for ten hi-rise public housing apartment communities to leverage equity and debt to make needed capital repairs to deteriorating building systems.

**ACOP:** Admission and Condition Operating Plan – document that establishes guidelines for determining public housing eligibility and occupancy.

**AH:** Affordable Housing – properties owned in whole or in part by Home Forward that are managed by outside management companies

**Congregate Care:** Programs that provide services to help senior and disabled residents maintain their independence.

**CSS:** Community & Supportive Services – community services tied to a HOPE VI property

**CY:** Calendar Year – the year running from January 1 to December 31 (as opposed to fiscal year)

**DCR:** Development and Community Revitalization – Home Forward's department for managing rehabilitation, redevelopment and new construction of Home Forward properties; DCR is also a financial acronym that stands for Debt Coverage Ratio, which is used to measure annual debt payments compared to a property's operating income

**FSS:** Family Self-Sufficiency – HUD programs that seek to increase the skills of participants and enable them to obtain employment

**FTE:** Full-Time Equivalent – a measure of how many full-time employees an organization has that is arrived at by adding all positions, including those that are part-time

**FUP:** Family Unification Program – a HUD Section 8 Voucher program focused on reuniting youth with their families.

**FY:** Fiscal Year – the 12-month accounting year; Home Forward's fiscal year runs from April 1 to March 31 (as opposed to calendar year)

**GOALS:** Greater Opportunities to Advance, Learn and Succeed – a Home Forward program that provides Section 8 and public housing clients with five years of supportive services as they work toward economic independence

**HAP:** Housing Assistance Payment – amount of money Section 8 pays to a landlord on behalf of the tenant

**HCV:** Housing Choice Voucher

**HFDE:** Home Forward Development Enterprises

**HUD:** US Department of Housing and Urban Development

**IA:** Inter-Agency Revenue/Expense – direct cost transfer between departments and operating groups

**LIHTC:** Low Income Housing Tax Credit – program created by HUD in 1986 to provide tax credits for the acquisition, rehabilitate, or new construction of rental housing targeted to lower-income households

**MIF:** MTW Initiatives Fund – Home Forward funding source for significant initiatives, funded from prior year excess Section 8 proceeds

**MOD:** Moderate Rehabilitation

**MTW:** Moving to Work – a national program authorized by Congress and administered by HUD that allows certain regulatory flexibilities to some 30 participating housing authorities

**NOFA:** Notice of Funding Availability

**PERS:** Public Employee Retirement System

**PH:** Public Housing – Home Forward owned and operated subsidized housing supported by HUD funding

**PHB:** Portland Housing Bureau

**PILOT:** Payment In Lieu of Taxes – payments negotiated with local municipalities to cover city services normally funded by property taxes. Currently, contracts provide for reinvestment of these funds into Short-Term Rent Assistance.

**RAD:** Rental Assistance Demonstration – HUD program to preserve public housing properties by converting them to project-based section 8 allowing housing authorities leverage public and private debt to reinvest in public housing stock.

**ROSS:** Resident Opportunities and Self Sufficiency Grant Program – HUD program that funds staff to coordinate community resources with public housing residents' needs.

**Shelter Plus Care:** a federal rent assistance program for homeless persons with disabilities provided in connection with supportive services funded from sources outside the program.

**SRO:** Single Room Occupancy

**STRA:** Short-Term Rent Assistance – a program administered by Home Forward that disperses funding from public sector partners to agencies that provide assistance to families experiencing homelessness or in danger of losing their housing

**Towers:** Group of four properties originally in the Public Housing Portfolio that was converted to site-based Section 8 in September 2013. The four properties are Gallagher Place, Hollywood East, Northwest Towers and Sellwood Center.

**VASH:** Veterans Affairs Supportive Housing – Section 8 Vouchers for homeless veterans referred by Veterans Affairs

FY 18 12-31-18 Operating Statement by Operating Group

| Operating Statement                                  | Rent Assistance    | Public Housing Portfolio | Affordable Portfolio | Asset Management      | Property Management | Safety              | Integrated Facilities | Development         | Community Services  | Administration     | Real Estate Finance | Reserves              | Elimination        | Home Forward Total    |
|--|--------------------|--------------------------|----------------------|-----------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|--------------------|---------------------|-----------------------|--------------------|-----------------------|
| Dwelling Rental                                      | \$ -               | \$ 2,653,821             | \$ 15,335,847        | \$ -                  | \$ -                | \$ -                | \$ -                  | \$ -                | \$ -                | \$ -               | \$ -                | \$ -                  | \$ (3,675,877)     | \$ 14,313,791         |
| Non-dwelling Rental                                  | -                  | 118,925                  | 1,259,634            | -                     | -                   | -                   | -                     | -                   | 27,351              | 367,243            | 503,136             | -                     | (367,243)          | 1,909,046             |
| HUD Subsidies -Housing Assistance                    | 65,668,736         | -                        | 2,146,840            | -                     | -                   | -                   | -                     | -                   | -                   | -                  | -                   | -                     | -                  | 67,815,576            |
| HUD Subsidies -Admin Fee                             | 5,298,156          | -                        | -                    | -                     | -                   | -                   | -                     | -                   | -                   | -                  | -                   | -                     | -                  | 5,298,156             |
| HUD Subsidies -Public Housing                        | 43,084             | 5,686,138                | -                    | -                     | 126,750             | -                   | -                     | -                   | 113,024             | -                  | -                   | -                     | -                  | 5,968,996             |
| HUD Grants   | 3,547,734          | 234,744                  | -                    | -                     | 556,589             | -                   | -                     | -                   | 593,911             | -                  | -                   | -                     | -                  | 4,932,979             |
| Development Fee Revenue, Net                         | -                  | -                        | -                    | -                     | -                   | -                   | -                     | 5,335,331           | -                   | -                  | -                   | -                     | -                  | 5,335,331             |
| State, Local & Other Grants                          | 4,444,873          | -                        | -                    | -                     | -                   | -                   | -                     | -                   | 617,547             | -                  | -                   | -                     | -                  | 5,062,420             |
| Other Revenue  | 3,790,250          | 65,149                   | 475,881              | 449,934               | 3,060,885           | -                   | 1,404,018             | -                   | 594,317             | -                  | -                   | -                     | (2,379,872)        | 7,460,561             |
| Total IA Revenue                                     | 88,090             | -                        | -                    | 48,785                | 15,247              | -                   | -                     | 81,911              | 450,942             | 31,642             | -                   | -                     | (716,618)          | -                     |
| <b>Total Operating Revenues</b>                      | <b>82,880,924</b>  | <b>8,758,778</b>         | <b>19,218,202</b>    | <b>498,719</b>        | <b>3,759,471</b>    | <b>-</b>            | <b>1,404,018</b>      | <b>5,417,242</b>    | <b>2,397,092</b>    | <b>398,885</b>     | <b>503,136</b>      | <b>-</b>              | <b>(7,139,610)</b> | <b>118,096,857</b>    |
| PH Subsidy Transfer                                  | -                  | -                        | -                    | -                     | -                   | -                   | -                     | -                   | -                   | -                  | -                   | -                     | -                  | -                     |
| Housing Assistance Payments                          | 77,337,847         | -                        | -                    | -                     | -                   | -                   | -                     | -                   | -                   | -                  | -                   | -                     | (3,587,114)        | 73,750,733            |
| Administrative Personnel Expense                     | 252,833            | -                        | -                    | 182,480               | 212,837             | 71,260              | 62,913                | 257,146             | 108,431             | 4,262,249          | -                   | -                     | -                  | 5,410,149             |
| Other Admin Expenses                                 | 506,880            | 2,536,319                | 3,212,529            | 75,018                | 201,495             | 8,250               | 28,214                | 139,093             | 118,666             | 1,900,482          | 5,130               | -                     | (2,379,872)        | 6,352,206             |
| Fees/overhead charged                                | 285,906            | -                        | -                    | 30,322                | 4,433               | -                   | -                     | 46,582              | -                   | (3)                | -                   | -                     | (367,243)          | (3)                   |
| Tenant Svcs Personnel Expense                        | 447,008            | -                        | -                    | -                     | -                   | -                   | -                     | 128,018             | 1,102,286           | -                  | -                   | -                     | -                  | 1,677,313             |
| Other Tenant Svcs Expenses                           | 91,973             | 40,672                   | 21,333               | -                     | -                   | -                   | -                     | -                   | 1,209,883           | 44,343             | -                   | -                     | -                  | 1,408,203             |
| Program Expense                                      | 3,645,783          | 1,021,231                | 73,020               | 655,259               | 749,943             | -                   | 137,204               | 1,237,039           | 402,234             | 63,284             | -                   | -                     | -                  | 7,984,996             |
| Maintenance Personnel Expense                        | -                  | 1,288,760                | 67,070               | -                     | 313,952             | -                   | 777,293               | -                   | -                   | -                  | -                   | -                     | -                  | 2,447,074             |
| Other Maintenance Expenses                           | -                  | 1,641,730                | 4,001,375            | -                     | 77,448              | 11,000              | 88,462                | -                   | -                   | 178,320            | -                   | -                     | -                  | 5,998,335             |
| Utilities  | -                  | 1,509,202                | 2,152,259            | -                     | -                   | -                   | 71,910                | -                   | -                   | 83,065             | -                   | -                     | -                  | 3,816,437             |
| Total IA Expense                                     | 199,157            | -                        | 354,098              | 237,089               | 277,329             | 8,643               | -                     | 154,194             | 149,893             | (663,784)          | -                   | -                     | (805,382)          | (88,763)              |
| Depreciation   | 1,026              | 2,047,868                | 4,170,361            | -                     | 4,878               | -                   | 3,816                 | 90,693              | -                   | 208,104            | 66,204              | -                     | (37,530)           | 6,555,420             |
| General  | 128,498            | 310,785                  | 958,971              | 434                   | 136,292             | -                   | 13,874                | -                   | 2,074               | 40,809             | 3                   | -                     | -                  | 1,591,741             |
| <b>Total Operating Expenses</b>                      | <b>82,896,911</b>  | <b>10,396,568</b>        | <b>15,011,016</b>    | <b>1,180,603</b>      | <b>1,978,607</b>    | <b>99,153</b>       | <b>1,183,686</b>      | <b>2,052,765</b>    | <b>3,093,467</b>    | <b>6,116,869</b>   | <b>71,337</b>       | <b>-</b>              | <b>(7,177,141)</b> | <b>116,903,841</b>    |
| <b>Operating Income (Loss)</b>                       | <b>(15,988)</b>    | <b>(1,637,790)</b>       | <b>4,207,185</b>     | <b>(681,883)</b>      | <b>1,780,864</b>    | <b>(99,153)</b>     | <b>220,332</b>        | <b>3,364,477</b>    | <b>(696,374)</b>    | <b>(5,717,984)</b> | <b>431,799</b>      | <b>-</b>              | <b>37,530</b>      | <b>1,193,015</b>      |
| <b>Total Overhead Allocations</b>                    | <b>1,543,234</b>   | <b>-</b>                 | <b>98,443</b>        | <b>670,500</b>        | <b>1,769,992</b>    | <b>7,501</b>        | <b>222,398</b>        | <b>853,952</b>      | <b>501,620</b>      | <b>(5,667,640)</b> | <b>-</b>            | <b>-</b>              | <b>-</b>           | <b>(0)</b>            |
| <b>Operating Income (Loss) after Overhead</b>        | <b>(1,559,222)</b> | <b>(1,637,790)</b>       | <b>4,108,742</b>     | <b>(1,352,383)</b>    | <b>10,872</b>       | <b>(106,654)</b>    | <b>(2,066)</b>        | <b>2,510,524</b>    | <b>(1,197,994)</b>  | <b>(50,343)</b>    | <b>431,799</b>      | <b>-</b>              | <b>37,530</b>      | <b>1,193,016</b>      |
| <b>Reserve Funding</b>                               | <b>1,677,131</b>   | <b>-</b>                 | <b>(693,750)</b>     | <b>-</b>              | <b>32,850</b>       | <b>(0)</b>          | <b>(20,763)</b>       | <b>1,145,063</b>    | <b>385,952</b>      | <b>(283,152)</b>   | <b>(140,317)</b>    | <b>(2,103,014)</b>    | <b>-</b>           | <b>(0)</b>            |
| <b>Operating Income (Loss) after Reserve Funding</b> | <b>117,909</b>     | <b>(1,637,790)</b>       | <b>3,414,992</b>     | <b>(1,352,383)</b>    | <b>43,722</b>       | <b>(106,654)</b>    | <b>(22,829)</b>       | <b>3,655,587</b>    | <b>(812,042)</b>    | <b>(333,496)</b>   | <b>291,482</b>      | <b>(2,103,014)</b>    | <b>37,530</b>      | <b>1,193,015</b>      |
| Investment Income                                    | -                  | -                        | 132,235              | -                     | -                   | -                   | -                     | -                   | -                   | 356,652            | 6,651               | -                     | -                  | 495,538               |
| Interest Expense                                     | -                  | -                        | (2,007,304)          | -                     | -                   | -                   | -                     | -                   | -                   | (87,324)           | (81,657)            | -                     | -                  | (2,176,285)           |
| Gain (Loss) on Sale of Assets                        | -                  | (5,889)                  | (1,108,956)          | -                     | -                   | -                   | -                     | -                   | -                   | -                  | -                   | -                     | -                  | (1,114,845)           |
| <b>Net Other Income (Expense)</b>                    | <b>-</b>           | <b>(5,889)</b>           | <b>(2,984,026)</b>   | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>269,328</b>     | <b>(75,006)</b>     | <b>-</b>              | <b>-</b>           | <b>(2,795,593)</b>    |
| HUD Nonoperating Contributions                       | -                  | 230,061                  | -                    | -                     | -                   | -                   | -                     | -                   | -                   | -                  | 305,543             | -                     | -                  | 535,604               |
| <b>Net Capital Contributions</b>                     | <b>-</b>           | <b>230,061</b>           | <b>1,550,000</b>     | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>              | <b>2,000,000</b>    | <b>-</b>            | <b>-</b>           | <b>1,794,543</b>    | <b>(5,039,000)</b>    | <b>-</b>           | <b>535,604</b>        |
| <b>Other Equity Changes</b>                          | <b>-</b>           | <b>-</b>                 | <b>-</b>             | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>           | <b>-</b>            | <b>-</b>              | <b>-</b>           | <b>-</b>              |
| <b>Change In Net Position</b>                        | <b>\$ 117,909</b>  | <b>\$ (1,413,618)</b>    | <b>\$ 1,980,967</b>  | <b>\$ (1,352,383)</b> | <b>\$ 43,722</b>    | <b>\$ (106,654)</b> | <b>\$ (22,829)</b>    | <b>\$ 5,655,587</b> | <b>\$ (812,042)</b> | <b>\$ (64,168)</b> | <b>\$ 2,011,018</b> | <b>\$ (7,142,014)</b> | <b>\$ 37,530</b>   | <b>\$ (1,066,974)</b> |

FY 18 12-31-18 Funding Flow Analysis By Operating Group\*

|   | Rent Assistance | Public Housing Portfolio | Affordable Portfolio | Asset Management | Property Management | Safety       | Integrated Facilities | Development  | Community Services | Administration | Real Estate Finance | Reserves | Elimination | Home Forward Total |
|---|-----------------|--------------------------|----------------------|------------------|---------------------|--------------|-----------------------|--------------|--------------------|----------------|---------------------|----------|-------------|--------------------|
| Operating Income (Loss) after Overhead                          | \$ (1,559,222)  | \$ (1,637,790)           | \$ 4,108,742         | \$ (1,352,383)   | \$ 10,872           | \$ (106,654) | \$ (2,066)            | \$ 2,510,524 | \$ (1,197,994)     | \$ (50,343)    | \$ 431,799          | \$ -     | \$ 37,530   | \$ 1,193,016       |
| Real Estate Portfolio   |                 |                          |                      |                  |                     |              |                       |              |                    |                |                     |          |             |                    |
| Affordable Housing Properties Operating Activity                | -               | -                        | (8,196,159)          | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | (8,196,159)        |
| Revenue from Properties to Home Forward                         | -               | -                        | -                    | (449,934)        | -                   | -            | -                     | -            | (355,029)          | -              | (251,691)           | -        | -           | (1,056,654)        |
| Unrestricted Cash to HAP  | -               | -                        | 2,295,227            | 449,934          | -                   | -            | -                     | -            | 390,061            | -              | 1,185,288           | -        | -           | 4,320,510          |
| Net Replacement Reserve Activity (New Market West)              | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | (73,800)       | -                   | -        | -           | (73,800)           |
| Net Replacement Reserve Activity (Special Needs)                | -               | -                        | (139,901)            | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | (139,901)          |
| Developer Fee - Impact to Funding Flow                          | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| Developer Fee Revenue   | -               | -                        | -                    | -                | -                   | -            | -                     | (5,335,331)  | -                  | -              | -                   | -        | -           | (5,335,331)        |
| Developer Fee - Cash to HAP(Net)                                | -               | -                        | -                    | -                | -                   | -            | -                     | 1,541,000    | -                  | -              | -                   | -        | -           | 1,541,000          |
| Financing/Investment Activity                                   | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| Investment Income - Unrestricted                                | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| Principal & Interest - Special Needs                            | -               | -                        | (85,833)             | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | (85,833)           |
| Principal & Interest - New Market West                          | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | (124,911)      | -                   | -        | -           | (124,911)          |
| Capital Acquisitions  | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| IT Equipment and Software                                       | (15,750)        | -                        | -                    | (15,750)         | (15,750)            | -            | (1,750)               | (15,750)     | (5,250)            | -              | -                   | -        | -           | (70,000)           |
| Non-Cash Operating Activity                                     | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| Depreciation Expense  | 1,026           | 2,047,868                | 4,079,171            | -                | 4,878               | -            | 3,816                 | 90,693       | -                  | 208,104        | 66,204              | -        | (37,530)    | 6,464,230          |
| Operating Activity Funded by Cash Reserves                      | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| MIF Initiative Reserve Activity                                 | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| MTW Special Initiates Fund                                      | 1,000,302       | -                        | -                    | -                | -                   | -            | -                     | -            | 40,845             | 40,950         | -                   | -        | -           | 1,082,097          |
| MTW - Local Blended Subsidy (LBS)                               | 902,439         | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | 902,439            |
| MTW Administration  | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| Excess Section 8 - LBS  | (328,796)       | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | (328,796)          |
| Tax Credit Support Services                                     | -               | -                        | -                    | -                | -                   | -            | -                     | -            | 237,640            | -              | -                   | -        | -           | 237,640            |
| MTW Reserve   | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| Special Purpose Reserve Activity                                | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| Inter Departmental Reserve Transfers                            | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| Agency Initiatives  | -               | -                        | (1,461,248)          | 1,368,133        | -                   | 106,654      | -                     | -            | 889,728            | -              | (903,267)           | -        | -           | -                  |
| DCR Operating Reserve   | -               | -                        | -                    | -                | -                   | -            | -                     | 1,208,864    | -                  | -              | -                   | -        | -           | 1,208,864          |
| Affordable Portfolio Reserve                                    | -               | -                        | (225,000)            | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | (225,000)          |
| Insurance Reserve   | -               | -                        | (375,000)            | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | (375,000)          |
| Funding Source or (Shortfall)                                   | (0)             | 410,078                  | 0                    | 0                | 0                   | 0            | -                     | 0            | 0                  | (0)            | 528,333             | -        | 0           | 938,412            |
| Department Reserve Activity                                     | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | -                  |
| Public Housing Portfolio  | -               | (410,079)                | -                    | -                | -                   | -            | -                     | -            | -                  | -              | -                   | -        | -           | (410,079)          |
| Real Estate Finance   | -               | -                        | -                    | -                | -                   | -            | -                     | -            | -                  | 0              | (528,333)           | -        | -           | (528,333)          |
| Funding Required or (Contributed) for Current Agency Activities | -               | (410,079)                | -                    | -                | -                   | -            | -                     | -            | -                  | 0              | (528,333)           | -        | (0)         | (938,412)          |
| Final Funding Source or (Shortfall)                             | \$ (0)          | \$ (0)                   | \$ 0                 | \$ 0             | \$ 0                | \$ 0         | \$ -                  | \$ 0         | \$ -               | \$ 0           | \$ (0)              | \$ -     | \$ -        | \$ 0               |

\*Numbers may be slightly off due to rounding



## MEMORANDUM

To: Board of Commissioners

Date: March 20, 2018

From: Jonathan Trutt, Director,  
Development and Community  
Revitalization  
503.802.8507

Subject: Adoption of Findings based on the  
report of the Hearings Officer and  
approval of an exemption from  
competitive bidding for a  
construction contract with Walsh  
Construction for the Framework  
Building  
Resolution 18-03-07

The Contract Review Board is requested to consider and adopt Findings that would exempt a proposed construction contract with Walsh Construction from competitive bidding and authorize a construction contract with Walsh Construction, the pre-selected contractor, for the Framework Building. Board action is necessary to conform to state statutes and Home Forward's Contracting Rules that require that Home Forward develop draft Findings, hold a public hearing to take testimony on the Findings, and adopt Findings to exempt a contract from competitive bidding requirements.

Albina Community Bank is a local financial institution that provides banking and investment products in low-income communities. The bank is a Community Development Financial Institution, a designation that allows access to program and resources intended to benefit low-income communities. Beneficial State Bank is a mission-based bank, owned by a foundation – the Beneficial Bank Foundation – which allows the bank to pursue a mission of community economic and environmental goals. Beneficial State Bank Foundation acquired a controlling interest in Albina Community Bank to assist with recovery from the 2008 economic downturn and investment from a like-minded mission-based bank.

Albina Community Bank operates a branch in a building owned by Beneficial State Bank at 480 NW 10<sup>th</sup> Avenue in Portland's Pearl District. In 2014, the two banks and Project^, a local real estate developer, approached Home Forward regarding redevelopment of the Pearl District property. The proposed program for the new building—an innovative structure of cross-laminate timber (CLT)—included commercial space on the lower 6 floors anchored by Albina Community Bank on the ground floor, and a minimum of 60 housing units affordable to households at 80% Area Median Income (AMI) on the upper six floors. Affordable units, including those owned by Home Forward, were restricted to households earning up to 60% AMI. Beneficial State Bank intentionally focused on “workforce” housing options (80% AMI), a rent not available in the Pearl District. Home Forward's initial role was limited to affordable housing development advisor and investor. Project^ was the sole real estate developer.

As the pre-development phase proceeded, a successful financial strategy for the workforce housing did not materialize because these units do not have access to the financing tools typically used to develop and operate units restricted to 60% AMI. When the financial pro forma was adjusted to serve households at 60% AMI, sources increased to the point that both the development budget and operations budget were viable.

This shift in the housing program fundamentally changed Home Forward's role to co-developer and owner of the housing component. Since Project^ has entered into contracts with Walsh Construction Company for construction services, the parties envision a construction contract, including limited pre-construction services, between Home Forward (or Framework Housing LLC) and Framework LLC, the ownership entity formed by Project^ and the banks and Walsh Construction to deliver the construction services for the Framework project. A separate Developer Agreement between Home Forward and Project^ will describe the terms of the co-development arrangement of the project. The current project budget includes approximately \$31,500,000 (\$18,900,000 for housing portion) for construction. Assuming funding is secured and other conditions for development are satisfied, construction would commence early spring 2018 with a completion date set for summer 2019.

Because the two banks and Project^ approached Home Forward initially as an advisor, Home Forward is not able to pursue its typical development process, including competitive procurement of construction services. To take advantage of a unique opportunity to collaborate with Albina Community and Beneficial State Banks and Project^ on an

innovative project that delivers affordable housing in the Pearl District, Home Forward must avail themselves of the pre-selected services of Walsh Construction as the project's contractor.

Both Home Forward and Oregon Revised Statutes (ORS) require Findings justifying the exemption from traditional competitive bidding process, a 14-day public notice, and a public hearing at which public testimony is accepted related to the draft findings.

Notice of a January 29, 2018 public hearing to receive testimony on the Findings in support of an exemption was published in the Daily Journal of Commerce on January 15, 2018. No public testimony was received at this Hearing. A copy of the notice and the requisite draft findings are attached.

While Walsh Construction has been pre-selected by Albina and Beneficial banks and Project^, and as such is a sole source selection by Home Forward, fortunately, Walsh Construction is a proven contractor with extensive experience and a successful record construction of complex projects. This proven record of success provides assurance that Walsh Construction can be expected to perform well. Cognizant of the benefits of competitive procurement, Home Forward has taken steps to ensure competitive pricing of sub-contracted work within the construction contract. In addition, Home Forward will ensure that all other required contract provisions related Minority, Women and Emerging Small Businesses participation, Section 3 participation, Workforce Hiring and Training Program requirements and prevailing wage requirements are included in all applicable contracts and sub-contracts.





## RESOLUTION 18-03-07

### CONTRACT REVIEW BOARD FINDINGS

#### CONTRACT WITH WALSH CONSTRUCTION FOR THE CONSTRUCTION OF THE FRAMEWORK BUILDING

Home Forward staff prepared draft Findings related to an exemption from competitive bidding for a construction contract with Walsh Construction for the Framework Building. In addition, Home Forward staff properly noticed and conducted a public hearing to accept public comments regarding the draft Findings. This public meeting occurred at 9:30 AM on January 29, 2018. No public testimony or comments were received. At a duly convened public meeting of the Contract Review Board, Home Forward staff presented the draft Findings and the Hearings Officer Report, both of which were attached hereto and is incorporated herein by this reference.

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

After considering the Findings and the Hearings Officer Report, the Board finds that:

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

Therefore, exemption of the competitive bidding requirements for a contract with Walsh Construction for the construction of the Framework Building is approved.

ADOPTED: MARCH 20, 2018

Attest:

Home Forward:

---

Michael Buonocore, Secretary

---

Mary Ann Herman, Chair

AFFIDAVIT OF PUBLICATION

# DJC



921 S.W. Washington St. Suite 210 / Portland, OR 97205-2810  
(503) 226-1311

STATE OF OREGON, COUNTY OF MULTNOMAH--ss.

I, **Bill Beyer**, being first duly sworn, depose and say that I am a **Advertising Director** of the **Daily Journal of Commerce**, a newspaper of general circulation in the counties of CLACKAMAS, MULTNOMAH, and WASHINGTON as defined by ORS 193.010 and 193.020; published at Portland in the aforesaid County and State; that I know from my personal knowledge that the Goods and Services notice described as

**Case Number: NOT PROVIDED**

**Framework Project**

**Home Forward; Bid Location Portland, OR, Multnomah County;**

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

1/15/2018

State of Oregon  
County of Multnomah

SIGNED OR ATTESTED BEFORE ME  
ON THE 15th DAY OF January, 2018

**Bill Beyer**

**Notary Public-State of Oregon**



**HOME FORWARD  
FRAMEWORK PROJECT  
NOTICE OF PUBLIC HEARING**  
In accordance with ORS 279C.335(3),  
a public hearing will be held at:  
9:30 a.m., PST  
January 29, 2018  
Metolius Room - 5th floor  
135 SW Ash Street  
Portland, OR 97204  
For the purpose of taking public  
comments on an exemption from  
competitive bidding requirements for a  
contract with Walsh Construction  
Company for general contracting services  
with limited construction management  
services related to the Framework  
project.  
Draft findings are available at the  
offices of Home Forward:  
135 SW Ash Street  
Portland, OR 97204  
Procurement and Contracts  
Department, 5th Floor  
8:30 a.m. to 5:00 p.m.,  
Monday through Friday  
Call (503) 802-8541 for  
further information  
Published Jan. 15, 2018. 11472222

**Pete Garcia**  
**Home Forward**  
135 SW Ash St  
Portland, OR 97204-3540

Order No.: 11472222  
Client Reference No:



## **HEARINGS OFFICER'S REPORT**

### **AS REQUIRED BY HOME FORWARD CONTRACT REVIEW BOARD RULES OAR 137-049-0600 AND ORS 279C.330 AND ORS 279C.335**

#### **REGARDING**

#### **Exemption from competitive bidding requirements for a Construction Contract with Walsh Construction Company for the Framework Project**

As required by ORS 279C.330 and ORS 279C.335, the undersigned duly appointed Hearing Officer convened a public hearing at 9:30 a.m., on Monday January 29, 2018, at 135 SW Ash, 5<sup>th</sup> Floor, Metolius Room, Portland Oregon, 97204. The hearing was held to present and receive public comment on an exemption from competitive bidding requirements for a class of construction contracts resulting from future federal, state and local funding opportunities. An affidavit of the Notice of Public Hearing is attached.

On January 15, 2018 Home Forward noticed the public hearing and made the proposed finding available to the public. The findings were also made available at the hearing. No members of the public attended the hearing or provided comment.

Dated:

Attested:

January 29, 2018  
B. Stevenson

Hearing Officer  
Berit Stevenson

## **Findings – Contract Exemption –Project Framework**

### ***FINDINGS IN SUPPORT OF USE OF AN ALTERNATIVE CONTRACTING METHOD***

#### **A. Alternative Contracting Exemption under Oregon Law**

Oregon law requires all contracts for public improvement projects be based on competitive bids unless the local contract review board grants an exemption under ORS 279C.335. ORS 279C.335 requires the public contract review board to approve two findings submitted by the agency: (1) that the exemption is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition; and (2) awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the public agency.

For public improvement projects, ORS 279C.330 and 279C.335 provide that the agency must consider the type, cost and amount of the contract(s) and information regarding the following:

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

The local contract review board also is required to consider the following items when evaluating whether award of a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the public agency:

- a. How many persons are available to bid;
- b. The construction budget and the projected operating costs for the completed public improvement;
- c. Public benefits that may result from granting the exemption;
- d. Whether value engineering techniques may decrease the cost of the public improvement;
- e. The cost and availability of specialized expertise that is necessary for the public improvement;
- f. Any likely increases in public safety;
- g. Whether granting the exemption may reduce risks to the contracting agency or the public that are related to the public improvement;
- h. Whether granting the exemption will affect the sources of funding for the public improvement;

- i. Whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement;
- j. Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement;
- k. Whether the public improvement involves new construction or renovates or remodels an existing structure;
- l. Whether the public improvement will be occupied or unoccupied during construction;
- m. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; and
- n. Whether the contracting agency or state agency has and will use contracting agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract.

## **B. Background Information**

Albina Community Bank is a local financial institution that provides banking and investment products in low income communities. The bank is a Community Development Financial Institution, a designation which allows access to programs and resources intended to benefit low income communities. Beneficial State Bank is a mission-based bank, owned by a foundation—the Beneficial Bank Foundation—which allows the bank to pursue a mission of community economic and environmental goals. Beneficial State Bank Foundation acquired a controlling interest in Albina Community Bank to assist with recovery from the 2008 economic downturn and investment from a like-minded mission-based bank.

Albina Community Bank operates a branch in a building owned by Beneficial State Bank at 480 NW 10<sup>th</sup> Avenue in Portland’s Pearl District. In 2014, the two banks and Project^, a local real estate developer, approached Home Forward regarding redevelopment of the Pearl District property. The proposed program for the new building—an innovative structure of cross-laminate timber (CLT)—included commercial space on the lower 6 floors anchored by Albina Community Bank on the ground floor, and a minimum of 60 housing units affordable to households at 80% Area Median Income (AMI) on the upper six floors. Affordable units, including those owned by Home Forward, were restricted to households earning up to 60% AMI. Beneficial State Bank intentionally focused on “workforce” housing options (80% AMI), a rent not available in the Pearl District. Home Forward’s initial role was limited to affordable housing development advisor and investor; Project^ was the sole real estate developer.

As the pre-development phase proceeded, a successful financial strategy for the workforce housing never materialized because these units do not have access to the financing tools typically employed to develop and operate units restricted to 60% AMI. When the financial proforma was adjusted to serve households at 60% AMI, sources increased to the point that both the development budget and operations budget were viable.

This shift in the housing program fundamentally changed Home Forward's role to co-developer and owner of the building's housing component. Project^ had already engaged both Lever Architecture and Walsh Construction Company for design and construction services at a time when the project was still expected to provide "workforce" housing (80% AMI) and Home Forward's role was still limited to advising Project^ and investing in the development. Lever and Project^ (through Framework Project LLC) have negotiated an agreement and design services have been completed.<sup>1</sup> Walsh has performed a variety of pre-construction services to date, including constructability reviews and design-assist services through StructureCraft, a subcontractor to Walsh. The State of Oregon and the City of Portland granted Walsh and Framework Project LLC a building permit this past summer. Given this status, Home Forward will enter into a Development Services Agreement (DSA) with Framework Project LLC (Project^) that will provide Home Forward the right to benefit from Lever's finished design as a work product, as well as the right to benefit from Lever's professional administration services during construction. Home Forward and Framework Project LLC will also enter into a construction agreement with Walsh Construction, which as described above has already provided preconstruction services for the project. The current development budget includes \$31,500,000 (\$18,900,000 for housing portion) for construction and \$1,674,500 for design. Assuming funding is secured and other conditions for development are satisfied, construction would commence spring 2018 with a completion date set for Summer 2019.

Because the two banks and Project^ initially invited Home Forward to be an investor and advisor, Home Forward did not contemplate directly benefitting from or being a party to any of the contracts related to building the project, including the construction contract. Project^'s selection of Lever for design and Walsh for construction occurred when Home Forward's role was limited to that of investor and advisor. Therefore, in order to now become an owner of part of the building and provide greatly needed affordable housing to Portland residents, Home Forward cannot pursue its typical development process, including competitive procurement of design and construction services. In order to take advantage of a unique opportunity to partner with Albina Community and Beneficial State Banks and Project^ on an innovative project that delivers affordable housing in the Pearl District, Home Forward must avail themselves of the pre-selected services of Lever as the project's designer and Walsh Construction as the project's general contractor.

---

<sup>1</sup> Construction administration services from Lever will be required during construction and will be accessed by Home Forward through the DSA with Framework LLC.

## C. Findings

### 1. No favoritism or diminished competition.

Because the banks are the current owner of the land, this fact alone obviously makes the banks the only possible supplier of an interest in the land to Home Forward. Project^ has already selected Walsh Construction for the building construction. While the project will have two owners (Home Forward and Framework Project LLC), when complete it will be a single building with 12 stories. There is no feasible way for Home Forward to solicit and engage another general contractor to build the portion of the building it will ultimately own and manage. Because Walsh was selected by Project^, not Home Forward, there is no opportunity for favoritism on the part of Home Forward. Walsh Construction is the only contractor already involved in the development and thus there is no opportunity for competition and thus no possibility of diminished competition. As noted above, Walsh Construction has provided Project^ and Lever preconstruction services for this project through its subcontractor StructureCraft and Walsh is a party to the building permit that the state and the City of Portland has issued. Ultimately, Walsh is the only contractor suitable for the project and should be retained on a direct-award basis. Furthermore, Project^ is the only party to come forward to initiate a feasible concept for this project, although Home Forward's interest in pursuing affordable housing in opportunity neighborhoods such as the Pearl District is well known. Under the unique circumstances presented and described in these findings, it is unlikely that an exemption authorizing Home Forward to negotiate a contract with Walsh Construction for the housing component of the Project will encourage favoritism or substantially diminish competition.

### 2. Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the public agency.

The ability of Home Forward to provide public housing units to meet the needs of residents in a timely and cost-efficient manner at the lowest cost to taxpayers will be significantly enhanced by the project, which will enable private entities to undertake a significant portion of the planning, design, development, financing, construction of the affordable housing units. Substantial cost savings will be realized by Home Forward and by the public as the result of Home Forward's ability to negotiate a construction contract with Walsh Construction, which will allow for a fast-track project in light of Walsh's work to date on the project.

Specific costs savings to Home Forward are expected to include:

- a) The contract will contain a guaranteed maximum price (GMP) which will provide Home Forward protection against cost overruns and will also provide that



any cost savings accrue to Home Forward (i.e. if the final costs are less than the GMP).

b) A reduction of requests for information, early warnings or design changes based upon Walsh's involvement in the project to date, with respect to the design-assist services Walsh has provided through its subcontractor StructureCraft, and the design input Walsh has made through StructureCraft. These preconstruction services are also expected to shorten construction time, resulting in further cost savings.

c) The shared cost of joint facilities within the Project, including the initial construction cost and operational cost after construction is completed.

The award of a negotiated contract with Walsh Construction for the Project pursuant to this exemption will result in substantial cost savings to Home Forward and other public benefits as discussed in these findings.

a. *How many persons are available to bid.*

Because the building involves the innovative feature of CLT, there are limited contractors with the breadth of knowledge to engage in the Project. Since a significant amount of research and development effort is required for this new technology, and these preliminary efforts were undertaken by Project^ along with Walsh, its selected contractor, is the only general contractor to engage the project and thus, the most qualified to perform with the innovative building materials.

b. *The construction budget for the completed public improvement.*

The total construction costs of both the commercial space and the affordable housing is \$31,500,000; the portion attributable to housing is \$18,900,000. The Project construction budget will become fixed by a Guaranteed Maximum Price (GMP) negotiation, including limited contractor's contingencies. The budget will likely include the public sources of Low Income Housing Tax Credits and Home Forward equity. Home Forward will be able to minimize the risk of design changes and construction delays, and claims to control the project budget more effectively with the existence of a GMP. This approach allowed (and will continue to allow) for the construction contractor's input in the design development, as designs may be revised to facilitate development of construction plans that minimize costs and impacts related to delayed construction schedules, bidding and materials procurement. Additionally, StructureCraft can provide real-time market pricing for CLT that will aid in developing the GMP.

Walsh's involvement during the design and materials testing phase permitted increased collaboration resulting in a more efficient design, and is reasonably expected to greatly reduce change orders attributable to design issues, and permit a faster construction with fewer unexpected delays. This aspect is particularly

relevant given the innovation of the CLT. This allows Home Forward to better control costs because of timely and accurate market pricing, constructability guidance and related input from Walsh. Because this collaborative approach will shorten the project's duration, Home Forward will be able to bring housing units into service more quickly, which will generally benefit the public by increasing the supply of affordable housing. Faster progress and an earlier completion date will also help Home Forward mitigate, to some extent, the risk of inflationary increase in materials and construction labor costs.

In addition, during constructability reviews, Walsh will review long-term operating costs and advise Home Forward regarding the operational advantages and disadvantages associated with design alternatives. An evaluation of these alternatives will result in lower long-term operating and maintenance costs.

c. *Public benefits that may result from granting the exemption.*

The public will benefit greatly when the proposed new Framework building, including the permanent affordable housing units, is completed and providing homes in the Pearl District—an area with very few housing opportunities for low income residents. These units in one of the most central and expensive neighborhoods in Portland will be unique within Home Forward's existing portfolio. The tax credits that Home Forward can offer and the equity it has available to invest in the project play a significant role in whether the project is constructed. In other words, in the absence of the exemption, Home Forward could not be a co-owner of the Project, significantly decreasing the likelihood of its construction and the creation of affordable housing in an area where it is desperately needed.

In addition, Project's establishment of a partnership with Walsh early in the Project schedule allows the development of practical approaches that achieve high levels of participation by locally owned and minority-owned, women-owned and emerging small businesses, and allow collaboration with pre-apprenticeship programs to grow workforce opportunities.

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

d. *Whether value engineering techniques may decrease the cost of the public improvement.*

Walsh's input during the design phase facilitated the value engineering process. Options can be considered while the design is being finalized and greatly minimizes the issuance of change orders during construction. Since the contractor is directly involved in value engineering evaluations, unrealistic or impractical options can be dismissed quickly when appropriate. This is particularly true with

respect to the use of CLT on the Project, and StructureCraft's experience with it on a variety of projects in North America. On traditionally bid projects, value engineering typically results in increased design costs because the completed design must be revised to accommodate the changes that result. These additional costs may be avoided or limited in this particular instance, and Walsh's design-assist subcontractor, StructureCraft, has played and will continue to play a significant role in the value engineering process.

Input from Walsh during design has provided and will continue to provide an optimal value engineering process. The unique nature of this CLT Project and the significant testing and peer review that occurred relative to the materials and design allowed—and will continue to allow—Walsh to work directly with the design team to incorporate value-engineering ideas in the most timely and efficient manner, resulting in lower costs to Home Forward.

- e. *The cost and availability of specialized expertise that is necessary for the public improvement.*

The Framework Project will be burdened by its urban location in a major commuter and commercial district. In addition, the building will be the first high-rise CLT structure on the west coast. The Project's urban site and innovative featuring of CLT require specialized expertise. As Walsh has been involved in the Project during the early research and development phases when viability of the CLT was analyzed, they are uniquely qualified to advance to the construction phase of the Project. Additionally, Walsh has experience building in busy urban areas, including recent projects in the Pearl District. The success of the Project depends on a construction contractor that has expertise with CLT, working within constrained right of way and urban environments, and maintaining robust flexibility in daily planning of neighborhood impacts.

- f. *Any likely increases in public safety.*

The negotiated GMP contract will require the utmost attention to public safety as the risks associated with construction activities increase in urban neighborhoods. The surrounding neighbors include dense residential buildings, retail and other commercial buildings and busy transit ways. The construction sequencing will require changes to existing pedestrian and vehicular traffic patterns. Constant attention to needs of neighbors, traffic and construction crews is crucial to maintaining a safe working and living environment for the workers and the general public.

In addition, the safety of the CLT structure will be critical to the building's residents and visitors. The permitting of this unique and innovative building was performed by the State of Oregon after extensive materials testing and peer-based review of the design. As this is a new technology in Oregon, state and city

regulators, along with the Project's developers, contractor and designer, and industry representatives have collaborated to address the safety of CLT.

Lastly, Walsh's actual safety performance on similar past projects is critical and was assessed prior to selection. Walsh has successfully constructed numerous buildings in similarly dense urban neighborhoods

- g. *Whether granting the exemption will affect the sources of funding for the public improvement.*

Construction of the Project will be funded through a variety of sources including Home Forward equity, private equity and primarily, the sale of Low Income Housing Tax Credits. Tax Credit financing is highly competitive, and to ensure the award of Tax Credits a highly experienced and reputable general contractor is advantageous. In addition, this type of financing requires specific reporting methods regarding construction costs. Walsh has extensive experience with tax credit projects and is well versed in the reporting and other requirements of this funding. Further, Walsh is a familiar and well-respected contractor in the affordable housing industry.

- h. *Whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement.*

Market conditions for residential construction in the Portland metro area are extremely busy, with rising construction costs and a tight labor market. It will be critical to select a contractor that has deep ties to the subcontracting community to ensure adequate bid coverage at the subcontractor level which will be competitively bid. A negotiated GMP contract with Walsh will better enable Home Forward to manage construction bid risks within a robust construction market. Walsh has demonstrated that it attracts experienced and capable subcontractors, which can result in better pricing in a tight market. Home Forward, in partnership with Walsh, can collaborate on subcontractor and supplier buy-out strategies and value engineering. Use of a competitive-bid approach in a tight or rising-cost construction market for a unique project likely increases the risk that bids will exceed the construction budget with limited options to address overages through scope reductions. Bids exceeding the budget cause delays and complications as staff work to find solutions to once again make a project viable. Any delays translate into additional costs due to increasing construction material costs and other associated costs. Negotiating a GMP with Walsh will enable Home Forward to better respond to market conditions in a manner that results in lower-cost to the Project.

- i. *Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement*

The innovation of the CLT, equity contracting goals, the urban setting, and the necessity for a highly effective construction safety and mitigation plan all contribute to the complexity of the Project. Walsh will be required to perform work daily, in accordance with a schedule that meets contract deadlines driven by financing, and the needs of neighbors and the surrounding Pearl District community. Selection of a contractor with demonstrated experience and success on similar projects will result in substantially lower risk to Home Forward and the public generally.

Beyond the minimum requirements for bidder responsibility, a competitive-bid procurement does not permit an in-depth evaluation of a contractor's technical qualifications or proven ability to address complex technical issues, such as working with new and innovative technology, meeting critical deadlines, addressing needs of neighbors, and maximizing participation by target MWESB businesses. Use of a negotiated GMP contract with Walsh, the pre-selected contractor, allows Home Forward to advance the Project with an experienced and capable contractor that has a good track-record of similar work on projects financed by tax credits, on-time performance, community and governmental coordination, equity contracting requirements and the ability to successfully respond to work plan adjustments.

- j. *Whether the public improvement involves new construction or renovates or remodels an existing structure.*

The Project is new construction sited in a busy urban environment. The selection of Walsh by Project^ and the GMP contract that will be negotiated with Home Forward allows Home Forward to deliver much needed affordable housing in the Pearl District with a highly qualified contractor.

- o. *Whether the public improvement will be occupied or unoccupied during construction.*

As discussed above, the Project is new construction and therefore will be unoccupied.

- p. *Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions.*

The Project is a single tower with two separate owners and two separate uses. Commercial use will occupy the ground and lower half of the building, and affordable housing will occupy the upper half of the building. Ownership will be separated through a condominium structure with jointly-owned common areas such as the lobby, elevators and building systems. While there are two separate owners involved, the Project necessitates the work to be constructed as a single project rather than completed in two phases. Due to the stacked nature of the

building/ownership, it is imperative to have a single contractor for the Project. This continuity avoids numerous in-the-field and liability complications that would arise if separate contractors were involved in the Project. Examples include: significant coordination concerns, potential for claims, and difficulties enforcing warranties among multiple contractors performing similar work on the same building. Because Walsh was pre-selected by Project^, based on the advanced stage of the Project, it is prudent and necessary for Home Forward to also contract with Walsh for construction services in order to provide affordable housing units in this Project.

- q. *Whether the contracting agency has retained under contract, and will use contracting agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract.*

Home Forward staff has significant experience completing similar projects using the similar project delivery methods. Home Forward also has retained legal counsel and will retain consultants as needed with the necessary qualifications and expertise to negotiate, administer and enforce the terms of the public improvement contract.

- r. *Funding sources*

Construction of the Project will be funded through a variety of sources including Home Forward equity, private equity, and primarily, the sale of Low Income Housing Tax Credits. Tax Credit financing is highly competitive and to ensure award of Tax Credits, a highly experienced and reputable general contractor is advantageous. Additionally, this type of financing requires particular reporting of construction costs. Selection of a well-established and experienced construction contractor such as Walsh will assist in attracting Tax Credit equity partners and the participation of lenders.

#### **D. Contract Terms and Conditions**

The technical complexities of the Project make it critical for the contract to contain specific terms and conditions that will ensure proper construction of the innovative CLT features, support public safety in the urban environment, and a construction schedule that meets the requirements of the tax credit funding and result in reduced costs. The contract will be prepared by legal counsel. The contract will contain, among other things, provisions for insurance, indemnification, payment and performance bonds, and requirements of Oregon Revised Statutes chapter 279C.

## **E. Recommendation**

Contracting directly with Walsh Construction, the Project's existing construction contractor, will allow Home Forward to take advantage of the unique opportunity presented by Project^ to participate in a significant and innovative building and bring much needed affordable housing to the Pearl District. Competition effectively does not exist for this contract and the exemption likely will result in significant cost savings to Home Forward. Home Forward staff therefore recommend adoption of a resolution exempting the contract defined herein from the traditional competitive bidding requirements and the authorization of a negotiated GMP contract to deliver the public improvement described in these findings.



## MEMORANDUM

To: Board of Commissioners Date: March 20, 2018

From: Jonathan Trutt, Director,  
Development and Community  
Revitalization  
503.802.8507

Subject: Authorize Construction Contract  
for the Framework Building  
Resolution 18-03-08

The Board of Commissioners is requested to authorize the executive director or his designee to execute a construction contract with Walsh Construction Company and Framework Project LLC to build the Low Income Housing Tax Credit (LIHTC) condominium and associated common area elements of the Framework building.

The construction of Framework requires the execution of a contract between the contractor and the developers prior to the start of construction.

The contract is a three-party agreement between Walsh Construction Company, Home Forward, and Framework Project LLC. Home Forward will be the managing general partner of the Low Income Housing Tax Credit (LIHTC) partnership that will own the LIHTC condo; Framework Project LLC will own the two commercial condominiums. Detailed construction costs will be assigned to the ownership entities through a Schedule of Values that delineates and separates housing construction costs from commercial space construction costs.

This resolution requests authorization for the construction contract GMP and Home Forward's Owner's Hard Cost Contingency (outside the GMP) necessary to complete construction of the Housing Condominium:

|                              |                      |
|------------------------------|----------------------|
| Guaranteed Maximum Price     | \$ 19,265,800        |
| <u>Hard Cost Contingency</u> | <u>\$ 965,540</u>    |
| <b>Total Authorization</b>   | <b>\$ 20,231,340</b> |





## RESOLUTION 18-03-08

**RESOLUTION 18-03-08 AUTHORIZES THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH WALSH CONSTRUCTION COMPANY AND FRAMEWORK PROJECT LLC FOR THE FRAMEWORK BUILDING**

**WHEREAS**, Home Forward, 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**, ORS 456.065 defines “housing project” to include “any work or undertaking... [t]o provide decent, safe and sanitary urban or rural housing for persons or families of lower income”; and

**WHEREAS**, the Framework building will provide 60 units of housing affordable to households at or below 60% of the Area Median Income in a high opportunity neighborhood; and

**WHEREAS**, design, engineering and construction permit review by the State of Oregon and the City of Portland is complete; and

**WHEREAS**, an exemption from competitive bidding has been authorized; and

**WHEREAS**, Home Forward contracting rules require the Home Forward Board of Commissioners approval for contracts and contract amendments in excess of \$100,000;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of Home Forward hereby authorizes the Executive Director or his designee to execute this construction contract with Walsh Construction Company in the amount, including amendments, not to exceed \$20,231,340.

ADOPTED: MARCH 20, 2018

Attest:

Home Forward:

---

Michael Buonocore, Secretary

---

Mary Ann Herman, Chair



## MEMORANDUM

To: Contract Review Board

Date: March 20, 2018

From: Jonathan Trutt, Director,  
Development and Community  
Revitalization  
503.802.8507

Subject: Adoption of Findings identifying  
Framework Project LLC as the  
sole-source for the completed  
design and related construction  
administration services for the  
Framework Project  
Resolution 18-03-09

The Contract Review Board is requested to consider and adopt Findings that support a sole-source exemption for a contract with Framework Project LLC for certain goods and services related to the Framework Project.

Albina Community Bank is a local financial institution that provides banking and investment products in low-income communities. The bank is a Community Development Financial Institution, a designation that allows access to program and resources intended to benefit low-income communities. Beneficial State Bank is a mission-based bank, owned by a foundation – the Beneficial Bank Foundation – that allows the bank to pursue a mission of community economic and environmental goals. Beneficial State Bank Foundation acquired a controlling interest in Albina Community Bank to assist with recovery from the 2008 economic downturn and investment from a like-minded mission-based bank.

Albina Community Bank operates a branch in a building owned by Beneficial State Bank at 480 NW 10<sup>th</sup> Avenue in Portland's Pearl District. In 2014, the two banks and Project^, a local real estate developer, approached Home Forward regarding redevelopment of the Pearl District property. The proposed program for the new building—an innovative structure of cross-laminate timber (CLT)—included commercial space on the lower 6 floors anchored by Albina Community Bank on the ground floor, and a minimum of 60 housing

units affordable to households at 80% Area Median Income (AMI) on the upper six floors. Affordable units, including those owned by Home Forward, were restricted to households earning up to 60% AMI. Beneficial State Bank intentionally focused on “workforce” housing options (80% AMI), a rent not available in the Pearl District. Home Forward’s initial role was limited to affordable housing development advisor and investor. Project^ was the sole real estate developer.

As the pre-development phase proceeded, a successful financial strategy for the workforce housing never materialized because these units do not have access to the financing tools typically used to develop and operate units restricted to 60% AMI. When the financial pro forma was adjusted to serve households at 60% AMI, sources increased to the point that both the development budget and operations budget were viable.

This shift in the housing program fundamentally changed Home Forward’s role to co-developer and owner of the housing component. Project^ had already engaged both Lever Architecture PC (Lever) and Walsh Construction Company for design and construction services when the project was still expected to provide “workforce” housing (80% AMI) and when Home Forward’s role was limited to advising Project^ and investing in the development. Lever and Framework Project LLC (an affiliate of Project^) previously negotiated an agreement and Lever’s design services, including a final design for the building, have been completed. Assuming funding is secured and other conditions for development are satisfied, construction would commence early spring 2018 with a completion date set for summer 2019.

Given the maturity of the project at this time, it is neither desirable nor possible for Home Forward to competitively procure a finished design or construction administration services for its portion of Framework. Because the two banks and Project^ approached Home Forward initially as an investor and advisor, Home Forward did not contemplate directly benefitting from or being a party to any of the contracts related to building the project, including the Lever contract. Project^’s selection of Lever for design occurred when Home Forward’s role was limited to being an investor and advisor. Therefore, in order to now become an owner of part of the building and provide greatly needed affordable housing to Portland residents (particularly in the expensive Pearl District), Home Forward cannot pursue its typical development process, including competitive procurement of design services. In order to take advantage of a unique opportunity to partner with Albina Community and Beneficial State Banks and Project^ on an innovative project that delivers affordable housing in the Pearl District, Home Forward must avail itself of Lever’s

completed design and its construction administration services through Framework Project LLC.

In order to utilize the design documents and Lever's construction services, Home Forward will enter into a Construction Period Cooperation Agreement (CPCA) with Framework LLC. The CPCA will detail the two owner's activities and relationship during the course of construction and will specifically allow Home Forward to utilize the design documents and Lever's construction administration services that are currently owned or controlled by Framework Project LLC. Pursuant to the CPCA, Framework Project LLC will grant Home Forward a nonexclusive license to utilize Lever's completed design for the construction of the top six floors of Framework, which is considered a work product or good by Oregon's public contracting code (ORS 279). The CPCA will also establish Home Forward's rights relative to Lever's construction administration services during construction.

Both Oregon and Home Forward's public procurement rules allow Home Forward to enter into the CPCA and access the completed design and future construction administration services as a sole-source contract. ORS and Home Forward rules require Home Forward's contract review board (the Board of Commissioners) to find that the contemplated goods and services are available from a sole source. Upon such finding, public notice in a newspaper of general circulation describing the goods and services to be acquired by sole-source procurement and the prospective contractor must be published. The notice shall also provide an opportunity for any aggrieved party to file a protest to the contemplated sole-source procurement by including a date, time and place for written protest that is at least seven days period from the date of publication.

Home Forward staff recommends approval of the Findings that find that Framework Project LLC is the sole source for provision of the completed Lever design and related construction administration services for the Framework Project. Upon such Findings, Home Forward staff will arrange for the required public notice and will accept and process any protest received in accordance with ORS and Home Forward rules.



## RESOLUTION 18-03-09

### CONTRACT REVIEW BOARD FINDINGS

#### CONTRACT WITH FRAMEWORK PROJECT LLC FOR THE FRAMEWORK BUILDING

Home Forward staff prepared the attached draft Findings related to the sole-source procurement of the completed design and construction administration services available from Framework Project LLC for the Framework Building. After considering the Findings, the Board finds that Home Forward is justified in entering into a contract with Framework Project LLC as the sole-source to access the completed design and the construction administration services of Lever Architecture PC for the Framework Project. Further, the Board directs staff to publish the required public notice and receive and process any subsequently received protests. The due date for any protest shall be March 30, 2018 based on anticipated publication of public notice on March 23, 2018. Finally, subject to proper notice and the successful final resolution of any protests received, the Board authorizes Home Forward's Executive Director, or his designee, to enter into a Construction Period Cooperation Agreement with Framework Project LLC.

**ADOPTED: MARCH 20, 2018**

**Attest:**

**Home Forward:**

---

Michael Buonocore, Secretary

---

Mary Ann Herman, Chair

Resolution 18-03-09  
Exhibit A

**Findings Supporting a Sole-Source Exemption for Certain Goods and Services  
Related to the Framework Project**

INTRODUCTION

Home Forward is seeking to exempt an agreement with Framework Project LLC. The agreement with Framework Project LLC will be called the “(Construction Period) Cooperating Agreement” (the “CPCA”). Through the CPCA, Home Forward will receive a license to use a completed architectural design that Lever Architecture PC (Lever) developed for Framework Project LLC for the construction of “Framework,” a 12-story mixed-use building to be located in Portland’s Pearl District. In addition, through the CPCA, Home Forward will receive the right to benefit from the construction administration services Lever will provide during the construction of Framework. For the reasons discussed in these findings, Framework Project LLC is the only entity that can supply Home Forward with the completed design and the right to utilize Lever’s construction administration services.

BACKGROUND

Albina Community Bank is a local financial institution that provides banking and investment products in low income communities. The bank is a “Community Development Financial Institution,” a designation that allows access to programs and resources intended to benefit low income communities. Beneficial State Bank is a mission-based bank, owned by a foundation – the Beneficial Bank Foundation. This permits the bank to pursue a mission of engaging in projects to boost community economic conditions in low income communities in an environmentally-sensitive and sustainable manner. Beneficial State Bank Foundation acquired a controlling interest in Albina Community Bank to assist Albina with its recovery from the 2008 recession and partner with a like-minded mission-based bank.

Albina Community Bank operates a branch in a building owned by Beneficial State Bank at 480 NW 10<sup>th</sup> Avenue in Portland’s Pearl District. In 2014, the two banks and Project^, a local values-based real estate developer, approached Home Forward regarding redevelopment of the Pearl District property. The redevelopment would result a new building known as “Framework,” which is an innovative high-rise structure built with cross-

laminated timber (CLT). The original proposal would have included commercial space on the lower 6 floors with Albina Community Bank on the ground floor and a minimum of 60 housing units affordable to households at 80% Area Median Income (AMI) (so called “workforce housing”) on the upper six floors. By contrast, “affordable” units, including those routinely owned and managed by Home Forward, are restricted to households earning up to 60% AMI. As originally conceived, Beneficial State Bank intentionally focused on “workforce” housing options (80% AMI) - a rent not available in the Pearl District. Therefore, Home Forward’s initial role was limited to being an affordable housing development advisor and investor only. Project^ was the sole real estate developer and Home Forward did not contemplate owning any part of Framework when it was completed.

As the pre-development phase proceeded, a successful financial strategy for the workforce housing never materialized because these units don’t have access to the financing tools typically used to develop and operate units restricted to 60% AMI. When the financial proforma was adjusted to serve households at 60% AMI, sources increased to the point that both the development budget and operations budget were viable.

This shift in the housing program fundamentally changed Home Forward’s role to co-developer and owner of the housing component. Project^ had already engaged both LEVER Architecture and Walsh Construction Company for design and construction services when the project was still expected to provide “workforce” housing (80% AMI) and when Home Forward’s role was limited to advising Project^ and investing in the development. Lever and Framework Project LLC (an affiliate of Project^) previously negotiated an agreement and Lever’s design services, including a final design for the building, have been completed. Walsh has performed a variety of pre-construction services to date, including constructability reviews and design-assist services through StructureCraft, a subcontractor to Walsh. The State of Oregon and the City of Portland granted Walsh and Framework Project LLC a building permit this past summer.

Given the maturity of the project at this time, it is neither desirable nor possible for Home Forward to competitively procure a finished design or construction administration services for its portion of Framework. Because the two banks and Project^ approached Home Forward initially as an investor and advisor, Home Forward did not contemplate directly benefitting from or being a party to any of the contracts related to building the project, including the Lever contract. Project^’s selection of LEVER for design occurred when Home Forward’s role was limited to being an investor and advisor. Therefore, in order to now become an owner of part of the building and provide greatly needed affordable



housing to Portland residents (particularly in the exceedingly expensive Pearl District), Home Forward cannot pursue its typical development process, including competitive procurement of design and construction services. In order to take advantage of a unique opportunity to partner with Albina Community and Beneficial State Banks and Project^ on an innovative project that delivers affordable housing in the Pearl District, Home Forward must avail itself of Lever's completed design and its construction administration services through Framework Project LLC.

In order to utilize the design documents and Lever's construction services, Home Forward will enter into the CPCA with Framework LLC. The CPCA will detail the two owner's activities and relationship during the course of construction and will specifically allow Home Forward to utilize the design documents and LEVER's construction administration services that are currently owned or controlled by Framework Project LLC. Pursuant to the CPCA, Framework Project LLC will grant Home Forward a nonexclusive license to utilize Lever's completed design for the construction of the top six floors of Framework, which is considered a work product or good by ORS 279. The CPCA will also establish Home Forward's rights relative to Lever's construction administration services during construction.

## FINDINGS

Home Forward has adopted procurement rules that supplement the Attorney General's Model Rules. The Model Rules identify a process for when a contracting agency may procure goods and services through a sole-source determination.

OAR 137-047-0275 states as follows:

### **137-047-0275**

#### **Sole-source Procurements**

(1) Generally. A Contracting Agency may Award a Contract without competition as a sole-Source Procurement pursuant to the requirements of ORS 279B.075.

(2) Public Notice. If, but for the Contracting Agency's determination that it may enter into a Contract as a sole-source, a Contracting Agency would be required to select a Contractor using source selection methods set forth in either ORS 279B.055 or 279B.060, a Contracting Agency shall give public notice of the Contract Review Authority's determination that the Goods or Services or class of Goods or Services are available from only one source. The Contracting Agency shall publish such notice in a manner similar to public notice of competitive sealed Bids under 279B.055(4) and OAR 137-047-0300. The public notice shall describe the Goods or Services to be acquired by a sole-source Procurement, identify the prospective Contractor and include the date, time and place that protests are due. The Contracting Agency shall give Affected Persons at least seven (7) days from the date of the notice of the determination that the Goods or Services are available from only one source to protest the sole source determination.

(3) Protest. An Affected Person may protest the Contract Review Authority's determination that the Goods or Services or class of Goods or Services are available from only one source in accordance with OAR 137-047-0710.

In accordance with the rule, Home Forward can access the completed design<sup>1</sup> and the construction administration services<sup>2</sup> through the CPCA pursuant to the requirements of ORS 279B.075. That statute reads as follows:

**279B.075 Sole-source procurements.** (1) A contracting agency may award a contract for goods or services without competition if the Director of the Oregon Department of Administrative Services, a local contract review board, a state contracting agency, if the state contracting agency has procurement authority under ORS 279A.050, the State Chief Information Officer, with respect to goods or services described in subsection (2)(b) of this section and if the director has delegated the necessary authority to the State Chief Information Officer, or a person designated in writing by the director, board or state contracting agency with procurement authority under ORS 279A.050, determines in writing, in accordance with rules adopted under ORS 279A.065, that the goods or services, or class of goods or services, are available from only one source.

(2) The determination of a sole source must be based on written findings that may include:

(a) That the efficient utilization of existing goods requires acquiring compatible goods or services;

(b) That the goods or services required to exchange software or data with other public or private agencies are available from only one source;

(c) That the goods or services are for use in a pilot or an experimental project; or

(d) Other findings that support the conclusion that the goods or services are available from only one source.

(3) To the extent reasonably practical, the contracting agency shall negotiate with the sole source to obtain contract terms that are advantageous to the contracting agency.

---

<sup>1</sup> The completed design is a “good” that Framework Project LLC owns pursuant to the agreement it has with LEVER. The Public Contracting Code defines “goods” as including “supplies, equipment, materials, personal property, including any tangible, intangible and intellectual property and rights and licenses in relation thereto, and combinations of any of the items identified in this paragraph.” ORS 279A.010(1)(i).

<sup>2</sup> Lever’s construction administration services are a “related service” as ORS 279C.100(8) defines that term because it expressly defines a related service to include “construction management services.” Under Oregon law, Home Forward may procure related services in accordance with the Model Rules and rules it adopts pursuant to ORS 279A.070. See ORS 279C.120(1)(a).

In this instance, Home Forward relies on ORS 279B.075(2)(d) to conclude that the completed design and Lever's construction administration services are available only through Framework Project LLC and no other source. As explained above, prior to Home Forward joining the project as an owner, Framework Project LLC and Lever entered into a contract. According to the contract, Lever provided a completed design to Framework Project LLC and assigned and conveyed all rights, title and interest in the completed design to Framework Project LLC. Framework Project LLC now owns the completed design, including the portion that relates to the six floors of affordable housing that Home Forward or its affiliate will own and manage once Framework is complete and in operation.

In addition, under the contract LEVER is obligated to provide construction administration services to Framework Project LLC during the construction of Framework. Home Forward cannot solicit and hire another consultant to provide construction administration services for its portion of the building. This would be impractical as that consultant would have no knowledge of the design Lever produced. As with the construction of any single building, the project will be designed by a single architect and construction management will be performed by the same architect. The only way Home Forward can benefit from Lever's construction administration services is through Framework Project LLC.

### CONCLUSION

For the reasons discussed in these findings, Home Forward is justified in entering into the CPCA with Framework Project LLC as sole-source contract.

### NOTICE TO PUBLIC

In accordance with OAR 137-047-0275(2), Home Forward will publish notice of its intent to enter into the CPCA. The notice must appear at least once in a newspaper of general circulation in the Portland area. An affected person may protest the decision to enter into the CPCA within seven days of the date of the notice.



## MEMORANDUM

To: Board of Commissioners Date: March 20, 2018

From: Jonathan Trutt, Director,  
Development and Community  
Revitalization  
503.802.8507

Subject: Authorize Framework Housing –  
4% Low Income Housing Tax  
Credit Financing and Partnership  
Amendment  
Resolution 18-03-10

Theresa J. Auld, Finance Manager,  
Development and Community  
Revitalization  
503.802.8319

The Board of Commissioners is requested to amend Resolution 18-01-03 to

- 1) Acknowledge a change in the number of commercial condominium units in the Framework Building and
- 2) Authorize a \$1,920,000 increase in Home Forward's contribution or lending of funds to the limited partnership, controlled by Home Forward, which will own the Framework Building's housing condominium. Home Forward will provide \$130,000 of this increase which supports the purchase of additional insurance to mitigate the risk of design defects. (Item 3 below). The balance of the increase (\$1,790,000) will raise pass through funding provided by the TomKat Foundation ("TomKat") to an anticipated total of \$4.2 million.

These actions will support the following components of Home Forward's Strategic Plan:

1. One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.

2. One System: We leverage our role as the largest provider of affordable housing in Oregon to improve collaboration and efficacy between systems impacting people in poverty.

The Framework Building site is located at 480 NW 10th Avenue, Portland, Oregon 97209; the cross street is NW Glisan St. The site has a single story commercial building that will be demolished after financial closing.

Home Forward is developing the Framework Building's affordable housing condominium. This condominium will include 60 affordable studio, 1- and 2-bedroom apartments, a management office and a shared lobby on the first floor of the eleven-story Framework Building.

The Framework Building will also contain three condominium units related to its commercial space:

- One retail unit located on the ground floor
- One commercial unit of office space (floors 2 – 3)
- One commercial condo unit of speculative office space for lease (floors 4 - 6)

Beneficial State Bank will occupy the Framework Building's first three floors with its administration offices and a bank branch. No portion of Home Forward's financing will be used to construct or operate the Framework Building's commercial, office or retail space.

Our schedule anticipates starting construction in April 2018, and completing construction in September 2019.

Previous Board actions related to the development of the Framework Building's housing condominium include:

- Authorizing LIHTC application (Resolution 16-07-03)
- Declaring intent to issue revenue bonds --Bond Inducement (Resolutions 16-07-04 and 17-02-04)
- Authorizing interim predevelopment financing (Resolution 16-07-05)
- Adopt Findings for an Exemption from Competitive Bidding (Resolution 17-09-02)
- Authorizing Bond Issuance (Resolution 18-01-04)
- Authorizing Site Acquisition, Air-Rights Leases, Condominium Creation (HFDE 18-02)

Staff requests this amendment to reflect technical adjustments in Framework's overall development plan and changes in the housing condominium's development budget.

The technical adjustment in the development plan stems from a request from Beneficial State Bank. Whereas it previously wanted its bank branch and office space contained within a single condominium unit, it now wants those separate uses in separate condominiums. Thus, the number of condominium units in the building will increase from three to four.

The changes in the housing condominium's development budget stem from three factors:

- 1) Decrease in Low Income Housing Tax Credit (LIHTC) funding. In February 2018, Oregon Housing and Community Services (OHCS) capped the number of tax credits available to the project at a lower amount than previously anticipated. This resulted in a decrease of \$1 million of LIHTC funding.
- 2) Construction Cost Escalation. The latest round of updated construction pricing reflects an increase of up to \$790,000 in the housing condominium's costs.
- 3) Home Forward's Decision to Purchase Owner's Protective Professional Indemnity (OPPI) insurance. This policy will cover up to \$10 million of damages stemming from design defects and supplement any insurance proceeds received from the architect's professional liability policy. The associated premium attributable to the housing condominium is \$130,000.

Staff is in active discussions with the TomKat Foundation to increase its contribution to the affordable housing condominium to fully offset the loss of tax credit equity and the construction cost escalation. TomKat's increase in funding would bring its total contribution to the affordable housing condominium to the anticipated \$4.2 million.

Home Forward's proposed \$11.72 million investment in Framework Housing Limited Partnership, up from the \$9.8 million investment previously approved by the Board, would consist of the following amounts:

- cash as equity contribution or loan not to exceed \$3,617,518
- cash of \$130,000 for \$10 million of OPPI coverage,

- cash development fee revenues as equity contributed or loan in the anticipated amount of \$1.9 million, and
- \$6.07 million of fundraising to be received by Home Forward or Home Forward Development Enterprises for Framework Housing as follows:
  - Fundraising proceeds already received in the amount of \$820,000 from various sources,
  - Fundraising awarded and to be received in the amount of \$1,050,000 from various sources, including OHCS
  - A contribution from TomKat in the anticipated amount of \$4.2 million.





## RESOLUTION 18-03-10

RESOLUTION 18-03-10 AMENDING RESOLUTION 18-01-03 AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS BY HOME FORWARD, ON ITS OWN BEHALF AND IN ITS CAPACITY AS GENERAL PARTNER OF FRAMEWORK HOUSING LIMITED PARTNERSHIP, DEVELOPER, SPONSOR AND GUARANTOR TO EFFECTUATE THE ACQUISITION, FINANCING, AND DEVELOPMENT OF THE AFFORDABLE HOUSING UNIT OF A MIXED USE PROJECT KNOWN AS FRAMEWORK BUILDING TO BE LOCATED PORTLAND, MULTNOMAH COUNTY, OREGON.

**WHEREAS**, the Board of Commissioners of Home Forward passed Resolution 18-01-03 authorizing Home Forward to effectuate the acquisition, financing and development of the Affordable Housing Unit (the "Housing Unit") of a mixed-use project known as Framework Building to be located in Portland, Multnomah County, Oregon;

**WHEREAS**, after Resolution 18-01-03 was passed, the financing sources have been amended;

**WHEREAS**, the financing of the Housing Unit has been modified as set forth below:

Home Forward anticipates that the Home Forward Contribution/Sponsor Loan will be in the approximate amount of \$11,720,000, representing an increase of \$1.92 million.

**WHEREAS**, the condominium structure has been modified to include a total of four units, which will consist of three commercial units (Units 1, 2, and 3) and the Housing Unit.

**WHEREAS**, any term used in this First Amendment and not defined herein shall have the meaning given to that term in Resolution 18-01-03.

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

**RESOLVED**, that the Board of Commissioners hereby ratifies and affirms the above referenced changes to Resolution 18-01-03; and

**RESOLVED**, that any action required by this resolution is authorized to be taken by the Chair of the Board, Chief Financial Officer of Home Forward, or Executive Director of Home Forward (each individually, an “*Authorized Officer*”), and each of them acting alone, is authorized to take action as an Authorized Officer, and in the absence of such Authorized Officer, may be taken by the duly authorized acting Chair of the Board, acting Chief Financial Officer of Home Forward, or acting Executive Director of Home Forward, respectively.

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

**ADOPTED: MARCH 20, 2018**

**Attest:**

**Home Forward:**

---

Michael Buonocore, Secretary

---

Mary Ann Herman, Chair

# STAFF REPORTS

Procurement & Contracts Department  
MONTHLY CONTRACT REPORT  
Contracts Approved 01/01/18 - 02/28/18

PUBLIC IMPROVEMENT  
(CONSTRUCTION & MAINTENANCE SERVICES)

| Contract #      | Amend # | Contractor           | Contract Amount      | Description                    | Dept. | Execution Date | Expiration Date |
|-----------------|---------|----------------------|----------------------|--------------------------------|-------|----------------|-----------------|
| C1942           | 0       | Endres Northwest Inc | \$ 398,186.00        | Unit Remodel at Richmond Place | DCR   | 2/16/2018      | 6/15/2018       |
| <b>Subtotal</b> |         |                      | <b>\$ 398,186.00</b> |                                |       |                | <b>1</b>        |

GOODS & SERVICES

| Contract #      | Amend # | Contractor                                   | Contract Amount      | Description  | Dept.               | Execution Date | Expiration Date |
|-----------------|---------|--|----------------------|--|---------------------|----------------|-----------------|
| C1934           | 0       | ValleyScapes Landscape Solutions             | \$ 6,000.00          | Landscaping at NW Tower                                      | Property Management | 1/2/2018       | 12/31/2018      |
| C1935           | 0       | ValleyScapes Landscape Solutions             | \$ 6,000.00          | Landscaping at Gallagher Plaza                               | Property Management | 1/2/2018       | 12/31/2018      |
| C1936           | 0       | ValleyScapes Landscape Solutions             | \$ 6,228.00          | Landscaping at Sellwood Center                               | Property Management | 1/2/2018       | 12/31/2018      |
| C1938           | 0       | Waste Connections dba Arrow Sanitary Service | \$ 29,194.00         | Waste disposal and recycling services at SCC                 | Property Management | 1/2/2018       | 1/14/2019       |
| C1932           | 0       | Snugs Services                               | \$ 25,000.00         | On-call snow removal services                                | Property Management | 1/9/2018       | 12/31/2018      |
| C1941           | 0       | All Environmental, inc                       | \$ 2,500.00          | Update to Phase 1 for Framework Project                      | DCR                 | 1/9/2018       | 6/30/2018       |
| C1947           | 0       | NW Enforcement                               | \$ 19,050.00         | Nightly Security Services at NE Grand Construction Site      | DCR                 | 1/26/2018      | 10/31/2019      |
| C1946           | 0       | Multivista                                   | \$ 50,000.00         | NE Grand Apartments photo documentation                      | DCR                 | 1/29/2018      | 12/1/2019       |
| C1972           | 0       | Neopost aka MailFinance                      | \$ 44,453.40         | New Market West - 5 Year Lease on Postage Meter for Mailroom | HR                  | 2/28/2018      | 3/31/2023       |
| <b>Subtotal</b> |         |  | <b>\$ 188,425.40</b> |  |                     |                | <b>9</b>        |

PERSONAL SERVICE CONTRACTS

| Contract #      | Amend # | Contractor            | Contract Amount        | Description   | Dept.              | Execution Date | Expiration Date |
|-----------------|---------|-----------------------|------------------------|---|--------------------|----------------|-----------------|
| C1931           | 0       | Impact Northwest      | \$ 1,764,157.00        | Congregate Housing Services Program (CHSP)                        | Community Services | 1/31/2018      | 12/31/2022      |
| C1951           | 0       | Write Around Portland | \$ 4,000.00            | 10 community writing workshops at BCC                             | Community Services | 2/7/2018       | 5/30/2018       |
| C1956           | 0       | EJP Consulting        | \$ 10,000.00           | Consulting with multiple departments on program financing re: RAD | Community Services | 2/16/2018      | 2/6/2019        |
| <b>Subtotal</b> |         |                       | <b>\$ 1,778,157.00</b> |   |                    |                | <b>3</b>        |

PROFESSIONAL SERVICE CONTRACTS (A&E)

| Contract #   | Amend # | Contractor                        | Contract Amount      | Description  | Dept.              | Execution Date | Expiration Date |
|--------------|---------|-----------------------------------|----------------------|--|--------------------|----------------|-----------------|
| C1948        | 0       | KPFF Consulting Engineers         | \$ 15,000.00         | Boundary and topographic survey for Schunk Tower                   | DCR                | 1/31/2018      | 4/30/2018       |
| C1949        | 0       | KPFF Consulting Engineers         | \$ 33,000.00         | Boundary and topographic survey for Eliot-Unthank                  | DCR                | 1/31/2018      | 8/31/2018       |
| C1950        | 0       | TRC Environmental Corporation     | \$ 10,500.00         | Pre-renovation asbestos and lead paint survey proposal at Tamarack | DCR                | 2/2/2018       | 3/30/2018       |
| C1963        | 0       | Larson Sturtevant Consulting, LLC | \$ 4,000.00          | Training Workshops: Motivational Interviewing                      | Community Services | 2/13/2018      | 12/31/2018      |
| C1939        | 0       | KASA Architects, inc              | \$ 102,880.00        | A&E services at Tamarack, programming phase                        | DCR                | 2/14/2018      | 6/30/2019       |
| C1966        | 0       | KPFF Consulting Engineers         | \$ 12,550.00         | Surveying services for the Blandena Design Project                 | DCR                | 2/22/2018      | 4/30/2018       |
| <b>Total</b> |         |                                   | <b>\$ 177,930.00</b> |  |                    |                | <b>6</b>        |

AMENDMENTS TO EXISTING CONTRACTS

| Contract # | Amend # | Contractor           | Contract Amount | Description   | Dept.  | Execution Date | Expiration Date |
|------------|---------|----------------------|-----------------|---|--------|----------------|-----------------|
| C1738      | 2       | KPFF, Inc            | \$ -            | WPCF permit for all Home Forward's UICs; amended to extend duration                           | DCR    | 1/2/2018       | 6/30/2018       |
| C1650      | 6       | LMC, Inc.            | \$ -            | Construction changes; extending duration of contract  | DCR    | 1/4/2018       | 1/31/2018       |
| C1682      | 3       | Central City Concern | \$ -            | On-call Temporary Labor Staffing Firms & Direct Hire Recruiters, RFP 02/16-304; amended scope | DBS-HR | 1/5/2018       | 4/30/2019       |
| C1906      | 1       | Ri-Ky Roofing        | \$ -            | Roof replacement at Jean's Place; amended to extend duration of contract                      | FAAM   | 1/5/2018       | 2/15/2018       |

|                 |   |  |                      |   |                       |           |            |
|-----------------|---|--|----------------------|---|-----------------------|-----------|------------|
| C1916           | 1 | Universal<br>LawnCare<br>Maintenance                         | \$ -                 | Landscaping maintenance for our 21 master leased properties; amended to extend duration   | FAAM                  | 1/5/2018  | 2/28/2018  |
| T1804           | 1 | IRS Environmental  | \$ -                 | On-call Hazardous Material Abatement. IRFP 12/16-326; extending duration  | Prop Mgmt             | 1/8/2018  | 1/31/2019  |
| T1806           | 1 | Phil-Am<br>Enterprises DBA<br>Environmental<br>Resources Inc | \$ -                 | On-call Hazardous Material Abatement. IRFP 12/16-326; amended to extend duration of time  | Prop Mgmt             | 1/8/2018  | 1/31/2019  |
| C1613           | 3 | NW Enforcement   | \$ 50,000.00         | On-call security services, RFP 05/15-282  | Prop Mgmt             | 1/9/2018  | 7/30/2019  |
| C1842           | 2 | SimplexGrinnel   | \$ -                 | Extending completion date for the installation of new fire alarm control panel at NMW   | IFSS                  | 1/9/2018  | 1/31/2018  |
| C1913           | 2 | MercuryPDX   | \$ 8,000.00          | Mail Service for NMW: amended to extend duration  | Executive             | 1/9/2018  | 12/31/2018 |
| C1732           | 3 | Hahn &<br>Associates, Inc.                                   | \$ 800.00            | Add'l radon testing for vicinity of Grand Avenue property   | DCR                   | 1/11/2018 | 6/30/2018  |
| C1933           | 1 | EMG Corp   | \$ (7,650.00)        | RAD Physical Condition Assessments for Camelia Court, Eliot Square, Maple Mallory, Bel Park, & Winchell Court; amended to reduce cost                             | DCR                   | 1/18/2018 | 2/20/2018  |
| C1793           | 1 | Structure<br>Development<br>Advisors, LLC                    | \$ -                 | Consulting Services to Advise Home Forward on 3 Development projects; Framework, RAD conversion & Grand Avenue; amended to add time                               | DCR                   | 1/24/2018 | 1/31/2019  |
| C1916           | 2 | Universal<br>LawnCare<br>Maintenance                         | \$ -                 | Landscaping maintenance for our 21 master leased properties; amended to extend duration   | FAAM                  | 1/25/2018 | 3/31/2018  |
| T1805           | 1 | Global Pacific<br>Environmental                              | \$ -                 | On-call Hazardous Material Abatement. IRFP 12/16-326; amended to extend duration of time  | Prop Mgmt             | 1/31/2018 | 1/31/2019  |
| C1659           | 2 | Bryan Potter<br>Design                                       | \$ 30,000.00         | On Call Graphic Design; amended to add funds and time   | Executive             | 2/8/2018  | 2/1/2019   |
| C1905           | 3 | Beery Elsner &<br>Hammond LLP                                | \$ 10,000.00         | Providing counsel on contract negotiation between Home Forward and Walsh regarding Framework project; amended to add funds  | Procurement           | 2/8/2018  | 6/30/2018  |
| C1925           | 1 | Hacker Architects  | \$ 4,275.00          | Metro RFQ phase architectural - with LIFT application phase   | DCR                   | 2/8/2018  | 12/31/2018 |
| C1769           | 3 | Morrison<br>Hershfield<br>Corporation                        | \$ 17,450.00         | Extending original construction duration from 12 months to 20 months. Reporting & ongoing consultation  | DCR                   | 2/12/2018 | 3/31/2019  |
| C1809           | 2 | Universal<br>LawnCare<br>Maintenance                         | \$ 48,000.00         | Lawncare services at Tillicum North & South, Stark Manor, Fir Acres, Eastwood Court, Alderwood & Madrona, Project Open Door & Nathaniels Way, Floresta, Townhouse | Prop Mgmt             | 2/14/2018 | 2/28/2019  |
| C1933           | 2 | EMG Corp   | \$ -                 | RAD Physical Condition Assessments for Camelia Court, Eliot Square, Maple Mallory, Bel Park, & Winchell Court; amended to add time                                | DCR                   | 2/22/2018 | 4/30/2018  |
| C1710           | 2 | The Giving Tree  | \$ 6,335.00          | Resident Services at Fountain Place   | Community<br>Services | 2/27/2018 | 3/31/2018  |
| C1843           | 2 | Environmental<br>Works                                       | \$ -                 | Radon mitigation at Dahlke Manor; change order for scope  | DCR                   | 2/27/2018 | 3/31/2018  |
| C1818           | 1 | NW Organizing<br>Solutions, LLC                              | \$ 1,195.00          | Consulting and organizing for residents with hoarding tendencies; amended to add funds  | Community<br>Services | 2/28/2018 | 3/31/2018  |
| <b>Subtotal</b> |   |  | <b>\$ 168,405.00</b> |   |                       |           | <b>24</b>  |

Other Agreements (3rd Party contracts, MOU's, IGA's)

| Contract #      | Amend # | Contractor         | Contract Amount | Description                    | Dept.              | Execution Date | Expiration Date |
|-----------------|---------|--------------------|-----------------|--------------------------------|--------------------|----------------|-----------------|
| H1446           | 6       | MWA Architects Inc | \$ -            | Extending duration of contract | Community Services | 2/7/2018       | 3/31/2018       |
| <b>Subtotal</b> |         |                    | \$ -            |                                |                    |                | 1               |
| <b>Total</b>    |         |                    | \$ 2,711,103.40 |                                |                    |                | 44              |

# **DASHBOARD REPORT**



## Property Performance Measures

| Occupancy                                 |                      |                |                |              |                      |              |              |              |            |            |           |              |
|---|----------------------|----------------|----------------|--------------|----------------------|--------------|--------------|--------------|------------|------------|-----------|--------------|
|   | Number of Properties | Physical Units | Rentable Units | Vacant Units | Occupancy Percentage | Unit Mix     |              |              |            |            |           |              |
|   |                      |                |                |              |                      | Studio/SRO   | 1 Bdrm       | 2 Bdrm       | 3 Bdrm     | 4 Bdrm     | 5+ Bdrm   | Total        |
| Public Housing                            | 34                   | 1,355          | 1,346          | 25           | 98.1%                | 77           | 667          | 342          | 259        | 10         | 0         | 1,355        |
| Public Housing Mixed Financed Owned *     | 2                    | 65             | 65             | 4            | 100.0%               | 0            | 15           | 40           | 10         | 0          | 0         | 65           |
| Public Housing Mixed Finance Tax Credit * | 10                   | 681            | 681            | 10           | 98.5%                | 385          | 93           | 89           | 62         | 45         | 7         | 681          |
| <b>Total Public Housing</b>               | <b>46</b>            | <b>2,101</b>   | <b>2,092</b>   | <b>39</b>    | <b>98.1%</b>         | <b>462</b>   | <b>775</b>   | <b>471</b>   | <b>331</b> | <b>55</b>  | <b>7</b>  | <b>2,101</b> |
| Affordable Owned with PBA subsidy         | 4                    | 281            | 281            | 5            | 98.2%                | 72           | 191          | 12           | 6          | 0          | 0         | 281          |
| Affordable Owned without PBA subsidy      | 20                   | 2078           | 2,078          | 35           | 98.3%                | 786          | 525          | 565          | 164        | 30         | 0         | 2,078        |
| <b>Total Affordable Owned Housing</b>     | <b>24</b>            | <b>2,359</b>   | <b>2,359</b>   | <b>40</b>    | <b>98.3%</b>         | <b>812</b>   | <b>596</b>   | <b>386</b>   | <b>280</b> | <b>134</b> | <b>17</b> | <b>2,359</b> |
| Tax Credit Partnerships                   | 17                   | 2,225          | 2,225          | 32           | 98.6%                | 812          | 596          | 386          | 0          | 134        | 17        | 2,225        |
| <b>Total Affordable Housing</b>           | <b>41</b>            | <b>4,584</b>   | <b>4,584</b>   | <b>72</b>    | <b>98.4%</b>         | <b>1,624</b> | <b>1,192</b> | <b>772</b>   | <b>560</b> | <b>268</b> | <b>34</b> | <b>4,584</b> |
| Eliminate Duplicated PH Properties/Units  | -12                  | -746           | -746           | -14          |                      | -385         | -108         | -129         | -72        | -45        | -7        | -746         |
| <b>Combined Total PH and AH</b>           | <b>75</b>            | <b>5,939</b>   | <b>5,930</b>   | <b>97</b>    | <b>98.4%</b>         | <b>1,701</b> | <b>1,859</b> | <b>1,114</b> | <b>819</b> | <b>278</b> | <b>34</b> | <b>5,939</b> |
| Special Needs (Master Leased)             | 32                   | 269            | 269            |              |                      |              |              |              |            |            |           |              |
| Special Needs (Shelter Beds)              | 2                    | 236            | 236            |              |                      |              |              |              |            |            |           |              |
| <b>Total with Special Needs</b>           | <b>109</b>           | <b>6,444</b>   | <b>6,435</b>   |              |                      |              |              |              |            |            |           |              |

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

## Financial

Nine months ending 12/31/2017

Public Housing  
Affordable Owned  
Tax Credit Partnerships

| Fiscal YTD ending 12/31/2017                              |   |                                       |                                 | 12/31/17                           |   |   |
|---|---|---------------------------------------|---------------------------------|------------------------------------|---|---|
| # of Properties/units Positive Net Operating Income (NOI) | # of Properties/units Negative Net Operating Income (NOI) | # of Properties meeting Debt Coverage | # of Properties not meeting DCR | # of Properties DCR Not Applicable |   |   |
| 32  | 1,328   | 2                                     | 27                              |                                    |   |   |
| 22  | 2,289   | 2                                     | 70                              | 17                                 | 2 | 5 |
| 17  | 2,225   | 0                                     | 0                               | 13                                 | 0 | 4 |

## Public Housing Demographics

|                          | Households |        |         |              | % Family Type (head of household) |             |         |          | Race % (head of household) |       |                 |       |                         |                  |
|--------------------------|------------|--------|---------|--------------|-----------------------------------|-------------|---------|----------|----------------------------|-------|-----------------|-------|-------------------------|------------------|
|                          | # of       | % of   | Average | Average Unit | Adults no                         | Family with | Elderly | Disabled | Black African American     | White | Native American | Asian | Hawaiian/Pacific Island | Hispanic/ Latino |
| Public Housing Residents |            |        |         |              |                                   |             |         |          |                            |       |                 |       |                         |                  |
| 0 to 10% MFI             | 253        | 19.4%  | 2.3     | 1.8          | 9.6%                              | 9.8%        | 0.7%    | 5.9%     | 5.5%                       | 8.9%  | 0.8%            | 0.3%  | 0.5%                    | 3.6%             |
| 11 to 20%                | 541        | 41.6%  | 1.7     | 1.4          | 32.4%                             | 9.1%        | 11.9%   | 21.1%    | 9.4%                       | 23.8% | 1.8%            | 1.8%  | 0.7%                    | 4.1%             |
| 21 to 30%                | 270        | 20.8%  | 2.0     | 1.6          | 14.5%                             | 6.2%        | 7.8%    | 6.8%     | 3.7%                       | 12.2% | 0.8%            | 1.3%  | 0.2%                    | 2.5%             |
| 51 to 80%                | 44         | 3.4%   | 2.6     | 2.1          | 1.6%                              | 1.8%        | 0.5%    | 0.6%     | 0.8%                       | 1.5%  | 0.1%            | 0.2%  | 0.0%                    | 0.8%             |
| Over 80%                 | 9          | 0.7%   | 2.2     | 1.9          | 0.6%                              | 0.1%        | 0.1%    | 0.2%     | 0.1%                       | 0.4%  | 0.0%            | 0.1%  | 0.0%                    | 0.2%             |
| All                      | 1,301      | 100.0% | 2.0     | 1.6          | 65.9%                             | 34.1%       | 25.0%   | 38.2%    | 23.2%                      | 53.5% | 3.8%            | 4.3%  | 1.7%                    | 13.5%            |

## Waiting List

| 0 to 10% MFI | 6,441  | 38.0%  | 1.9 | 1.4 |  |  | 1.7% | 13.0% | 12.0% | 18.2% | 1.9% | 0.9% | 0.5% | 3.5% | 1.0% |
|--------------|--------|--------|-----|-----|--|--|------|-------|-------|-------|------|------|------|------|------|
| 11 to 20%    | 4,687  | 27.6%  | 2.1 | 1.4 |  |  | 3.2% | 13.3% | 8.4%  | 13.7% | 1.2% | 1.1% | 0.4% | 2.3% | 0.5% |
| 21 to 30%    | 2,871  | 16.9%  | 2.3 | 1.4 |  |  | 2.5% | 5.7%  | 4.8%  | 8.4%  | 0.7% | 0.8% | 0.2% | 1.8% | 0.3% |
| 31 to 50%    | 2,271  | 13.4%  | 2.5 | 1.4 |  |  | 1.6% | 3.0%  | 3.8%  | 6.2%  | 0.4% | 0.7% | 0.2% | 1.7% | 0.3% |
| 51 to 80%    | 532    | 3.1%   | 2.6 | 1.4 |  |  | 0.3% | 0.5%  | 1.0%  | 1.4%  | 0.1% | 0.2% | 0.1% | 0.4% | 0.1% |
| Over 80%     | 160    | 0.9%   | 2.4 | 1.4 |  |  | 0.1% | 0.2%  | 0.4%  | 0.3%  | 0.0% | 0.1% | 0.0% | 0.1% | 0.0% |
| All          | 16,962 | 100.0% | 2.1 | 1.4 |  |  | 9.3% | 35.7% | 30.3% | 48.3% | 4.3% | 3.7% | 1.5% | 9.7% | 2.2% |

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

## Other Activity

|                                  | #s, days, hrs |
|----------------------------------|---------------|
| Public Housing                   |               |
| Names pulled from Wait List      | 297           |
| Denials                          | 8             |
| New rentals                      | 5             |
| Vacates                          | 6             |
| Evictions                        | 0             |
| # of work orders received        | 1,754         |
| # of work orders completed       | 1,388         |
| Average days to respond          | 14.9          |
| # of work orders emergency       | 0             |
| Average response hrs (emergency) | 0             |

## Rent Assistance Performance Measures

### Utilization and Activity

|                            | Current Month Status |                   |             |                 |                         | Waiting List Names | Current Month Activity |                     |                               | Calendar Year To Date |                 |                         |              |          |
|----------------------------|----------------------|-------------------|-------------|-----------------|-------------------------|--------------------|------------------------|---------------------|-------------------------------|-----------------------|-----------------|-------------------------|--------------|----------|
|                            | Authorized Vouchers  | Utilized Vouchers | Utilization | Average Voucher | HUD Subsidy Over(Under) |                    | New Vouchers Leased    | Vouchers Terminated | Voucher Inspections Completed | Utilization           | Average Voucher | HUD Subsidy Over(Under) | New Vouchers | Vouchers |
| Tenant Based Vouchers      | 6,308                | 5,781             | 92%         | \$760           | -\$453,389              | 0                  | 14                     | 18                  | 459                           | 93%                   | \$722           | \$156,572               | 318          | 504      |
| Project Based Vouchers     | 2,110                | 2,058             | 98%         | \$798           | \$20,716                |                    | 17                     | 12                  | 106                           | 97%                   | \$841           | \$3,368,654             | 1112         | 265      |
| RAD Project Based Vouchers | 791                  | 782               | 99%         | \$540           | -\$272,210              |                    | 7                      | N/A                 | 33                            | 98%                   | \$560           | -\$262,304              | 7            | 772      |
| SRO/Mod Vouchers           | 512                  | 505               | 99%         | \$456           |                         |                    | 11                     | 6                   | 113                           | 97%                   | \$450           | \$85,723                | 121          | 116      |
| All Vouchers               | 9,721                | 9,126             | 94%         | \$733           | -\$432,673              |                    | 42                     | 36                  | 678                           | 94%                   | \$736           | \$3,610,949             | 1551         | 885      |

# Home Forward - Dashboard Report For February of 2018

## Demographics

|  | Households      |                 |                     |                   | % Family Type (head of household) |                      |         |                      | Race % (head of household) |       |        |       |           |          |
|--|-----------------|-----------------|---------------------|-------------------|-----------------------------------|----------------------|---------|----------------------|----------------------------|-------|--------|-------|-----------|----------|
|  | # of Households | % of Households | Average Family Size | Average Unit Size | Adults no Children                | Family with Children | Elderly | Disabled Not Elderly | Black                      | White | Native | Asian | Hawaiian/ | Hispanic |
| <b>Tenant Based Voucher Participants</b> |                 |                 |                     |                   |                                   |                      |         |                      |                            |       |        |       |           |          |
| 0 to 10% MFI                             | 1,064           | 16.9%           | 2.1                 | 1.9               | 9.0%                              | 7.9%                 | 0.8%    | 4.5%                 | 6.7%                       | 7.9%  | 0.6%   | 0.4%  | 0.1%      | 1.2%     |
| 11 to 20%                                | 2,375           | 37.7%           | 1.9                 | 1.9               | 27.2%                             | 10.4%                | 12.5%   | 15.7%                | 12.3%                      | 19.0% | 1.1%   | 2.9%  | 0.1%      | 2.3%     |
| 21 to 30%                                | 1,481           | 23.5%           | 2.3                 | 2.0               | 14.8%                             | 8.7%                 | 8.4%    | 7.9%                 | 7.4%                       | 13.0% | 0.6%   | 1.2%  | 0.2%      | 1.1%     |
| 31 to 50%                                | 1,137           | 18.0%           | 2.7                 | 2.3               | 7.6%                              | 10.4%                | 3.9%    | 4.5%                 | 7.7%                       | 7.8%  | 0.3%   | 0.9%  | 0.2%      | 1.2%     |
| 51 to 80%                                | 238             | 3.8%            | 3.1                 | 2.7               | 1.1%                              | 2.6%                 | 0.3%    | 0.4%                 | 2.0%                       | 1.3%  | 0.1%   | 0.1%  | 0.1%      | 0.2%     |
| Over 80%                                 | 12              | 0.2%            | 3.2                 | 2.8               | 0.1%                              | 0.1%                 | 0.0%    | 0.0%                 | 0.1%                       | 0.0%  | 0.0%   | 0.0%  | 0.0%      | 0.0%     |
| All                                      | 6,307           | 100.0%          | 2.2                 | 2.0               | 59.9%                             | 40.1%                | 26.0%   | 32.9%                | 36.1%                      | 48.9% | 2.6%   | 5.6%  | 0.7%      | 6.0%     |

|   | Households      |                 |                     |                   | % Family Type (head of household) |                      |         |                      | Race % (head of household) |       |        |       |           |          |
|---|-----------------|-----------------|---------------------|-------------------|-----------------------------------|----------------------|---------|----------------------|----------------------------|-------|--------|-------|-----------|----------|
|   | # of Households | % of Households | Average Family Size | Average Unit Size | Adults no Children                | Family with Children | Elderly | Disabled Not Elderly | Black                      | White | Native | Asian | Hawaiian/ | Hispanic |
| <b>Project Based Voucher Participants</b> |                 |                 |                     |                   |                                   |                      |         |                      |                            |       |        |       |           |          |
| 0 to 10% MFI                              | 701             | 24.9%           | 1.7                 | 1.5               | 16.6%                             | 8.2%                 | 1.3%    | 9.7%                 | 6.0%                       | 14.1% | 1.1%   | 0.6%  | 0.2%      | 2.8%     |
| 11 to 20%                                 | 1,096           | 38.9%           | 1.7                 | 1.4               | 31.8%                             | 7.0%                 | 11.6%   | 19.0%                | 9.7%                       | 23.4% | 1.2%   | 1.0%  | 0.2%      | 3.3%     |
| 21 to 30%                                 | 595             | 21.1%           | 2.0                 | 1.5               | 15.3%                             | 5.8%                 | 9.0%    | 6.1%                 | 4.6%                       | 13.7% | 0.5%   | 0.5%  | 0.3%      | 1.5%     |
| 31 to 50%                                 | 353             | 12.5%           | 2.7                 | 1.9               | 6.2%                              | 6.3%                 | 3.1%    | 2.6%                 | 3.4%                       | 6.1%  | 0.4%   | 0.3%  | 0.1%      | 2.2%     |
| 51 to 80%                                 | 64              | 2.3%            | 3.7                 | 2.6               | 0.6%                              | 1.6%                 | 0.2%    | 0.1%                 | 0.8%                       | 0.5%  | 0.1%   | 0.1%  | 0.0%      | 0.7%     |
| Over 80%                                  | 11              | 0.4%            | 3.7                 | 2.5               | 0.1%                              | 0.3%                 | 0.0%    | 0.0%                 | 0.2%                       | 0.1%  | 0.0%   | 0.0%  | 0.0%      | 0.1%     |
| All                                       | 2,820           | 100.0%          | 1.9                 | 1.5               | 70.7%                             | 29.3%                | 25.2%   | 37.4%                | 24.7%                      | 58.0% | 3.3%   | 2.4%  | 0.9%      | 10.7%    |

|                     | Households      |                 |                     |                   | % Family Type (head of household) |                      |         |                      | Race % (head of household) |       |        |       |           |          | Not Reported |
|---------------------|-----------------|-----------------|---------------------|-------------------|-----------------------------------|----------------------|---------|----------------------|----------------------------|-------|--------|-------|-----------|----------|--------------|
|                     | # of Households | % of Households | Average Family Size | Average Unit Size | Adults no Children                | Family with Children | Elderly | Disabled Not Elderly | Black                      | White | Native | Asian | Hawaiian/ | Hispanic |              |
| <b>Waiting List</b> |                 |                 |                     |                   |                                   |                      |         |                      |                            |       |        |       |           |          |              |
| 0 to 10% MFI        | 1               | 100.0%          | 2.0                 |                   |                                   |                      | 0.0%    | 0.0%                 | 100.0%                     | 0.0%  | 0.0%   | 0.0%  | 0.0%      | 0.0%     | 0.0%         |
| 11 to 20%           | 140             | 26.4%           | 2.5                 |                   |                                   |                      | 1.9%    | 8.1%                 | 8.8%                       | 12.2% | 1.2%   | 0.8%  | 0.2%      | 2.4%     | 0.8%         |
| 21 to 30%           | 70              | 13.2%           | 2.6                 |                   |                                   |                      | 2.4%    | 2.8%                 | 3.5%                       | 7.1%  | 0.2%   | 0.6%  | 0.0%      | 1.3%     | 0.6%         |
| 31 to 50%           | 55              | 10.4%           | 2.7                 |                   |                                   |                      | 0.9%    | 1.5%                 | 3.5%                       | 4.7%  | 0.3%   | 0.5%  | 0.6%      | 0.8%     | 0.0%         |
| 51 to 80%           | 13              | 2.4%            | 3.0                 |                   |                                   |                      | 0.2%    | 0.2%                 | 1.2%                       | 0.9%  | 0.0%   | 0.0%  | 0.0%      | 0.3%     | 0.0%         |
| Over 80%            | 8               | 1.5%            | 2.4                 |                   |                                   |                      | 0.2%    | 0.4%                 | 0.2%                       | 0.9%  | 0.0%   | 0.2%  | 0.0%      | 0.2%     | 0.0%         |
| All                 | 287             | 153.9%          | 2.6                 |                   |                                   |                      | 5.6%    | 13.0%                | 117.1%                     | 25.9% | 1.7%   | 2.1%  | 0.8%      | 5.0%     | 1.3%         |

## Short Term Rent Assistance

|                            | # of Households Participating | \$ Amount of Assistance Provided | Average Cost per Household |
|----------------------------|-------------------------------|----------------------------------|----------------------------|
| Shelter Plus Care          | 471                           | \$389,302                        | 827                        |
| Short Term Rent Assistance | 663                           | \$639,381                        | 964                        |

## Resident Services

### Resident Programs

|   | Housing Program Served | Households Served/ Participants | Monthly Funding Amount | Average Funds per Participant |  |  |                              |                   |                     |  |
|---|------------------------|---------------------------------|------------------------|-------------------------------|--|--|------------------------------|-------------------|---------------------|--|
| Congregate Housing Services<br>* as of previous month | Public Housing         | 122                             | \$ 82,838.00           | \$ 679.00                     |  |  |                              |                   |                     |  |
|   |                        |                                 |                        |                               | Increased Housing Stability                | Increased Self-Reliance                              | Increased Sense of Community |                   |                     |  |
|   |                        |                                 |                        |                               | # Interventions regarding lease violations | assisting residents to connect and utilize community | # of events                  | # event attendees |                     |  |
|   |                        |                                 |                        |                               | 133  | 1132   | 225                          | 4831              |                     |  |
|   |                        |                                 |                        |                               | 0  | 0  | 0                            | # of Graduates    | Escrow \$ Disbursed | Terminations or Exits                            |
| Three months ending 6/30/2017                         | Public Housing         | 158                             | \$327,168              | 1                             | 3  | \$6,866  | 4                            | \$0               | \$0                 | Avg Annual Earned Income Increase Over Last Year |
| Nine months ending 12/31/2017                         | Section 8              | 141                             | \$269,957              | 3                             | 0  | \$1,483  | 0                            | \$0               | \$0                 | \$1,191  |
|   |                        |                                 |                        |                               |  |  |                              |                   |                     | \$2,017  |

**Agency Financial Summary**

| Six months ending 12/31/17    | Fiscal Year to Date  | Prior YTD            | Increase (Decrease) |
|-------------------------------|----------------------|----------------------|---------------------|
| Subsidy Revenue               | \$78,327,834         | \$69,643,963         | \$8,683,871         |
| Grant Revenue                 | \$13,812,987         | \$10,330,023         | \$3,482,964         |
| Property Related Income       | \$15,477,170         | \$14,202,078         | \$1,275,092         |
| Development Fee Revenue       | \$1,223,178          | \$2,692,828          | (\$1,469,650)       |
| Other Revenue                 | \$6,785,878          | \$6,008,257          | \$777,620           |
| <b>Total Revenue</b>          | <b>\$115,627,046</b> | <b>\$102,877,149</b> | <b>\$12,749,897</b> |
| Housing Assistance Payments   | \$73,714,992         | \$62,455,162         | \$11,259,830        |
| Operating Expense             | \$34,150,905         | \$33,102,846         | \$1,048,059         |
| Depreciation                  | \$6,465,849          | \$6,142,052          | \$323,797           |
| Total Expense                 | \$114,331,746        | \$101,700,060        | \$12,631,686        |
| Operating Income              | \$1,295,300          | \$1,177,088          | \$118,212           |
| Other Income(Expense)         | -\$93,353            | \$4,069,938          | (\$4,163,291)       |
| Capital Contributions         | \$6,179,857          | \$1,811,537          | \$4,368,320         |
| Increase(Decrease) Net Assets | -\$4,791,204         | -\$4,704,387         | (\$86,817)          |
| Total Assets                  | \$499,872,070        | \$441,465,156        | \$58,406,914        |
| Liquidity Reserves            | \$37,419,578         | \$26,056,162         | \$11,363,416        |

**Development/Community Revitalization****New Development / Revitalization**

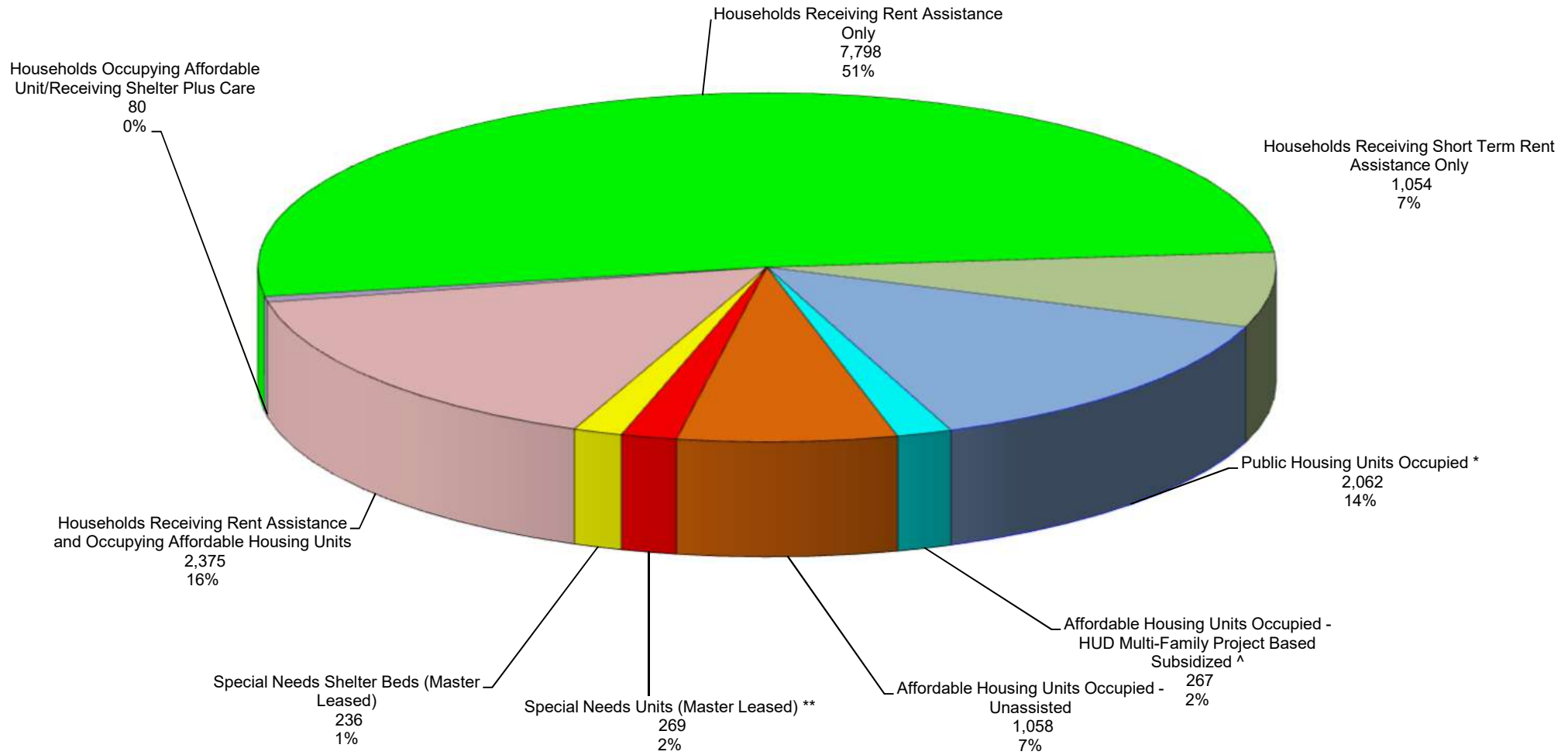
| Units                         | Construction Start | Construction End | Current Phase     | Total Cost   | Cost Per Unit |
|-------------------------------|--------------------|------------------|-------------------|--------------|---------------|
| St. Francis Park Square Manor | Mar-16             | Aug-17           | Post Construction | \$23,250,483 | \$219,344     |
| Gladstone Square              | Mar-17             | Jan-18           | Construction      | \$11,191,518 | \$233,157     |
| Multnomah Manor               | Aug-17             | Jan-18           | Construction      | \$8,949,559  | \$168,860     |
| NE Grand                      | Dec-17             | Oct-20           | Pre-Construction  | \$76,923,525 | \$320,515     |

**Capital Improvement**

|                                |     |        |        |              |             |     |
|--------------------------------|-----|--------|--------|--------------|-------------|-----|
| Harold Lee Comprehensive Rehab | N/A | May-16 | Dec-17 | Construction | \$1,800,000 | N/A |
| Fairview Woods Recladding      | N/A | Jun-17 | Jul-18 | Construction | \$3,900,000 | N/A |

# **HOUSEHOLDS SERVED REPORT**

## Total Households Served: Rent Assistance and Occupied Housing Units February 2018



**Total Households Served 15,199**

^ Consists of Grace Peck Terrace, Multnomah Manor, Plaza Townhomes, Rosenbaum Plaza, Unthank Plaza

\* Includes Local Blended Subsidy

^^ Total Short Term Rent Assistance less the Households Occupying Affordable Units/Receiving Shelter Plus Care

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

# Households Served

## Households Served Through Housing Supports February 2018

| Rent Assistance  | All Programs  | Moving to Work Programs | Non-MTW Programs |
|--|---------------|-------------------------|------------------|
| Rent Assistance Vouchers - Home Forward Funded                             | 10,173        | 7,700                   | 1,691            |
| Tenant Based Vouchers  | 5,665         | 5,665                   |                  |
| Project Based Vouchers   | 1,392         | 1,392                   |                  |
| Hi Rise Project Based Vouchers   | 643           | 643                     |                  |
| RAD Project Based Vouchers   | 782           |                         |                  |
| Single Room Occupancy (SRO)/MODS   | 504           |                         | 504              |
| Family Unification Program   | 93            |                         | 93               |
| Veterans Affairs Supportive Housing (VASH)                                 | 563           |                         | 563              |
| Rent Assistance - PORT IN From Other Jurisdiction                          | 531           |                         | 531              |
| Short Term Rent Assistance Programs  | 1,134         | 100                     | 1,034            |
| Shelter + Care   | 471           |                         | 471              |
| Locally Funded Short Term Rent Assistance                                  | 563           |                         | 563              |
| Earl Boyles  | 20            | 20                      |                  |
| MIF Funded Short Term Rent Assistance                                      | 45            | 45                      |                  |
| Alder School   | 27            | 27                      |                  |
| New Doors  | 5             | 5                       |                  |
| Employment Opportunity Program   | 3             | 3                       |                  |
| Work Systems Inc. - Agency Based Rent Assistance                           | -             | -                       |                  |
| <b>Total Rent Assistance</b>   | <b>11,307</b> | <b>7,800</b>            | <b>2,725</b>     |
| <b>Subsidized Housing Units</b>  |               |                         |                  |
| <b>Public Housing Units Occupied</b>                                       | 2,062         | 2,062                   | -                |
| Traditional Public Housing units Occupied                                  | 1,297         | 1,297                   |                  |
| RAD units Occupied - Local Blended Subsidy                                 | 167           | 167                     |                  |
| RAD units Occupied - in Owned Affordable                                   | 61            | 61                      |                  |
| RAD units Occupied - in Tax Credit Affordable                              | 537           | 537                     |                  |
| Affordable Housing Units Occupied (excluding PH subsidized)                | 3,780         |                         | 3,780            |
| Affordable Housing Units - Tenant Based Vouchers                           | 505           |                         | 505              |
| Affordable Housing Units - Shelter + Care                                  | 80            |                         | 80               |
| Affordable Housing Units - Project Based Vouchers                          | 331           |                         | 331              |
| Affordable Housing Units - Hi Rise Project Based Vouchers                  | 643           |                         | 643              |
| Affordable Housing Units - RAD Project Based Vouchers                      | 782           |                         | 782              |
| Affordable Housing Units - HUD Multi-Family Project Based                  | 267           |                         | 267              |
| Affordable Housing Units - VASH Vouchers                                   | 79            |                         | 79               |
| Affordable Housing Units - Family Unification Program                      | 3             |                         | 3                |
| Affordable Housing Units - Section 8 Port In                               | 32            |                         | 32               |
| Affordable Housing Units - Unassisted                                      | 1,058         |                         | 1,058            |
| Special Needs  | 505           |                         | 505              |
| Special Needs Units (Master Leased) **                                     | 269           |                         | 269              |
| Special Needs Shelter Beds (Master Leased)                                 | 236           |                         | 236              |
| <b>Total Households Occupying Housing Units</b>                            | <b>6,347</b>  | <b>2,062</b>            | <b>4,285</b>     |
| <b>Total Housing Supports Provided to Household</b>                        | <b>17,654</b> | <b>9,862</b>            | <b>7,010</b>     |
| Household Occupying Affordable Unit/Receiving Home Forward Rent Assistance | (2,375)       |                         | (2,375)          |
| Households Occupying Affordable Unit/Receiving Shelter Plus Care           | (80)          |                         | (80)             |
| <b>Total Households Served</b>   | <b>15,199</b> | <b>9,862</b>            | <b>4,555</b>     |

### Notes:

- <sup>A</sup> Consists of Grace Peck Terrace, Multnomah Manor, Plaza Townhomes, Rosenbaum Plaza, Unthank Plaza
- <sup>\*\*</sup> Special Needs or Physical Units are programs and levels that are not reported to Home Forward by service providers master leasing these properties.
- Home Forward Board of Commissioners  
March 2018