

PUBLIC NOTICE:



Home Forward
BOARD OF COMMISSIONERS
will meet on
Tuesday, August 17, 2021
At 5:15 pm
Zoom Register here:

https://homeforward.zoom.us/webinar/register/WN_AG4TpmgERugryID8ZjTgNw



MEMORANDUM

To: Community Partners Date: August 10, 2021

From: Michael Buonocore, Executive Director Subject: Home Forward Board of Commissioners August Meeting

The Board of Commissioners of Home Forward will meet on Tuesday, August 17, 2021 at 5:15 PM virtually using the Zoom platform. The meeting will be accessible to the public via phone and electronic device.

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

https://homeforward.zoom.us/webinar/register/WN_AG4TpmgERuqrylD8ZjTgNw

The commission meeting is open to the public.

AGENDA



BOARD OF COMMISSIONERS MEETING

**HOME FORWARD
135 SW ASH STREET
PORTLAND, OREGON**

VIA ZOOM

https://homeforward.zoom.us/webinar/register/WN_AG4TpmgERuqryID8ZjTgNw

AUGUST 17, 2021 5:15 PM

AGENDA

INTRODUCTION AND WELCOME

PUBLIC COMMENT

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

MEETING MINUTES

Topic
Minutes of July 20, 2021 Board of Commissioner Virtual Meeting

MISSION MOMENT

Topic	Presenter
Summer Lunch Programming at Stephens Creek Crossing	Janellia Mesa, Nasir Idrees and Kelsey Madison, Portland Parks

CONSENT CALENDAR

Following Reports and Resolutions:			
21-08	Topic	Presenter/POC	Phone #
02	Authorize Fiscal Year 2020 Audit	Kandy Sage	503.802.8585

RESOLUTIONS/REPORTS

Following Reports and Resolutions:			
21-08	Topic	Presenter/POC	Phone #
03	Authorize Amendments or Contracts for Construction Management/General Contractor (CM/GC) Services with Colas Construction for the SE Powell Development	Amanda Saul Patrick Rhea	503.802.8552 503.802.8511
04	Authorize Powell Development Financing	Amanda Saul Ben Loftis	503.802.8552 503.802.8510
05	Authorize Execution of Documents in Connection with Financing, Transferring of Property Interests, Development and Operation of SE Powell Development	Amanda Saul Ben Loftis	503.802.8552 503.802.8510
06	Authorize Construction Contracts to Replace the Joyce Phillips Head Start Classroom at Dekum Court	Lewis Lyles April Berg	503.802.8484 503.802.8326
07	Recognize Deputy Executive Director Peter Beyer	Michael Buonocore	503.802.8423

THE NEXT MEETING OF THE BOARD OF COMMISSIONERS

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

The next Board Work Session will be on Wednesday, September 8, 2021 at 5:30 PM. The next Board of Commissioners meeting will be Tuesday, September 21, 2021 at 5:15 PM.

EXECUTIVE SESSION

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

HOME FORWARD DEVELOPMENT ENTERPRISE CORPORATION BOARD

The Home Forward Development Enterprise Board will meet following the August 17, 2021, Board of Commissioners meeting.

ADJOURN

MINUTES



**BOARD OF COMMISSIONERS MEETING
HOME FORWARD
CONFERENCE CALL
135 SW Ash Street Portland, OR 97204
July 20, 2021**

COMMISSIONERS PRESENT

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

STAFF PRESENT

Elise Anderson, April Berg, Peter Beyer, Ian Davie, Dena Ford-Avery, Tonya Evans, Pamela Kambur, Ben Loftis, Kitty Miller, Kandy Sage, Amanda Saul, Kellie, Shaw, Ian Slingerland, Taylor Smiley Wolfe, Aimee Smith, Celia Strauss

COUNSEL PRESENT

Sarah Stauffer Curtiss

Chair Damien Hall convened the meeting at 5:15 PM.

PUBLIC COMMENT

Hollywood East resident Neil Goodman introduced himself as the local committee precinct representative and was here to address the recent death at the Trimet stop outside the property. Goodman pointed out that this was a traumatic outcome for residents to witness and raised the issue of deaths that have taken place at Hollywood East. He described situations of non-residents getting into the building and the need for increased security on site. Goodman said that Home Forward has the burden of supporting the residents, as they are the customer and he, along with his fellow residents are begging to be treated better. Chair Hall thanked Goodman for his testimony and assured him we take these concerns seriously. The board understands the trauma that can be associated with the bus stop death and is confident a follow up conversation with staff will offer some help. Commissioner TomiRene Hettman, thanked Goodman for sharing this as she was not aware of the death. As a resident at Hollywood East she had been aware of the situation

over a two week period, but that the outcome was heartbreaking. She emphasized to Goodman that he is heard, loud and clear.

Cathy Millis, Dahlke Manor resident agreed with Goodman that residents are not being heard. She talked about the state of construction at the property and the lack of communication from staff. Millis shared frustration with the elevator situation during construction, asked for some reassurance that when she presents her concerns she is being heard. Considering the recent heatwave, Millis felt fortunate that staff did their best, but was disappointed to learn that Home Forward has no plans to install A/C in their properties. She reiterated her request to be heard.

Commissioner Dina DiNucci thanked Millis and Goodman for bring forth their concerns. She asked that as issues come to light could they be shared in an email. This would allow the board to see the issues in real time, as well as a timelier response from staff.

Chair Hall outlined the typical process of issues brought to staff to resolve, problem solve, then when unresolved the Resident Advisory Committee delves into the issue. Once to the board level, staff is held accountable and required to follow up with the board.

Commissioner DiNucci appreciated knowing the process, but also welcomed hearing the frustration from the residents. Millis gave an example of a situation where someone was excluded from the property and then years later the exclusion was revoked without the residents having an opportunity weigh in, nor made aware of the change. She emphasized that staff does not see the same concerning behaviors as the residents. Millis thanked the commissioners for listening and asked that they help in the situations residents bring to them.

Chair Hall expressed understanding and thanked Millis and Goodman for speaking and that staff will be following up.

MEETING MINUTES

Minutes of the June 15, 2021 Board of Commissioners Conference Call Meeting

Chair Damien Hall requested a motion authorizing approval of the minutes for June 15, 2021 Board of Commissioners meeting.

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

The vote was as follows:

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

CONSENT CALENDAR

Resolution 21-07-01 Authorize Fiscal Year 2021 Budget Amendment

Resolution 21-07-02 Authorize Adoption of Findings Based on the Report of the Hearings Officer and Approval of an Exemption from Competitive Bidding for the Fairfield Apartments

Resolution 21-07-03 Authorize Intent to Issue Bonds for SE Powell Development

Chair Damien Hall requested a motion authorizing approval of Resolutions 21-07-01, 21-07-02, 21-07-03.

There being no discussion, Treasurer Jenny Kim moved to approve a motion for approval, and Vice Chair Matthew Gebhardt seconded the motion.

The vote was as follows:

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

RESOLUTIONS

RESOLUTION 21-07-04 Authorize Home Forward Property Naming Policy

Director of Policy and Planning, Taylor Smiley Wolfe presented the resolution. Most recently the policy was updated in 2020. The current policy only includes a process for naming properties and does not include a process for re-naming. Smiley Wolfe used the example of the Katherine Gray and the lack of connection between the property name and Home Forward's mission and organizational values and the reasoning to make three additional changes to the policy. These changes expand the policy purpose to include properties

named after people who committed injustices and are no longer memorialized; outlines how a property re-naming process can be initiated; and combines the process and criteria. She noted that in this new process residents of the property will be involved in the decision making.

There being no further discussion, Chair Damien Hall requested a motion to approve Resolution 21-07-04. Commissioner Vivian Satterfield moved to adopt resolution 21-07-04. Treasurer Jenny Kim seconded the motion.

The vote was as follows:

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

RESOLUTION 21-07-05 – Authorize Naming of the Baldwin Site to Hattie Redmond Apartments

Pamela Kambur, Community Relations Manager presented the resolution excited to use the new naming process implemented to recognized people not typically heard/seen in Portland history. A naming workgroup was formed earlier this year with a mix of Urban League and Home Forward staff, Commissioner Rakeem Washington and participants. Kambur went onto describe the process that reviewed twelve potential names ultimately ranked by the committee. The Urban League Board of Directors was then asked to comment on the top two names. They concurred with the workgroup’s top choice: Hattie Redmond.

Commissioner Washington appreciated the opportunity to serve on the committee. He said this effort underscores the historic component especially on a national level where history is exposed. Vice Chair Matthew Gebhardt first heard this at the READ meeting and through a Google search he was excited to see how many women of historic noteworthiness are emerging. It is an important role in getting accurate information out there. There is power in this as the agency goes through future re-naming processes.

Kambur worked with Oregon Pioneers who brought forth four names and as an agency we are working to showcase Redmond on our website. Commissioner DiNucci was

interested if there are any remaining ancestors that could attend a naming celebration. Kambur said Hattie had no siblings nor children. She is buried at Lone Fir Cemetery and Metro is supplying funds to restore her headstone. Commissioner DiNucci asked about a plaque and Kambur said we are working with the design team to display something in the building lobby. Chair Hall agreed the name was well deserved and hopes to see more information about Ms. Redmond on display.

There being no further discussion, Chair Damien Hall requested a motion to approve Resolution 21-07-05. Treasurer Jenny Kim moved to adopt resolution 21-07-05. Commissioner TomiRene Hettman seconded the motion.

The vote was as follows:

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

RESOLUTION 21-07-06 Authorize Amendments or Contracts for Construction Management/General Contractor Services for Baldwin Development

Amanda Saul, Assistant Director presented the resolution for the newly names Hattie Redmond Apartments. This resolution authorizes execution of contracts and amendments with Bremik Construction for construction management and general contractor services in the amount of \$14,306.487. Bremik will construct a 60-unit, four story permanent supportive housing building. Construction is expected to begin October 4, 2021, anticipating completion in 14 months. The resolution was reviewed by the READ Committee.

There being no further discussion, Chair Damien Hall requested a motion to approve Resolution 21-07-06. Vice Chair Matthew Gebhardt moved to adopt resolution 21-07-06. Commissioner Vivian Satterfield seconded the motion.

The vote was as follows:

Chair Damien Hall—Aye
Vice Chair Matthew Gebhardt—Aye
Treasurer Jenny Kim—Aye

Commissioner Dina DiNucci—Aye
Commissioner TomiRene Hettman—Aye
Commissioner Vivian Satterfield—Aye
Commissioner Rakeem Washington—Aye

RESOLUTION 21-07-07—Authorize Amendments or Contracts for Construction Management/General Contractor Services for Troutdale Housing

Saul presented the resolution requesting execution of a contract for pre-construction, construction management and general contractor services with Bremik Construction. Saul described the RFP to process to select the contractor. The contract amount of \$215,000 will enable construction of a three-story affordable housing project, with approximately 111 units in Troutdale. Staff will present a contract amendment for the guaranteed maximum price of construction prior to the final closing. Lastly, the resolution was reviewed with the READ Committee.

There being no further discussion, Chair Damien Hall requested a motion to approve Resolution 21-07-07. Treasurer Jenny Kim moved to adopt resolution 21-07-07. Commissioner TomiRene Hettman seconded the motion.

The vote was as follows:

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

RESOLUTION 21-07-08 Recognize Commissioner Miki Herman

A bittersweet moment as we recognize Commissioner Herman said Chair Hall as she leaves to take on a big job. Chair Emeritus Miki Herman described the process entailing leaving and accepting a position at Albertina Kerr. She has completed her first week as interim Executive Director and will continue until their next leader is found. Chair Hall said there is no doubt Kerr is in good hands.

Deputy Executive Director Ian Davie read the resolution. Herman thanked the board and staff saying it is an incredible board with an exemplary staff. She has enjoyed watching 85 stories, the robust conversations and will miss the many in-person interactions.

Former Commissioner David Widmark said it took him three years to convince Herman to join the board, always feeling she would bring her business savvy with these attributes a value to the board. Herman said she was pleased to begin her stint as Executive Director Buonocore commenced his stint. Looking back on many new hires and promotions it has made it a terrific ride and she is appreciative for that.

Treasurer Jenny Kim expressed how grateful she is to Herman for making this the most positive, fun board she has served on. Kim appreciated how Herman could look at an issue from a different angle and dissect the challenges. She is grateful that Herman will continue to work in our community, and we can expect to see her continued leadership. Although missed, we are hopeful to see Herman at future events.

Commissioner Vivian Satterfield thanked Herman for her many contributions. She expressed her gratefulness to Herman for her mentorship, sharing her experiences and stories, warmth, genuine curiosity, stewardship, gentle guidance and leadership.

Commissioner TomiRene Hettman said she learned something significant through thoughtful answers to Herman's questions. She said there was never a doubt that Herman showed up with an open heart. As a role model, she herself is a better commissioner, person. She will be missed and hoped Herman would not be a stranger.

Vice Chair Matthew Gebhardt echoed the sentiments of his fellow commissioners and said it has been a true pleasure serving with Herman. Getting to know you, learning from you through your insightful, constructive, and pointed questions, and being able to draw on your knowledge related to what is at hand has been valuable. Your steady, optimistic leadership and ability to put people at ease is admired. As a fellow commissioner and friend, he looks forward to staying connected.

David Widmark recounted his interactions with Herman on the Albertina Kerr board and saw that her critical thinking, asking the tough questions were attributes that complimented the Home Forward board. City of Portland Commissioner Dan Saltzman enthusiastically endorsed her appointment. Widmark went onto say as a friend and colleague they have had situations where they have agreed to not agree, it has been an honor to serve with you. In parting, you are leaving the organization in a far better place than when you came.

Deputy Executive Director Ian Davie shared a story of working with Herman, appreciating her balanced history, leadership, contributions, guidance and advice. Herman adding that she has welcomed the opportunity to build such connections.

Deputy Executive Director Peter Beyer amplified Herman's ability to asked in depth questions, something he has been the recipient of on numerous occasions. He appreciated the thorough preparation she brought to the table and said it has made us better. On a personal level, as a board chair his observations of Herman's approach on sharing her knowledge as been valuable.

As an advocate for education and advancing a person's growth, Home Forward is naming the new Troutdale reading library in Herman's honor. Herman welcomed the wonderful choice and appreciated the honor.

Deputy Executive Director Kitty Miller expressed a sincere thank you to Herman for making herself available and for the knowledge she gained through this relationship. Herman said she too has gained from this role. She looks at the diversity of the board, the intelligent capacity of the staff and appreciates the privilege of serving and the generous thoughts that have been shared. She encouraged the good work to continue and will look forward to the progression of the Troutdale Project and crossing paths in the future.

In closing, Chair Hall encouraged Herman to stay in touch and be a friend not a stranger. There being no further discussion the Board unanimously approved Resolution 21-07-08.

The vote was as follows:

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

ADJOURN

There being no further business, Chair Damien Hall adjourned the meeting at 6:31 PM.

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

ADOPTED: AUGUST 17, 2021

Attest:

Home Forward:

Michael Buonocore, Secretary

Damien R. Hall, Chair

CONSENT CALENDAR



MEMORANDUM

To:	Board of Commissioners	Date:	August 17, 2021
From:	Kandy Sage, Deputy Executive Director, Finance 503.802.8585 Peter Beyer, Deputy Executive Director, Finance (Emeritus) 503.802.8538	Subject:	Authorize Approval of Fiscal Year 2020 Audited Financial Statements, Single Audit Reports, Schedule of Closed Grants, and Governance Communication Letter to the Board of Commissioners Resolution 21-08-02

The Board of Commissioners is requested to accept and approve:

1. Independent Auditor's Reports, Basic Financial Statements and Supplementary Information for Year Ended December 31, 2020
2. Single Audit Reports for Year Ended December 31, 2020
3. Report on Schedule of Closed Grants through December 31, 2020
4. Auditors' Governance Communication Letter to the Board of Commissioners for Year Ended December 31, 2020

This audit report covers the period January 1, 2020 to December 31, 2020
CliftonLarsonAllen (CLA) is the audit firm engaged to audit Home Forward's basic financial statements and compliance with federal programs. On August 4, 2021, CLA met with Home Forward's Board of Commissioners and presented the draft audit results for Year Ended December 31, 2020.

HIGHLIGHTS

Key financial highlights from the audit include:

- Total assets and deferred outflows of resources increased \$32.3 million from \$629.4 million at January 1, 2020 to \$661.7 million at December 31, 2020, primarily due to the increase in accounts receivable connected with CARES Act funded rent assistance, and notes and accrued interest receivable and notes receivable - partnerships.
- Total liabilities and deferred inflows of resources increased \$20.9 million from \$292.4 million at January 1, 2020 to \$313.4 million at December 31, 2019, mainly due to draws on the construction line of credit, an increase in pension liability, and an increase in bonds payable – partnerships.
- Operating revenues of \$212.8 million increased \$23.5 million from fiscal year 2019. This is mainly due to increases in HUD operating subsidies and grants and additional support in State, Local and Other grants to address the impact of the COVID-19 pandemic.
- Total operating expenses were \$201.7 million, an increase of \$32.2 million from the prior year and mainly driven by an increase in housing assistance payments to address the impact of the COVID-19 pandemic.
- Overall, net position increased \$11.3 million to \$348.3 million at December 31, 2020.

ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2020

As a reminder, the basic financial statements are comprised of two main columns of results:

1. The Primary government and any blended component units – this column includes the results for the primary government (Home Forward) and blended component units, and any intercompany eliminations. The blended component units include Home Forward Development Enterprises, Home Forward Community Partnerships, St. Francis LLC, Gateway Park Apartments, and HF Insurance Group.
2. Discretely presented component units – this column aggregates the calendar year results of 19 low income housing tax credit (LIHTC) partnerships where the limited partners have majority ownership but have delegated the majority of their rights regarding the operations of the partnership to Home Forward (as general partner).

CLA issued an unmodified opinion on the basic financial statements for both the primary government and the discretely presented component units, with the opinion stating that they present fairly, in all material respects, the financial position as of December 31, 2020.

AUDITORS' SINGLE AUDIT REPORTS (Uniform Grant Guidance)

Home Forward expended \$160.3 million in federal funds during the period from January 1, 2020 to December 31, 2020 (of which 64% were Moving to Work funds).

For these funds, Home Forward is required to have an audit of internal controls in accordance with Government Auditing Standards and an audit of compliance for each major federal program as required by the Office of Management and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). There were no financial statement findings, no questioned costs, and no compliance findings identified during the year.

AUDITORS' GOVERNANCE COMMUNICATION TO THE BOARD OF COMMISSIONERS

Finally, the auditors issued a Governance Communication to the Board of Commissioners for Fiscal Year 2020. This document provides communication on matters related to the conduct of the audit and includes information regarding any:

- Qualitative aspects of accounting practices
- Difficulties encountered in performing the audit
- Corrected and uncorrected misstatements
- Disagreements with management
- Management representations
- Management consultations with other independent accounts
- Other findings or issues
- Other comments/recommendations

MOTION TO APPROVE

The Board is requested to accept and approve the reports presented:

- Independent Auditor's Reports, Basic Financial Statements and Supplementary Information for Year Ended December 31, 2020
- Single Audit Reports for Year Ended December 31, 2020
- Schedule of Grants Closed through December 31, 2020
- Auditors' Governance Communication to Board of Commissioners for Year Ended December 31, 2020

HOME FORWARD
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020

Draft
Subject to Change
7/27/21

**HOME FORWARD
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YEAR ENDED DECEMBER 31, 2020**

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**HOME FORWARD
BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL
YEAR ENDED DECEMBER 31, 2020**

BOARD OF COMMISSIONERS

Damien Hall Chair	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Matthew Gebhardt Vice Chair	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Mary Ann Herman Chair Emeritus	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Jenny Kim Treasurer	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
David Widmark Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
TomiRene Hettman Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Richard Anderson Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Vivian Satterfield Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Rakeem Washington Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Dina DiNucci Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204

ADMINISTRATIVE OFFICER

Michael Buonocore Executive Director and Secretary/Treasurer	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
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GENERAL COUNSEL

Sarah Stauffer Curtiss	Stoel Rives, LLP 900 S.W. Fifth Avenue, Suite 2600 Portland, Oregon 97204
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Home Forward
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Home Forward's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments only to conform the presentation of the financial statements of the discretely presented components units to accounting standards issued by the Government Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the discretely presented component units, prior to these conversion adjustments, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The audits of the discretely presented component units were not performed in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Home Forward as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 5 to 11 and schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in net OPEB asset and related ratios, schedule of OPEB contributions, and schedule of changes in total OPEB liability and related ratios (pages 68 to 70) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Home Forward's basic financial statements. The combining schedule of net position – Affordable Housing, combining schedule of revenues, expenses, and changes in net position – Affordable Housing, combining schedule of net position – Special Needs Housing, and combining schedule of revenues, expenses, and changes in net position – Special Needs Housing are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of Home Forward's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Home Forward's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Home Forward's internal control over financial reporting and compliance.

Christian J. Rogers
CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

This section includes a Management's Discussion and Analysis of the Home Forward's financial performance during the period of January 1, 2020 to December 31, 2020. Please read it in conjunction with Home Forward's basic financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: 1. Management's Discussion and Analysis (this section), 2. The basic financial statements and 3. Supplementary information (required and other).

Home Forward is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of Home Forward. Agency-wide statements report information about Home Forward as a whole using accounting methods similar to those used by private sector companies. While detailed sub-fund information is not presented, separate accounts are maintained for each program to control and manage money for particular purposes or to demonstrate that Home Forward is properly using specific appropriations and grants. The financial statements also include a "Notes to Financial Statements" section that explains the information in the basic financial statements and provides more detailed data. The Notes to Financial Statements are followed by a "Supplementary Information" section, which presents the required supplementary information and other financial schedules of Home Forward's operating units and its individual properties.

As required by the Governmental Accounting Standards Board (GASB) Statement No. 61 the basic financial statements include its blended component units - Home Forward Development Enterprises, St. Francis LLC, Gateway Park Limited Partnership, Home Forward Community Partnerships, HF Insurance Group and its 19 discretely presented component units. These discretely presented component units represent multi-family properties structured as limited partnerships, which have Home Forward as the general partner with minimal ownership interest. The Statements of Net Position includes all of Home Forward's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position, regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Significant Developments

Fountain Place - In March 2020, Home Forward transferred Fountain Place, an 80-unit affordable housing property, to FP2 LP, a limited partnership utilizing the low-income housing tax credit (LIHTC) program.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

COVID-19 - On Sunday, March 8, 2020, Oregon Governor Kate Brown declared a state of emergency in response to the coronavirus known as COVID-19. This state of emergency included limiting the amount of people that could gather and the closing of schools and certain businesses. In addition to the health impacts of COVID-19, the economic impact will be significant. As part of the federal response to this crisis, Congress approved and the President signed, on March 27, 2020, Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This Act (and its subsequent amendments) included expanded unemployment benefits, payroll tax adjustments, small business loans, corporate assistance, and increased funding for several key federal departments, including the Department of Housing and Urban Development (HUD). Additionally, jurisdictional partners such as the State of Oregon, Multnomah County, and the City of Portland have provided additional housing resources to address the impact of COVID-19.

Financial Highlights

Home Forward's Statement of Net Position reflects growth in net position during the period of January 1, 2020 to December 31, 2020. Specifically:

- Total assets and deferred outflows of resources increased \$33.3 million from \$629.4 million at January 1, 2020 to \$662.7 million at December 31, 2020, primarily due to the increase in accounts receivable connected with CARES Act funded rent assistance, and notes and accrued interest receivable and notes receivable - partnerships.
- Total liabilities and deferred inflows of resources increased \$20.9 million from \$292.4 million at January 1, 2020 to \$313.4 million at December 31, 2020, mainly due to draws on the construction line of credit, an increase in pension liability, and an increase in bonds payable – partnerships.
- Total operating revenues for the period January 1, 2020 to December 31, 2020 were \$212.7 million. Total operating expenses were \$200.7 million. Operating results for this period was operating income of \$12.1 million. Nonoperating revenues/ (expenses) were nearly break even and capital contributions were a modest \$0.4 million. Overall, net position increased \$12.4 million.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

Condensed Statement of Net Position

The following tables show a summary of net position by type at December 31:

(In Thousands of Dollars)	2020	2019	Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current Assets	\$ 196,408	\$ 131,262	\$ 65,146
Noncurrent Assets	325,198	356,634	(31,436)
Capital Assets	131,605	134,769	(3,164)
Total Assets	<u>653,211</u>	<u>622,665</u>	30,546
Deferred Outflows of Resources	9,517	6,696	2,821
Total Assets and Deferred Outflows of Resources	<u>\$ 662,728</u>	<u>\$ 629,361</u>	<u>\$ 33,367</u>
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$ 129,584	\$ 62,723	\$ 66,861
Noncurrent Liabilities	181,601	226,832	(45,231)
Total Liabilities	<u>311,185</u>	<u>289,555</u>	21,630
Deferred Inflows of Resources	2,205	2,882	(677)
Total Liabilities before Deferred Outflows of Resources	<u>313,390</u>	<u>292,437</u>	20,953
Net Position			
Net Investment in Capital Assets	37,740	34,462	3,278
Restricted	30,507	31,645	(1,138)
Unrestricted	281,091	270,817	10,274
Total Net Position	<u>349,338</u>	<u>336,924</u>	12,414
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 662,728</u>	<u>\$ 629,361</u>	<u>\$ 33,367</u>

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

Year-End Financial Position

Current assets increased \$65.1 million during the period ended December 31, 2020. This increase was, namely, due to the increase in the current portion of notes receivable – partnerships and an increase in accounts receivable.

Noncurrent assets (other than capital assets) decreased by \$31.4 million mainly driven by the transition of notes receivable from noncurrent to current offset by an increase in notes and accrued interest receivable as well as an increase in investments in partnerships. These changes related to the public housing properties that converted to tax credits under the Section 18, RAD and LIHTC programs.

Capital assets decreased \$3.2 million mainly driven annual depreciation of \$8.0 million, offset by the purchase of the Powell property and predevelopment work for several projects including Dekum Court, Baldwin, and RAD/Section 18 related properties.

Current liabilities increased \$66.9 million during the year, mainly due to the \$51.4 million change in current portion – bonds payable partnerships and draws from the construction line of credit of \$6.5 million.

Noncurrent liabilities decreased by \$45.2 million. This decrease is, primarily, driven by the recognition of the current portion of bonds payable – partnerships.

Net position at December 31, 2020 was \$349.3 million, an increase of \$12.4 million from the balance at December 31, 2019.

Capital Assets

At December 31, 2020, Home Forward had \$131.6 million of capital assets, a decrease of \$3.2 million since December 31, 2019. More detailed information about Home Forward's capital assets is presented in Note 8 to the financial statements.

(In Thousands of Dollars)	2020	2019	Increase (Decrease)
Land	\$ 32,148	\$ 30,465	\$ 1,683
Construction in Progress	8,126	4,787	3,339
Total Capital Assets Not Being Depreciated	40,274	35,252	5,022
Buildings and Improvements	203,624	204,711	(1,087)
Equipment	12,892	12,377	515
Accumulated Depreciation	(125,185)	(117,571)	(7,614)
Total Capital Assets Being Depreciated	91,331	99,517	(8,186)
Total Capital Assets, Net	\$ 131,605	\$ 134,769	\$ (3,164)

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

Notes and Bonds Payable

At December 31, 2020, Home Forward had \$96.1 million of notes and bonds payable outstanding (excluding bonds payable—partnerships), a decrease of \$6.6 million over the prior year. More detailed information about Home Forward's capital debt is presented in Notes 11 and 12 to the financial statements.

(In Thousands of Dollars)	<u>2020</u>	<u>2019</u>	Increase (Decrease)
Current Portion of Notes and Bonds Payable	\$ 3,448	\$ 3,441	\$ 7
Notes Payable - Long-Term	69,771	72,625	(2,854)
Bonds Payable - Long-Term	<u>22,856</u>	<u>26,640</u>	<u>(3,784)</u>
Total Notes and Bonds Payable	<u>\$ 96,075</u>	<u>\$ 102,706</u>	<u>\$ (6,631)</u>

There were no changes in Home Forward's credit rating during the year.

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Subject to Change
7/27/21

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

Results of Operations

Statement of Revenues, Expenses, and Changes in Net Position

(In Thousands of Dollars)	2020	2019	Change
Operating Revenues			
Rental Revenue	\$ 22,600	\$ 23,071	\$ (471)
HUD Subsidies and Grants	145,307	133,354	11,953
Development Fee Revenue	9,058	16,084	(7,026)
State, Local, and Other Grants	29,301	11,722	17,579
Other	6,520	5,042	1,478
Total Operating Revenues	<u>212,786</u>	<u>189,273</u>	<u>23,513</u>
Operating Expenses			
Housing Assistance Payments	131,707	107,429	24,278
Administration	20,045	16,904	3,141
Tenant Services	8,912	7,731	1,181
Program Expenses	13,171	11,700	1,471
Utilities	4,815	5,001	(186)
Maintenance	11,630	9,520	2,110
Depreciation	7,978	8,275	(297)
Other	2,467	2,919	(452)
Total Operating Expenses	<u>200,725</u>	<u>169,479</u>	<u>31,246</u>
Operating Income	12,061	19,794	(7,733)
Nonoperating Revenues (Expenses)			
Investment Income	2,961	3,647	(686)
Interest Expense	(2,760)	(3,205)	445
Financing Costs	(1,345)	(155)	(1,190)
Loss on Sale of Capital Assets	(401)	(1,207)	806
Gain on Sale of Capital Assets	2,838	13,083	(10,245)
Other Contributions Made	(1,295)	(2,489)	1,194
Total Nonoperating Expenses	<u>(2)</u>	<u>9,674</u>	<u>(9,676)</u>
Income before Capital Contributions	12,059	29,468	(17,409)
Capital Contributions			
HUD Nonoperating Contributions	355	245	110
Other Nonoperating Contributions	-	14	(14)
Total Capital Contributions	<u>355</u>	<u>259</u>	<u>96</u>
Increase in Net Position	12,414	29,727	(17,313)
Net Position - Beginning of Year	<u>336,924</u>	<u>307,197</u>	<u>29,727</u>
Net Position - End of Year	<u>\$ 349,338</u>	<u>\$ 336,924</u>	<u>\$ 12,414</u>

Fiscal year 2020 generated operating income of \$12.1 million, compared to \$19.8 million in fiscal year 2019. Total operating revenues were \$23.5 million higher while operating expenses increased by \$31.2 million.

Operating revenues of \$212.8 million increased \$23.5 million from fiscal year 2019. This is mainly due to a \$12.0 million increase in HUD operating subsidies and grants, and a \$17.6 million increase in State, Local and Other grants, namely in the form of additional support to address the impact of the COVID-19 pandemic. This was offset by a reduction in development income of \$7.0 million due to the timing of revenue earned from Lloyd Housing LLC, North Group LLC and East Group LLC in fiscal year 2019 and revenue earned from East Group LLC and F2P LLC in fiscal year 2020.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

Total operating expenses were \$200.7 million, an increase of \$31.2 million from the prior year and mainly driven by the impact of the COVID-19 pandemic. This increase is primarily due to a \$24.3 million increase in housing assistance payments. Additionally, there were increases in administration, program, tenant services and maintenance costs.

Nonoperating revenues/(expenses) were basically break even during fiscal year 2020 whereas the prior year netted nonoperating income of \$9.7 million mainly due to the properties transitioning to a tax credit entity connected with the 85 Stories initiative.

During 2020, HUD nonoperating and other nonoperating contributions totaled \$0.4 million with funds mainly supporting the capital work at the affordable housing properties. This was \$0.1 million more than prior year.

The impact of the above activity was an increase in net position during fiscal year 2020 of \$12.4 million.

FORWARD LOOKING INFORMATION

Significant economic factors affecting Home Forward are as follows:

RAD/Section 18

Home Forward anticipates continuing to convert its remaining public housing properties under the Department of Housing and Urban Development's Section 18 and Rental Assistance Demonstration (RAD) programs. Under these programs, the public housing units will convert into project-based voucher funded units and will utilize the low-income housing tax credit program with Home Forward as the general partner. Four public housing properties comprised of 209 units converted to the Central Group LP (a LIHTC partnership) on May 28, 2021. The next RAD/Section 18 closing is anticipated for the fall of 2021.

COVID-19

Management continues to monitor the health, safety, and financial impact of COVID-19. At this time, management does not anticipate a significant disruption in operations due to COVID-19.

CONTACT INFORMATION

This annual financial report is designed to provide Oregon citizens and taxpayers, and our customers, clients, investors and creditors, with a general overview of Home Forward's finances, and to demonstrate Home Forward's accountability for the appropriations and grants that it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, Home Forward, 135 S.W. Ash Street, Portland, Oregon 97204 or emailed to info@homeforward.org.

**HOME FORWARD
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	<u>Home Forward</u>	<u>Discretely Presented Component Units</u>
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 47,080,598	\$ 17,661,470
Cash and Cash Equivalents - Restricted	36,036,782	22,181,660
Investments - Unrestricted	690,599	-
Accounts Receivable, Net	17,525,854	1,696,701
Due from Partnerships, Net	1,810,618	-
Prepaid Expenses	2,753,600	5,876,276
Current Portion of Notes Receivable - Partnerships, Net	90,509,521	-
Total Current Assets	196,407,572	47,416,107
NONCURRENT ASSETS		
Investments - Restricted	973,115	-
Notes and Accrued Interest Receivable	247,802,048	-
Notes Receivable - Partnerships, Net	50,283,228	-
Other Assets	-	5,379,775
Investments in Partnerships	25,970,144	-
Net OPEB Asset - RHIA	169,736	-
Capital Assets not being Depreciated	40,274,223	22,480,639
Capital Assets being Depreciated, Net	91,330,890	463,648,831
Total Noncurrent Assets	456,803,384	491,509,245
Total Assets	653,210,956	538,925,352
DEFERRED OUTFLOWS OF RESOURCES		
Related to Derivative Instruments	368,698	-
Pension Related	8,882,128	-
OPEB RHIA Related	157,160	-
OPEB HBRP Related	109,410	-
Total Deferred Outflows of Resources	9,517,396	-
Total Assets and Deferred Outflows of Resources	\$ 662,728,352	\$ 538,925,352

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2020**

	Home Forward	Discretely Presented Component Units
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Line of Credit	\$ 7,839,932	\$ -
Accounts Payable	7,482,665	7,177,637
Accrued Interest Payable, Payable from Restricted Assets	475,123	-
Other Accrued Liabilities	4,159,621	29,299,659
Unearned Revenue	12,355,127	609,303
Deposits, Payable from Restricted Assets	3,313,577	659,931
Current Portion of Notes Payable	1,841,126	1,216,188
Current Portion of Bonds Payable	1,607,446	-
Current Portion of Bonds Payable - Partnerships	90,509,521	-
Total Current Liabilities	129,584,138	38,962,718
NONCURRENT LIABILITIES		
Notes Payable - Long-Term	69,770,918	428,800,673
Bonds Payable - Long-Term	22,855,707	-
Bonds Payable - Partnerships	50,283,228	-
Accrued Interest - Long-Term	5,527,234	13,317,918
Net Pension Liability	31,862,281	-
Total OPEB Liability - HBRP	932,648	-
Derivative Instruments	368,698	-
Other Liabilities	-	23
Total Noncurrent Liabilities	181,600,714	442,118,614
Total Liabilities	311,184,852	481,081,332
DEFERRED INFLOWS OF RESOURCES		
Pension Related	1,514,913	-
OPEB RHIA Related	28,845	-
OPEB HBRP Related	661,445	-
Total Deferred Inflows of Resources	2,205,203	-
Total Liabilities and Deferred Inflows of Resources	313,390,055	481,081,332
NET POSITION		
Net Investment in Capital Assets	37,740,446	56,112,611
Restricted:		
Net OPEB Asset	169,736	-
Real Estate Sale Proceeds	9,977,236	-
Residual Receipts	14,755	1,637,044
Funds Held in Trust	13,237,262	8,640,672
Unused PILOT Funds	9,983	-
Program Reserves	7,097,897	-
Total Restricted	30,506,869	10,277,716
Unrestricted	281,090,982	(8,546,307)
Total Net Position	349,338,297	57,844,020
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 662,728,352	\$ 538,925,352

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2020**

	Home Forward	Discretely Presented Component Units
OPERATING REVENUES		
Dwelling Rental	\$ 19,862,132	\$ 31,983,107
Nondwelling Rental	2,737,805	223,402
HUD Operating Subsidies	132,209,662	1,371,524
HUD Grants	13,097,398	-
Development Fee Revenue	9,058,040	-
State, Local, and Other Grants	29,300,567	-
Other	6,520,663	2,033,191
Total Operating Revenues	212,786,267	35,611,224
OPERATING EXPENSES		
Housing Assistance Payments	131,707,373	271
Administration	20,045,023	6,354,159
Tenant Services	8,912,368	3,210,083
Program Expense	13,171,265	1,739,755
Utilities	4,815,190	5,025,468
Maintenance	11,630,160	8,347,896
Depreciation	7,977,768	20,016,775
General and Other	2,465,907	2,970,042
Total Operating Expenses	200,725,054	47,664,449
OPERATING INCOME (LOSS)	12,061,213	(12,053,225)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	2,961,083	167,657
Interest Expense	(2,760,328)	(6,949,652)
Financing Costs	(1,345,163)	-
Loss on Disposal of Capital Assets	(401,343)	(27,871)
Gain on Sale of Capital Assets	2,838,453	-
Other Expense	(1,294,717)	-
Total Nonoperating Revenues (Expenses), Net	(2,015)	(6,809,866)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	12,059,198	(18,863,091)
CAPITAL CONTRIBUTIONS		
HUD Nonoperating Contributions	355,215	-
Partner Contributions	-	3,430,411
Total Capital Contributions	355,215	3,430,411
INCREASE (DECREASE) IN NET POSITION	12,414,413	(15,432,680)
Net Position - Beginning of Year, As Restated	336,923,884	73,276,700
NET POSITION - END OF YEAR	\$ 349,338,297	\$ 57,844,020

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020**

	Home Forward
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from HUD Grants	\$ 144,402,944
Receipts from State, Local, and Other Grants	21,439,556
Receipts from Tenants and Landlords	21,466,855
Receipts from Developer Fees	354,091
Receipts from Others	5,748,959
Receipt of Cash Restricted for Deposits Payable	2,046
Payments to Landlords	(132,013,329)
Payments to and on Behalf of Employees	(29,424,501)
Payments to Vendors, Contractors, and Others	(23,389,650)
Net Cash Provided by Operating Activities	8,586,971
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Line of Credit	6,495,179
Payments on Line of Credit	(2,655,247)
Net Cash Provided by Noncapital Financing Activities	3,839,932
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Line of Credit	17,000,000
Payments on Line of Credit	(13,000,000)
Proceeds from Issuance of Notes Payable	17,294,372
Proceeds from Issuance of Bonds Payable - Partnerships	6,847,109
Interest Paid on Notes and Bonds Payable	(3,018,862)
Principal Payments on Notes Payable	(17,249,598)
Principal Payments and Amortization of Premium and Discount on Bonds Payable	(3,834,901)
Principal Payments on Bonds Payable - Partnerships	(834,257)
HUD Capital Contributions	518,823
Other Nonoperating Contributions, Net	(1,294,717)
Acquisition and Construction of Capital Assets	(11,110,367)
Proceeds from the Sale of Capital Assets	3,469,809
Net Cash Used by Capital and Related Financing Activities	(5,212,589)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(398,155)
Financing Fees Paid	(1,345,163)
Issuance of Notes Receivable	(20,172,574)
Issuance of Notes Receivable - Partnerships	(5,074,924)
Collections on Notes Receivable	12,747,807
Collections on Notes Receivable - Partnerships	834,257
Change in Due from Partnerships, Net	(99,648)
Change in Investments in Partnerships, Net	(36)
Investment Income Received	5,037,084
Net Cash Used by Investing Activities	(8,471,352)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,257,038)
Cash and Cash Equivalents - Beginning of Year	84,374,418
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 83,117,380

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

**RECONCILIATION OF OPERATING INCOME TO NET CASH
FROM OPERATING ACTIVITIES**

Operating Income	\$ 12,061,213
Adjustments to Reconcile Operating Income to Cash Flows Provided by Operating Activities:	
Depreciation	7,977,768
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Accounts Receivable, Net	(12,300,080)
Developer Fee Receivable	(8,703,952)
Prepaid Expenses	(1,730,824)
Accounts Payable	3,851,555
Other Accrued Liabilities	1,407,874
Unearned Revenue	2,414,740
Deposits, Payable from Restricted Assets	2,046
Deferred Outflows of Resources - Pensions	(2,764,645)
Deferred Outflows of Resources - OPEB	(199,670)
Deferred Inflows of Resources - Pensions	(667,903)
Deferred Inflows of Resources - OPEB	(8,855)
Net Pension Liability	7,087,670
Net OPEB Asset and Net OPEB Liability	160,034
Net Cash Provided by Operating Activities	\$ 8,586,971

SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS

Notes Receivable Acquired in Exchange for Properties	\$ 1,772,185
Change in Investment in Partnerships	36
Total Noncash Transactions	\$ 1,772,221

See accompanying Notes to Financial Statements.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Federal Housing Act of 1937 authorized public housing authorities. Utilizing the 1937 Federal Housing Act, the Portland City Council established the Housing Authority of Portland as a municipal corporation under the Oregon Revised Statutes in December 1941. On May 18, 2011, Home Forward changed its legal name from Housing Authority of Portland to Home Forward. Housing Authority of Portland is now a registered name of Home Forward. Home Forward is a municipal corporation located in Portland, Oregon.

Beginning on April 1, 2018, Home Forward changed its fiscal year-end from March 31 to December 31. To implement this change in fiscal year, the financial statements, footnotes and supplementary information provided within this report are presented for a single 12-month year beginning January 1, 2020 and ending December 31, 2020.

Home Forward is governed by a nine-member Board of Commissioners; four appointments are recommended by the City of Portland, two by the City of Gresham, two by Multnomah County and one representative from participants of Home Forward's housing programs. Home Forward is not financially dependent on the City of Portland and is not considered a component unit of the City. The Executive Director is appointed by the Board and is responsible for the daily functioning of Home Forward.

The governmental reporting entity consists of Home Forward, the primary government, and its blended and discretely presented component units.

Component units are legally separate organizations for which the Board of Commissioners is financially accountable or other organizations whose nature and significant relationship with Home Forward are such that exclusion would cause the Home Forward's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Home Forward's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on Home Forward. The basic financial statements include both blended and discretely presented component units. The blended component units are legally separate entities, and are considered, in substance, part of Home Forward's operations, and so data from these units is combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the primary government.

Blended Component Units

Home Forward's operations include three blended component units, which are included in the basic financial statements and consists of legally separate entities for which Home Forward is financially accountable.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

Home Forward Development Enterprises (HFDE), formerly known as New Columbia Community Campus Corporation (N4C) was formed in 2005 to support the New Columbia Community. On April 16, 2013, N4C changed its name to Home Forward Development Enterprises and was repurposed to support all of Home Forward's development and housing operations efforts.

Home Forward Community Partnerships (HFCP), formerly known as Evergreen Housing was formed in 1988 to support Home Forward for charitable purposes as permitted by Section 501(c)(3) of the Internal Revenue Code. On December 2, 2015 Evergreen Housing changed its name to Home Forward Community Partnerships.

St. Francis, LLC was formed September 17, 2015, as a result of the purchase of St. Francis Limited Partnership due to a HUD debt refinancing requirement.

Gateway Park Apartments Limited Partnership (Gateway Park LP) was formed as a Tax Credit Limited Partnership on November 7, 2002 to purchase and rehabilitate a 144 unit apartment complex located on NE 100th Avenue. On March 1, 2018, Key Community Development Corporation transferred their interest as the Limited Partner to HFDE.

Home Forward Insurance Group LLC (HFIG) was formed December 14, 2020 to support Home Forward in long term risk management program savings through use of a formalized self-insurance program.

Home Forward is legally entitled to or can access the resources of HFDE, HFCP, HFIG, St. Francis, LLC, and Gateway Park LP at the discretion of Home Forward management. Because HFDE, HFCP, HFIG, St. Francis, LLC, Gateway Park LP and Home Forward have this financial and operational relationship, generally accepted accounting principles requires that the financial statements of these entities be blended into the Home Forward financial statements.

Discretely Presented Component Units

Home Forward follows the guidance provided by the Governmental Accounting Standards Board (GASB) for the relationship of housing authorities as general partners of limited low income tax credit partnerships whereby the limited partners have majority ownership but have delegated the majority of their rights regarding the operations of the partnership to the housing authority. For these entities, Home Forward exercises the majority of control over day-to-day operations.

Home Forward is the general partner and owns a 0.01% to 1% investment in each of the following discretely presented component unit limited partnerships:

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

General Partner Ownerships presented in December 31, 2020 discretely presented component unit results:

- 1115 SW 11th Avenue Limited Partnership
- Beech Street Limited Partnership
- Cecelia Limited Partnership
- Civic Redevelopment Limited Partnership
- East Group Limited Partnership
- Haven Limited Partnership
- Humboldt Gardens Limited Partnership
- Jeffery Apartment Limited Partnership
- Lloyd Housing Limited Partnership
- North Group Limited Partnership
- RAC Housing Limited Partnership
- Square Manor Limited Partnership
- Stephens Creek Crossing North Limited Partnership
- Stephens Creek Crossing South Limited Partnership
- Trouton Limited Partnership
- Woolsey Limited Partnership
- Wests Limited Partnership
- Woods East Limited Partnership
- FP2 Limited Partnership

As a general practice, Home Forward's liability is not limited to initial investment and/or any future funding requirements. The limited partnerships have a December 31 year-end and complete financial statements may be obtained by contacting the Chief Financial Officer, Home Forward, 135 S.W. Ash Street, Portland, Oregon 97204.

Programs Administered by Home Forward

Home Forward administers annual contribution contracts to provide low-income housing with primary financial support from the U.S. Department of Housing and Urban Development (HUD) and develops and manages affordable properties. Programs administered by Home Forward are as follows:

Public Housing

Home Forward owns, operates and maintains 645 units at December 31, 2020. The properties with Public Housing units were acquired through grants and subject to the terms of an Annual Contributions Contract with HUD. Revenues consist primarily of rents and other fees collected from tenants, and an Operating Subsidy from HUD. Funds from the Capital Grant Program provided by HUD are used to maintain and improve this Public Housing portfolio. Substantially all additions to land, structures and equipment of Public Housing are accomplished through these capital grant funds.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Programs Administered by Home Forward (Continued)

Rent Assistance

Section 8 of the U.S. Housing and Community Development Act of 1974 provides Housing Assistance Payments on behalf of lower-income families to participating housing owners. Under this program, the landlord-tenant relationship is between a rental-housing owner and a family, rather than Home Forward and a family as in the Public Housing program. For approved housing, HUD contracts with Home Forward to enter into contracts with owners to make assistance payments for the difference between the approved contract rent and the actual rent paid by the lower-income families, between 28.5% and 31% of adjusted household gross income. Housing Assistance Payments made to landlords and some participants are funded through Annual Contributions Contracts. At December 31, 2020, Home Forward administered approximately 10,764 vouchers through several programs authorized by Section 8. Additionally, Home Forward administers the Short-Term Rent Assistance program on behalf of the City of Portland, the City of Gresham, and Multnomah County.

Affordable Housing and Special Needs Housing

Home Forward owns or is a partner in 6,229 units of housing. The Affordable Housing portfolio consists of 63 multifamily properties representing 5,584 units, of which 3,103 are owned through tax credit partnerships. The Special Needs portfolio consists of 31 properties representing 498 units. The Special Needs properties were developed using grant funds received from the State of Oregon and Federal programs combined with contributions from Home Forward and other local agencies.

Resident Services

Home Forward coordinates and provides social and economic development programs for families and administers a variety of community housing and service partnerships throughout Multnomah County. Funding for these programs comes from HUD, Medicare, participant fees, charitable organizations and private donations.

Development

Home Forward pursues development projects that augment the supply of low-cost housing, provides essential services to residents and revitalizes overall communities. These projects include renovation of older/existing housing, new construction and pilot projects.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Home Forward operates as an enterprise activity. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Home Forward distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses are derived from providing services in connection with Home Forward's ongoing operations. Operating revenues generally include rental income, operating subsidies, operating grant revenue and development fee income. Operating expenses generally include housing assistance payments, occupancy charges, development services, tenant services, administrative expenses and depreciation on capital assets. All other revenue and expenses not meeting this definition are classified as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Use of Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is Home Forward's policy to use restricted resources first and the unrestricted resources as they are needed.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is classified in the following three components:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted

This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation reduced by liabilities relating to those restricted assets.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Unrestricted

This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts deposited in checking, money market accounts and the Oregon Local Government Investment Pool (LGIP) or investments with original maturities of 90 days or less. The LGIP is managed by the Oregon State Treasurer as an alternative to commercial money market accounts. Deposits are subject to collateral requirements. Deposits in the LGIP are recorded at fair value, which is the same as the value of the pool shares. Investments in the LGIP are included in the Oregon Short-Term Fund, which is not registered with the U.S. Securities and Exchange Commission as an investment company. Investments in the Oregon Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board.

Cash and Cash Equivalents – Restricted and Investments – Restricted

This consists of funds set aside for:

Family Self-Sufficiency Funds consist of amounts deposited under the Family Self-Sufficiency (FSS) program. Under the FSS program, if the income of a tenant enrolled in the program increases, instead of decreasing the subsidy amount, the original subsidy continues to be paid and the difference between the original and new subsidy amount is deposited into an escrow account. If the tenant enrolled in the program attains certain target goals related to self-sufficiency, the tenant is awarded money from the escrow account to use for various purposes stated in the tenant’s self-sufficiency plan such as college tuition or a down payment for the purchase of a home.

Tenant Security Deposits represent the refundable deposits received from tenants and held in trust to secure the performance of a rental agreement. As of Tenant security deposits in excess of any outstanding damage or rent charges must be returned to the departing tenants within 31 days after the termination of the tenancy. The funds are typically held in segregated bank accounts since these funds may not be used for operations. Effective March 1, 2020 the City of Portland released the Portland FAIR Ordinance which established new requirements for LL’s related to interest earnings and reporting requirements for security deposits. Home Forward ceased collection of security deposits as of January 1, 2020 however deposits collected before that date were grandfathered and continue to be allowed to earn interest that may be retained for operations.

Rental Assistance Demonstration Acquisition Proceeds are externally restricted funds which consist of net proceeds received from the sale of 1,930 public housing units to various Limited Partnerships. These proceeds are used to fund the development of new affordable housing multi-family properties or for large-scale rehabilitation projects to existing affordable housing properties.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – Restricted and Investments – Restricted (Continued)

Section 18 Acquisition Proceeds are externally restricted funds which consist of net proceeds received from the sale of 1,084 public housing units to various Limited Partnerships. These proceeds are used to fund the development of new affordable housing multi-family properties or for large-scale rehabilitation projects to existing affordable housing properties.

Residual Receipts Reserve is maintained for the Multnomah Manor property, which is included in Home Forward's Affordable Housing Portfolio, and consists of surplus cash on hand at the end of each fiscal year, less authorized disbursements to date plus interest earned on the deposits. As of December 31, 2020, the reserve is funded as required.

Funds Held in Trust consist primarily of replacement reserves held in trust and by Home Forward for Affordable Housing properties owned and operated by Home Forward. In addition, the balance includes performance guarantee and other funds held in trust and by Home Forward under various agreements. The reserves are invested in interest-bearing bank accounts and are externally restricted for the purposes of maintaining required reserve funds or purchasing or constructing capital assets or other noncurrent assets. As such, the amounts are classified as restricted, noncurrent assets. During the year ended December 31, 2020, the reserves were funded as required under the various agreements.

Debt Service Funds include externally restricted funds on deposit with various trustees relating to the servicing of debt. Funds are invested in guaranteed investment contracts and short-term marketable securities.

PILOT funds are maintained to fund Payments in Lieu of Taxes (PILOT) on certain rental properties owned by Home Forward. Under an agreement with the city of Portland, Home Forward is required to make an annual payment equal to \$200,000. Home Forward also makes annual payments to the city of Fairview. Total payment to city of Fairview for the year ended December 31, 2020 was \$29,877.

In August 2020, the Board of Commissioners approved Resolution 20-08-02 authorizing Home Forward to establish a pure captive insurance limited liability company domiciled in the State of Hawaii. On December 24, 2020, HF Insurance Group LLC (HFIG) was formed and licensed. The Captive is a Class 2 limited liability company managed by Home Forward as the sole member and will insure the risks of Home Forward and its affiliates. Pursuant to Hawaii Revised Statutes 431:19-104, HFIG's minimum required capital and surplus of \$500,000 was on deposit in the Corporation's name at First Hawaiian Bank on December 24, 2020.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Risk

Federal regulations require that public funds on deposit with financial institutions be secured at a rate of 100% of amounts in excess of deposit insurance coverage. Home Forward maintains cash balances at several financial institutions, some in excess of the federally insured amount of \$250,000 per Employer Identification Number. Financial institutions insure these excess balances either via the Oregon state treasurer's office by designating these balances as Public Funds per ORS 295 or via other collateral agreements at the Bank of New York Mellon. At December 31, 2020, all of Home Forward's funds were collateralized.

Investments

Pursuant to Home Forward's Moving to Work Agreement with the Department of Housing and Urban Development (HUD), Home Forward's Investment Policy dated September 2013 is written in conformance with ORS Chapter 456 – Housing. Home Forward's investment program shall be operated in conformance with Oregon Revised Statutes and Applicable Federal Law. Specifically, Home Forward's investment policy is written in conformance with ORS Chapter 294 – County and Municipal Financial Administrations, which allows for federal funds to be invested in securities permitted under Oregon state law.

HF Insurance Group, LLC deposits cash and makes investment purchases in accordance with its Cash and Investment Policy. The policy defines how the funds are to be managed and invested by HFIG. The policy applies to activities of HFIG with regard to maintaining and investing the financial assets of operating funds, loss reserves, and other financial sources.

Due from Partnerships, Net

Consists primarily of development and management fees earned by Home Forward through its involvement as the General Partner in tax credit partnerships and partnership project costs paid by Home Forward on behalf of the partnerships (see Note 5). The fees are typically paid based on the availability of net cash flow of the partnerships or from the proceeds of capital contributions to the partnerships. Management reviews the balance for likelihood of collection and records an allowance for doubtful accounts based on the type and age of the individual receivables.

Notes Receivable (Noncurrent)

Consists primarily of loans to tax credit partnerships for the development of affordable housing. These loans have a maturity date greater than one year in duration. Management reviews the balance for likelihood of collection and records an allowance for doubtful accounts based on the type and age of the individual receivables (see Note 6).

Notes Receivable – Partnerships

Consists of required payments to be made by the Partnerships to Home Forward to pay required debt service payments on the Multi-Family Housing Revenue Bonds in which Home Forward has an ownership interest.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in Partnerships

Represents Home Forward's equity interest in 19 limited partnerships, which are reported as Home Forward's discretely presented component units (see Note 7). These investments are accounted for under the equity method because Home Forward either holds a controlling interest or has "significant influence" over the operations of the partnerships.

Under the equity method, the initial investment is recorded at cost and is increased or decreased by Home Forward's share of income or losses and is increased by contributions and decreased by distributions. Management reviews the investment in partnerships for possible impairment in value whenever events or circumstances indicate the carrying value of the investment may not be recoverable.

Capital Assets

Capital Assets include land, construction in progress, buildings and improvements, and equipment. All capital assets are recorded at cost except for donated capital assets which are recorded at acquisition value at the time of donation. Depreciation is computed on the straight-line method based on the estimated useful lives of the individual assets: 15 to 40 years for buildings and improvements and 3 to 20 years for equipment. When debt is issued for construction of capital assets, interest is capitalized during construction up to the placed-in-service date. Maintenance and repairs are charged to expense when incurred. Assets with costs in excess of \$5,000 are capitalized and depreciated from the respective placed-in-service date.

Management reviews land, buildings and improvements, equipment, and construction in progress for possible impairment whenever events or circumstances cause a material and unanticipated decline in the service utility of an asset. Impairment is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources (expense) until then. Home Forward has three items that qualify for reporting in this category. The deferred amount related to pensions is recognized as an outflow of resources in the period when Home Forward recognizes pension expense. The deferred amount related to OPEB is recognized as an outflow of resources in the period when Home Forward recognizes OPEB expense. The deferred amount related to derivative instruments represents the fair value of swap agreements recognized as a liability in Home Forward's statement of net position with the offsetting losses in deferred outflows of resources.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources (Continued)

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenue) until that time. Home Forward has two types of items that qualify for reporting in this category. The deferred amount related to pensions is recognized as an inflow of resources in the period Home Forward recognizes a reduction of pension expense. The deferred amount related to OPEB is recognized as an inflow of resources in the period Home Forward recognizes a reduction of OPEB expense.

Net OPEB (Asset)/Liability

Home Forward has two other post-employment benefits (OPEB) plans: 1. Retirement Health Insurance Account (RHIA) and 2. Home Forward Health Benefit Retiree Program (HBRP). For purposes of measuring the net OPEB RHIA asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see Note 16). For purposes of measuring the total OPEB HBRP liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been actuarially determined using assumptions regarding the future cost of the retiree health plan and that it will retain its current relationship to the cost of the active plan, and that the active plan cost will maintain a reasonable relationship to direct compensation (see Note 16).

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see Note 15).

Unearned Revenue

Unearned revenue consists primarily of land lease prepayments, advanced grant payments received from HUD programs and payments received from non-HUD sources that have not been earned as of December 31, 2020.

Other Liabilities – Noncurrent

Represents the noncurrent liabilities due and payable to the General Partner for operating expenses paid on behalf of the Limited Partnership. These include wages and purchase card transactions.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Operating subsidies are recognized in the period funds are received. Revenues from grants are recognized in the periods designated by the grantor as the associated costs are incurred. Revenues from contracts and rental revenues are recognized when the associated services are provided.

Compensated Absences

All full-time and part-time employees who are regularly scheduled to work at least 20 hours per week are eligible to earn paid annual leave. Eligible employees begin to accrue annual leave as of their hire date; however, the accrued time does not become earned, useable or payable until the completion of 90 days of continuous service. Earned paid annual leave time may be carried over and accumulated up to a maximum of two years' accrual as of January 1 of any year. Total accrued compensated absences as of the year ended December 31, 2020 were \$2,387,003 and are a component of other accrued liabilities.

Income Taxes

Home Forward adopted the provisions of FASB ASC *Topic 740-10 Accounting for Uncertainty in Income Taxes* on April 1, 2009, as applicable to the tax credit limited partnerships presented as discretely presented component units in the basic financial statements. These Oregon tax credit limited partnerships were formed in conformity with the provisions of Section 42 of the Internal Revenue Code, thus no provision has been made for income taxes. There was no effect on net position in the current year as a result of adopting this Topic. No expense for interest or penalties is recognized in the financial statements. Management believes the tax credit limited partnerships have not taken any uncertain tax positions, as defined in the Topic.

Effect of New Pronouncements

For the fiscal year ended December 31, 2020, Home Forward has adopted the following GASB statements:

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying activities for state and local governments, focusing on (1) whether the government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. The implementation of this Statement had no impact on Home Forward.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement improves the information that is disclosed in notes to the government financial statements related to debt, including direct borrowing and direct placements and clarifies which liabilities governments should include when disclosing information related to debt.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of New Pronouncements (Continued)

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The implementation of this Statement had no impact on Home Forward.

Home Forward is currently analyzing its accounting practices to identify the potential impact on the financial statements for the following GASB statements:

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest costs incurred before the end of a construction period.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. This Statement addresses accounting and financial reporting implications that result from the replacement of an IBOR.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of New Pronouncements (Continued)

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The purpose of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Statement Postpones GASB Statement 87, *Leases*, by 18 months and postpones the following Statements by 12 months:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 LOW INCOME HOUSING TAX CREDIT LIMITED PARTNERSHIPS

The low-income housing tax credit program is the result of federal legislation that allows investors certain tax incentives for investing in low-income housing. Under terms of the federal tax code and extended use agreements with the state of Oregon, the buildings must continue to serve the targeted population for 30 years; after 15 years, Home Forward has the option to purchase the property from the partnership.

Tax Credit Limited Partnerships are created to finance and own affordable housing. Home Forward acts as Managing General Partner of each partnership. Although each Tax Credit Limited Partnership is structured differently, they are generally financed via loans to the partnership, contributions of equity by the general and limited partners, and other sources. In some transactions, Home Forward issues bonds and loans the proceeds to the Tax Credit Limited Partnership. Tax-exempt bond issuances are secured by the underlying partnership real estate and, in some cases, by the general revenues of Home Forward. The bonds and notes payable are offset by notes receivable from the partnerships. The partnerships make payments to Home Forward for debt service. Home Forward may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects. Because of limitations posed by the Internal Revenue Service, all such funds are received by Home Forward and lent to the partnerships. These funds are accounted for as notes receivable from the partnerships if the proceeds are used for developing the property. Other advances are included in amounts due from partnerships and are reflected in Note 5. Notes payable related to the partnerships are reflected in Note 11. A summary of Home Forward's long-term debt, including debt pertaining to the tax credit partnerships, is reflected in Note 13. A summary of notes receivable from the partnerships is reflected in Note 6.

Home Forward typically earns a developer's fee for its role in bringing the project to fruition. These fees are earned based on certain events or dates relative to the development of the project. Developer fees are paid primarily from development proceeds and available cash flows. Under the various partnership agreements, the balance of developer fees not paid during the construction phase are generally required to be paid within 10 to 15 years of the project having been placed in service and may accrue interest on unpaid balances. For the year ended December 31, 2020, Home Forward earned \$9,054,125 in developer fees and was paid \$354,091.

At December 31, 2020, the balance of the development fees owed to Home Forward is \$26.8 million. Some tax credit projects also pay a General Partner's management fee and/or a tenant services fee; these fees are reflected in other operating revenues and totaled \$362,817 as of December 31, 2020.

Home Forward did not purchase the remaining interest of any of its Tax Credit Limited Partnerships during the year ended December 31, 2020.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Pursuant to Home Forward’s Moving to Work Agreement with HUD, Home Forward’s Investment Policy dated September 2013 is written in conformance with ORS Chapter 456—Housing. Home Forward’s investment program shall be operated in conformance with Oregon Revised Statutes and applicable federal law. Specifically, Home Forward’s investment policy is written in conformance with ORS Chapter 294 – County and Municipal Financial Administration, which allows for federal funds to be invested in securities permitted under Oregon state law.

As of the year ended December 31, 2020, cash and investments consisted of the following:

Cash and Cash Equivalents	\$ 47,080,598
Cash and Cash Equivalents - Restricted	36,036,782
Total Cash and Cash Equivalents	<u>\$ 83,117,380</u>
Investments	\$ 690,599
Investments - Restricted	973,115
Total Investments	<u>\$ 1,663,714</u>

At December 31, 2020, all of Home Forward’s bank balances were insured first by federal depository insurance of \$250,000 per institution and any balances in excess of that amount were collateralized by either a Tri-Party agreement or by the Oregon State Public Funds Collateral Pool.

Investment Risk Disclosures

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, Home Forward will not be able to recover the value of the investment securities that are in the possession of the outside party. As of the year ended December 31, 2020, all investments were insured or registered, and held by Home Forward or its agent in Home Forward’s name, or uninsured and unregistered, with securities held by the counterparty’s trust department or agent in Home Forward’s name and were not exposed to custodial credit risk.

Credit risk of investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This credit risk is measured by the credit quality rating of investments in debt securities as described by a nationally recognized statistical rating organization such as Standard and Poor’s (S&P).

To minimize credit risk, Home Forward’s policies provide that investments in corporate indebtedness are rated a minimum of A1, P1, 3a3 and investments in municipal debt obligations of the state of Oregon that are A or better. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investment Risk Disclosures (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of Home Forward's investment in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools). To minimize concentration of credit risk, Home Forward's investments are made from a selection of diverse issuers.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Home Forward selects investments of varied maturities to mitigate this risk.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. In accordance with Home Forward's investment policy, Home Forward does not invest in securities associated with exchange rates and therefore is not exposed to foreign currency risk.

As of the year ended December 31, 2020, Home Forward's restricted investments consist of a guaranteed investment contract and a repurchase agreement with Bayerische with a S&P rating of AAA and a weighted average maturity more than three years in the amount of \$476,280 and \$496,835, respectively.

Investments restricted at December 31, 2020 mature between January 2027 and December 2029 and the interest rate on the investments ranges from 4.39% to 4.57%.

Fair Value of Financial Instruments

Investments held by Home Forward are stated at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Home Forward determines the fair value of these investments on a monthly basis, based on quoted market prices. Outside trustees provide monthly statements to report the fair value and pricing of the assets held by them, which are also based on quoted market prices. During Fiscal Year 2017, Home Forward adopted GASB 72 *Fair Value Measurement and Application*. GASB 72 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under GASB 72 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Home Forward has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Fair Value of Financial Instruments (Continued)

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 as compared to December 31, 2019. Investments in derivatives are valued based upon quoted prices for similar assets in active markets.

Certificates of Deposit and Guaranteed Investment Contracts are carried at amortized cost, thus are not included in the fair value hierarchy.

Investments Not Subject to Fair Value Levels:

Certificate of Deposit	\$ 288,506
Guaranteed Investment Contract	476,280

The following table sets forth by level, within the fair value hierarchy, Home Forward's assets and liabilities at fair value as of December 31, 2020:

	<u>Total</u>	<u>Level 2</u>
Repurchase Agreement	\$ 496,835	\$ 496,835
U.S. Government Securities	402,093	402,094
Derivative Instrument	(368,698)	(368,698)

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of the year ended December 31, 2020:

HUD Grants	\$ 4,209,512
State, Local, and Other Grants	2,288,231
Tenants and Landlords	3,063,071
Other	8,797,051
Total Accounts Receivable	<u>18,357,865</u>
Less: Allowances for Doubtful Accounts	<u>(832,011)</u>
Accounts Receivable, Net	<u><u>\$ 17,525,854</u></u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 DUE FROM PARTNERSHIPS

Due from Partnerships consists of the following as of the year ended December 31, 2020:

Stephen's Creek Crossing North (4%)	\$ 50,979
Cecelia Limited Partnership	746,428
Woolsey Limited Partnership	752,751
West's Limited Partnership	189,262
Stephen's Creek Crossing North (9%)	42,627
Woods East Limited Partnership	8,364
Square Manor Limited Partnership	167,972
Lloyd Housing Limited Partnership	14,072
North Group Limited Partnership	253,368
East Group Limited Partnership	659,599
All Other Partnerships	<u>754,442</u>
Total Due from Partnerships	3,639,864
Less: Allowances for Doubtful Accounts	<u>(1,829,246)</u>
Due from Partnerships, Net	<u><u>\$ 1,810,618</u></u>

NOTE 6 NOTES RECEIVABLE AND ACCRUED INTEREST

Notes and accrued interest receivable consist of the following as of December 31, 2020:

Partnerships Notes	\$ 341,559,561
Nonpartnerships Notes	44,000,663
Homeowners Notes	<u>208,300</u>
Total Notes Receivable	385,768,524
Accrued Interest Receivable	12,580,510
Less: Allowances for Doubtful Accounts	<u>(9,754,237)</u>
Total Notes and Accrued Interest Receivables, Net	<u><u>\$ 388,594,797</u></u>

Partnership notes have been issued to the limited partnerships invested in by Home Forward. These notes are used for the purpose of acquiring, constructing, and/or remodeling buildings for housing and other housing related purposes. These notes have an interest range of 0% to 6% with various maturity dates to 2074. As described in each note agreement, payments will be made from available cash flows.

Homeowners' notes are secured by deed of trust and no longer accrue interest. Deferred interest was forgiven if the owner completed required homeowner education classes and remained in the house for five years. Principal is payable upon sale of property or various dates between 2033 through 2037.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 INVESTMENTS IN PARTNERSHIPS

Investments in partnerships consist of the following as of December 31, 2020:

Investments in Limited Liability Partnerships

RAC Housing Limited Partnerships	\$ 21,185,412
Cecelia Limited Partnership	1,272,598
Haven Limited Partnership	515,842
The Jeffrey Limited Partnership	50,931
St. Francis Park Limited Partnership	442,817
Square Manor Limited Partnership	291,672
North Group Limited Partnership	69
Fountain Place 2	100
Lloyd Housing Limited Partnership	2,210,703
Total Investments in Partnerships	<u>\$ 25,970,144</u>

NOTE 8 CAPITAL ASSETS

Land, structures, and equipment activity of Home Forward was as follows for the year ended December 31, 2020:

	Balance January 1, 2020	Additions	Disposals	Transfers	Balance, December 31, 2020
Land	\$ 30,465,573	\$ 2,640,969	\$ (958,489)	\$ -	\$ 32,148,053
Construction in Progress	4,786,971	8,255,731	(1,770,439)	(3,146,093)	8,126,170
Total Capital Assets Not being Depreciated	35,252,544	10,896,700	(2,728,928)	(3,146,093)	40,274,223
Buildings and Improvements	204,710,911	-	(3,595,814)	2,508,507	203,623,604
Equipment	12,376,834	12,583	(134,383)	637,586	12,892,620
	217,087,745	12,583	(3,730,197)	3,146,093	216,516,224
Less Accumulated Depreciation:					
Buildings and Improvements	(106,956,272)	(7,526,570)	323,613	-	(114,159,229)
Equipment	(10,614,546)	(451,198)	39,639	-	(11,026,105)
	(117,570,818)	(7,977,768)	363,252	-	(125,185,334)
Total Capital Assets being Depreciated	99,516,927	(7,965,185)	(3,366,945)	3,146,093	91,330,890
Total Capital Assets, Net	<u>\$ 134,769,471</u>	<u>\$ 2,931,515</u>	<u>\$ (6,095,873)</u>	<u>\$ -</u>	<u>\$ 131,605,113</u>

During the year ended December 31, 2020, Home Forward transferred capital assets and construction in progress projects to FP2 Limited Partnership with a net book value of \$3,922,745. Proceeds from the sale included a long-term note receivable in the amount of \$1,772,185 which represents 26% of the acquisition price.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 LINES OF CREDIT

Home Forward has an \$8,000,000 operating revolving line of credit. The line of credit is used for short-term funding needs. The line of credit is collateralized by the general revenues of Home Forward, maturing December 1, 2024. Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2020, gross draws, including initial draws and draws after repayments, on the line of credit were \$17,000,000 which represents both principal and accrued interest. The remaining outstanding line of credit balance for December 31, 2020 was \$4,000,000.

A summary of activity for Home Forward's line of credit for year ended December 31, 2020 is as follows:

Balance January 1, 2020	Draws	Repayments	Balance December 31, 2020
<u>\$ -</u>	<u>\$ 17,000,000</u>	<u>\$ (13,000,000)</u>	<u>\$ 4,000,000</u>

Home Forward has a ten 10-year, \$20,000,000 real estate revolving line of credit, maturing December 20, 2028. The line of credit will be used to provide capital for real estate development activities. Collateral requirements include first deed of trust (and assignment of rents, if applicable) on a real estate collateral pool with a 75% maximum commitment to collateral value (75% LTV). Home Forward has identified that the three properties Grace Peck, Rosenbaum Plaza and Unthank will serve as the properties for the collateral pool. As borrower, Home Forward has the option to replace the properties identified as collateral provided other covenants are in compliance of the new collateral. Additional requirements are that for accounts which are wholly owned and/or controlled by Home Forward. Home Forward will aggregately maintain a minimum of \$12,500,000 in deposit balances at Beneficial State bank during the term of the credit facility and Home Forward will maintain a 5-year certificate of deposit of \$275,000 with Beneficial State Bank.

Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2020, gross draws, including initial draws and draws after repayments, on the line of credit were \$6,495,179 which represents both closing costs and accrued interest. The remaining outstanding line of credit balance for the year ended December 31, 2020 was \$3,839,932.

A summary of activity for Home Forward's line of credit for the year ended December 31, 2020 is as follows:

Balance January 1, 2020	Draws	Repayments	Balance December 31, 2020
<u>\$ -</u>	<u>\$ 6,495,179</u>	<u>\$ (2,655,247)</u>	<u>\$ 3,839,932</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 NOTES PAYABLE

Notes payable of Home Forward consist of the following as of December 31, 2020:

Property	Interest Rate	Final Maturity Date*	Payment Terms	Balance
Schiller Way	1.50 %	2030	Monthly	\$ 359,236
Schiller Way	4.14	2021	Monthly	2,338
Richmond Place	3.00	2020	Maturity Date	862,042
Turning Point	7.49	2032	Monthly	303,581
Willow Tree	4.42	2036	Monthly	513,877
Cambridge Court	1.00	2032	Monthly	407,883
Cambridge Court	-	2032	Cash Flow	395,975
Dawson Park	3.00	2022	Cash Flow	316,856
Fenwick Apts	3.77	2025	Monthly	996,925
Fenwick Apts	-	Sale of Property	Cash Flow	1,176,730
Fenwick Apts	3.00	2034	Monthly	118,934
Helen Swindells	3.00	2023	Cash Flow	1,483,870
Helen Swindells	3.00	2023	Cash Flow	600,451
Kelly Place	4.80	2028	Monthly	230,299
James Hawthorne	-	Sale of Property	Cash Flow	5,728,950
North Interstate	-	Sale of Property	Cash Flow	922,518
Yards at Union Station	1.00	2027	Monthly	773,676
Pearl Court	3.00	2027	Monthly	507,932
Peter Paulson	7.91	2024	Cash Flow	1,021,301
Peter Paulson	0.50	2024	Cash Flow	250,000
Peter Paulson	-	2024	Cash Flow	689,635
Schiller Way	-	Sale of Property	Cash Flow	505,351
SW 45th (Carriage Hill Apts)	-	Sale of Property	Cash Flow	178,241
SW 45th (Carriage Hill Apts)	3.00	2032	Monthly	26,225
Willow Tree	-	2035	Cash Flow	145,649
Fairview Oaks & Woods	3.05	2047	Monthly	10,494,375
Rockwood Station	3.58	2047	Monthly	4,239,771
Rockwood Station (Mpower)	6.00	2025	Monthly	84,758
Hawthorne Home	6.00	2029	Monthly	36,424
Madison Home	6.00	2029	Monthly	36,156
North Interstate	6.00	2033	Monthly	356,562
Project Open Door	1.00	2027	Monthly	121,372
Taylor Home	7.00	2029	Monthly	34,767
Ashcreek Commons	0.04	2034	Monthly	1,542,478
Ainsworth Court	-	2052	Cash Flow	1,099,469
Ainsworth Court	4.77	2034	Monthly	1,943,126
Madrona Apartments	5.31	2034	Monthly	1,141,178
Kelly Place (Multnomah)	-	2046	Maturity Date	350,456
Rockwood Landing	-	2058	Maturity Date	150,000
Gretchen Kafoury	3.00	2031	Maturity Date	2,664,000
Stephens Creek Crossing	-	2014	Converts to Grant	1,798,318
Hamilton West	3.00	2031	Monthly	529,234
Forward Balance to the Next Page				<u>\$ 45,140,919</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Balance
Forward Balance from Previous Page				\$ 45,140,919
Hamilton West	-	Sale of Property	Cash Flow	2,039,641
Helen Swindells (Mpower)	6.00	2024	Monthly	40,070
Rockwood Landing (Mpower)	6.00	2025	Monthly	35,497
Rockwood Landing	3.05	2029	Monthly	289,527
St. Francis LLC	3.38	2050	Monthly	3,576,998
Sequoia Square	3.00	2031	Monthly	63,702
St Francis LLC	-	Sale of Property	Cash Flow	5,241,162
Sequoia Square	8.08	2031	Monthly	555,095
Sequoia Square	3.99	2031	Monthly	337,189
Sequoia Square	-	Sale of Property	Cash Flow	514,486
Lovejoy Station	3.00	2032	Monthly	2,420,541
The Alexis	2.78	2040	Monthly	5,147,899
Gateway Park	5.10	2033	Monthly	4,739,374
Powell	-	2022	Converts to Perm	1,469,944
Total				<u>71,612,044</u>
Less Current Portion of Notes Payable				<u>(1,841,126)</u>
Total Notes Payable - Long-Term				<u>\$ 69,770,918</u>

(*) Note: Calendar Year of Final Maturity Date

Notes payable includes those notes related to equity gap financing. Equity gap financing is utilized to fund the difference between project costs and sources of construction and permanent financing. These notes bear interest rates between 0.00% and 8.08% with maturities due up through 2058 except for certain equity gap notes, which are not payable unless the property is sold.

A summary of activity of Home Forward's notes payable for the year ended December 31, 2020 is as follows:

Balance January 1, 2020	Increase	Decrease	Balance December 31, 2020
<u>\$ 74,407,806</u>	<u>\$ 17,294,372</u>	<u>\$ (20,090,134)</u>	<u>\$ 71,612,044</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 NOTES PAYABLE (CONTINUED)

Minimum debt payments due over the next five years and thereafter in five-year increments are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,841,126	\$ 1,649,051
2022	3,714,725	1,561,265
2023	4,085,952	1,432,559
2024	5,199,144	1,290,409
2025	2,721,714	1,105,129
2026 - 2030	9,773,676	4,428,609
2031 - 2035	12,141,848	3,101,083
2036 - 2040	7,870,364	2,169,327
2041 - 2045	4,224,567	663,993
2046 - 2050	2,357,687	96,326
2051 - 2055	1,249,471	-
Total	<u>55,180,274</u>	<u>17,497,751</u>
Notes With No Set Maturity	16,431,770	-
Total	<u>\$ 71,612,044</u>	<u>\$ 17,497,751</u>

NOTE 11 BONDS PAYABLE

Bonds payable of Home Forward, which are secured by mortgages on the respective properties, consist of the following as of December 31, 2020:

<u>Property</u>	<u>Bond Type</u>	<u>Interest Rate</u>	<u>Final Maturity Year</u>	<u>Balance</u>
Dawson Park 2012	Fixed	3.37 %	2027	\$ 898,907
New Market West 2013	Variable	1.73	2038	2,938,364
Pearl Court	Fixed	4.50	2037	2,785,000
Gretchen Kafoury	Fixed	4.00	2035	3,555,000
Hamilton West	Fixed	4.00	2031	3,060,000
Yards at Union Station	Fixed	4.85	2040	3,365,000
Lovejoy Station	Fixed	1.45	2052	7,710,000
Total				<u>24,312,271</u>
Less: Current Portion of Bonds Payable				<u>(1,607,446)</u>
Total				22,704,825
Plus Unamortized Premiums				239,279
Less: Unamortized Discounts				<u>(88,397)</u>
Total Long-Term Bonds Payable				<u>\$ 22,855,707</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 BONDS PAYABLE (CONTINUED)

A summary of activity of Home Forward's bonds payable for the year ended December 31, 2020 is as follows:

Balance January 1, 2020	Draws	Repayments	Balance December 31, 2020
<u>\$ 28,135,101</u>	<u>\$ -</u>	<u>\$ (3,822,830)</u>	<u>\$ 24,312,271</u>

Minimum debt payments due over the next five fiscal years and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,607,446	\$ 890,952
2022	1,656,725	837,984
2023*	4,149,887	781,776
2024	1,599,181	654,395
2025	1,668,911	587,852
2026 - 2030	6,935,121	1,928,863
2031 - 2035	6,695,000	741,975
Total	<u>\$ 24,312,271</u>	<u>\$ 6,423,797</u>

For the variable rate debt, the December 31, 2020 interest rate of 1.73% was used for the New Market West 2012 Bonds.

*Final debt payments for New Market West 2012 Bonds are assumed to be made on August 1, 2023, upon the expiration of the associated swap instrument.

NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS

Home Forward issued Multi-Family Housing Revenue Bonds, Tax-Exempt Tax Credit Notes Receivable and Taxable Tax Credit Notes Receivable for the purpose of providing financing to Internal Revenue Service Section 42 Partnerships (see Note 7 and Note 18) in which Home Forward has an ownership interest. The Partnerships are required to make payments on the Notes Receivable to Home Forward, the General Partner of the Partnerships, sufficient to make required debt service payments on the Bonds. Bonds payable—partnerships and the corresponding notes receivable—partnerships consist of the following at December 31:

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Balance
Lloyd Housing Limited Partnership	Variable	-	%	\$ 38,300,000
Civic Redevelopment Limited Partnership	Variable	-	2038	7,800,000
Trouton Limited Partnership	Variable	-	2037	4,765,000
Cecelia Limited Partnership	Variable	-	2035	2,890,000
Stephens Creek Crossing North LP	Fixed	-	2031	2,794,797
Humboldt Gardens Limited Partnership	Fixed	-	2040	805,000
West's Limited Partnership	Fixed	-	2052	12,827,757
Woods East Limited Partnership	Fixed	-	2052	15,189,404
Square Manor Limited Partnership	Fixed	-	2035	4,078,364
North Limited Partnership	Variable	-	2021	51,342,427
Total				<u>140,792,749</u>
Less: Current Portion of Bonds Payable				<u>(90,509,521)</u>
Total Bonds Payable and Notes Receivable - Partnerships				<u>\$ 50,283,228</u>

*For the variable rate debt, the December 31, 2020, interest rate, as provided above, was used for the future interest calculation.

A summary activity of Home Forward's bonds payable at December 31, 2020 is as follows:

Balance January 1, 2020	Draws	Repayments	Balance December 31, 2020
<u>\$ 134,779,897</u>	<u>\$ 6,847,109</u>	<u>\$ (834,257)</u>	<u>\$ 140,792,749</u>

Minimum debt payments due over the next five fiscal years and thereafter are as follows:

Year Ending December 31,	Principal	Interest
2021	\$ 90,509,521	\$ 1,533,862
2022	785,917	1,507,697
2023	820,769	1,480,522
2024	856,694	1,452,190
2025	898,739	1,422,573
2026 - 2030	5,142,068	6,620,732
2031 - 2035	13,536,062	5,238,063
2036 - 2040	13,390,472	3,625,253
2041 - 2045	5,396,730	2,569,206
2046 - 2050	6,648,757	1,317,178
2051 - 2052	2,807,020	113,813
Total	<u>\$ 140,792,749</u>	<u>\$ 26,881,089</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 13 DERIVATIVE INSTRUMENTS

Home Forward issued variable rate demand bonds and notes for its New Market West headquarters building and for three separate projects: Cecelia Limited Partnership (Cecelia), Trouton Limited Partnership (Trouton), and Civic Redevelopment Limited Partnership (Civic).

The bonds for each have the following common characteristics:

- Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- The LOCs and CEA are intended not only to provide security to bondholders, but also to make periodic interest payments for which Home Forward regularly reimburses the banks.
- The banks act as a remarketing agent, reselling at market rates any bonds sold by bondholders. They have committed to repurchase bonds that cannot be resold on the open market.
- New Market West's interest rates are recalculated monthly, based on the rate at which bond can be remarketed. Interest rates for other bonds are recalculated weekly, based on the rate at which bonds can be remarketed.
- The annual remarketing fee on the outstanding amount of the bonds is 0.08% (Civic), 0.10% (Trouton) and 0.125% (Cecelia). New Market West is not subject to an annual remarketing fee.
- For bonds where the underlying financed asset is not the pledge for the bonds, the underlying credit for the bonds is the general funds of Home Forward.

Civic Redevelopment Limited Partnership entered into a swap agreement with Freddie MAC. The new agreement caps the variable rate on the bonds to 3.6625%. The agreement is set to expire on September 1, 2023. In conjunction with the sale of Cecelia, Trouton, and New Market West-2012 bonds, Home Forward entered into interest rate swap agreements. Home Forward uses interest rate swap agreements in order to reduce the volatility related to variable rate interest debt, or market risk. The swap agreements effectively convert the interest rate on variable rate debt to a fixed rate. These swaps call for Home Forward to receive interest at a variable rate and to pay interest at a fixed rate.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 13 DERIVATIVE INSTRUMENTS (CONTINUED)

The Cecelia bonds mature in 2035. The variable rate on the bonds was .16% as of December 31, 2020. The swap instrument associated with the remaining bonds matures July 1, 2021, and is fixed at 4.39% on a notional amount of \$2.938 million at December 31, 2020 for which Home Forward receives the 30 day SIFMA rate. The fair values loss of the swap was \$70,432 as of December 31, 2020.

The Trouton bonds mature in 2038. The variable rate on the bonds was .14% as of December 31, 2020. The swap instrument associated with the remaining bonds matures July 1, 2022, and is fixed at 4.188% on a notional amount of \$4.765 million at December 31, 2020 for which Home Forward receives the 30 day SIFMA rate. The fair values loss of the swap was \$289,345 as of December 31, 2020.

New Market West bonds mature in 2038. The variable rate on the bonds was 1.73% as of December 31, 2020. The bond documents were amended effective December 31, 2018 to waive the requirement for the mandatory purchase of the bonds and waives the requirement of the 45 day notice. The swap instrument associated with the remaining bonds mature August 1, 2023 and is fixed at 1.73% on a notional amount of the outstanding principal of the New Market Bonds Series 2012 up to \$4.21 million for which Home Forward receives 78.5% of the 30 day LIBOR rate. The fair value loss of the swap was \$8,921 as of December 31, 2020.

The fair value of the swap instruments is calculated from proprietary models using a mid-market basis. The change in fair market value of Home Forward's swap transactions for the years ended December 31, 2020 was a decrease of \$143,255. The fair value of the swap instruments is reflected as derivative instruments liability on the basic financial statements and are offset by corresponding deferred outflows of resources - derivative instruments.

There are certain risks associated with any hedging investment. These risks include credit risk, basis risk, termination risk, rollover risk, interest rate risk, and market access risk.

- *Credit Risk* – Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- *Basis Risk* – Risk is minimized for the Cecelia and Trouton deals as both the underlying debt pays out based on weekly auction rates and the SIFMA rate is an average of auction rate activity.
- *Termination Risk* – Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 13 DERIVATIVE INSTRUMENTS (CONTINUED)

- *Rollover Risk* – Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- *Interest Rate Risk* – Home Forward’s swaps are structured to reduce Home Forward’s exposure to interest rate risk by converting a variable rate to a fixed rate.
- *Market Access Risk* – Market access risk is the risk that a government will not be able to enter credit markets or that credit will become costlier. The ability to sell auction rate securities (ARS) in an auction may be adversely affected if there are not sufficient buyers willing to purchase all the ARS at a rate equal to or less than the ARS maximum rate. In the event of failed auctions, the bonds may default to a higher rate as defined in the bonds’ official statements.

NOTE 14 RETIREMENT PLANS

Plan Descriptions

Home Forward is a participating employer in the State of Oregon Public Employees’ Retirement System (PERS). PERS, a cost sharing multiple employer defined benefit plan and a fiduciary fund of the state of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Public Employees’ Retirement System, P.O. Box 23700, Tigard, Oregon, 97281-3700, or by calling 1-888-320-7377.

As a member of PERS, Home Forward contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost sharing multiple-employer defined benefit other post-employment benefit (OPEB) plan administered by PERS.

Actuarial Assumptions for the Calculation of Pension and OPEB Assets, Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension and OPEB

As both plans are administered by PERS, many of the actuarial assumptions were the same for the pension plan and OPEB-RHIA plan. Refer to Note 15 and Note 16 for pension or OPEB-RHIA specific assumptions, respectively.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of occurrence of events into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown below are based on the 2018 Experience Study, which reviewed experience for the four-year period ended on December 31, 2018.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions for the Calculation of Pension and OPEB Assets, Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension and OPEB (Continued)

The total pension and OPEB liabilities based on the December 31, 2018 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, Published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.20%
Inflation	2.50%
Projected Salary Increases	3.50% Overall Payroll Growth
Investment Rate of Return	7.20%
Mortality	<p>Health Retirees and Beneficiaries: RP2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-back as described in the valuation.</p> <p>Active Members: RP-2014 employees, sex distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled Retirees: RP2014 disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	9.60 %	4.07 %
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Mid Cap U.S. Equities	16.17	6.30
Small Cap U.S. Equities	1.35	6.68
Micro Cap U.S. Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Foreign Equities	4.24	7.69
Non-U.S. Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund - Event-Driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.21	6.67
Commodities	1.13	3.79
Total	100.00 %	
Assumed Inflation - Mean		2.50

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 PENSION

PERS Pension (Defined Benefits)

Home Forward is a participant of the PERS pension program. PERS benefits, as described by the PERS 2020 Comprehensive Annual Financial Report are as follows:

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a nonretired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in an PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lump-sum and monthly payments, if eligible. The monthly payment must be a minimum of \$30 per month for deaths that occur July 30, 2003, and earlier; \$200 per month for deaths that occur after July 30, 2003.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 PENSION (CONTINUED)

PERS Pension (Defined Benefits) (Continued)

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a nonduty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a nonduty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The COLA is capped at 2.0%.

OPSRP Pension Programs

Home Forward is a participant of the pension programs, a hybrid defined benefit/defined contribution plan for those employees hired after August 29, 2003. OPSRP benefits, as described by the PERS 2020 Comprehensive Annual Financial Report are as follows:

OPSRP Pension Benefits (Defined Benefit)

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

General Service

1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 1/2 years.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 PENSION (CONTINUED)

OPSRP Pension Programs (Continued)

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

OPSRP Individual Account Program (Defined Contribution)

Pension Benefits: Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a).

Death Benefits

Upon the death of a nonretired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Risk Pooling

In 2001, the Oregon legislature amended ORS 238.227 allowing for local government entities to pool their PERS pension assets and liabilities with the state of Oregon and other organizations joining the pool. Contribution rates are actuarially determined based on the experience of the overall pool as opposed to the potentially more volatile experience of the individual member. On January 19, 2010, Home Forward's Board of Commissioners approved Home Forward's inclusion in the State & Local Government Rate Pool (SLGRP).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 PENSION (CONTINUED)

Funding Status

Employees who are OPSRP members are required by state statute to contribute 6.0% of their salary to OPSRP and employers may agree to pay this required contribution. Home Forward pays the employee's required contribution for all represented employees and nonrepresented employees hired before April 1, 2012. Additionally, employers are required to contribute actuarially computed amounts as determined by PERS on actuarial valuations performed at least every two years. Rates are subject to change as a result of subsequent actuarial valuations and legislative actions.

Employer contribution rates in effect July 1, 2019 to June 30, 2021 are:

<u>Annual Period Ending</u>	<u>Tier 1/Tier 2</u>	<u>OPSRP</u>
Pension Contribution Rate	20.69 %	14.96 %
Retiree Health Care Rate	0.70	0.43
Total Employer Contribution	<u>21.39 %</u>	<u>15.39 %</u>

The amount contributed by Home Forward for the year ended December 31, 2020 was approximately \$4,242,969 which represents the required contributions for both the employee and the employer for the year presented.

Net Pension Assets and Liabilities

At December 31, 2020, Home Forward reported a liability of \$31,862,281 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. Home Forward's proportion of the net pension liability was based on a projection Home Forward's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, Home Forward's proportion was 0.14600027% which increased from its proportion of 0.14322567% measured as of June 30, 2019.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 PENSION (CONTINUED)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2020, Home Forward recognized pension expense of \$3,655,122 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 1,568,611	\$ -
Net Differences Between Expected and Actual Experience	1,402,326	-
Changes in Assumptions	1,709,948	59,913
Net Differences Between Projected and Actual Earnings on Plan Investments	3,746,590	-
Changes in Proportion	454,653	619,074
Difference Between the Employer's Contributions and the Employer's Proportion Share of Contributions	-	835,926
Total	\$ 8,882,128	\$ 1,514,913

The amount of \$1,568,611 reported as of the year ended December 31, 2020 as deferred outflow of resources related to pensions resulting from Home Forward contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	Deferred Outflows (Inflows) of Resources
2021	\$ 1,093,409
2022	1,659,184
2023	1,753,121
2024	1,274,588
2025	18,302
Total	\$ 5,798,604

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 PENSION (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Home Forward's Proportionate Share of the Net Pension Liability and Net Pension Asset to Changes in the Discount Rate

The following presents the Home Forward's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.20%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.20%) or 1% higher (8.20%) than the current rate:

Home Forward's proportionate share of net pension liability at measurement date June 30, 2020:

1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
\$ 47,312,855	\$ 31,862,281	\$ 18,906,258

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Payables to the Pension Plan

The balance of PERS payable as of the year ended December 31, 2020 was \$388,660. This balance is recorded in other accrued liabilities on the statement of net position.

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Retirement Health Insurance Account (RHIA)

RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statutes (ORS) 238.420 established this trust fund. The Oregon legislature has the ability to establish and amend the benefit provisions of the RHIA. The plan closed to new entrants after August 29, 2003. The Schedule of Employer Allocations and OPEB Amounts by Employer along with PERS audited financial statements and the Schedule of OPEB Amounts under GASB Statement No. 75 prepared by PERS' third-party actuaries as of and for the year ended June 30, 2020 (the measurement period) may be obtained online at <https://www.oregon.gov/pers> or by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, Oregon, 97281-3700, or by calling 1-888-320-7377.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Retirement Health Insurance Account (RHIA) (Continued)

ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premium coverage, whichever is less, shall be paid from the RHIA, established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment the member must 1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, 2) receive both Medicare Parts A and B coverage, and 3) enroll in a PERS sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the benefit if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance-funded on an actuarially determined basis and amounted to \$122,421 for the year ended December 31, 2020. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in health care costs. Participating employees are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.50% of annual covered PERS payroll and 0.43% of OPSRP payroll. The PERS board sets the employer contribution rate based on creditable compensation for active members reported by employers. Effective March 31, 2018, Home Forward adopted GASB Statement No. 75 where Home Forward recognizes a liability as the employees earn benefits by providing services. Changes to OPEB liability are recognized immediately as OPEB expenses or deferred outflows/inflows of resources.

Net OPEB Asset/Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2020, Home Forward reported an asset of \$169,736 for its proportionate share of the collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the collective net OPEB asset was determined by an actuarial valuation as of December 31, 2018, rolled forward to June 30, 2020. Home Forward's proportion of the collective net OPEB assets was based on a projection of Home Forward's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2020 measurement date, Home Forward's proportion was 0.08330245%, which decreased from its proportion measured as of June 30, 2019 (0.14722967%).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Net OPEB Asset/Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended December 31, 2020, Home Forward recognized a decrease in OPEB expense of \$7,341 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contribution Subsequent to Measurement Date	\$ 73,048	\$ -
Differences Between Expected and Actual Experience	-	17,352
Changes in Assumptions	-	9,022
Net Differences Between Projected and Actual Earning on Plan Investments	18,876	-
Changes in Proportionate Share	65,236	2,471
Total	<u>\$ 157,160</u>	<u>\$ 28,845</u>

The amount of \$73,048 reported for the year ended December 31, 2020 as deferred outflow of resources related to OPEB resulting from Home Forward contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflow and inflow of resources related to OPEB will be recognized in Home Forward's OPEB expense as follows:

<u>Year Ending December 31,</u>	Deferred Outflows (Inflows) of Resources
2021	\$ 15,191
2022	27,143
2023	6,978
2024	5,955
Total	<u>\$ 55,267</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Sensitivity of Home Forward’s Proportionate Share of the Collective Net OPEB Asset to Changes in the Discount Rates

The following presents Home Forward’s proportionate share of the collective net OPEB asset, as well as what Home Forward’s proportionate share of the collective net OPEB asset at the measurement date June 30, 2020 would be if it were calculated using a discount rate that is 1% lower (6.20%) or 1% higher (8.20%) than the current rate:

1% Decrease	Current Rate (7.20%)	1% Increase
\$ (137,034)	\$ (169,737)	\$ (197,700)

Home Forward Health Benefit Retiree Program (HBRP) (Implicit Benefit Subsidy)

The Health Benefit Retiree Program is a post-employment single employee benefit plan that provides health insurance to eligible Home Forward retirees. As a condition of participation in PERS, Home Forward is required to offer healthcare insurance coverage to retirees and their spouses until the retired employee reaches the age for obtaining Medicare coverage. Under this requirement, the employer is required to provide access to the same plan(s) available for current employees. Though Home Forward does not pay any portion of the retiree’s healthcare insurance, the retired employee receives an implicit benefit of a lower healthcare premium which is subsidized among the premium cost of coverage for active employees.

As Home Forward pays none of the premiums of health insurance coverage for retirees from age 58 to 65, Home Forward has not established and does not intend to establish a trust fund to supplement the costs for other post-employment benefit obligation related to this implicit benefit. Home Forward’s regular health care benefit providers underwrite the retirees’ policies. Retirees may not convert the benefit into an in lieu of payment to secure coverage under independent plans. At December 31, 2020 there were nine retirees and/or surviving spouses receiving the post-employment implicit healthcare benefits.

Effective March 31, 2018, Home Forward adopted GASB Statement No. 75 where Home Forward recognizes a liability as the employees earn benefits by providing services. Changes to the OPEB liability are recognized immediately as OPEB expenses or deferred outflows/inflows of resources.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
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NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of the year ended December 31, 2020, Home Forward reported a total OPEB liability of \$932,648 for its implicit benefit subsidy based on a measurement date of December 31, 2020.

The following table shows the changes in the total OPEB liability for the year ended December 31, 2020:

	Total OPEB Liability
Balance - Beginning of Year	\$ 887,379
Benefit Payments	(60,911)
Service Cost	80,290
Interest on Total OPEB Liability	18,167
Change in Assumptions	119,179
Experience (Gain) Loss	(111,456)
Balance - End of Year	<u>\$ 932,648</u>

For the year ended December 31, 2020, Home Forward recognized OPEB expense of \$41,141 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 208,233
Changes of Assumptions or Other Inputs	109,410	453,212
Total	<u>\$ 109,410</u>	<u>\$ 661,445</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in Home Forward's OPEB expenses as follows:

<u>Year Ending December 31,</u>	Deferred Inflows of Resources - OPEB HBRP
2021	\$ (78,697)
2022	(78,697)
2023	(78,697)
2024	(78,697)
2025	(78,697)
All Subsequent Years	(158,550)
Total	<u>\$ (552,035)</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions for Implicit Benefit Subsidy

Certain actuarial assumptions for the Implicit Benefit subsidy calculation are from the actuarial report as of December 31, 2020. Rates of mortality, retirement, and withdrawal are the same rates that were used in the December 31, 2019 actuarial valuation of the Oregon Public Employees Retirement System and are updated after each new PERS actuarial valuation is completed. For the other demographic assumptions such as entrance and persistence, the experience study was completed in December 2020.

Valuation Date	December 31, 2020
Measurement Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Interest Discount Rate	2.12% per year
Kaiser Medical Cost Annual Trend Rate	5% in all future years.
Providence Medical Cost Annual Trend Rate	7% initial increase, reducing to 5% over 4 years.
Dental Cost Annual Trend Rate	3% in all future years.
Mortality Rates	Rates of mortality for active male employees are 75% of the male generational rates and rate of mortality for active female employees are 60% of the female generational rates.
Inflation Rate	2.5% in all future years.
Salary Scale	3.5% in all future years.

Long-Term Expected Rate of Return

The 2.120% discount rate assumption is the December 31, 2020 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. This discount rate represents the long-term investment yield on Home Forward's assets.

Sensitivity of Total OPEB Liability to Changes in the Discount Rates

The following presents what Home Forward's total OPEB liability at December 31, 2020 would be if it were calculated using a discount rate that is 1% lower (1.12%) or 1% higher (3.12%) than the current rate:

1% Decrease (1.12%)	Current Rate (2.12%)	1% Increase (3.12%)
<u>\$ 1,010,082</u>	<u>\$ 932,648</u>	<u>\$ 859,813</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents what Home Forward's total OPEB liability at December 31, 2020 would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current health care cost trend rates.

<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>\$ 823,735</u>	<u>\$ 932,648</u>	<u>\$ 1,062,011</u>

NOTE 17 DEFERRED COMPENSATION PLAN

Home Forward offers employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Home Forward's employees, permits them to defer a portion of their salary to future years. Annual deferrals are limited to the lesser of \$19,000 or 100% of includable compensation. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. This plan is administered by a third party and is not included in Home Forward's basic financial statements.

NOTE 18 BLENDED COMPONENT UNITS

The condensed statements of net position of the blended component units are as follows as of December 31, 2020:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP
Assets					
Current Assets	\$ 6,562,958	\$ 1,000,006	\$ 15,977	\$ 1,307,936	\$ 747,163
Noncurrent Assets	38,351,062	-	-	-	-
Capital Assets	-	-	-	7,060,650	4,269,550
Total Assets	<u>\$ 44,914,020</u>	<u>\$ 1,000,006</u>	<u>\$ 15,977</u>	<u>\$ 8,368,586</u>	<u>\$ 5,016,713</u>
Liabilities					
Current Liabilities	\$ 32,733	\$ -	\$ -	\$ 226,798	\$ 500,553
Noncurrent Liabilities	-	-	-	8,747,477	4,473,219
Total Liabilities	<u>32,733</u>	<u>-</u>	<u>-</u>	<u>8,974,275</u>	<u>4,973,772</u>
Net Position					
Restricted	-	89,994	-	442,610	-
Unrestricted	44,881,287	910,012	15,977	(1,048,299)	42,941
Total Net Position	<u>44,881,287</u>	<u>1,000,006</u>	<u>15,977</u>	<u>(605,689)</u>	<u>42,941</u>
Total Liabilities and Net Position	<u>\$ 44,914,020</u>	<u>\$ 1,000,006</u>	<u>\$ 15,977</u>	<u>\$ 8,368,586</u>	<u>\$ 5,016,713</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
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NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

The condensed statements of revenues, expenses, and changes in net position of the blended component units are as follows for the year ended December 31, 2020:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP
Operating Revenues					
Dwelling Rental	\$ -	\$ -	\$ -	\$ 872,050	\$ 1,561,715
Nondwelling Rental	-	-	-	141,192	4,777
State, Local and Other Grants	-	-	250,000	-	-
Other	-	-	33,788	8,640	20,636
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>283,788</u>	<u>1,021,882</u>	<u>1,587,128</u>
Operating Expenses					
Administration	1,620,975	-	292	260,401	242,637
Tenant Services	-	-	267,500	-	18,528
Program Expense	-	-	-	-	2,504
Utilities	-	-	-	134,886	428,921
Maintenance	-	-	-	168,104	462,644
Depreciation	-	-	-	192,718	331,561
General and Other	-	-	70	74,944	64,822
Total Operating Expenses	<u>1,620,975</u>	<u>-</u>	<u>267,862</u>	<u>831,053</u>	<u>1,551,617</u>
Operating Income (Loss)	(1,620,975)	-	15,926	190,829	35,511
Nonoperating Revenues (Expenses)					
Investment Income	1,034,283	6	51	1,021	1,211
Interest Expense	-	-	-	(130,791)	(258,284)
Other Nonoperating Expenses	-	-	-	-	(888)
Total Nonoperating Revenues (Expenses)	<u>1,034,283</u>	<u>6</u>	<u>51</u>	<u>(129,770)</u>	<u>(257,961)</u>
Income/Loss before Capital Contributions	(586,692)	6	15,977	61,059	(222,450)
Capital Contributions					
Other Nonoperating Contributions	-	1,000,000	-	(34,010)	-
Increase (Decrease) in Net Position	(586,692)	1,000,006	15,977	27,049	(222,450)
Net Position - Beginning of Year	45,467,979	-	-	(632,738)	265,391
Net Position - End of Year	<u>\$ 44,881,287</u>	<u>\$ 1,000,006</u>	<u>\$ 15,977</u>	<u>\$ (605,689)</u>	<u>\$ 42,941</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

The statement of cash flows of the blended component units are as follow:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP
Cash Flows from Operating Activities					
Receipts from State, Local and Other Grants	\$ -	\$ -	\$ 250,000	\$ -	\$ -
Receipts from Tenants and Landlords	-	-	-	953,238	1,481,908
Receipts from Others	-	600,000	16,569	84,445	48,569
Payments to and on Behalf of Employees	(260,042)	-	-	(251,374)	(173,868)
Payments to Vendors, Contractors, and Others	(1,389,828)	-	(267,862)	(370,677)	(1,168,163)
Total Cash Provided (Used) by Operating Activities	(1,649,870)	600,000	(1,293)	415,632	188,446
Cash Flows from Capital and Related Financing Activities					
Interest Paid on Notes and Bonds Payable	-	-	-	(122,160)	(248,750)
Principal Payments on Notes Payable	-	-	-	(68,337)	(252,949)
Refund of Cash Restricted for Deposits Payable	-	-	-	1,675	-
Acquisition and Construction of Capital Assets	-	-	-	-	87,515
Change in Investment in Partnership	-	-	-	(85,811)	(24,600)
Total Cash Provided (Used) by Capital and Related Financing Activities	-	-	-	(274,633)	(438,784)
Cash Flows from Investing Activities					
Increase in Accrued Interest on Notes Payable	418,533	-	-	-	-
Collections on Notes Receivable	(379,013)	-	-	-	-
Change in Due from Partnerships	(9,122)	-	10,300	(3,762)	(7,361)
Investment Income Received	1,034,283	(2,294)	51	1,021	1,211
Total Cash Provided (Used) by Investing Activities	1,064,681	(2,294)	10,351	(2,741)	(6,150)
Net Increase (Decrease) in Cash and Cash Equivalents	(585,189)	597,706	9,058	138,258	(256,488)
Cash and Cash Equivalents - Beginning of Year	5,269,791	-	6,920	1,121,248	912,286
Cash and Cash Equivalents - End of Year	<u>\$ 4,684,602</u>	<u>\$ 597,706</u>	<u>\$ 15,978</u>	<u>\$ 1,259,506</u>	<u>\$ 655,798</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION

Home Forward is the General Partner and holds a 0.01% to 1% interest in each of the following limited partnerships (see Note 2 and Note 7). Summarized partnership information as of and for the year ended December 31, 2020 is as follows:

	North Group	East Group	Trouton	Woolsey	Civic Redevelopment	Humboldt Gardens	1115 SW 11th Avenue
ASSETS							
Cash and Cash Equivalents	\$ 4,021,057	\$ 2,162,155	\$ 494,621	\$ 934,391	\$ 96,909	\$ 102,556	\$ 319,156
Cash and Cash Equivalents - Restricted	2,473,841	1,699,486	1,280,933	1,197,570	2,945,732	1,336,148	1,131,505
Accounts Receivables	175,251	90,149	35,654	31,524	41,526	75,537	73,666
Other Assets	877,535	4,566,169	411,741	72,416	505,017	162,460	30,539
Capital Assets, Net	87,853,382	65,955,319	20,627,177	8,941,362	10,730,811	18,554,995	10,827,346
Total Assets	<u>\$ 95,401,066</u>	<u>\$ 74,473,278</u>	<u>\$ 22,850,126</u>	<u>\$ 11,177,263</u>	<u>\$ 14,319,995</u>	<u>\$ 20,231,696</u>	<u>\$ 12,382,212</u>
LIABILITIES AND NET POSITION							
LIABILITIES							
Current Liabilities	\$ 9,036,919	\$ 12,621,386	\$ 575,128	\$ 335,849	\$ 1,142,248	\$ 218,562	\$ 146,557
Long-Term Liabilities	91,468,219	62,179,768	31,066,292	4,974,505	14,945,453	21,231,968	11,098,225
NET POSITION							
Net Investment in Capital Assets	(1,653,245)	4,940,035	(9,684,495)	4,318,282	(1,216,631)	(1,123,341)	(255,457)
Funds Held in Trust	2,127	5,254	840,751	526,172	545,427	814,127	900,941
Unrestricted (Deficit)	(3,452,954)	(5,273,165)	52,450	1,022,455	(1,096,502)	(909,620)	491,946
Total Liabilities and Net Position	<u>\$ 95,401,066</u>	<u>\$ 74,473,278</u>	<u>\$ 22,850,126</u>	<u>\$ 11,177,263</u>	<u>\$ 14,319,995</u>	<u>\$ 20,231,696</u>	<u>\$ 12,382,212</u>
Operating Revenues	\$ 4,137,934	\$ 3,117,965	\$ 3,245,427	\$ 1,456,452	\$ 1,484,389	\$ 1,352,188	\$ 1,124,704
Operating Expenses	(5,867,640)	(3,831,680)	(4,871,489)	(2,126,700)	(1,670,922)	(2,189,143)	(1,444,550)
Operating Income (Loss)	(1,729,706)	(713,715)	(1,626,062)	(670,248)	(186,533)	(836,955)	(319,846)
Nonoperating Revenues	6,244	-	15,052	1,534	9,807	13,073	11,180
Nonoperating Expenses	(1,181,885)	(494,130)	(389,672)	(187,040)	(540,346)	(236,992)	(11,299)
Loss Before Capital Contributions	(2,905,347)	(1,207,845)	(2,000,682)	(855,754)	(717,072)	(1,060,874)	(319,965)
Capital Contributions	-	-	-	-	-	-	-
Change in Net Position	(2,905,347)	(1,207,845)	(2,000,682)	(855,754)	(717,072)	(1,060,874)	(319,965)
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	-
Beginning Net Position, As Restated	(2,198,725)	879,969	(6,790,612)	6,722,663	(1,050,634)	(157,960)	1,457,395
Ending Net Position	<u>\$ (5,104,072)</u>	<u>\$ (327,876)</u>	<u>\$ (8,791,294)</u>	<u>\$ 5,866,909</u>	<u>\$ (1,767,706)</u>	<u>\$ (1,218,834)</u>	<u>\$ 1,137,430</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

	RAC Housing	Stephens Creek Crossing South	Stephens Creek Crossing North	Beech Street	West	Woods East	Haven
ASSETS							
Cash and Cash Equivalents	\$ 28,596	\$ 233,743	\$ 364,709	\$ 296,797	\$ 2,613,597	\$ 3,415,422	\$ -
Cash and Cash Equivalents - Restricted	1,607,923	514,895	822,611	220,061	1,571,382	2,048,269	349,597
Accounts Receivables	233,937	37,598	80,088	11,246	168,560	128,669	11,174
Other Assets	34,011	55,933	196,222	59,844	1,303,606	1,644,408	32,791
Capital Assets, Net	22,157,087	9,267,280	17,004,813	7,178,763	43,649,194	49,691,945	2,949,379
Total Assets	<u>\$ 24,061,554</u>	<u>\$ 10,109,449</u>	<u>\$ 18,468,443</u>	<u>\$ 7,766,711</u>	<u>\$ 49,306,339</u>	<u>\$ 56,928,713</u>	<u>\$ 3,342,941</u>
LIABILITIES AND NET POSITION							
LIABILITIES							
Current Liabilities	\$ 490,559	\$ 101,515	\$ 172,802	\$ 91,459	\$ 618,534	\$ 600,190	\$ 121,105
Long-Term Liabilities	3,718,801	4,372,295	16,865,124	1,237,977	34,208,141	42,787,929	3,288,353
NET POSITION							
Net Investment in Capital Assets	18,438,285	4,877,167	85,390	5,954,890	10,100,309	7,806,599	423,740
Funds Held in Trust	675,454	505,922	800,864	206,861	1,175,632	1,574,002	70,054
Unrestricted (Deficit)	738,455	252,550	544,263	275,524	3,203,723	4,159,993	(560,311)
Total Liabilities and Net Position	<u>\$ 24,061,554</u>	<u>\$ 10,109,449</u>	<u>\$ 18,468,443</u>	<u>\$ 7,766,711</u>	<u>\$ 49,306,339</u>	<u>\$ 56,928,713</u>	<u>\$ 3,342,941</u>
Operating Revenues	\$ 3,334,151	\$ 747,211	\$ 1,195,049	\$ 525,396	\$ 3,572,565	\$ 4,330,970	\$ 522,887
Operating Expenses	(3,354,888)	(1,026,536)	(1,724,305)	(829,894)	(3,858,230)	(5,356,280)	(881,052)
Operating Income (Loss)	<u>(20,737)</u>	<u>(279,325)</u>	<u>(529,256)</u>	<u>(304,498)</u>	<u>(285,665)</u>	<u>(1,025,310)</u>	<u>(358,165)</u>
Nonoperating Revenues	-	3,342	7,898	1,151	34,796	47,052	182
Nonoperating Expenses	(31,354)	(95,249)	(128,750)	(8,528)	(1,005,545)	(1,189,764)	(103,898)
Loss Before Capital Contributions	<u>(52,091)</u>	<u>(371,232)</u>	<u>(650,108)</u>	<u>(311,875)</u>	<u>(1,256,414)</u>	<u>(2,168,022)</u>	<u>(461,881)</u>
Capital Contributions	-	-	-	-	-	-	-
Change in Net Position	<u>(52,091)</u>	<u>(371,232)</u>	<u>(650,108)</u>	<u>(311,875)</u>	<u>(1,256,414)</u>	<u>(2,168,022)</u>	<u>(461,881)</u>
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	(5,113)
Beginning Net Position, As Restated	19,904,285	6,006,871	2,080,625	6,749,150	15,736,078	15,708,616	400,477
Ending Net Position	<u>\$ 19,852,194</u>	<u>\$ 5,635,639</u>	<u>\$ 1,430,517</u>	<u>\$ 6,437,275</u>	<u>\$ 14,479,664</u>	<u>\$ 13,540,594</u>	<u>\$ (66,517)</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

	Cecelia	The Jeffrey Apartments	Square Manor	Lloyd Housing	FP2	Total
ASSETS						
Cash and Cash Equivalents	\$ 145,914	\$ 276,146	\$ 206,941	\$ 1,495,304	\$ 453,456	\$ 17,661,470
Cash and Cash Equivalents - Restricted	797,040	844,546	664,006	669,770	6,345	22,181,660
Accounts Receivables	70,157	48,543	182,974	200,448	-	1,696,701
Other Assets	130,386	13,563	271,602	409,247	478,561	11,256,051
Capital Assets, Net	8,605,773	9,303,547	15,455,439	61,771,183	15,604,675	486,129,470
Total Assets	<u>\$ 9,749,270</u>	<u>\$ 10,486,345</u>	<u>\$ 16,780,962</u>	<u>\$ 64,545,952</u>	<u>\$ 16,543,037</u>	<u>\$ 538,925,352</u>
LIABILITIES AND NET POSITION						
LIABILITIES						
Current Liabilities	\$ 370,384	\$ 131,639	\$ 1,035,060	\$ 8,433,230	\$ 2,719,592	\$ 38,962,718
Long-Term Liabilities	13,797,514	8,760,451	11,437,305	52,231,199	12,449,095	442,118,614
NET POSITION						
Net Investment in Capital Assets	(4,727,139)	543,096	4,474,737	9,594,395	3,215,994	56,112,611
Funds Held in Trust	735,967	416,775	338,919	136,138	6,329	10,277,716
Unrestricted (Deficit)	(427,456)	634,384	(505,059)	(5,849,010)	(1,847,973)	(8,546,307)
Total Liabilities and Net Position	<u>\$ 9,749,270</u>	<u>\$ 10,486,345</u>	<u>\$ 16,780,962</u>	<u>\$ 64,545,952</u>	<u>\$ 16,543,037</u>	<u>\$ 538,925,352</u>
Operating Revenues	\$ 1,597,007	\$ 849,614	\$ 990,499	\$ 2,023,884	\$ 2,932	\$ 35,611,224
Operating Expenses	(2,380,479)	(1,286,493)	(1,396,920)	(3,027,073)	(540,175)	(47,664,449)
Operating Income (Loss)	(783,472)	(436,879)	(406,421)	(1,003,189)	(537,243)	(12,053,225)
Nonoperating Revenues	11,407	2,098	253	2,588	-	167,657
Nonoperating Expenses	(262,026)	-	(318,252)	(790,324)	(2,469)	(6,977,523)
Loss Before Capital Contributions	(1,034,091)	(434,781)	(724,420)	(1,790,925)	(539,712)	(18,863,091)
Capital Contributions	-	-	81,096	1,435,253	1,914,062	3,430,411
Change in Net Position	(1,034,091)	(434,781)	(643,324)	(355,672)	1,374,350	(15,432,680)
Prior Period Adjustment / Equity Transfer	-	-	-	5,113	-	-
Beginning Net Position, As Restated	(3,384,537)	2,029,036	4,951,921	4,232,082	-	73,276,700
Ending Net Position	<u>\$ (4,418,628)</u>	<u>\$ 1,594,255</u>	<u>\$ 4,308,597</u>	<u>\$ 3,881,523</u>	<u>\$ 1,374,350</u>	<u>\$ 57,844,020</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

Summarized Capital Assets – Discretely Presented Component Units

Land, structures, and equipment activity of the discretely presented component units was as follows for the year ended December 31, 2020:

	Balance 12/31/19 <u>As Restated</u>	Additions and Transfers In	Disposals and Transfers Out	Balance 12/31/2020
Land	\$ 9,619,876	\$ 1,710,000	\$ -	\$ 11,329,876
Construction in Progress	66,280,155	41,219,212	(96,348,604)	11,150,763
Total Capital Assets not Being Depreciated	75,900,031	42,929,212	(96,348,604)	22,480,639
Buildings and Improvements	473,509,735	99,669,662	(58,336)	573,121,061
Capital Lease	29,370,000	-	-	29,370,000
Equipment	18,128,629	2,364,840	(3,645)	20,489,824
Total	521,008,364	102,034,502	(61,981)	622,980,885
Less: Accumulated Depreciation	(139,329,565)	(20,016,775)	14,286	(159,332,054)
Total Capital Assets Being Depreciated	381,678,799	82,017,727	(47,695)	463,648,831
Total Capital Assets, Net	<u>\$ 457,578,830</u>	<u>\$ 124,946,939</u>	<u>\$ (96,396,299)</u>	<u>\$ 486,129,470</u>

Summarized Notes Payable – Discretely Presented Component Units

Notes payable of the discretely presented component units consist of the following:

	December 31, 2020
Notes Payable - General Partner	\$ 269,594,412
Mortgages and Other Housing Related Notes	160,422,449
Total	430,016,861
Less Current Portion	(1,216,188)
Noncurrent Portion	<u>\$ 428,800,673</u>

A summary of activity of the discretely presented component units' notes payable is as follows:

Balance January 1, 2020	Increase	Decrease	Balance December 31, 2020
<u>\$ 389,392,000</u>	<u>\$ 44,097,689</u>	<u>\$ (3,472,828)</u>	<u>\$ 430,016,861</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 20 COMMITMENTS AND CONTINGENCIES

Leases

At December 31, 2020, Home Forward has approximately 10,764 dwelling units under lease to Section 8 landlords. The terms of these leases extend up to one year. Housing assistance payments under these leases, including FSS program contributions, for the year ended December 31, 2020 was approximately \$109,438,733.

Construction Commitments

As of December 31, 2020, Home Forward had construction commitments of approximately \$27,535,495.

Contingent Liabilities

Home Forward has entered into long-term use agreements with the City of Portland, Multnomah County and the State of Oregon in exchange for development funds for group homes and other projects. These agreements expire between 2019 and 2065. Repayment of an amortized portion of these funds is required if Home Forward does not use the properties according to their intended purposes. Home Forward has not and does not intend to violate those agreements. The exposure, if recorded, would be approximately \$3,206,212.

General Partner Operating Deficit Guarantees

In relation to the performance of the tax credit partnerships for which Home Forward is the general partner, Home Forward has agreed to provide certain levels of funding in the event of partnership operating deficits that exceed operating reserves. The maximum amount required to fund excess operating deficits ranges from zero to the total amount of the excess operating deficit for a single partnership. As of December 31, 2020, no additional liability existed relating to excess operating deficits for any of the partnerships.

NOTE 21 RISK MANAGEMENT

Home Forward operates in an industry subject to various risks of loss related to torts, theft, damage, destruction, errors and omissions, injuries to employees or participants, and natural disasters.

Home Forward contracts with Marsh & McLennan Companies (Marsh) for broker services. Annually, Marsh markets the agency's insurance coverage needs to a wide variety of insurance markets. From this effort, Marsh's comprehensive insurance program provides appropriate levels of insurance coverage for property, boiler and machinery equipment, casualty/general liability, automotive, umbrella, financial and professional lines, crime, and cyber/special risks.

Marsh's comprehensive insurance provides coverage for 2,512 affordable properties, 1 New Market West property, 676 public housing properties, and 228 special needs properties. This does not include the 497 units Home Forward's Asset Management manages as part of our inter-governmental agreement with the City of Portland.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 21 RISK MANAGEMENT (CONTINUED)

Marsh coverage as of December 31, 2020, includes:

Liabilities	Deductible	Coverage
Property/Earthquake/Flood/Business Interruption	\$ 100,000	\$ 100,000,000
Boiler/Machinery/Equipment	5,000	100,000,000
General Liability	-	2,000,000
Automobile	500/1,000	1,000,000
Professional Liability	-	1,000,000
Umbrella Liability	-	10,000,000
Public Officials Liability	100,000	2,000,000
Fidelity and Crime	25,000	1,000,000
Special Risks	-	1,000,000
Cyber Liability	25,000	2,000,000
Lloyds/Roanoke Property Terrorism	10,000	100,000,000

Home Forward contracts with SAIF Corporation to provide workers' compensation and employer liability coverage of \$1,000,000 per incident with no deductible.

Settlements have not exceeded coverage during the last three years. Home Forward has four liability claims as of December 31, 2020.

For several years, Home Forward experienced significant increases in its insurance costs. In order to address these increases, Home Forward created a Home Forward controlled pure captive insurance company.

In August 2020, the Board of Commissioners approved Resolution 20-08-02 authorizing Home Forward to establish a pure captive insurance company. On December 24, 2020, the HF Insurance Group LLC (HFIG) was formed. The Captive is a Class 2 limited liability company managed by Home Forward as the sole member and will insure the risks of Home Forward and its affiliates.

This entity will allow Home Forward to provide insurance coverage to itself and reduce its dependency on the retail insurance market and gain access to reinsurance markets. It will also allow Home Forward to build insurance funds to support the organization's ability to retain more risk. The captive will, initially, be structured to provide property related coverage but may be able to provide additional insurance coverage types in the future.

NOTE 22 SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties continue which could negatively impact Home Forward's financial condition and operating results. However, the related financial impact and duration cannot be reasonably established at this time.

In May 2021, 209 public housing units were converted via the RAD program as part of the Central Group Low Income Housing Tax Credit Limited Partnership close.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Draft
Subject to Change
7/27/21

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST SEVEN FISCAL YEARS***

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Measurement Date	(a) Home Forward's Proportion of the Net Pension Liability (Asset)	(b) Home Forward's Proportionate Share of the Net Pension Liability (Asset)	(c) Home Forward's Covered Payroll	(b/c) Home Forward's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2020	0.14600007 %	\$ 31,862,281	\$ 22,943,155	138.87 %	75.80 %
December 31, 2019	0.14322567	24,774,611	18,423,720	134.47	80.20
December 31, 2018**	0.14164116	21,456,770	17,367,082	123.55	82.10
March 31, 2018	0.15329650	20,664,424	17,227,380	119.95	83.10
March 31, 2017	0.15888919	23,852,957	17,299,181	137.88	80.50
March 31, 2016	0.15526214	8,914,316	17,560,069	50.76	91.90
March 31, 2015	0.16124152	(3,654,885)	16,954,319	(21.56)	103.60

SCHEDULE OF PENSION CONTRIBUTIONS

Year Ended	(a) Statutorily Required Contribution	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) Home Forward's Covered Payroll	(b/c) Contributions as a Percent of Covered Payroll
December 31, 2020	\$ 2,758,006	\$ 2,758,006	\$ -	\$ 22,943,155	12.02 %
December 31, 2019	2,044,769	2,044,769	-	18,423,720	11.10
December 31, 2018**	1,846,617	1,846,617	-	17,367,082	10.63
March 31, 2018	1,755,769	1,755,769	-	17,227,380	10.19
March 31, 2017	1,476,588	1,476,588	-	17,299,181	8.54
March 31, 2016	1,465,817	1,465,817	-	17,560,069	8.35
March 31, 2015	1,565,938	1,565,938	-	16,954,319	9.24

Since the December 31, 2013 actuarial valuation, the system-wide actuarial accrued liability has increased primarily due to the Moro decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon State Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reduction the 2013 Oregon legislature made to future system Cost of Living Adjustments (COLA) through Senate Bill 822 and 861. The reversal increased the benefits projected to be paid by employers compared to those developed in the prior actuarial valuation, and consequently increased plan liabilities. The employers' projected long-term contribution effort has been adjusted for the estimated impact of the Moro Decision. In accordance with statute, a biennial review of actuarial methods and assumptions was completed in 2017 to be used for the December 31, 2016 actuarial valuation, which explains the significant increase in Home Forward's proportionate share of the net pension liability for the fiscal year ended March 31, 2017.

*Fiscal year ended March 31, 2015 was the first year of implementation of GASB Statement No. 68, therefore, only seven years of information is shown.

**This line represents the nine-month period ended December 31, 2018, as Home Forward changed its fiscal year-end to December 31 effective April 1, 2018.

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST FOUR FISCAL YEARS***

OTHER POST EMPLOYMENT BENEFITS

Retirement Health Insurance Account (RHIA)

Schedule of Changes in Net OPEB Asset and Related Ratios*

Measurement Date	Proportion of the Net OPEB Asset	Proportionate Share of the Net OPEB Asset	Covered Payroll	Percentage of Covered Payroll
June 30, 2020	0.08330245 %	\$ 169,736	\$ 22,943,155	0.74 %
June 30, 2019	0.14722967	284,501	18,423,720	1.54
June 30, 2018	0.13862370	154,742	17,367,082	0.89
June 30, 2017	0.14138662	59,006	17,227,380	0.34

Schedule of OPEB Contributions*

Year Ended	(a) Contractually Required Contribution**	(b) Contributions in Relation to the Contractually Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) Covered Payroll	(b/c) Percentage of Covered Payroll
December 31, 2020	\$ 61,211	\$ 61,211	-	\$ 22,943,155	0.27 %
December 31, 2019	73,049	73,049	-	18,423,720	0.40
December 31, 2018***	66,536	66,536	-	17,367,082	0.38
March 31, 2018	109,892	109,892	-	17,227,380	0.64

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of changes in net OPEB asset and related ratios and schedule of OPEB contributions are presented in accordance with GASB Statement No. 75's reporting requirement. Fiscal year ended March 31, 2018 was the first year of implementation of GASB Statement No. 75, therefore, only four years of information is shown.

**Based on the actuarial report.

***This line represents the nine-month period ended December 31, 2018, as Home Forward changed its fiscal year-end to December 31 effective April 1, 2018.

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST FOUR FISCAL YEARS***

OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Retiree Access to Home Forward Benefit Retiree Program (Implicit Benefit Subsidy)

Schedule of Changes in Total Liability and Related Ratios*

	December 31, 2020***	December 31, 2019***	December 31, 2018***	March 31, 2018***
Beginning of Year - January 1, 2020	\$ 887,379	\$ 900,487	\$ 1,415,327	\$ 1,384,796
Benefit Payments	(60,911)	(98,600)	(66,832)	67,210
Service Cost	80,290	50,593	36,662	51,747
Interest on Total OPEB Liability	18,167	34,899	42,494	(58,362)
Change in Assumptions	119,179	-	(512,048)	(15,894)
Experience (Gain) Loss	(111,456)	-	(15,116)	(14,170)
Total Changes	<u>45,269</u>	<u>(13,108)</u>	<u>(514,840)</u>	<u>30,531</u>
End of Year - December 31, 2020	<u>\$ 932,648</u>	<u>\$ 887,379</u>	<u>\$ 900,487</u>	<u>\$ 1,415,327</u>
Covered Payroll**	\$ 22,943,155	\$ 17,030,216	\$ 16,454,315	\$ 15,368,318
Total Liability as a Percentage of its Covered Payroll	4.07%	5.21%	5.47%	9.21%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of changes in OPEB liability and related ratios is presented in accordance with GASB Statement No. 75's reporting requirement. Fiscal year ended March 31, 2018 was the first year of implementation of GASB Statement No. 75, therefore, only four years of information is shown. Fiscal year ended December 31, 2018 information only included nine months from April 1, 2018 to December 31, 2018.

**Based on the actuarial report.

***The table above is as of the measurement date of the actuarial report. As such, the information is presented one year prior to the fiscal year ending shown.

OTHER SUPPLEMENTARY INFORMATION

Draft
Subject to Change
7/27/21

**HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING
DECEMBER 31, 2020**

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	St. Francis
ASSETS AND DEFERRED OUTFLOWS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 1,894,949	\$ 439,501	\$ 1,349,374	\$ 1,542,925	\$ 66,525	\$ 93,312	\$ 241,112	\$ 421,631	\$ 548,677	\$ 480,857
Cash and Cash Equivalents - Restricted	17,811	156,746	10,151	16,024	160,444	721,299	490,160	1,834,909	1,095,677	782,363
Accounts Receivable, Net	2,786,106	18,259	1,395,157	1,472,545	16,526	57,988	20,527	62,054	72,990	28,953
Prepaid Expenses	742	-	1,086	-	263	16,142	5,600	8,573	3,760	16,495
Total Current Assets	<u>4,699,608</u>	<u>614,506</u>	<u>2,755,768</u>	<u>3,031,494</u>	<u>243,758</u>	<u>888,741</u>	<u>757,399</u>	<u>2,327,167</u>	<u>1,721,104</u>	<u>1,308,668</u>
NONCURRENT ASSETS										
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-
Capital Assets not being Depreciated	234,749	579,600	390,145	68,201	292,240	432,880	138,456	972,371	572,089	1,016,855
Capital Assets being Depreciated, Net	134,632	2,207,701	175,270	556,844	1,651,957	1,763,173	316,181	1,656,065	2,111,061	6,043,795
Total Noncurrent Assets	<u>369,381</u>	<u>2,787,301</u>	<u>565,415</u>	<u>625,045</u>	<u>1,944,197</u>	<u>2,196,053</u>	<u>454,637</u>	<u>2,628,436</u>	<u>2,683,150</u>	<u>7,060,650</u>
Total Assets	<u>\$ 5,068,989</u>	<u>\$ 3,401,807</u>	<u>\$ 3,321,183</u>	<u>\$ 3,656,539</u>	<u>\$ 2,187,955</u>	<u>\$ 3,084,794</u>	<u>\$ 1,212,036</u>	<u>\$ 4,955,603</u>	<u>\$ 4,404,254</u>	<u>\$ 8,369,318</u>
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts Payable	\$ 2,278	\$ 82,306	\$ 1,071	\$ 4,243	\$ 85,080	\$ 205,381	\$ 160,547	\$ 70,214	\$ 54,381	\$ 11,433
Accrued Interest Payable	-	5,218	-	-	3,433	1,619,711	9,516	393,913	1,545,358	70,887
Other Accrued Liabilities	12,375	57	7,797	8,250	-	6,736	-	1,433	-	-
Deferred Revenue	10,277	2,078	13,358	951	9,658	22,216	12,070	48,237	36,667	39,604
Deposits, Payable from Restricted Assets	17,811	8,674	10,151	16,024	15,110	42,397	34,157	104,658	61,069	34,923
Current Portion of Notes and Bonds Payable	-	55,810	-	-	60,749	10,071	125,904	420,601	90,000	70,683
Total Current Liabilities	<u>42,741</u>	<u>154,143</u>	<u>32,377</u>	<u>29,468</u>	<u>174,030</u>	<u>1,906,512</u>	<u>342,194</u>	<u>1,039,056</u>	<u>1,787,475</u>	<u>227,530</u>
NONCURRENT LIABILITIES										
Notes Payable	-	1,085,368	-	-	2,231,840	2,114,320	316,856	432,331	2,664,000	8,747,477
Bonds Payable	-	-	-	-	-	-	773,003	2,440,000	3,465,000	-
Total Noncurrent Liabilities	<u>-</u>	<u>1,085,368</u>	<u>-</u>	<u>-</u>	<u>2,231,840</u>	<u>2,114,320</u>	<u>1,089,859</u>	<u>2,872,331</u>	<u>6,129,000</u>	<u>8,747,477</u>
Total Liabilities	<u>42,741</u>	<u>1,239,511</u>	<u>32,377</u>	<u>29,468</u>	<u>2,405,870</u>	<u>4,020,832</u>	<u>1,432,053</u>	<u>3,911,387</u>	<u>7,916,475</u>	<u>8,975,007</u>
NET POSITION	<u>5,026,248</u>	<u>2,162,296</u>	<u>3,288,806</u>	<u>3,627,071</u>	<u>(217,915)</u>	<u>(936,038)</u>	<u>(220,017)</u>	<u>1,044,216</u>	<u>(3,512,221)</u>	<u>(605,689)</u>
Total Liabilities and Net Position	<u>\$ 5,068,989</u>	<u>\$ 3,401,807</u>	<u>\$ 3,321,183</u>	<u>\$ 3,656,539</u>	<u>\$ 2,187,955</u>	<u>\$ 3,084,794</u>	<u>\$ 1,212,036</u>	<u>\$ 4,955,603</u>	<u>\$ 4,404,254</u>	<u>\$ 8,369,318</u>

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2020

	Ainsworth Court	Fairviews	Rockwood Station	Willow Tree	The Alexis	Ash Creek	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial
ASSETS AND DEFERRED OUTFLOWS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 340,450	\$ 3,599,296	\$ 2,320,763	\$ 16,323	\$ 69,419	\$ 145,872	\$ 59,022	\$ 33,134	\$ 142,047	\$ 32,220
Cash and Cash Equivalents - Restricted	669,185	2,023,080	1,133,566	203,141	220,065	126,350	75,444	243,021	122,672	-
Accounts Receivable, Net	410,221	222,236	98,868	14,807	52,280	280	17,633	35,779	7,417	4,679
Prepaid Expenses	1,840	-	-	937	-	-	-	3,495	1,568	-
Total Current Assets	1,421,696	5,844,612	3,553,197	235,208	341,764	272,502	152,099	315,429	273,704	36,899
NONCURRENT ASSETS										
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-
Capital Assets not being Depreciated	1,115,635	956,227	702,000	162,767	465,000	363,581	62,747	285,850	200,084	8,459
Capital Assets being Depreciated, Net	1,170,848	11,372,649	3,888,797	964,808	7,008,785	979,780	1,071,363	1,746,521	398,894	4,686
Total Noncurrent Assets	2,286,483	12,328,876	4,590,797	1,127,575	7,473,785	1,343,361	1,134,110	2,032,371	598,978	13,145
Total Assets	\$ 3,708,179	\$ 18,173,488	\$ 8,143,994	\$ 1,362,783	\$ 7,815,549	\$ 1,615,863	\$ 1,286,209	\$ 2,347,800	\$ 872,682	\$ 50,044
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts Payable	\$ 18,622	\$ 1,777,195	\$ 996,204	\$ 8,716	\$ 311,870	\$ 59,137	\$ 438,563	\$ 25,450	\$ 5,076	\$ 70,231
Accrued Interest Payable	7,981	26,673	10,776	1,893	11,884	5,241	1,221	1,899,849	1,041	-
Other Accrued Liabilities	-	-	-	1,767	-	50	-	-	-	-
Deferred Revenue	13,591	67,573	52,881	856	3,627	4,949	232	18,909	4,934	7,639
Deposits, Payable from Restricted Assets	53,710	208,394	109,176	4,720	34,502	11,872	9,724	40,945	5,400	-
Current Portion of Notes and Bonds Payable	101,684	265,043	107,079	24,152	92,128	88,821	36,238	-	26,496	-
Total Current Liabilities	195,588	2,344,878	1,276,116	42,104	454,011	170,070	485,978	1,985,153	42,947	77,870
NONCURRENT LIABILITIES										
Notes Payable	2,940,911	10,229,332	4,217,451	635,374	5,055,771	1,453,658	830,687	1,960,936	554,258	-
Bonds Payable	-	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	2,940,911	10,229,332	4,217,451	635,374	5,055,771	1,453,658	830,687	1,960,936	554,258	-
Total Liabilities	3,136,499	12,574,210	5,493,567	677,478	5,509,782	1,623,728	1,316,665	3,946,089	597,205	77,870
NET POSITION	571,680	5,599,278	2,650,427	685,305	2,305,767	(7,865)	(30,456)	(1,598,289)	275,477	(27,826)
Total Liabilities and Net Position	\$ 3,708,179	\$ 18,173,488	\$ 8,143,994	\$ 1,362,783	\$ 7,815,549	\$ 1,615,863	\$ 1,286,209	\$ 2,347,800	\$ 872,682	\$ 50,044

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2020

	Commercial Space at Lloyd Housing	Yards at Union Station	Rockwood Landing	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Fountain Place	Totals
ASSETS AND DEFERRED OUTFLOWS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 1,248,187	\$ 399,564	\$ 93,292	\$ 308,790	\$ 31,225	\$ 170,137	\$ 678,511	\$ 90,085	\$ 1,275,713	\$ 18,132,913
Cash and Cash Equivalents - Restricted	-	970,132	116,886	1,252,128	162,633	72,008	1,525,626	15,727	-	14,217,248
Accounts Receivable, Net	176	54,886	3,460	53,427	9,013	3,382	143,160	168	2,082	7,065,059
Prepaid Expenses	-	13,831	1,080	13,247	2,378	-	142,047	-	-	233,084
Total Current Assets	1,248,363	1,438,413	214,718	1,627,592	205,249	245,527	2,489,344	105,980	1,277,795	39,648,304
NONCURRENT ASSETS										
Due from Partnerships, Net	-	-	-	-	-	-	-	-	4,985	4,985
Notes Receivable and Accrued Interest Receivable	-	3,610	-	-	-	-	-	-	-	3,610
Capital Assets not being Depreciated	-	671,000	272,293	406,124	439,421	90,000	2,022,937	931,700	-	13,853,411
Capital Assets being Depreciated, Net	1,739,594	2,048,844	1,162,185	3,559,899	1,864,274	836,785	8,227,278	889,831	-	65,552,500
Total Noncurrent Assets	1,739,594	2,723,454	1,434,478	3,966,023	2,303,695	926,785	10,250,215	1,821,531	4,985	79,414,506
Total Assets	\$ 2,987,957	\$ 4,161,867	\$ 1,649,196	\$ 5,593,615	\$ 2,508,944	\$ 1,172,312	\$ 12,739,559	\$ 1,927,511	\$ 1,282,780	\$ 119,062,810
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts Payable	\$ -	\$ 118,028	\$ 16,764	\$ 40,122	\$ 83,610	\$ 336,317	\$ 180,284	\$ 5,435	\$ -	\$ 5,168,558
Accrued Interest Payable	-	14,193	1,109	63,621	102,767	1,357	126,189	-	-	5,923,831
Other Accrued Liabilities	-	749	5,215	-	-	5,511	-	-	-	49,940
Deferred Revenue	-	43,138	2,449	39,563	7,855	4,209	55,125	-	-	522,646
Deposits, Payable from Restricted Assets	-	94,767	16,646	75,101	16,600	1,275	137,791	4,255	-	1,169,852
Current Portion of Notes and Bonds Payable	-	399,013	36,152	127,743	64,435	21,479	712,629	-	-	2,936,910
Total Current Liabilities	-	669,888	78,335	346,150	275,267	370,148	1,212,018	9,690	-	15,771,737
NONCURRENT LIABILITIES										
Notes Payable	-	679,663	438,872	2,521,132	1,406,037	1,257,601	2,202,912	-	-	53,976,787
Bonds Payable	-	3,060,000	-	2,980,000	-	-	7,365,882	-	-	20,083,885
Total Noncurrent Liabilities	-	3,739,663	438,872	5,501,132	1,406,037	1,257,601	9,568,794	-	-	74,060,672
Total Liabilities	-	4,409,551	517,207	5,847,282	1,681,304	1,627,749	10,780,812	9,690	-	89,832,409
NET POSITION	2,987,957	(247,684)	1,131,989	(253,667)	827,640	(455,437)	1,958,747	1,917,821	1,282,780	29,230,401
Total Liabilities and Net Position	\$ 2,987,957	\$ 4,161,867	\$ 1,649,196	\$ 5,593,615	\$ 2,508,944	\$ 1,172,312	\$ 12,739,559	\$ 1,927,511	\$ 1,282,780	\$ 119,062,810

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING
YEAR ENDED DECEMBER 31, 2020

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	St. Francis
OPERATING REVENUES										
Dwelling Rental	\$ 387,113	\$ 434,674	\$ 228,230	\$ 90,722	\$ 296,512	\$ 543,523	\$ 659,917	\$ 1,786,157	\$ 1,177,229	\$ 872,050
Nondwelling Rental	15,292	345	90,573	1,101	360	180,985	1,546	24,938	8,595	141,192
HUD Operating Subsidies	912,524	196,752	671,041	895,646	-	-	-	-	-	-
Other	10,052	9,060	7,430	15,158	3,225	44,000	13,590	48,331	35,054	8,640
Total Operating Revenues	1,324,981	640,831	997,274	1,002,627	300,097	768,508	675,053	1,859,426	1,220,878	1,021,882
OPERATING EXPENSES										
Housing Assistance Payments	975	135	-	1,748	-	-	-	-	-	-
Administration	246,654	110,639	281,867	271,394	44,387	290,312	147,682	418,710	361,182	260,401
Finance Expense	-	-	-	-	-	-	-	-	-	-
Program Expense	3,932	44,789	37	4,216	-	43,044	-	5,301	953	-
Tenant Services	-	-	-	298	-	7,199	-	-	-	-
Utilities	106,958	53,724	138,200	93,942	41,582	117,051	77,910	197,169	127,366	134,886
Maintenance	206,598	162,405	156,182	259,086	46,772	182,359	158,040	405,242	276,530	168,104
Depreciation	14,670	185,934	37,700	76,673	73,765	109,333	148,783	392,786	305,589	192,718
General and Other	51,101	31,359	40,401	48,913	8,635	56,709	26,650	115,315	61,442	74,946
Total Operating Expenses	630,888	588,985	654,387	756,270	215,141	806,007	559,065	1,534,523	1,133,062	831,055
OPERATING INCOME (LOSS)	694,093	51,846	342,887	246,357	84,956	(37,499)	115,988	324,903	87,816	190,827
NONOPERATING REVENUES (EXPENSES)										
Investment Income	3,108	1,277	2,859	1,264	255	3,953	4,809	24,023	2,450	1,021
Interest Expense	-	(62,921)	-	-	(42,191)	(65,445)	(32,344)	(133,095)	(225,525)	(130,791)
Loss on Sale of Assets	-	(46,692)	-	-	-	(9,091)	-	-	(5,656)	-
Total Nonoperating Revenues (Expenses)	3,108	(108,336)	2,859	1,264	(41,936)	(70,583)	(27,535)	(109,072)	(228,731)	(129,770)
CAPITAL CONTRIBUTIONS										
Other Nonoperating Contributions	(390,000)	(15,992)	-	(285,000)	(21,500)	(3,610)	(82,996)	(52,010)	6,836	(34,010)
Total Capital Contributions	(390,000)	(15,992)	-	(285,000)	(21,500)	(3,610)	(82,996)	(52,010)	6,836	(34,010)
INCREASE (DECREASE) IN NET POSITION	307,201	(72,482)	345,746	(37,379)	21,520	(111,692)	5,457	163,821	(134,079)	27,047
Net Position - Beginning of Year	4,719,047	2,234,778	2,943,060	3,664,450	(239,435)	(824,346)	(225,474)	880,395	(3,378,142)	(632,736)
NET POSITION - END OF YEAR	<u>\$ 5,026,248</u>	<u>\$ 2,162,296</u>	<u>\$ 3,288,806</u>	<u>\$ 3,627,071</u>	<u>\$ (217,915)</u>	<u>\$ (936,038)</u>	<u>\$ (220,017)</u>	<u>\$ 1,044,216</u>	<u>\$ (3,512,221)</u>	<u>\$ (605,689)</u>

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Ainsworth Court	Fairviews	Rockwood Station	Willow Tree	The Alexis	Ash Creek	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial
OPERATING REVENUES										
Dwelling Rental	\$ 864,093	\$ 4,212,255	\$ 2,199,968	\$ 188,189	\$ 533,474	\$ 420,490	\$ 211,870	\$ 602,639	\$ 189,112	\$ -
Nondwelling Rental	1,730	28,042	1,950	10,731	5,702	-	59,313	1,333	267	53,401
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	-
Other	7,293	81,614	54,567	2,910	63,910	395	522	20,443	582	58,799
Total Operating Revenues	873,116	4,321,911	2,256,485	201,830	603,086	420,885	271,705	624,415	189,961	112,200
OPERATING EXPENSES										
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-
Administration	109,992	415,333	337,304	39,449	37,463	63,333	52,474	269,230	26,903	15,341
Finance Expense	-	108,948	55,964	-	-	-	-	-	-	-
Program Expense	-	959	386	-	36,107	-	308	-	-	-
Tenant Services	-	2,980	36,444	-	-	-	-	-	-	-
Utilities	93,681	372,335	179,304	29,428	67,918	69,415	67,899	105,372	32,051	46,506
Maintenance	71,971	724,680	616,071	28,786	65,170	36,143	75,968	183,277	36,126	45,891
Depreciation	159,353	906,129	419,299	128,677	185,059	112,508	63,903	129,305	79,261	227
General and Other	26,689	252,972	127,813	11,203	156,088	9,934	20,170	69,228	11,535	8,611
Total Operating Expenses	461,686	2,784,336	1,772,585	237,543	547,805	291,333	280,722	756,412	185,876	116,576
OPERATING INCOME (LOSS)	411,430	1,537,575	483,900	(35,713)	55,281	129,552	(9,017)	(131,997)	4,085	(4,376)
NONOPERATING REVENUES (EXPENSES)										
Investment Income	2,216	23,175	27,993	183	322	160	39	394	21	-
Interest Expense	(96,394)	(348,284)	(145,490)	(23,185)	(143,789)	(63,414)	(7,016)	(82,260)	(11,742)	-
Loss on Sale of Assets	-	-	(3,088)	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(94,178)	(325,109)	(120,585)	(23,002)	(143,467)	(63,254)	(6,977)	(81,866)	(11,721)	-
CAPITAL CONTRIBUTIONS										
Other Nonoperating Contributions	(182,862)	(500,000)	(375,495)	-	25,000	(40,000)	58,359	-	7,215	-
Total Capital Contributions	(182,862)	(500,000)	(375,495)	-	25,000	(40,000)	58,359	-	7,215	-
INCREASE (DECREASE) IN NET POSITION	134,390	712,466	(12,180)	(58,715)	(63,186)	26,298	42,365	(213,863)	(421)	(4,376)
Net Position - Beginning of Year	437,290	4,886,812	2,662,607	744,020	2,368,953	(34,163)	(72,821)	(1,384,426)	275,898	(23,450)
NET POSITION - END OF YEAR	<u>\$ 571,680</u>	<u>\$ 5,599,278</u>	<u>\$ 2,650,427</u>	<u>\$ 685,305</u>	<u>\$ 2,305,767</u>	<u>\$ (7,865)</u>	<u>\$ (30,456)</u>	<u>\$ (1,598,289)</u>	<u>\$ 275,477</u>	<u>\$ (27,826)</u>

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Commercial Space at Lloyd Housing	Yards at Union Station	Rockwood Landing	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Fountain Place	Totals
OPERATING REVENUES										
Dwelling Rental	\$ -	\$ 1,502,162	\$ 295,959	\$ 1,159,409	\$ 502,798	\$ 140,564	\$ 1,946,129	\$ 80,664	\$ 65,056	\$ 21,590,958
Nondwelling Rental	-	2,370	-	62,050	-	160	293,195	-	178	985,349
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	2,675,963
Other	18	74,564	9,773	53,505	11,581	1,461	94,696	20,304	18,874	770,351
Total Operating Revenues	18	1,579,096	305,732	1,274,964	514,379	142,185	2,334,020	100,968	84,108	26,022,621
OPERATING EXPENSES										
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	2,858
Administration	-	514,851	41,229	418,415	107,977	29,585	361,377	17,185	35,934	5,326,603
Finance Expense	-	-	-	-	-	-	-	-	1,174,723	1,339,635
Program Expense	-	33,885	10	-	196	-	66,515	-	-	240,638
Tenant Services	-	-	9,279	-	-	-	228	-	-	56,428
Utilities	-	172,451	62,294	154,541	128,531	25,282	243,369	8,707	23,339	2,971,211
Maintenance	-	309,590	45,041	247,874	187,682	27,982	489,408	10,150	20,028	5,243,156
Depreciation	40,788	423,676	154,981	190,642	61,624	44,426	297,439	24,833	20,686	4,980,767
General and Other	-	102,349	16,402	68,829	24,162	11,726	141,780	5,713	24,670	1,605,345
Total Operating Expenses	40,788	1,556,802	329,236	1,080,301	510,172	139,001	1,600,116	66,588	1,299,380	21,766,641
OPERATING INCOME (LOSS)	(40,770)	22,294	(23,504)	194,663	4,207	3,184	733,904	34,380	(1,215,272)	4,255,980
NONOPERATING REVENUES (EXPENSES)										
Investment Income	1,578	23,368	40	2,822	362	192	30,983	17	1,081	159,965
Interest Expense	-	(156,318)	(13,959)	(141,366)	(67,054)	(17,908)	(281,637)	-	(37,364)	(2,329,492)
Loss on Sale of Assets	-	-	-	(3,568)	(4,407)	-	-	-	2,834,553	2,762,051
Total Nonoperating Revenues (Expenses)	1,578	(132,950)	(13,919)	(142,112)	(71,099)	(17,716)	(250,654)	17	2,798,270	592,524
CAPITAL CONTRIBUTIONS										
Other Nonoperating Contributions	-	-	-	-	34,905	-	(104,055)	-	-	(1,955,215)
Total Capital Contributions	-	-	-	-	34,905	-	(104,055)	-	-	(1,955,215)
INCREASE (DECREASE) IN NET POSITION	(39,192)	(110,656)	(37,423)	52,551	(31,987)	(14,532)	379,195	34,397	1,582,998	2,893,289
Net Position - Beginning of Year	3,027,149	(137,028)	1,169,412	(306,218)	859,627	(440,905)	1,579,552	1,883,424	(300,218)	26,337,112
NET POSITION - END OF YEAR	<u>\$ 2,987,957</u>	<u>\$ (247,684)</u>	<u>\$ 1,131,989</u>	<u>\$ (253,667)</u>	<u>\$ 827,640</u>	<u>\$ (455,437)</u>	<u>\$ 1,958,747</u>	<u>\$ 1,917,821</u>	<u>\$ 1,282,780</u>	<u>\$ 29,230,401</u>

**HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – SPECIAL NEEDS HOUSING
DECEMBER 31, 2020**

ASSETS	<u>Carriage Hill</u>	<u>Project Open Door</u>	<u>Total</u>
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 13,064	\$ 42,852	\$ 55,916
Cash and Cash Equivalents - Restricted	19,171	81,035	100,206
Accounts Receivable, Net	2,829	8,627	11,456
Total Current Assets	<u>35,064</u>	<u>132,514</u>	<u>167,578</u>
NONCURRENT ASSETS			
Capital Assets not being Depreciated	75,424	71,104	146,528
Capital Assets being Depreciated, Net	226,341	306,673	533,014
Total Noncurrent Assets	<u>301,765</u>	<u>377,777</u>	<u>679,542</u>
 Total Assets	 <u>\$ 336,829</u>	 <u>\$ 510,291</u>	 <u>\$ 847,120</u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 44,396	\$ 2,062	\$ 46,458
Accrued Interest Payable	65	101	166
Other Accrued Liabilities	232	507	739
Unearned Revenue	2,117	7,772	9,889
Deposits, Payable from Restricted Assets	175	1,582	1,757
Current Portion of Bond Payable - Partnerships	1,846	17,033	18,879
Total Current Liabilities	<u>48,831</u>	<u>29,057</u>	<u>77,888</u>
NONCURRENT LIABILITIES			
Notes Payable	202,619	104,339	306,958
Total Liabilities	<u>251,450</u>	<u>133,396</u>	<u>384,846</u>
NET POSITION	<u>85,379</u>	<u>376,895</u>	<u>462,274</u>
 Total Liabilities and Net Position	 <u>\$ 336,829</u>	 <u>\$ 510,291</u>	 <u>\$ 847,120</u>

**HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – SPECIAL NEEDS HOUSING
YEAR ENDED DECEMBER 31, 2020**

	Carriage Hill	Project Open Door	Total
OPERATING REVENUES			
Dwelling Rental	\$ 27,132	\$ 76,294	\$ 103,426
Other	2,829	5,133	7,962
Total Operating Revenues	<u>29,961</u>	<u>81,427</u>	<u>111,388</u>
OPERATING EXPENSES			
Administration	170	257	427
Program Expense	7,420	7,850	15,270
Utilities	8,264	12,439	20,703
Maintenance	19,953	34,963	54,916
Depreciation	12,389	20,561	32,950
General and Other	1,782	4,654	6,436
Total Operating Expenses	<u>49,978</u>	<u>80,724</u>	<u>130,702</u>
OPERATING INCOME (LOSS)	(20,017)	703	(19,314)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	236	439	675
Interest Expense	(607)	(1,291)	(1,898)
Total Nonoperating Revenues (Expenses)	<u>(371)</u>	<u>(852)</u>	<u>(1,223)</u>
INCREASE (DECREASE) IN NET POSITION	(20,388)	(149)	(20,537)
Net Position - Beginning of Year	132,231	377,044	509,275
Prior Period Adjustment	(26,464)	-	(26,464)
NET POSITION - END OF YEAR	<u>\$ 85,379</u>	<u>\$ 376,895</u>	<u>\$ 462,274</u>



INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
Home Forward
Portland, Oregon

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Home Forward's basic financial statements, and have issued our report thereon dated REPORT DATE. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Minimum Standards for Audits of Oregon Municipal Corporations*. Our auditors' report includes a reference to other auditors. Novogradac & Company LLP and Jones & Roth PC audited the financial statements of the aggregate discretely presented component units. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditors.

Compliance

As part of obtaining reasonable assurance about whether Home Forward's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures, which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing, nothing came to our attention that caused us to believe Home Forward was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of ORS as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered Home Forward's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Home Forward's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Home Forward's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Purpose of this Report

This report is intended solely for the information and use of the board of commissioners, management of Home Forward, and the Oregon Secretary of State and is not intended to be, and should not be, used by anyone other than these specified parties.

Christian J. Rogers
CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

**HOME FORWARD
SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2020**

Draft
Subject to Change
7/27/21

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Draft
Subject to Change
7/27/21



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Home Forward
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Home Forward's basic financial statements, and have issued our report thereon dated REPORT DATE. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on Home Forward's financial statements. The audits of the discretely presented component units were not performed in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the aggregate discretely presented component units.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Home Forward's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Home Forward's internal control. Accordingly, we do not express an opinion on the effectiveness of Home Forward's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Home Forward's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Home Forward's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Home Forward's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Home Forward
Portland, Oregon

Report on Compliance for Each Major Federal Program

We have audited Home Forward's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Home Forward's major federal programs for the year ended December 31, 2020. Home Forward's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Home Forward's basic financial statements include the operations of discretely presented component units which may have received federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2020. Our audit, described below, did not include the operations of the aggregate discretely presented component units because other auditors were engaged to perform audits of compliance, if applicable.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Home Forward's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Home Forward's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Home Forward's compliance.

Opinion on Each Major Federal Program

In our opinion, Home Forward complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of Home Forward is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Home Forward's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Home Forward's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Home Forward’s basic financial statements. We issued our report thereon dated REPORT DATE, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

Draft
Subject to Change
7/27/21

**HOME FORWARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020**

Grantor/Pass through Grantor/ Program or Cluster Title	Grantor Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct:			
Multifamily Housing Service Coordinators	N/A	14.191	\$ 275,952
Section 8 Project-Based Cluster:			
Section 8 Moderate Rehabilitation Single Room Occupancy	N/A	14.249	179,915
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	N/A	14.856	715,075
Subtotal Section 8 Project-Based Cluster			894,990
Continuum of Care Program	N/A	14.267	6,268,423
Resident Opportunity and Supportive Services - Service Coordinators	N/A	14.870	189,927
HOPE VI Cluster:			
Demolition and Revitalization of Severely Distressed Public Housing	OR16URD00211110	14.866	88,610
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	N/A	14.871	29,868,721
Housing Choice Vouchers CARES Act Funding	N/A	14.HCC	2,154,416
Section 8 Mainstream Vouchers	N/A	14.879	459,158
Subtotal Housing Voucher Cluster			32,482,295
Moving to Work Demonstration Program	N/A	14.881	101,684,843
Public Housing CARES Act Funding	N/A	14.PHC	1,368,890
Subtotal Moving to Work Demonstration Program			103,053,733
Family Self-Sufficiency Program	N/A	14.896	568,303
Subtotal Direct Programs			143,822,233
Total U.S. Department of Housing and Urban Development			143,822,233
U.S. Department of Labor			
Pass-through from Worksystems, Inc.			
WIOA Cluster:			
WIA Youth Activities	AA-26801-15-55-A-41	17.259	41,663
Total U.S. Department of Labor			41,663

See accompanying Notes to Schedule of Federal Awards.

**HOME FORWARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

U.S. Department of the Treasury

Pass-through from Multnomah County:				
Coronavirus Relief Fund	N/A	21.019	\$	15,734,878
Pass-through from the State of Oregon:				
Coronavirus Relief Fund	N/A	21.019		250,000
Pass-through from the City of Portland:				
Coronavirus Relief Fund	N/A	21.019		<u>28,914</u>
Total U.S. Department of the Treasury				<u>16,013,792</u>

U.S. Department of Health and Human Services

Pass-through from Multnomah County:				
TANF Cluster:				
Temporary Assistance for Needy Families	N/A	93.558		<u>79,780</u>
Total U.S. Department of Health and Human Services				<u>79,780</u>

U.S. Department of Homeland Security

Direct:				
Emergency Food and Shelter National Board Program	ID #708000-011	97.024		54,434
Disaster Grants - Public Assistance	N/A	97.036		<u>277,389</u>
Total U.S. Department of Homeland Security				<u>331,823</u>
 Total Expenditures of Federal Awards				 <u><u>\$ 160,289,291</u></u>

Draft
Subject to Change
7/27/21

See accompanying Notes to Schedule of Federal Awards.

**HOME FORWARD
NOTES TO SCHEDULE OF FEDERAL AWARDS
DECEMBER 31, 2020**

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards (Schedule) presents the activities of all federal award programs of Home Forward. Home Forward's reporting entity is defined in Note 1 of Home Forward's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Home Forward, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of Home Forward.

Home Forward's reporting entity includes the operations of discretely presented component units which may have expended federal awards that are not included in the schedule of expenditures of federal awards for the year ended December 31, 2020.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting and include capitalized expenditures. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

Home Forward did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 LOANS OUTSTANDING

Home Forward participates in federal award programs that sponsor revolving loan programs, which are administrated by Home Forward and the city of Portland, Oregon (City). The City contracts Home Forward to collect loan repayments for these programs through servicing and trust arrangements. The funds are returned to the City upon repayment of the principal and interest. The federal government has imposed certain significant continuing compliance requirements with respect to the loans rendered under the Home Investment Partnerships (HOME) Program (CFDA number 14.239). The City is responsible to administer the continuing compliance requirements and report the outstanding loan balances. During the year ended December 31, 2020, Home Forward did not incur expenditures related to new loans under the HOME program.

**HOME FORWARD
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes ___ x ___ no
 - Significant deficiency(ies) identified? _____ yes ___ x ___ none reported
3. Noncompliance material to financial statements noted? _____ yes ___ x ___ no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes ___ x ___ no
 - Significant deficiency(ies) identified? _____ yes ___ x ___ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ___ x ___ no

Identification of Major Federal Program

CFDA Number

14.267
14.871/14.879
21.019

Name of Federal Program or Cluster

Continuum of Care
Housing Voucher Cluster
Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

___ x ___ yes _____ no

**HOME FORWARD
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a)

Draft
Subject to Change
7/27/21



Board of Commissioners
Home Forward
Portland, Oregon

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward as of and for the year ended December 31, 2020, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Home Forward are described in Note 1 to the financial statements.

As described in Note 1, Home Forward changed accounting policies related to debt disclosures by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, in 2020. Accordingly, financial statement disclosures have been updated to conform with the Statement. The implementation of this Statement did not have a financial impact on Home Forward's operations. Home Forward also implemented GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 90, *Majority Equity Interests*, in 2020. The implementation of these Statements had no impact on Home Forward.

We noted no transactions entered into by Home Forward during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the allowance for doubtful accounts is based on the history of past write-offs and collections, and current credit conditions. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net pension liability is based on management's knowledge and experience about past and current events, assumptions about future events, and actuarial computations performed by outside specialists. We evaluated the key factors and assumptions used to develop the net pension liability and evaluate the liabilities' effectiveness in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net OPEB liabilities are based on management's knowledge and experience about past and current events, assumptions about future events, and actuarial computations performed by outside specialists. We evaluated the key factors and assumptions used to develop the net OPEB liabilities and evaluate the liabilities' effectiveness in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the fair market value of derivative instruments and their evaluation of the effectiveness of those derivative instruments is based on management's knowledge and experience about past and current events, assumptions about future events, and outside third parties. We evaluated the key factors and assumptions used to develop the fair market value of derivative instruments and their effectiveness in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

The completion of our audit was delayed due to the COVID-19 pandemic.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated REPORT DATE.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Home Forward’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as Home Forward’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor’s work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor’s work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

With respect to the combining schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of Home Forward and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

RESOLUTIONS



MEMORANDUM

To: Board of Commissioners Date: August 17, 2021

From: Amanda Saul Assistant Director, Development and Community Services 503.802.8552

Patrick Rhea Senior Project Manager, Development and Community Services 503.802.8311

Subject: Authorize Amendments or Contracts for Construction Management/General Contractor (CM/GC) Services with Colas Construction for the SE Powell Development Resolution 21-08-03

Staff requests the Board of Commissioners to authorize Home Forward to execute contracts and amendments between Home Forward and Colas Construction for construction management and general contractor (CM/GC) services in the amount of \$54,096,236. This request enables the construction of a new 206-unit, four story, housing building to be built on vacant lots at 3000 and (a portion of) 3032 SE Powell Boulevard. Construction is anticipated to commence in early October 2021. This amount encompasses the Guaranteed Maximum Price developed by Colas Construction, a commodity escalation contingency and the standard owner's contingency, both controlled by Home Forward.

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

BACKGROUND

The Portland Housing Bureau (PHB) purchased 3000 SE Powell in 2017 to be used for affordable housing. PHB through an Intergovernmental Agreement (IGA) and subsequent

amendments engaged Home Forward to act as the developer. Due to an access easement crossing 3000 SE Powell that benefitted the site to the south (3032 SE Powell), PHB and Home Forward agreed that Home Forward would purchase the 3032 SE Powell site and increase the size of the development parcel to 2.4 acres. This increase in buildable land enabled Home Forward to boost the number of housing units from 180 to 206 and increase parking and amenities. The resulting four-story building will include space for management and support services offices, a community room, laundry room, playroom for children and a computer lounge. The site will include a children's play area, a half-court basketball court, raised garden beds, a sitting area, a walking path through the site, BBQ space for residents, thoughtful landscaping, and 27 parking spaces.

The project will serve people earning below 60% of Area Median Income (AMI). Fifty apartments will have Project-Based Section 8 (PBS8) subsidies. Thirty Permanent Supportive Housing (PSH) units will be set aside for chronically homeless families identified through the Coordinated Access system. These 30 households will receive supportive services from El Programa Hispano and other service providers as needed. The remaining units will receive general resident services and referrals from a Resident and Community Services Coordinator.

Holst Architects and their team of consultants submitted building plans for permits in March. We have received comments from the city and expect to have permits ready in September and complete financial closing in mid-September. Construction will start in early October.

OVERVIEW

In June of 2019 Home Forward selected Colas Construction (Colas), through a competitive proposal process to serve as the CM/GC for the project. Colas was engaged to perform preconstruction services and has worked with the architect and engineering team through the design process, which was authorized by Home Forward Resolution 19-06-04.

Colas received bids from subcontractors and suppliers and developed a Guaranteed Maximum Price (GMP) to build the SE Powell project. Bid participation was excellent and the GMP came in under budget. The price to build the project is \$48,860,604. This amount includes the building, sitework and all public work improvements associated with the development. Colas was able to attain 25% participation for firms that qualify as Certification Office for Business and Diversity (COBID) businesses and an additional 17% for Black, Indigenous, People of Color (BIPOC) owned businesses that are not COBID certified for 42% total participation by Underutilized Business Enterprises (UBE).

In addition to the GMP, staff are requesting contract authorization for two additional owner-controlled contingencies:

- 5% of the GMP amount for an owner’s contingency of \$2,450,530. This will be used for unexpected field conditions, increased scope of work and/or upgrades to better material and schedule risk due to ongoing uncertainty surrounding COVID. This contingency is required by lenders, investors and funders.
- A commodity escalation contingency of \$2,785,102.

The guaranteed maximum price (GMP) amendment of \$48,860,604 for construction services will result in a new GMP. This total contract amount is within the current development budget. The current contract and associated development budget items are as follow:

GMP	\$48,860,604
Owner contingency	\$2,450,530
Commodity escalation contingency	\$2,785,102

CONCLUSION

This resolution will authorize increasing the existing contract consistent with Colas Construction’s bid pricing by \$48,860,604 for construction management and general contractor services. Additionally, Home Forward staff requests the Board of Commissioners to authorize the execution of future amendments between Home Forward and Colas Construction for owner-controlled contingencies in the amount of \$5,235,632 for the SE Powell Development.

The Real Estate and Development (READ) Committee of Home Forward’s board reviewed a draft of this resolution at its August 6, 2021 meeting.



RESOLUTION 21-08-03

RESOLUTION 21-08-03 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE AMENDMENTS OR CONTRACTS WITH COLAS CONSTRUCTION FOR CONSTRUCTION MANAGER AND GENERAL CONTRACTOR (CM/GC) SERVICES FOR THE DEVELOPMENT OF SE POWELL, A 206-UNIT AFFORDABLE HOUSING DEVELOPMENT

WHEREAS, Home Forward, a housing authority and a public body corporate and politic of the State of Oregon, seeks to encourage the provision of long-term housing for persons with low income residing in Multnomah county, Oregon; and

WHEREAS, Home Forward staff managed a competitive procurement process to select and award Colas Construction the contract to undertake CM/GC services for the 3000 SE Powell development; and

WHEREAS, Home Forward's preconstruction services with Colas for 3000 SE Powell are nearly complete and the project is fully bid with a planned start date in October 2021; and

WHEREAS, Home Forward contracting rules require approval of the Home Forward Board of Commissioners for contract amendments in excess of \$500,000;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward authorizes and directs the Executive Director to execute amendments or contracts for CM/GC services with Colas Construction for the development of SE Powell for \$48,860,604.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward hereby authorizes the Executive Director, or his designee, to execute amendments to the contracts with Colas Construction to spend construction contingencies controlled by Home Forward in the amount of \$5,235,632 to respond to unexpected conditions and/or achieve project upgrades not currently included in the

construction contract for 3000 SE Powell.

ADOPTED: AUGUST 17, 2021

Attest:

Home Forward:

Michael Buonocore, Secretary

Damien R. Hall, Chair



MEMORANDUM

To: Board of Commissioners Date: August 17, 2021

From: Amanda Saul
Assistant Director, Development
and Community Services
503.802.8552

Subject: Authorize the Issuance of a
Governmental Note to Finance the
Construction and Equipping of the
3000 SE Powell Apartments
Resolution 21-08-04

Ben Loftis, Development Finance
Coordinator
503.802.8510

Staff requests the Board of Commissioners to approve a resolution authorizing the issuance and sale of Home Forward’s Multifamily Note (3000 SE Powell Apartments), Series 2021 (the “Governmental Note”), in an original principal amount not to exceed \$42,030,000. This Multifamily Note will finance a portion of the costs of constructing and equipping a multifamily rental housing development to be located at 3000 SE Powell Boulevard in Portland, Oregon, and to be known as the 3000 SE Powell Apartments (the “Project”).

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

BACKGROUND

Pursuant to Resolution 20-02-06 adopted February 18, 2020, as amended by Resolution 21-07-03 adopted July 20, 2021, Home Forward declared its intent to sell bonds to provide financing for the Project. 3000 Powell Limited Partnership, an Oregon limited partnership of which Home Forward is the sole general partner (the “Borrower”) has requested that Home Forward issue the Governmental Note for the purpose of providing part of the funds with which to pay the costs of the Project. The proceeds of the

Governmental Note will be used to make a loan (the “Project Loan”) to the Borrower pursuant to a Project Loan Agreement (the “Project Loan Agreement”). Pursuant to the Loan Agreement, the Borrower will agree (1) to apply the proceeds of the Project Loan to pay costs of the Project and, if applicable, certain costs of issuing the Governmental Note, (2) to make payments sufficient to pay the principal of and interest on the Governmental Note when due, and (3) to observe the other covenants and agreements and make the other payments set forth in the Loan Agreement.

OVERVIEW

Bank of America is expected to offer to acquire the Governmental Note upon terms set forth in the term sheet, as it may be amended from time to time. The Governmental Note will initially bear interest at a variable rate. Upon repayment of a portion of the outstanding principal amount of the Governmental Note and the satisfaction of other conditions to conversion, the outstanding Governmental Note will convert to a permanent phase and bear interest at a fixed interest rate. IMPACT C.I.L., LLC is expected to purchase the outstanding Governmental Note following conversion.

In addition to serving as conduit issuer for the Governmental Note and general partner of the Borrower, Home Forward will be required to guaranty certain of the Borrower’s obligations with respect to the Project Loan and to be a party to indemnification agreements. Home Forward and the Borrower will have ongoing obligations to maintain the tax-exempt status of the Governmental Note. The Governmental Note will be subject to acceleration at certain times and upon the occurrence of certain events, including occurrence of events of default.

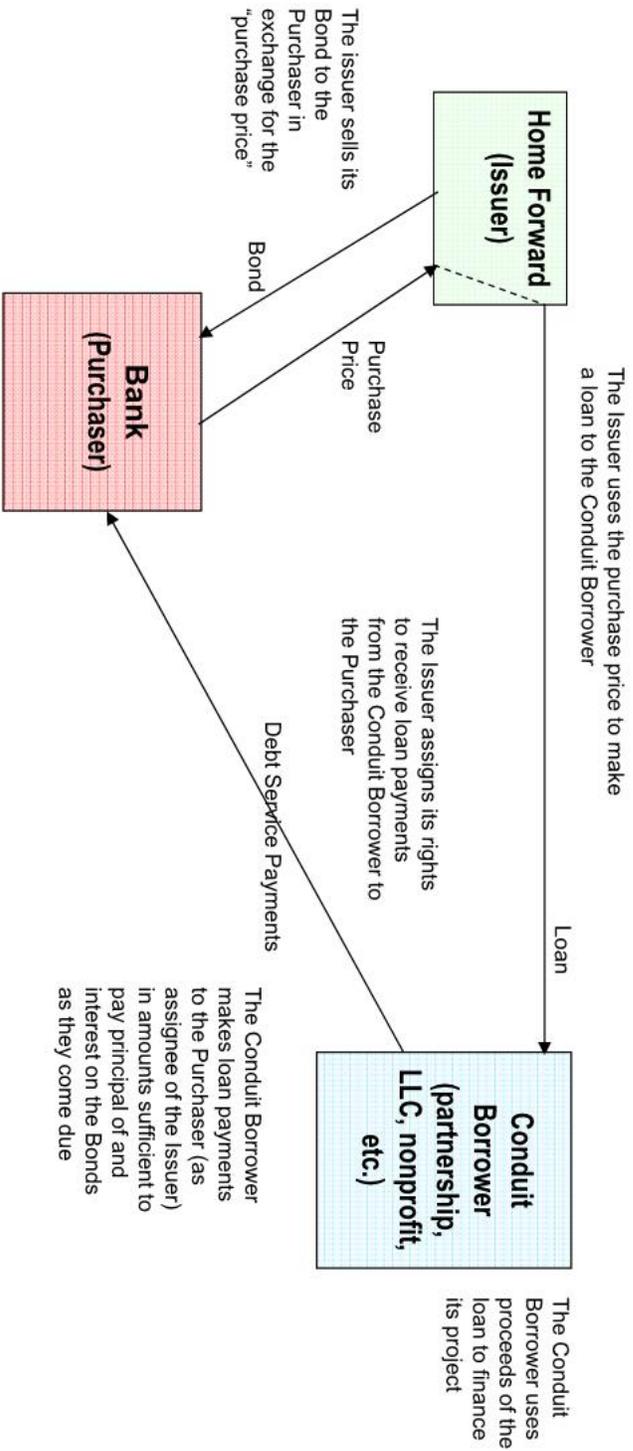
This resolution will authorize Home Forward to execute all documents related to the issuance and sale of the Governmental Note and the Project Loan, in order to advance the development of the Project. Completion of the Project will create 206 affordable units in furtherance of Home Forward’s overall mission to shelter those in need.

CONCLUSION

The Board of Commissioners is requested to authorize the issuance and sale of Home Forward’s Multifamily Note (3000 SE Powell Apartments), Series 2021 (the “Governmental Note”), in an original principal amount not to exceed \$42,030,000. This Multifamily Note will finance a portion of the costs of constructing and equipping the Project.

The Real Estate and Development Committee (READ) reviewed this memo and resolution at its August 6, 2021 meeting.

Conduit Bond Private Placement Transaction Structure





RESOLUTION 21-08-04

RESOLUTION 21-08-04 OF THE BOARD OF COMMISSIONERS OF HOME FORWARD PROVIDING FOR THE ISSUANCE OF A MULTIFAMILY NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$42,030,000, THE PROCEEDS OF WHICH WILL BE USED TO MAKE A LOAN TO 3000 POWELL LIMITED PARTNERSHIP, TO PROVIDE PART OF THE FUNDS WITH WHICH TO FINANCE A PORTION OF THE COSTS OF CONSTRUCTING AND EQUIPPING A MULTIFAMILY RENTAL HOUSING PROJECT TO CONTAIN APPROXIMATELY 206 RESIDENTIAL UNITS AND TO BE LOCATED AT 3000 SE POWELL BOULEVARD IN THE CITY OF PORTLAND, OREGON, ALL TO PROVIDE HOUSING FOR LOW INCOME PERSONS; DETERMINING THE TERMS AND COVENANTS OF THE MULTIFAMILY NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT, A PROJECT LOAN AGREEMENT, A REGULATORY AGREEMENT, AND OTHER FINANCING DOCUMENTS; PROVIDING FOR THE SALE AND DELIVERY OF THE MULTIFAMILY NOTE TO BANK OF AMERICA, N.A. AND THE SUBSEQUENT TRANSFER OF THE MULTIFAMILY NOTE TO THE PERMANENT LENDER; AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF HOME FORWARD TO EXECUTE SUCH DOCUMENTS AS ARE USEFUL OR NECESSARY TO THE PURPOSES OF THIS RESOLUTION; AND DETERMINING RELATED MATTERS.

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

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of Home Forward finds and determines:

(a) Statutory Authorization. Home Forward is a public body corporate and politic of the State of Oregon and a housing authority authorized by the Housing Authorities Law (ORS 456.005 to 456.235) to, among other things, to: (i) “[p]repare, carry out, acquire, lease and operate housing projects” (ORS 456.125(5) and [p]rovide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (ORS 456.125(6); (ii) “lease or rent any housing, land, buildings, structures or facilities embraced in any housing project and, subject to the limitations of the Housing Authorities Law, to establish and revise the rents or charges therefor” (ORS 456.120(8) and “mortgage, lease, rent, transfer, assign,

pledge or otherwise dispose of any real property or any interest therein” (ORS 456.120(11); (iii) “form, finance and have a nonstock interest in, and to manage or operate, partnerships . . . in order to further the purposes of the housing authority” (ORS 456.120(20) and “enter into a partnership agreement with or loan money to an individual, partnership, corporation or other association to finance, plan, undertake, construct, acquire, manage or operate a housing project” (ORS 456.120(18); (iv) “finance, develop, own, operate or manage a mixed income housing project” if certain requirements are met (ORS 456.120(19), ORS 456.153); (v) “issue bonds . . . for any of its corporate purposes” (ORS 456.175), which “bonds” include “any bonds, notes, interim certificates, debentures or other obligations” (ORS 446.055(3)), and in connection therewith “pledge all or any part of its . . . revenues to which its right then exists or thereafter comes into existence” (ORS 456.200(1)), “mortgage its real or personal property” (ORS 456.200(2)), and “make any covenants and do any acts and things necessary or convenient to secure its bonds, or, in the absolute discretion of said authority, tending to make the bonds more marketable” (ORS 456.200(22)); (vi) enter into intergovernmental agreements for the purpose of establishing areas of operation of a housing authority (ORS 446.060(3)); (vii) “make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority” (ORS 456.120(4)); and (viii) “delegate to one or more of its agents or employees such powers or duties as it deems proper” (ORS 456.135). As used in the Housing Authorities Law, “housing project” includes any work or undertaking “[t]o provide decent, safe and sanitary urban or rural housing for persons or families of lower income” which may include “buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances” (ORS 456.065(2)), “mixed income housing” means “a housing project that houses tenants with a mixture of income levels, including those not of lower income, for the purpose of reducing the rents for tenants whose incomes are no greater than 60 percent of the area median income” (ORS 456.055(10)), and “person of lower income” or “family of lower income” means a person or a family residing in the State of Oregon “whose income is not greater than 80 percent of area median income, adjusted for family size” (ORS 456.055(14)).

(b) The Intergovernmental Agreement. The City of Portland, the City of Gresham, Multnomah County, and Home Forward (formerly known as the Housing Authority of the Portland), are parties to that certain Intergovernmental Agreement dated June 4, 1992, expanding Home Forward’s area of operation to all territory within the boundaries of Multnomah County.

(c) The Borrower. Pursuant to the authority provided by ORS 456.120(18) and (20), Home Forward caused 3000 Powell Limited Partnership (the “Borrower”) to be formed

by filing a certificate of limited partnership with the Oregon Secretary of State on January 28, 2021, and executing an Agreement of Limited Partnership dated as of January 28, 2021, with Home Forward Development Enterprises Corporation, an Oregon nonprofit corporation, for the purpose of acquiring (by ownership and/or long term lease), developing, rehabilitating, operating, managing, and maintaining the Project (as defined below). Banc of America CDC Special Holding Company, Inc., or an affiliate thereof (the “Investor Limited Partner”) is willing to be a limited partner in the Borrower and to make capital contributions to the Borrower. In connection with the admission of the Investor Limited Partner as limited partner of the Borrower, it is necessary to amend and restate the Borrower’s original partnership agreement, and to execute and deliver certain other agreements, certificates and documents relating to the Borrower and the Project.

(d) The Project. The Borrower has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to finance, acquire, construct, and equip an approximately 206-unit affordable rental housing project to be located in the vicinity of 3000 SE Powell Boulevard, in the City of Portland, Oregon, to provide housing for low-income persons within Home Forward’s service area and initially known or to be initially known as the 3000 SE Powell Apartments (the “Project”). In connection with the financing for the Project, the Authority will lease land on which the Project will be located to the Borrower and the Borrower will provide Home Forward with an option and right of first refusal to acquire the Borrower’s interest in the Project at the end of the 15-year low-income housing tax credit “compliance period.”

(e) Issuance of Governmental Note Necessary and Advisable and in the Best Interests of Home Forward; Determination and Declaration of Need for Additional Housing. The Borrower requested that Home Forward issue a multifamily note in the principal amount of not to exceed \$42,030,000, for the purpose of assisting the Borrower in financing the Project. It is necessary and advisable, important for the feasibility of the Project, and in the best interest of Home Forward to issue the multifamily note in a principal amount of not to exceed \$42,030,000, the proceeds of which will be used to make a loan to the Borrower for the purposes described herein. The Board hereby determines that a substantial number of persons of eligible income in the area served by Home Forward cannot obtain housing for 30% of less or their income. Based on the foregoing determination, the Board hereby declares, on behalf of Home Forward, the need for additional housing for persons or families of lower income that can be addressed by Home Forward participating in the financing and development of the Project, which may be a mixed income housing project.

(f) Definitions. As used in this resolution, the following words have the following meanings:

“Assignment” means the Assignment of Deed of Trust and Related Documents to be executed by Home Forward and the Initial Funding Lender, and acknowledged by the Borrower and Home Forward in its capacity as guarantor, assigning Home Forward’s interest in the Security Instrument and other Financing Documents to the Initial Funding Lender, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Contracts, Plans and Specifications” means the Assignment of Contracts, Plans and Specifications to be executed by the Borrower, relating to assignment to the Funding Lender of certain of the Borrower’s rights under certain agreements relating to the design and construction of the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of HAP Contract” means the Assignment of Housing Assistance Payment Agreement to be executed by the Borrower, relating to assignment to the Funding Lender of certain of the Borrower’s rights under certain housing assistance payments contracts relating to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Management Agreement” means the Assignment of Management Agreement and Subordination of Management Agreement and Fees to be executed by the Borrower and Home Forward, in its capacity as the property manager for the Project, relating to assignment to the Funding Lender of certain of Borrower’s interests in the management agreement with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Partnership Interest and Capital Obligations” means the Security Agreement (Assignment of Partnership Interest and Capital Obligations) to be executed by the Borrower and Home Forward (in its capacity as general partner of the Borrower), relating to assignment to the Funding Lender of certain rights of Home Forward and the Borrower under the Borrower’s governing documents, including any supplements or amendments thereto made in conformity therewith.

“Authorized Officers” means the Chair of the Board, Home Forward’s Executive Director, Home Forward’s Chief Financial Officer, and their respective designees.

“Board” means the Board of Commissioners of Home Forward.

“Borrower” means 3000 Powell Limited Partnership, an Oregon limited Borrower of which Home Forward is the sole general partner.

“Capital Improvements Reserve and Security Agreement” means the Capital Improvements Reserve and Security Agreement to be executed by the Borrower and the Funding Lender, relating to the creation and funding of a capital improvements reserve account for the Project, including any supplements or amendments thereto made in conformity therewith.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

“Construction Disbursement Agreement” means the Construction Disbursement Agreement dated to be by and between the Borrower and Bank of America, N.A., in its capacity as Servicer, as the same may be amended, modified or supplemented from time to time.

“Continuing Covenant Agreement” means (i) prior to the Conversion Date, the Construction Disbursement Agreement, and (ii) from and after the Conversion Date, the Permanent Loan Agreement.

“Delivery Assurance Deed of Trust” means the Leasehold Delivery Assurance Line of Credit Commercial Deed of Trust, Assignment, Security Agreement and Fixture Filing, to be made by the Borrower, granting a security interest in the Project to the [IMPACT C.I.L., LLC, as the same may be further amended, supplemented or restated.

“Delivery Assurance Note” means the Promissory Note (Delivery Assurance) made by the Borrower, to the IMPACT C.I.L., LLC, as the same may be further amended, restated, supplemented or otherwise modified from time to time.

“Financing Documents” means, collectively, the Funding Loan Agreement, the Governmental Note, the Tax Certificate, the Project Loan Documents, the Initial Funding Lender Documents (during the Construction Phase) and all other documents or instruments evidencing, securing or relating to the Loans.

“Fiscal Agent” means the entity serving as fiscal agent under the Funding Loan Agreement.

“Funding Lender” means any person who is the holder of the Governmental Note.

“Funding Loan” means the loan to be made to Home Forward pursuant to the Funding Loan Agreement by the Initial Funding Lender.

“Governmental Note” means the Multifamily Note (3000 SE Powell Apartments), Series 2021 issued pursuant to this resolution and the Funding Loan Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Guaranty” means, collectively the Payment Guaranty, the Completion Guaranty, and the Recourse Guaranty, each to be executed by Home Forward in favor of the Funding Lender, and collectively providing for a guaranty of certain of the Borrower’s obligations with respect to the construction of the Project and repayment of the Project Loan, including any supplements or amendments thereto made in conformity therewith.

“Home Forward” means Home Forward, a housing authority formed under the Housing Authorities Law, and a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Oregon.

“Indemnity Agreement” means, together, the Indemnity Agreement to be executed by the Borrower and the Indemnity Agreement (Third Party Indemnity) to be executed by Home Forward in favor of the Funding Lender, relating to environmental and other claims with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Initial Funding Lender” means Bank of America, N.A., a national banking association, as initial holder of the Governmental Note.

“Initial Funding Lender Documents” means the Construction Disbursement Agreement, and all other documents to be executed and delivered by Borrower to the Initial Funding Lender in connection with the Project.

“Loans” means, together, the Project Loan and the Funding Loan.

“Operating Reserve and Security Agreement” means the Operating Reserve and Security Agreement to be executed by the Borrower and the Funding Lender, relating to the creation and funding of an operating reserve account for the Project, including any supplements or amendments thereto made in conformity therewith.

“Permanent Lender” means IMPACT C.I.L., LLC, a Delaware limited liability company, or a party related thereto, and its successors and assigns.

“Permanent Loan” has the meaning set forth in the Permanent Loan Agreement.

“Permanent Loan Agreement” means the Permanent Loan Agreement, between the Borrower and the Funding Lender, as the same may be amended, modified or supplemented from time to time.

“Permanent Phase” means the permanent phase of the Project Loan, which time period shall commence on the Conversion Date and remain in effect through the remaining term of the Project Loan.

“Priority Agreement” means a priority and subordination agreement to be among Home Forward, the Borrower, the Initial Funding Lender, Portland Housing Bureau, and any other parties named therein, including any supplements or amendments thereto made in conformity therewith.

“Project” means, depending on the context (1) construction and equipping of the approximately 206-unit multifamily residential housing project, located in the vicinity of 3000 SE Powell Boulevard, in the City of Portland, Oregon, or (2) multifamily residential housing project so constructed and equipped.

“Project Loan” means the loan made by Home Forward to the Borrower pursuant to the Project Loan Agreement, as evidenced by the Project Note.

“Project Loan Agreement” means the Project Loan Agreement among the Borrower, Home Forward, and the Fiscal Agent, as amended, supplemented or restated from time to time.

“Project Loan Documents” means the Security Instrument, the Project Note, the Project Loan Agreement, the Regulatory Agreement, the Assignment, the Construction

Disbursement Agreement, the Permanent Loan Agreement, the Priority Agreement, the Assignment of Contracts, Plans and Specifications, the Assignment of HAP Contract, the Assignment of Management Agreement, the Assignment of Partnership Interest and Capital Contributions, the Capital Improvements Reserve and Security Agreement, the Indemnity Agreement, the Guaranty, the Operating Reserve and Security Agreement, and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

“Project Note” means the Promissory Note Secured by Deed of Trust (Construction Loan Converting to Term Loan) made by the Borrower, including all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Project Loan, which Project Note will be delivered to Home Forward and endorsed by Home Forward to the Initial Funding Lender as security for the Funding Loan, as the same may be further amended, restated, supplemented or otherwise modified from time to time.

“Regulatory Agreement” means the Regulatory Agreement to be executed by the Borrower and Home Forward (in its capacities as Governmental Lender and ground lessor), governing the use of the Project, including any supplements or amendments thereto made in conformity therewith.

“Revenues” means (a) all payments made with respect to the Project Loan pursuant to the Project Loan Agreement, the Project Note or the Security Instrument, including but not limited to all casualty or other insurance benefits and condemnation awards paid in connection therewith and all payments obtained through the exercise of remedies under the Financing Documents, and (b) all money and securities held by the Fiscal Agent in the funds and accounts established pursuant to the Funding Loan Agreement (excluding money or securities designated for deposit into and held in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund), together with all investment earnings thereon.

“Security Instrument” means the Leasehold Line of Credit Commercial Deed of Trust, Assignment, Security, and Fixture Filing, by the Borrower, granting a security interest in the Project to Home Forward to secure the repayment of the Project Loan and related obligations, which Security Instrument will be assigned by Home Forward to the Initial Funding Lender pursuant to the Assignment as security for the Funding Loan, as the same may be further amended, supplemented or restated.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement to be executed by the Borrower and Home Forward in connection with the Governmental Note, including any supplements or amendments thereto made in conformity therewith.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Funding Loan.

Section 1. Authorization of Governmental Note and Application of Proceeds. Home Forward shall issue and sell the Governmental Note in a principal amount not to exceed \$42,030,000 for the purpose of making a loan to the Borrower to provide financing for a portion of the costs of the Project and, at the option of the Borrower, costs of issuing the Governmental Note. All proceeds from draws on the Governmental Note shall be lent to the Borrower for those purposes.

Section 2. Description of Governmental Note. The Governmental Note shall be called the “Multifamily Note (3000 SE Powell Apartments), Series 2021”, shall be dated its date of delivery, and shall be issued in a principal amount not to exceed \$42,030,000. The Governmental Note shall be issued in registered form; and shall be in such denominations, shall bear interest payable on such dates and at such rates, shall mature at such times and in such amounts, shall have such prepayment or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as set forth in the Governmental Note and the Funding Loan Agreement. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Governmental Note. The execution of the Financing Documents by any Authorized Officer shall be conclusive evidence of approval by Home Forward of the terms set forth therein.

Section 3. Draws on the Governmental Note. The Board authorizes the Authorized Officers, and each of them acting alone, as authorized signors for Home Forward, in its capacity as general partner of the Borrower, and their respective designees, to make draws on the Governmental Note in such amounts and at such times as they may determine, those draws to be made in accordance with the terms and provisions set forth in the Financing Documents. Draws shall be recorded in such form as the Borrower and the Funding Lender may agree. Draws on the Governmental Note shall be limited to an aggregate principal amount of not to exceed \$42,030,000. In the event that Home Forward determines that it is in the best interest of Home Forward or the Borrower to convert the Governmental Note into a fully funded obligation, Home Forward is authorized to draw amounts which have not been drawn to date (the “Remaining Authorized Amount”) on the Governmental Note, and to take any other action and to execute such

other documents as may be required to be taken or executed by Home Forward, on behalf of itself or as general partner of the Borrower, in connection therewith (including, without limitation, execution of agreements relating to the deposit and investment of such Remaining Authorized Amount prior to application to pay costs of the Project).

Section 4. Security for the Governmental Note. The Funding Loan, the Governmental Note, and the obligations of Home Forward in its capacity as Governmental Lender under the Funding Loan Agreement and the other Financing Documents shall be special obligations Home Forward payable solely from the Revenues and other funds and money and the Pledged Security, which shall include: (a) all right, title and interest of Home Forward in and to all Revenues; (b) all right, title and interest of Home Forward in and to the Project Loan Agreement, the Project Note, the Security Instrument and the other Project Loan Documents (with certain reservations and exceptions noted in the Funding Loan Agreement); and (c) except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Funding Loan Agreement for the Funding Loan by Home Forward or by anyone on its behalf or with its written consent to the Funding Lender.

No provision, covenant or agreement contained in the Funding Loan Agreement, the Governmental Note, or the other Financing Documents, nor any obligation therein imposed upon Home Forward, in its capacity as Governmental Lender, or the breach thereof, shall constitute an indebtedness of Home Forward within the meaning of any constitutional or statutory limitation, or shall constitute or give rise to a charge against the general credit of Home Forward. Home Forward does not have taxing power.

Neither the commissioners of Home Forward, nor any person executing the Funding Loan Agreement, the Governmental Note, or any other Financing Document on behalf of Home Forward shall be liable personally on any obligation thereunder by reason of the issuance of the Governmental Note or the execution of the Funding Loan Agreement or other Financing Documents.

None of the City of Portland, the State of Oregon, or any political subdivision thereof (except Home Forward, to the limited extent set forth herein and the Funding Loan Agreement) nor any political subdivision thereof shall be liable for any obligation under the Funding Loan Agreement, the Governmental Note, or any other Financing Documents. Nor, in any event, shall such obligations be payable out of any funds or properties other

than Revenues and other funds and money and the Pledged Security pledged and assigned hereunder and under the Funding Loan Agreement.

Neither Home Forward nor any of the Commissioners, officers or employees of Home Forward shall be personally liable for the payment of the Funding Loan, the Governmental Note, or the obligations of Home Forward under the Funding Loan Agreement or any other Financing Documents.

Section 5. Form and Execution of Governmental Note. The Governmental Note shall be in a form consistent with the provisions of this resolution, the Funding Loan Agreement, and state law, shall bear the manual or facsimile signatures of the Chair of the Board and the Executive Director of Home Forward and shall be impressed with the seal of Home Forward or shall bear a facsimile thereof. The Governmental Note shall be authenticated by the Fiscal Agent as set forth in the Funding Loan Agreement. No Governmental Note shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Governmental Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution and the Funding Loan Agreement.

Section 6. Preservation of Tax Exemption for Interest on the Governmental Note. Subject to the next succeeding paragraph, Home Forward covenants that it will take all actions necessary to prevent interest on the Governmental Note from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Governmental Note or other funds of Home Forward treated as proceeds of the Governmental Note at any time during the term of the Governmental Note that would cause interest on the Governmental Note to be included in gross income for federal income tax purposes. Home Forward also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Governmental Note, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Governmental Note, including the calculation and payment of any penalties that Home Forward has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Governmental Note from being included in gross income for federal income tax purposes (but only from amounts received by Home Forward from the Borrower as payments for those purposes).

The Project Loan Agreement shall require the Borrower to reimburse Home Forward for all costs to Home Forward of its compliance with the covenants contained in

this section, and Home Forward shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the Project Loan Agreement, in so complying.

Section 7. Approval of Issuance and Sale of Governmental Note to Initial Funding Lender and Transfer to Permanent Lender. It is anticipated that the Initial Funding Lender will offer to lend the proceeds of the Funding Loan to Home Forward under the terms and conditions contained in this resolution and to be set forth in the Funding Loan Agreement and the Governmental Note. The Board finds that such offer is in the best interest of Home Forward, and therefore approves the offer to make such financing available under the terms and conditions in this resolution. The Governmental Note will be delivered to the Initial Funding Lender with the approving legal opinion of Foster Garvey P.C. regarding the Governmental Note.

It is further anticipated that the Permanent Lender will offer to purchase the Funding Loan following the conversion date in accordance with the terms of the Permanent Loan Agreement. The Authorized Officers, and each of them acting alone, are authorized to execute and deliver on behalf of Home Forward any documents reasonably required to be executed by Home Forward to carry out the conversion of the Project Loan from the Construction Phase to the Permanent Phase and the transfer of the Funding Loan to the Permanent Lender.

Section 8. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Financing Documents and the forms of the Governmental Note. The Board authorizes and approves the execution and delivery of, and the performance by Home Forward of its obligations contained in, the Governmental Note, the Financing Documents to which it is a party, and this resolution and the consummation by Home Forward of all other transactions contemplated by this resolution in connection with the issuance of the Governmental Note. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to execute on behalf of Home Forward and deliver the Governmental Note, the Financing Documents to which Home Forward is a party, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Governmental Note or required by the Initial Funding Lender or the Permanent Lender as a condition the transactions contemplated by this resolution. The Board further authorizes the Authorized Officers, and each of them acting alone, to do everything necessary or appropriate for the issuance, execution and delivery of the Governmental Note, including, without limitation, appointing

the Fiscal Agent, and to execute and deliver any other documents that may be useful or necessary to ensure the proper use and application of the proceeds from the sale of the Governmental Note.

Section 9. Authorization of Borrower Documents and Execution Thereof. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to negotiate, execute and deliver, on behalf of Home Forward in its capacity as general partner of the Borrower, the Financing Documents, the Delivery Assurance Note, the Delivery Assurance Deed of Trust, and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Governmental Note, the Loans, and the transactions contemplated by this resolution.

Section 10. Acting Officers Authorized. Any action authorized or directed by this resolution to be taken by the Executive Director of Home Forward, may in the absence of such person, be taken by a duly authorized acting Executive Director of Home Forward or any other employee of Home Forward that has been designated by the Executive Director or the Board to act in the Executive Director's absence. Any action authorized or directed by this resolution to be taken by the Chair of the Board may, in the absence of such person, be taken by the duly authorized acting Chair of the Board. Any action authorized or directed by this resolution to be taken by the Chief Financial Officer of Home Forward may, in the absence of such person, be taken by the duly authorized acting Chief Financial Officer of Home Forward or any other employee of Home Forward that has been designated by the Chief Financial Officer to act in the Chief Financial Officer's absence.

Section 11. Changes to Titles or Parties; Omission of Documents. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form. The Authorized Officers, and each of them acting alone, in their discretion, may omit any agreement described herein which is determined not to be necessary or desirable in connection with the transactions contemplated by this resolution.

Section 12. Ratification and Confirmation. Any actions of Home Forward or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 13. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and

shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or the Governmental Note.

Section 14. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED: AUGUST 17, 2021

Attest:

Home Forward:

Michael Buonocore, Secretary

Damien R. Hall, Chair

CERTIFICATE

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

1. That the attached Resolution 21-08-04 (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 August 17, 2021, 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 17th day of August, 2021.

HOME FORWARD

Michael Buonocore, Executive Director



MEMORANDUM

To: Board of Commissioners Date: August 17, 2021

From: Amanda Saul Assistant Director, Development and Community Services 503.802.8552

Ben Loftis, Development Finance Manager 503.802.8510

Subject: Authorize Execution of Documents in Connection with Financing, Transferring of Property Interests, Development and Operation of SE Powell Development Resolution 21-08-05

Staff requests the Board of Commissioners to authorize the execution and delivery of documents by Home Forward, on its own behalf and in its capacity as general partner of 3000 Powell Limited Partnership, in connection with the financing, development and operation of the 3000 SE Powell Apartments (the “Development”), and to authorize the lending of money to said partnership.

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

BACKGROUND

A site at 3000 SE Powell Blvd owned by the City of Portland is the centerpiece of the 2016 Portland Housing Bond. Home Forward and Portland Housing Bureau (PHB) have been working together to develop 3000 SE Powell Apartments since 2017, first through an intergovernmental agreement and subsequently through a Reservation of Funds. Home Forward will serve as 3000 SE Powell’s developer and owner and PHB will provide project financing and the 3000 SE Powell land. The Development will be financed with tax-exempt bond funds issued by Home Forward, to be leveraged with other sources,

including Low Income Housing Tax Credits, a lessor note provided by Home Forward, the Portland Housing Bond, and other sources.

In addition to the 3000 SE Powell site, Home Forward purchased the adjacent land parcel at 3032 SE Powell Blvd. The purchase of 3032 SE Powell provided the Development with a larger building footprint and a greater number of the affordable units, and also relieved existing land use and title issues on the 3000 SE Powell parcel. The 3032 SE Powell parcel will be separated into two lots. Home Forward will retain ownership of the northern parcel and make that land available to the Development through a ground lease. The southern parcel of 3032 will be sold to Home Forward Development Enterprises Corporation (HFDEC). HFDEC will then enter into a purchase option agreement with the Portland Housing Bureau (PHB). It is anticipated that the execution of the sale to PHB, or its assign, will happen after the construction of the Development is complete. Between the ground lease to 3000 Powell Limited Partnership and the purchase option agreement with PHB, Home Forward will be reimbursed in full for the purchase of 3032 SE Powell.

Previous Board actions related to the Development were:

- Authorizing execution of architectural contract with Holst Architecture (Resolution 18-10-07)
- Authorizing execution of amendment of architectural contract with Holst Architecture (Resolution 19-03-04)
- Authorizing execution of construction management and general contracting services with Colas Construction (Resolution 19-06-04)
- Authorizing execution of amendment of architectural contract with Holst Architecture (Resolution 19-08-06)
- Authorizing the purchase of property located at 3032 SE Powell (Resolution 20-01-05)
- Declaring intent to issue revenue bonds (Resolution 20-02-06)
- Authorizing execution of amendment of architectural contract with Holst Architecture (Resolution 20-02-07)
- Authorizing LIHTC application (Resolution 20-12-05)
- Declaring amended and restated intent to issue revenue bonds (Resolution 21-07-03)

OVERVIEW

Home Forward is developing 3000 SE Powell Apartments which will contain 206 units of

affordable housing. The Development will be ground leased for a term of 99 years by 3000 Powell Limited Partnership, including Home Forward as General Partner, and Bank of America as equity investor Limited Partner. Our schedule anticipates starting construction in October 2021, and completing construction in July 2023. Home Forward has comprised a development team that includes Holst Architecture, certified as a Women Business Enterprise (WBE) and Colas Construction, a minority-owned business.

The Development budget is estimated at \$80.0 million. The sources of financing include the following approximate amounts: LIHTC investor equity of \$35.1 million, \$33.1 million Portland Housing Bonds, system development charge waivers, approximately \$7.1 million in permanent tax-exempt bond financing, Home Forward sources including a lessor note, deferred developer fees, and capital contributions totaling \$4.7 million.

All 206 of the units will serve households with incomes at or below 60% of Area Median Income (AMI). 68 units will be further restricted to serve households at or below 30% AMI.

The unit profile of the Development is as follows:

Unit Type	# of Units	Rent AMI	Income AMI	PSH Unit Count*	PBV Unit Count**
Studio	18	30%	30%		
Studio	105	60%	60%		
1-Bedroom	0	30%	30%		
1-Bedroom	18	60%	60%		
2-Bedroom	44	60%	30%	25	44
2-Bedroom	15	60%	60%		
3-Bedroom	6	60%	30%	5	6
TOTAL	206			30	50

*Permanent Supportive Housing (PSH) services will be provided to the 30 family PSH units and paid for by the Joint Office of Homeless Services (JOHS).

**Home Forward will serve as the Project Based Voucher (PBV) Housing Assistance Payment contract administrator. All 50 PBV units will be income restricted to households at or below 30% AMI.

CONCLUSION

The Board of Commissioners is requested to authorize the execution and delivery of documents by Home Forward, on its own behalf and in its capacity as general partner of 3000 Powell Limited Partnership, in connection with the financing, development and operation of the Development, and to authorize the lending of money to said partnership.

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 August 2021 meeting.



RESOLUTION 21-08-05

RESOLUTION 21-08-05 AUTHORIZES THE EXECUTION AND DELIVERY OF DOCUMENTS BY HOME FORWARD, ON ITS OWN BEHALF AND IN ITS CAPACITY AS GENERAL PARTNER OF 3000 POWELL LIMITED PARTNERSHIP, TO EFFECTUATE THE ACQUISITION, FINANCING, AND DEVELOPMENT OF THE HOUSING PROJECT KNOWN AS THE 3000 SE POWELL APARTMENTS LOCATED IN PORTLAND, MULTNOMAH COUNTY, OREGON

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

WHEREAS, ORS 456.120(18) provides that a housing authority may enter in a partnership agreement with or loan money to an individual, partnership, Housing Authority or other association to finance, plan, undertake, construct, acquire or operate a housing project; and

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

WHEREAS, ORS 456.055 and 456.175 provide that a housing authority may issue bonds, notes, interim certificates, debentures or other obligations for any of its corporate purposes; and

WHEREAS, Home Forward has determined that it is consistent with its purposes to develop a 206-unit affordable housing development known as the 3000 SE Powell Apartments (the “**Project**”) located at 3000 SE Powell Boulevard in Portland, Oregon (the “**Property**”); and

WHEREAS, the Property is owned by the City of Portland, a municipal corporation of the State of Oregon, acting by and through the Portland Housing Bureau (“**PHB**”); and

WHEREAS, PHB desires to transfer the Property to Home Forward via a Disposition and Development Agreement (“**DDA**”); and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward and the Project, for Home Forward to enter into the DDA with PHB and accept the transfer of the Property pursuant to terms and at a price (if any) as shall be determined by any single Authorized Official (such determination to be conclusively demonstrated by the signature of any Authorized Official on such document); and

WHEREAS, Home Forward owns the property located at 3032 SE Powell Boulevard in Portland Oregon (the “3032 Property”); and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward, the Partnership, and the Project to authorize Home Forward to partition a portion of the 3032 Property to combine it with the Property for the purpose of increasing the number of affordable housing units that can be constructed on the Property; and

WHEREAS, concurrently with the execution of the DDA, Home Forward desires to transfer the remaining portion of the 3032 Property to Home Forward Development Enterprises Corporation, an Oregon nonprofit public benefit corporation (“**HFDEC**”); and

WHEREAS, for the purpose of carrying out the Project, the Authority has formed and is general partner of 3000 Powell Limited Partnership, an Oregon limited partnership (the “**Partnership**”); and

WHEREAS, HFDEC is the initial limited partner of the Partnership; and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward, the Partnership, and the Project to authorize Home Forward to ground lease the Property to the Partnership pursuant to a ground lease (the “**Ground Lease**”) in order for the Partnership to develop and operate the Project, for a term of 99-years and at a rental rate of approximately \$4,500,000 (which amount may change based on appraisal and underwriting); and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward, the Partnership, and the Project to hold a note from the Partnership for a portion of the approximately **\$4,500,000** Ground Lease term rent (as such amount may change based on appraisal and underwriting) in the amount of approximately **\$2,434,526** (the “**Lessor Loan**”) (as such amount may change based on underwriting); and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward, the Partnership, and the Project to obtain a low-income housing tax credit (“**LIHTC**”) investment in the Partnership of approximately **\$35,115,621** (which amount may change based on underwriting) (the “**LP Investment**”) from Bank of America, N.A. (“**BANA**”) and to admit BANA as an investor limited partner of the Partnership and to admit Banc of America CDC Special Holding Company, Inc. (“**BOACDC**”) as a special limited partner of the Partnership; and

WHEREAS, upon the admission of BANA and BOACDC as limited partners of the Partnership, HFDEC shall withdraw from the Partnership; and

WHEREAS, as part of the LP Investment, BANA requires that the current Agreement of Limited Partnership of the Partnership be amended and restated in its entirety to reflect the terms of the LP Investment (the “**Amended Partnership Agreement**”); and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward, the Partnership, and the Project to take all actions reasonably necessary to facilitate the LP Investment in the Partnership by BANA by entering into all reasonably necessary agreements with BANA and the Partnership (collectively the “**Partnership Documents**”) and by taking such further actions as are reasonably necessary as to facilitate the LP Investment in the Partnership by BANA; and

WHEREAS, pursuant to Resolution No. 21-08-XX to be considered on August 17, 2021, Home Forward may authorize the issuance of a revenue note in the principal amount not to exceed **\$42,030,000** for the financing of the Project (the “**Tax-Exempt Note**”); and

WHEREAS, Bank of America, N.A. in its capacity as construction lender (the “**Lender**”) has agreed to provide construction financing for the Project in an amount not to exceed **\$42,030,000** (the “**Construction Loan**”) through the purchase of the Tax-Exempt Note issued by Home Forward; and

WHEREAS, Home Forward anticipates that a portion of the Construction Loan in the approximate amount of **\$7,059,03** and not to exceed **\$10,645,600** shall be converted to permanent financing for the Project (the **“Permanent Loan”**); and

WHEREAS, additional financing for the development of the Project will be in the form of a loan from the City of Portland Housing Bureau (**“PHB”**) in the approximate amount of **\$33,063,000** (the **“PHB Loan”**) and

WHEREAS, additional financing for the development of the Project will be in the form of a capital contribution from Home Forward in the approximate amount of \$100 (the **“Home Forward Equity Contribution”**); and a deferred development fee in an amount not to exceed **\$2,300,000** (the **“Deferred Fee”**); and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward the Partnership, and the Project to cause Home Forward to enter into an Agreement to Enter into Housing Assistance Payment Contract and a Housing Assistance Payment Contract (collectively the **“HAP Contract”**) to subsidize 50 units in the Project with Project-Based Section 8 rental subsidies; and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward the Partnership, and the Project to authorize the execution and delivery of certain documents pursuant to which the Project will be granted an exemption under the City of Portland’s System Development Charges Exemption Program (the **“SDC Exemption”**); and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward, the Partnership, and the Project to engage Home Forward as the developer, property manager, and resident services provider for the Project; and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward, the Partnership, and the Project to enter into a contract with Multnomah County, acting by and through the Joint Office of Homeless Services (the **“County”**) to provide funding to support the provision of supportive services to the Project (the **“County Contract”**); and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward, the Partnership, and the Project to authorize the execution and delivery of certain agreements for architectural, construction, property management, and technical related services related to the Project (the **“Project Documents”**); and

WHEREAS, Home Forward has determined it to be in the best interests of Home Forward, the Partnership, and the Project for the Authority to assign to the Partnership certain Project Documents the Authority entered into prior to the admission of BANA as the limited partner; and

WHEREAS, the Board of Commissioners of Home Forward desires to consent to these transactions, consent to the documents which will be executed, to grant authority to certain individuals to execute documents on behalf of Home Forward in its own corporate capacity and as the general partner of the Partnership for the benefit of the Partnership, and to ratify certain actions pertaining to these transactions taken prior to the date of this resolution; and

WHEREAS, ORS 456.135 authorizes Home Forward and/or the Partnership to delegate to one or more of its agents and employees such powers as it deems proper.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF HOME FORWARD, IN ITS OWN CAPACITY AND ITS SEPARATE CAPACITY AS THE GENERAL PARTNER OF THE PARTNERSHIP, ADOPTS THE FOLLOWING RESOLUTIONS:

1. **RESOLVED**, that Home Forward ratifies and affirms its actions in the formation of the Partnership.
2. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to acquire the Property from PHB and to execute the DDA and such other documents as may be necessary to close on the acquisition of the Property, with such terms and conditions as any single Authorized Officer shall approve (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).
3. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to enter into the Ground Lease between Home Forward and the Partnership with such terms and conditions as any single Authorized Officer shall approve (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).

4. **RESOLVED**, that Home Forward is authorized and directed partition a portion of the 3032 Property to combine it with the Property, to transfer the remaining portion of the 3032 Property to HFDEC, and to execute the documents as may be necessary to partition the 3032 Property and to close on the transfer of a portion of the 3032 Property, with such terms and conditions as any single Authorized Officer shall approve (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).
5. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to execute and deliver such documents as may be required to make and close on the Lessor Loan associated with the Ground Lease including but not limited to a Promissory Note, Trust Deed, and such other documents as may be necessary to close on the Lessor Loan;
6. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to execute and deliver such documents as may be required to receive the Tax Credits, including but not limited to the Low Income Housing Tax Credit Reservation and Extended Use Agreement, Hold Harmless Agreement, Carryover and Allocation Agreement, Reservation and Extended Use Agreement and all such other documents as may be required OHCS with respect to the Tax Credits;
7. **RESOLVED**, that Home Forward is authorized to negotiate, execute and deliver on behalf of Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, a letter of intent relating to an anticipated Amended Partnership Agreement of the Partnership among Home Forward as the general partner, HFDEC as the withdrawing limited partner, BOACDC, and BANA, in the form approved by any single Authorized Official (such approval to be conclusively demonstrated by the signature of any single Authorized Official on such documents).
8. **RESOLVED**, that Home Forward is authorized to negotiate, execute and deliver on behalf of Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, the Partnership Documents listed on the attached Exhibit A (whether bearing the name listed or names to similar effect)

and such other documents as reasonably may be required in connection with the closing of the LP Investment by BANA, all in the form approved by any single Authorized Officer (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).

9. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to execute and deliver such documents as may be required to close on the Construction Loan, Tax-Exempt Note, and Permanent Loan, including those documents listed on the attached **Exhibit A** (whether bearing the name listed or names to similar effect) and such other documents as reasonably may be required in connection with the closing of the Construction Loan, Permanent Loan, and Tax-Exempt Note, all in the form approved by any single Authorized Officer (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).

10. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to execute and deliver such documents as may be required to close on the PHB Loan including but not limited to the execution and delivery of those documents set forth on **Exhibit A** (whether bearing the name listed or names to similar effect) and such other documents as reasonably may be required in connection with the closing of the PHB Loan, all in the form approved by any single Authorized Officer (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).

11. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to execute and deliver such documents as may be required to make and close on the Home Forward Equity Contribution, and the Deferred Fee;

12. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to execute and deliver such documents necessary to close on the HAP Contract, all in the form approved by any single Authorized Officer (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).

13. **RESOLVED**, that Home Forward is authorized to negotiate, execute, and deliver on behalf of Home Forward or the Partnership, as the case may be, the documents necessary to obtain the SDC Exemption, all in the form approved by any Authorized Official (such approval to be conclusively demonstrated by the signature of any Authorized Official on such document).

14. **RESOLVED**, that Home Forward is authorized to serve as the property manager and resident services provider of the Project and to negotiate, execute and deliver on behalf of Home Forward or the Partnership, as the case may be, the documents necessary to engage Home Forward as property manager and resident services provider of the Project, all in the form approved by any single Authorized Officer (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).

15. **RESOLVED**, that Home Forward is authorized to serve as developer of the Project and to negotiate, execute and deliver on behalf of Home Forward or the Partnership, as the case may be, the documents necessary to engage Home Forward as developer and to defer the Deferred Fee, all in the form approved by any single Authorized Officer (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).

16. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to execute and deliver the County Contract, in a form approved by any single Authorized Officer (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).

17. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to execute and deliver all contracts and other documents respecting the design, construction, and technical assistance for the Project, all in the form approved by any single Authorized Officer (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).

18. **BE IT RESOLVED**, that Home Forward is authorized to assign to the Partnership and the Partnership is authorized to assume the Project Documents entered into by Home Forward before BANA was admitted as limited partner, all in the form approved by any single Authorized Officer (such approval to be conclusively demonstrated by the signature of any single Authorized Officer on such documents).
19. **RESOLVED**, that Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, is authorized and directed to execute, deliver and/or file (or cause to be delivered and/or filed) any affidavits, certificates, letters, government forms, documents, agreements and instruments determined to be necessary or desirable: (i) to give effect to this resolution and/or (ii) to consummate the transactions contemplated herein;
20. **RESOLVED**, that any action required by this resolution is authorized to be taken by Damien Hall, Chair of the Board, Kitty Miller, Deputy Executive Director, or Michael Buonocore, Executive Director of Home Forward, or the respective successors or assigns of each (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 Deputy Executive Director of Home Forward, or acting Executive Director of Home Forward, respectively.
21. **RESOLVED**, that Home Forward is authorized to expend such funds (and to cause the Partnership to expend such funds) as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.
22. **RESOLVED**, that any Authorized Officer is authorized to negotiate, execute and deliver on behalf of Home Forward, in its individual capacity, as general partner of the Partnership and on behalf of the Partnership, as the case may be, such other agreements, certificates, and documents, and to take or authorize to be taken all such other actions any Authorized Officer shall deem necessary or desirable to carry out the transactions contemplated by the foregoing resolutions (such determination to be conclusively demonstrated by the signature of any single Authorized Officer on such document); and

23. **RESOLVED**, that to the extent any action, agreement, document, or certification has heretofore been taken, executed, delivered, or performed by an Authorized Officer named in these Resolutions on behalf of the Authority (whether in its own capacity, its capacity as Special Limited Partner, or as sole member of the General Partner) or the Partnership and in furtherance of the Project, the same is hereby ratified and affirmed.

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

ADOPTED: AUGUST 17, 2021

Attest:

Home Forward:

Michael Buonocore, Secretary

Damien R. Hall, Chair



MEMORANDUM

To: Board of Commissioners

Date: August 21, 2021

From: Lewis Lyles
Project Manager
503.802.8484

Subject: Authorize Construction Contracts
to Replace the Joyce Phillips Head
Start Classroom at Dekum Court
Resolution 21-08-06

April Berg, Assistant Development
Director
503.802.8326

Staff requests the Board of Commissioners to authorize Home Forward to execute separate site work and modular classroom construction contracts that, in total, exceed \$1,000,000.

This action supports two of Home Forward's Strategic Plan Goals:

- One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and neighborhoods it serves.
- One Community: The people we serve, our partners and the public see us as open, supportive and responsive to their needs, even when our resources are constrained.

BACKGROUND

In November 2018, voters in Clackamas, Multnomah and Washington Counties passed the nation's first regional affordable housing bond. This bond—referred to the ballot by Metro—raises \$652.8 million of funding for affordable housing. Home Forward will use approximately \$21 million of this Metro Funding to redevelop Dekum Court, a public housing site on an under-utilized 5.5-acre parcel in Northeast Portland's Concordia neighborhood. The redevelopment will replace 40 physically obsolete public housing units

with 187 new affordable rental homes. Construction is currently slated to begin in March of 2021.

Dekum Court is home to Albina Head Start's Joyce Phillips classroom, which serves approximately twenty children. Home Forward must demolish the Joyce Phillips Classroom to proceed with Dekum Court's redevelopment.

OVERVIEW

To minimize the disruption caused by the demolition of the Joyce Phillips Classroom, Home Forward and Head Start have devised a plan to build classroom space on a nearby site owned by Albina Head Start (the "Clegg Site"). The Clegg Site, which is seven blocks east of Dekum Court, will house a new building that contains a Head Start and an Early Head Start classroom.

Home Forward has designed and will oversee the construction of the Clegg Site's two classrooms. Key elements are as follows:

- Construction is currently scheduled to begin on September 1, 2021 and conclude just before Christmas.
- Construction costs will finalize between the time of the August board meeting and September 1, 2021.
- Albina Head Start will move its Joyce Phillips classroom operations as soon as practicable once construction is complete.
- Albina Head Start will own the new structure upon its completion.
- One million dollars of American Rescue Plan Act funding will cover design and construction costs.

Home Forward determined that modular construction is the most cost effective method to achieve our goal of minimizing the disruption to the students in the Joyce Phillips classroom and Albina Head Start. This determination necessitates signing separate contracts with the project's modular builder and site work contractor.

- The estimated cost of the modular classroom from Boxx Modular is \$633,179.
- Bids for the site work contract are due on August 12th and are expected to cost less than \$600,000.

On their own, neither of these contracts will exceed the \$1,000,000 level requiring board authorization. When viewed together as a single project, staff expects they will reach a total cost of more than \$1,000,000. Thus, staff is seeking board authorization for separate site work and modular classroom contracts that, in total, will likely exceed \$1 million.

CONCLUSION

Home Forward staff requests that the Board of Commissioners authorize the execution of separate modular classroom and site work contracts that will, in total, exceed \$1 million. This authorization will enable Home Forward to demolish the Joyce Phillips classroom at Dekum Court, and proceed with Dekum Court's redevelopment, with minimal disruption to Albina Head Start and its students.

The Real Estate and Development (READ) Committee of Home Forward's board reviewed a draft of this resolution at its August 6, 2021 meeting.



RESOLUTION 21-08-06

RESOLUTION 21-08-06 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE SEPARATE CONTRACTS FOR HEAD START CLASSROOM SPACE THAT TOTAL MORE THAN ONE MILLION DOLLARS (\$1,000,000)

WHEREAS, Home Forward, a housing authority and a public body corporate and politic of the State of Oregon, plans to redevelop its Dekum Court site;

WHEREAS, Dekum Court's redevelopment will increase the number of affordable homes on-site from 40 to 187;

WHEREAS, Dekum Court's redevelopment requires the demolition of Albina Head Start's Joyce Phillips Classroom;

WHEREAS, to minimize the disruption to Albina Head Start and its students stemming from the demolition of the Joyce Phillips Classroom, Home Forward and Albina Head Start jointly formulated a plan to build new classroom space for Albina Head Start at its Clegg Site;

WHEREAS, Home Forward will enter separate construction contracts for a modular structure and site work for the new classroom space for Albina Head Start on its Clegg Site;

WHEREAS, neither of these two contracts will exceed \$1,000,000;

WHEREAS, individual contracts in excess of \$1,000,000 require approval by Home Forward's Board of Commissioners;

WHEREAS, taken together, these separate contracts comprise a single construction project that is anticipated to exceed \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward authorizes and directs the Executive Director to execute a contract with BOXX MODULAR for classroom space constructed for, and owned by, Albina Head Start on its Clegg Site;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward authorizes and directs the Executive Director to execute a contract with the lowest responsive bidder to the August 12, 2021 Request for Bids for 07/21 – 442 for the site work necessary to situate modular classrooms for Albina Head Start on its Clegg Site;

NOW, THEREFORE, BE IT RESOLVED, the Board of Commissioners of Home Forward authorizes and directs the Executive Director, or his designee, to sign all documents and take all steps necessary to complete the construction of classroom space for Albina Head Start on its Clegg Site.

ADOPTED: AUGUST 17, 2021

Attest:

Home Forward:

Michael Buonocore, Secretary

Damien R. Hall, Chair

Placeholder for Resolution 21-08-07
Recognize Deputy Executive Director Peter Beyer

STAFF REPORTS

**Procurement & Contracts Department
MONTHLY CONTRACT REPORT
Contracts Approved 06/01/21 - 07/31/21**

PUBLIC IMPROVEMENT
(CONSTRUCTION & MAINTENANCE SERVICES)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2745	0	ProBuild Contractors	\$ 84,296.79	Build back at Humboldt Gardens	Property Management	6/24/2021	9/1/2021
C2776	0	Bremik Construction	\$ 202,696.00	Demolition / Deconstruction of the Baldwin existing structures, including the removal of two existing underground storage tanks.	DCR	7/12/2021	10/31/2021
Subtotal			\$ 286,992.79				2

GOODS & SERVICES

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2757	0	Kennedy Restoration	\$ 3,000.00	Basment plumbing and cleaning at Maple Mallory	DCR	6/1/2021	9/30/2021
C2723	0	Heinz Mechanical Industries, Inc	\$ 7,964.00	Added pipe insulation	DCR	6/24/2021	12/31/2021
C2743	0	ValleyScapes Landscape Solutions	\$ 39,416.04	Landscaping services for Maple Mallory and Eliot Square	Property Management	6/30/2021	5/31/2022
C2777	0	Carbonell Cleaning Solutions	\$ 45,660.00	Landscaping at Stark Manor, Madrona Place, Fir Acres, Eastwood Court, and Alderwood	Property Management	7/12/2021	8/8/2022
C2770	0	Harrity Tree Specialists Inc	\$ 6,585.00	Tree removal at Chateau	Property Management	7/13/2021	8/31/2021
C2784	0	Prime Legacy	\$ 6,898.11	Unit turn at Chateau	Property Management	7/23/2021	8/31/2021
C2788	0	NW Enforcement	\$ 8,000.00	Security at Richmond Place	Asset Mgmt	7/28/2021	12/31/2022
Subtotal			\$ 117,523.15				7

PERSONAL SERVICE CONTRACTS

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2758	0	Columbia West Engineering	\$ 6,905.00	Special inspections at Eastwood Court	DCR	6/2/2021	8/14/2022
C2760	0	Columbia West Engineering	\$ 4,465.00	Special inspections at Stark Manor	DCR	6/2/2021	8/14/2022
C2754	0	TRC Environmental Corporation	\$ 5,250.00	Asbestos survey of exterior siding and roofing at Eastwood Court, Fir Acres and Stark Manor	DCR	6/3/2021	7/24/2021
C2759	0	Columbia West Engineering	\$ 4,465.00	Special inspections at Fir Acres	DCR	6/10/2021	8/14/2022
C2762	0	Environmental Works	\$ 2,120.00	Radon testing at NMW	IFS	6/10/2021	8/31/2021
C2771	0	YWCA	\$ 45,215.37	Resident services programming at Louisa Flowers	Community Services	7/7/2021	12/31/2021
C2767	0	Carlson Testing, Inc.	\$ 10,996.00	Special Inspections for the new construction of the Baldwin Apartments.	DCR	7/12/2021	11/1/2022
C2778	0	PBS Engineering & Environmental, Inc.	\$ 6,000.00	Phase I ESA report for Grace Peck Terrace	DCR	7/13/2021	12/31/2022
C2779	0	Bryan Potter Design	\$ 12,000.00	Signage for Schrunk mural	DCR	7/13/2021	12/31/2021
C2780	0	Tierra Salmon Consulting	\$ 10,000.00	Consultation services and research & assessment	Executive	7/14/2021	7/31/2022
C2782	0	Moreland Resource Consulting LLC	\$ 50,000.00	Project to research Home Forward's harm to Black communities of Portland	Executive	7/15/2021	12/31/2021
C2783	0	Elevator Consulting Services	\$ 4,600.00	Review elevator maintenance contract and other new elevator items for the Baldwin Project	DCR	7/16/2021	8/1/2022
C2787	0	GTG Consultants, PC	\$ 9,000.00	CNA for the Yards at Union Station	Asset Mgmt	7/26/2021	11/30/2021

C2786	0	Pegasus Moving & Cleaning	\$ 76,176.00	On-site housekeeping support at BCC, Helen Swindell's, and NWT	Community Services	7/27/2021	6/30/2022
Subtotal			\$ 247,192.37				14

PROFESSIONAL SERVICE CONTRACTS (A&E)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2761	0	KPFF Consulting Engineers	\$ 37,675.00	ALTA survey services prior to construction and after construction for the Troutdale Project.	DCR	6/7/2021	12/31/2022
C2763	0	Greenfield Geotechnical	\$ 32,045.00	Geotechnical Services for investigation and report the Troutdale Project	DCR	6/17/2021	6/15/2022
C2765	0	Earth Advantage	\$ 60,125.00	Earth Advantage Certification for Dekum Court	DCR	6/24/2021	12/31/2024
C2768	0	Peter Meijer Architect, PC	\$ 50,000.00	Architectural services for Celilo Court security improvements	DCR	7/6/2021	12/31/2022
C2774	0	KPFF Consulting Engineers	\$ 17,675.00	Updated ALTA Survey for the Baldwin property after demolition of existing structures	DCR	7/9/2021	12/6/2021
C2781	0	Earth Advantage	\$ 33,700.00	Earth Advantage Certification for Killingsworth Housing	DCR	7/13/2021	12/31/2025
Total			\$ 231,220.00				6

AMENDMENTS TO EXISTING CONTRACTS

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2640	1	Fulcrum Construction & Building Services LLC	\$ 64,794.60	NMW Security Improvements construction CO #1	DCR	6/1/2021	9/30/2021
C2575	1	Long Building Technologies, Inc.	\$ 2,890.00	Replacement reader, additional time for elevator fob install at NMW	DCR	6/4/2021	9/30/2021
C2651	1	Hahn and Associates Inc	\$ 1,650.00	Update Phase 1 Environmental for Closing for Baldwin	DCR	6/7/2021	10/28/2021
C2255	7	Walsh Construction Co.	\$ -	Updating prevailing wage determination mod number	DCR	6/8/2021	4/1/2022

C2182	1	Otis Elevator	\$ 26,534.00	Elevator Preventive Maintenance Northwest Tower; amending scope	Property Management	6/11/2021	2/28/2024
C2539	1	NW Enforcement	\$ 10,500.00	Security at Strong Properties; amended to extend contract	Asset Management	6/14/2021	6/30/2022
C2092	14	Lorentz Bruun Construction	\$ 166,495.22	Amending scope to Fountain Place Design build CO #12	DCR	6/15/2021	1/31/2022
C2546	2	Hahn and Associates Inc	\$ 1,800.00	Above-Ground Storage Tank documentation for Redevelopment of Dekum Court	DCR	6/16/2021	12/31/2021
C2382	1	Clair Company, Inc	\$ -	Special inspection services at Fountain Place; amended to extend contract	DCR	6/17/2021	11/30/2021
C2590	1	TRC Environmental Corporation	\$ -	Phase 1 environmental reports for Dahlke, Stark Manor, Fir Acres, Eastwood court for due diligence for group 7 closing	DCR	6/22/2021	12/15/2021
C2640	2	Fulcrum Construction & Building Services LLC	\$ 1,594.54	NMW Security Improvements construction CO #2	DCR	6/22/2021	9/30/2021
C2505	2	Centric Elevator	\$ 7,853.00	Change in Wage Rate due to Delayed Start Date.	DCR	6/24/2021	6/30/2022
C2752	1	Alpha Environmental Services	\$ 8,522.00	Drywall repair at drywall areas that contained ACM	DCR	6/29/2021	8/31/2021
C2292	4	Essential Quality Care (EQC)	\$ -	Provides housekeeping and personal care for CHSP residents; amended to add time	Community Services	6/30/2021	12/31/2021
C2294	3	Pegasus Moving & Cleaning	\$ 2,500.00	Skills group and cleaning service focusing on the prevention of evictions related to housekeeping at BCC; amended to extend contract	Community Services	7/2/2021	7/14/2021
C2590	2	TRC Environmental Corporation	\$ 1,800.00	Add cost for reliance letters	DCR	7/6/2021	12/15/2021
C2651	2	Hahn & Associates, Inc.	\$ 2,950.00	Add Contaminated Media Management Plan to Scope for Baldwin	DCR	7/6/2021	10/28/2021
C1994	14	LMC, Inc.	\$ (1,500.00)	red group 1 CO 11	DCR	7/9/2021	9/30/2021
C2092	15	Lorentz Bruun Construction	\$ 385,286.00	Amending scope to Fountain Place Design build CO #13	DCR	7/12/2021	1/31/2022
C2218	3	Staffing Solutions, LLC	\$ 80,000.00	On-call Temporary Labor Staffing Firms & Direct Hire Recruiters; amended to add funds	DBS-HR	7/12/2021	4/30/2022
C2469	3	Rhodes Perry Consulting	\$ -	Policy development and training services to support transgender and non-binary employees; amended to add time	HR	7/12/2021	12/31/2021
C2681	1	Workplace Changes	\$ -	Consultation and recruitment assistance to hire HR positions at HF; amended to extend contract	Executive	7/12/2021	8/30/2021
C1847	4	Central City Concern	\$ 25,000.00	Case Management & Care Coordination services at the Apartments at Bud Clark Commons; amended to extend services	Community Services	7/13/2021	8/1/2021

C2727	1	Gen-Con	\$ 600.00	Charge 8 solar loop with new glycol at Cora Park; amended to fix leak and extend contract	Property Management	7/13/2021	7/31/2021
C2483	1	CSG Advisors, Inc.	\$ 30,000.00	TOA strategy and phasing for Groups 7 & 8; amended to add time	DCR	7/21/2021	6/30/2022
C2666	1	Interstate Roofing	\$ -	Roofing work at NMW; amended to add time	IFS	7/23/2021	9/15/2021
C2255	8	Walsh Construction Co.	\$ 131,481.00	wire mold, 6th and 7th floor upgrades, screen replacement	DCR	7/27/2021	4/1/2022
Subtotal			\$ 950,750.36				27

OTHER AGREEMENTS (Revenue contracts, 3rd Party contracts, MOU's, IGA's)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
Subtotal			\$ -				0
Total			\$ 1,833,678.67				56

**Procurement & Contracts Department
FUTURE FORMAL PROCUREMENTS
6-Month Look Ahead - August 2021**

Estimated Contract Amount	Description	Dept.	Solicitation Period
TBD	Design/Build - Fairfield	DCR	In progress
\$11 million	A&E - Fairfield	DCR	TBD
\$16 million	CM/GC - Fairfield	DCR	TBD
\$600,000	Window replacement at Gretchen Kafoury	DCR	Re-Bid Postponed TBD
\$1.5 million	CHSP Housekeeping & Personal Care	Community Services	TBD