MEMORANDUM

To:	Community Partners	Date:	August 8, 2023
From:	Ivory N. Mathews, Chief Executive Officer	Subject:	Home Forward Board of Commissioners August Meeting

The Board of Commissioners of Home Forward will meet on Tuesday, August 15 at 5:30 PM virtually using the Zoom platform. The meeting will be accessible to the public via phone and electronic device.

If you would like to provide public testimony or view the meeting, please use this link: https://homeforward.zoom.us/j/86484108713?pwd=dTJOUmlDTTNkTHRQWm9tV3RJd09hdz09

The commission meeting is open to the public.

AGENDA

BOARD OF COMMISSIONERS MEETING

HOME FORWARD
135 SW ASH STREET
PORTLAND, OREGON
https://homeforward.zoom.us/j/86484108713?pwd=dTJOUmlDTTNkTHRQWm9tV3RJd09hdz09
VIA ZOOM
AUGUST 15, 2023, 5:30 PM
UPDATED 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 18, 2023 Board of Commissioners Virtual Meeting

CONSENT CALENDAR

Following Reports and Resolutions:

23-08	Topic	Presenter/POC	Phone #
01	Authorize the Modification of the Portland Housing Bureau Loans on Peter Paulson Apartments	Juli Garvey Loc Le	503.802.8457 503.802.8467

REPORTS AND RESOLUTIONS

Following Reports and Resolutions:

23-08	Topic	Presenter/POC	Phone #
REPORT	Strategic Plan Update	Christina Dirks Ciara Pressler, PreGame	503.802.8494
REPORT	Annual Procurement and Equity Report for Fiscal Year 2022	Celeste King Peter Garcia	503.802.8541 503.802.8549
02	Authorize Execution of a Contract for Pre-Construction Design Services for Peter Paulson Apartments and the Gretchen Kafoury Commons Envelope Rehabilitation	Juli Garvey Loc Le	503.802.8457 503.802.8467
03	Authorize Fiscal Year 2022 Audit Results	Kandy Sage Linda Uppinghouse	503.802.8585 503.802.8317
04	Authorize Lending with Beneficial State Bank Agreement	Kandy Sage Jeff Klatke	503.802.8585 503.802.8531
05	Authorize Changes to Chapter 3 of the Administrative Plan	Christina Dirks	503.802.8494

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 Board Work Session will be on Wednesday, September 6 at 5:30 PM. The September Board of Commissioners meeting scheduled for Tuesday, September 19, 2023 is canceled.

EXECUTIVE SESSION

The Board of Commissioners of Home Forward may meet in Executive Session pursuant to ORS 192.660(2)(3) to discuss a pending real estate transaction. Only representatives of the news media and designated staff are allowed to attend. News media and all other attendees are specifically directed not to disclose information that is the subject of the session. No final decision will be made in the session.

MINUTES

BOARD OF COMMISSIONERS MONTHLY MEETING
HOME FORWARD
HELD VIRTUALLY
135 SW Ash Street Portland, OR 97204
July 18, 2023

COMMISSIONERS PRESENT
Chair Damien Hall, Vice Chair Matthew Gebhardt, Treasurer Jenny Kim Commissioner TomiRene Hettman

STAFF PRESENT
Juhi Aggarwal, Elise Anderson, April Berg, Ian Davie, Christina Dirks, Dena Ford-Avery, Monica Foucher, Juli Garvey, Biljana Jesic, Ivory Mathews, Amanda Saul, Aimee Smith, Celia Strauss, Linda Uppinghouse

LEGAL COUNSEL
Sarah Stauffer Curtiss

Chair Damien Hall convened the meeting of the Board of Commissioners at 5:36 PM.

Cathy Millis, Dahlke Manor resident expressed appreciation that the construction work at Dahlke was over after hearing from residents at Grace Peck as their interior and exterior construction project is underway. Millis reported that Dahlke residents received an application form for the community builders program. There is an anticipated visit from HUD officials later in the week. Millis raised concerns with the lack of access to the community room after hours and on the weekends which also included the lobby restrooms. She reported a fire had taken place on the property a week ago and it was still under investigation.

Chair Damien Hall told Millis we appreciate her taking the time to keep the board updated with activities at the Dahlke.

MEETING MINUTES

Minutes of the June 20, 2023 Board of Commissioners Virtual Meeting

Chair Damien Hall requested a motion authorizing approval of the minutes for the June 20, 2023 Board of Commissioners Meeting.

There being no discussion, Vice Chair Matthew Gebhardt moved to approve the meeting minutes, and Commissioner TomiRene Hettman seconded the motion.

The vote was as follows:

Chair Damien Hall—Aye
Vice Chair Matthew Gebhardt—Aye
Treasurer Jenny Kim—Abstained
Commissioner TomiRene Hettman—Aye

CONSENT RESOLUTIONS

Resolution 23-07-01 Authorize Property Sale of SE 171st House
Resolution 23-07-02 Authorize Property Sale of Kernlodge II
Resolution 23-07-03 Authorize Property Sale of Lents Court
Resolution 23-07-04 Authorize Property Sale of SE Grant House
Resolution 23-07-05 Authorize Property Sale of Cora Park

Chair Damien Hall noted the resolutions had been reviewed at the July READ Committee meeting and if commissioners would like to discuss the resolutions they could be moved to the regular agenda. There being no discussion, Chair Damien Hall requested a motion to approve Resolutions 23-07-01, 23-07-02, 23-07-03, 23-07-04, 23-07-05. Treasurer Jenny Kim moved to adopt the five Consent Resolutions. 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 TomiRene Hettman—Aye

There being no further business, Chair Damien Hall adjourned the meeting at 5:45 PM.

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

ADOPTED: AUGUST 15, 2023

Attest:	Home Forward:
______________________________	______________________________
Ivory N. Mathews, Secretary	Damien R. Hall, Chair

CONSENT CALENDAR

MEMORANDUM

To:	Board of Commissioners	Date:	August 15, 2023
From:	Juli Garvey, Interim Director of Asset Management 503.802.8457 Loc Le, Asset Manager 503.802.8467	Subject:	Authorize the Modification of the Portland Housing Bureau Loans on Peter Paulson Apartments Resolution 23-08-01

The Board of Commissioners authorizes Home Forward to agree to modifications on the Portland Housing Bureau loans for Peter Paulson Apartments and execute the relevant modification documents for the transaction.

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

BACKGROUND

In 1995, Home Forward undertook three loans from Portland Housing Bureau to acquire and construct the Peter Paulson property in downtown Portland. The Peter Paulson Apartments has 92 single room occupancy units with all homes designated at 50% AMI or lower. It is located at 1530 SW 13th Ave, Portland, OR 97201. Under the current terms, the three loans accrue interest but do not require recurring payments. The total current principal balance of the loans is $1.9 million. All principal and accrued interest will become due as of Jan 1, 2024.

OVERVIEW

Staff have negotiated with Portland Housing Bureau the following terms for a loan modification for this project:

- Convert all three PHB loans to one cash flow share loan at 0% interest.

- 60-year loan term, expiring in 2083, with no interest accruing. (Current loans have an average interest rate of approximately 4%.)

- Replacement reserve deposits of $350 per unit per year with a 3% annual escalation. (This is substantially the same as required reserves at other Home Forward buildings.)

- Maximum operating reserve balance of $200,000. (Current loans have no limit.)

- Increase annual asset management fee to $15,000 per year with a 3% escalation. (Current allowed asset management fee is $5,000 per year.)

- Update to the existing regulatory agreement, which will extend the agreement to 60 years to sync up with loan term and continue to restrict the occupancy of all units at 50% AMI with the provision that units will be regulated at 30% AMI if those units convert to permanent supportive housing.

It is prudent to maintain this loan amount, modified with the above terms, to support the Peter Paulson apartments. The property continues to operate very close to the breakeven point when at full occupancy. There is no room in the budget, nor projected cash flow, to allow for recurring loan payments. In addition, property reserves are not sufficient to cover the $1.9 million payoff required by January 1, 2024.

To complete this transaction, we must execute routine loan documents and record Deeds of Trust.

CONCLUSION

These new loan terms are favorable to the project and request The Board of Commissioners to approve this transaction and the execution of the necessary documents to complete it. The Real Estate and Development (READ) Committee reviewed a draft of this resolution at its August 4, 2023 meeting.

RESOLUTION 23-08-01

RESOLUTION 23-08-01 AUTHORIZES THE MODIFICATIONS OF EXISTING LOANS WITH THE PORTLAND HOUSING BUREAU FOR THE PETER PAULSON APARTMENTS; AUTHORIZES THE EXECUTION OF THE NECESSARY DOCUMENTS TO COMPLETE THIS TRANSACTION; AND PROVIDES FOR RELATED MATTERS

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

WHEREAS, Home Forward owns and operates the Peter Paulson Apartments in Portland, Oregon (the "Project"), which currently has three loans from the Portland Housing Bureau ("PHB"); and

WHEREAS, the terms of the PHB loans are ending and the balance will be due and payable as of January 1, 2024; and

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

WHEREAS, Home Forward has negotiated a 60-year extension of the terms of these loans and other favorable terms and conditions; and

WHEREAS, to complete this transaction, it will be necessary to execute amendments to the existing documents and various new loan documents.

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

1. <u>Approval of New Loan Terms</u>. Home Forward is authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the amendment and execution of such loan documents as are necessary to

extend the loan term 60 years and provide for other agreed-upon changes to the existing loan terms and conditions.

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

3. 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.

4. Expenditures. Home Forward is authorized, empowered, and directed to make any reasonable expenditures including, but not limited to, title insurance charges, recording fees and attorney’s fees necessary or required in connection with the loan modifications authorized by this resolution.

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

ADOPTED: AUGUST 15, 2023

Attest:	Home Forward:
______________________________	______________________________
Ivory N. Mathews, Secretary	Damien R. Hall, Chair

Annual Procurement
And
Equity Report

MEMORANDUM

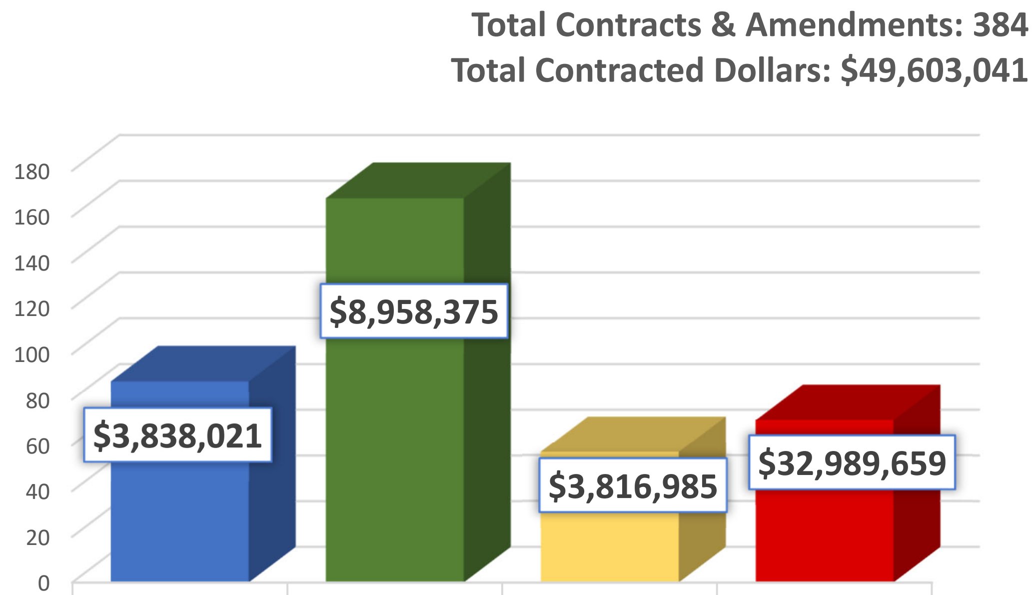
To:	Board of Commissioners	Date:	August 15, 2023
From:	Celeste King Procurement and Contracts Manager 503.802.8541 Peter Garcia Senior Procurement Coordinator 503.802.8549	Subject:	Annual Procurement and Equity Report for Fiscal Year 2022

CONTRACTING OVERVIEW

The Procurement and Contracts Department strives to meet Home Forward's wide-ranging contracting needs while ensuring compliance with both Oregon law and agency goals around equity, supporting local target businesses, and diversifying the construction workforce. This annual report reviews the outcomes of these efforts in fiscal year 2022 by providing an overview of Home Forward's procurement activities and how agency contracting outcomes align with established goals.

FISCAL YEAR 2022 ACTIVITY

Between January and December of fiscal year 2022, the Procurement department processed 384 new contracts or amendments to existing contracts, committing $49.6 million in financial resources. After an abnormally high spend year in fiscal year 2021, figures from fiscal year 2022 reflect a more typical contracting year for Home Forward, though contracting activities saw a 26% decrease from the previous three years' average. These data reinforce that no two contracting years are alike. Fiscal year 2022 saw just one GMP agreement—that for the redevelopment at Dekum Court—where fiscal year 2021 saw the execution of four major GMP agreements for construction on Hattie Redmond, Dahlke Manor, Central Group Limited Partnership and 3000 Powell. This difference alone accounts for the nearly $70m variance year over year—a 23% decrease in total contracting activities from the year prior, along with a 57% decrease in contract spending.



	Goods and Services	Personal Services	Professional Services	Public Improvement
Contract Activities	88	168	57	71

Figure 1. Fiscal Year 2022 Contract and Amendment Activity.

ECONOMIC EQUITY IN PROCUREMENT AND CONTRACTING

Policy History

In 2002, the Home Forward Board of Commissioners established the agency's Economic Participation in Contracting Policy. The policy established an aspirational goal for directing 20% of overall contracting dollars toward Minority-Owned Business Enterprises, Women-Owned Business Enterprises, or an Emerging Small Business as certified by the State of Oregon's Certification Office for Business Inclusion and Diversity (COBID) program. In 2012, the Board of Commissioners adopted Resolution 12-03-04, revising and renaming the policy into its present iteration, the Home Forward Economic Equity Policy. The revision included contracting and hiring requirements related to Section 3 of the Housing and Urban Development Act of 1968.

In 2021, the Board of Commissioners adopted Resolution 21-02-01, amending the Economic Equity Policy (EEP) for the first time since it was established in 2012. These changes expanded the contracting equity goal from 20% to 28% and widened the list of acceptable certifications that Home Forward considers diverse businesses, and adopted the industry-standard terminology, underutilized business enterprise, when referring to certified businesses. Under these changes, businesses with current COBID certifications are now acknowledged as underutilized business enterprises. Expanding opportunities for businesses beyond the state COBID certifications is a proactive business strategy and reflects Home Forward's values. To date, no businesses within the expanded underutilized business enterprise designations (Veteran, LGBTQ2SIA+, Persons with Disabilities) have contracted with Home Forward.

Reshaping Workforce Goals

The second major change to the Economic Equity Policy enacted in 2021 updated the Workforce Training & Hiring Program (WTHP). The Program requires state-registered apprentices to work a minimum of 20% of the labor hours performed by contractors per trade on qualifying construction contracts over $200,000 and subcontracts of no less than $100,000. In addition to apprentice hours, the program has aimed to increase the numbers of women and people of color in the construction trades, with aspirational goals of women performing 9% of project labor hours and people of color performing 18% of project labor hours. The revisions to the WTHP program incorporate goals for BIPOC and female tradespeople at the subcontract level (as opposed to the overall project). The newly established goals for contractors expect 20% of labor hours be performed by BIPOC tradespeople and 9% be performed by tradeswomen.

Collaboration between Home Forward's Procurement, Development and Community Revitalization, and Community Services has seen partnerships with local Pre-Apprenticeship Training Programs (PATPs) to engage strategically with the emerging workforce and assist Home Forward residents and other community members in engaging the construction trades. The consortium of PATPs is comprised of Portland Youth Build, Constructing Hope, POIC, and Oregon Tradeswomen. These relationships are laying the foundation for greater Section 3 compliance in addition to providing sustainable career opportunities for Home Forward residents and the wider Portland-area workforce.

Part of the collaboration between Home Forward and the PATPs in 2022 included financial contributions to support their mission. In 2022, the consortium saw 153 participants placed into full apprenticeships and/or living-wage construction careers and served 253 trainees registered in a BOLI certified pre-apprenticeship program. Outreach efforts engaged with over 4,000 people, and of the enrolled participants, 91% qualify as low-income, 67% are BIPOC, 53% are women-identified, and 44% have experience with the criminal justice system. Additionally, individuals who have participated in the PATPs programs have received an average starting wage at $24.79 in 2022.

FISCAL YEAR 2022 UNDERUTILIZED BUSINESS ENTERPRISE OUTCOMES

After an exceedingly successful fiscal year 2021, underutilized business enterprise participation on Home Forward contracts fell shy of reaching the 28% goal in fiscal year 2022. Construction projects held their trend with another year of high underutilized business enterprise participation, while numbers in other contracting categories dwindled.

ECONOMIC EQUITY CONTRACTING OUTCOMES – FISCAL YEAR 2022				
Personal Services and Goods & Services	**Number of Contracts & Amendments**	**Total Contracting Amount**	**Total Amount of UBE Contracting Dollars**	**Percent UBE Utilization**
Direct Appointment	153	$3,760,556	$27,202	0.01%
Intermediate	56	$2,203,408	$203,700	9.2%
Formal	10	$3,047,003	$0	%
Subtotal	219	$9,010,966	$230,903	2.5%
Professional Services	**Number of Contracts & Amendments**	**Total Contracting Amount**	**Total Amount of UBE Contracting Dollars**	**Percent UBE Utilization**
Direct Appointment	39	$543,721	$63,658	11.7%
Intermediate	2	$0	$0	--
Formal	16	$3,273,264	$458,241	14%
Subtotal	57	$3,816,985	$521,899	13.7%
Public Improvement	**Number of Contracts & Amendments**	**Total Contracting Amount**	**Total Amount of UBE Contracting Dollars**	**Percent UBE Utilization**
Direct Appointment/Emergency/ Sole Source	6	$578,515	$0	0%
Intermediate	9	$269,600	$0	0%
Formal	56	$32,141,544	$11,209,847	34.9%
Subtotal	71	$32,989,659	$11,209,847	34%
Total	**347**	**$45,817,610**	**$11,962,649**	**26.11%**

Figure 2. fiscal year 2022 Economic Equity Contracting Results. Contracts with non-profit organizations and public agencies are excluded.

Figure 3 below shows the extensive list of construction projects open in 2022, most of which saw the start or continuation of their construction phase. Eight of the ten projects sit above Home Forward's 28% underutilized business enterprise participation goal.

Active Projects	Contractor	Amount Contracted in fiscal year 2022	Project UBE Utilization %
3000 Powell	Colas	$ 297,098	49%
Celilo Court Security Improvements	Bacharach Construction	$ 887,793	37%
Dahlke Manor	Walsh	$ 515,569	25%
Dekum Court	Walsh	$ 18,705,043	34%
Fairfield	Walsh	$ 3,077,419	29%
Fountain Place*	Lorentz Bruun	$ 1,753,075	23%

Grace Peck	Walsh	$ 2,799,457	34%
Group 7	LMC	$ 2,347,658	40%
Hattie Redmond	Bremik	$ 611,253	36%
Schiller Way Vent & Roof Rehab	Fulcrum Construction & Building Services	$ 521,235	80%

Figure 3. Construction projects with highest UBE participation in 2022

*Fountain Place was contracted prior to goal increase and is above the contracted 20% goal

Disaggregated Underutilized Business Enterprise Data

Since the updated underutilized business enterprise policy went into effect, Home Forward has not yet engaged in contracting activities with any businesses included in the expanded equity program under the new Home Forward Economic Equity Policy. Without formal certifications for the expanded designations, Home Forward relies on self-disclosure and self-certification from businesses to identify whether they may qualify for preferred consideration in our procurement efforts.

Procurement Category	UBE Contract Amount	MBE %	WBE %	ESB %
Personal Services & Goods and Services	$230,903	69%	31%	0%
Professional Services	$521,899	50%	26%	24%
Public Improvement	$11,209,847	58%	24%	18%
Total	$11,962,049	58%	24%	18%

Figure 4. Disaggregated UBE Engagement by Contract Type

Year-Over-Year Review

Impressive contractor and subcontractor underutilized business enterprise participation in the Public Improvement category annually drives the overall contracting equity outcomes for Home Forward procurement activities. fiscal year 2021 represented an unusually high underutilized business enterprise participation year after an unusually low fiscal year 2020. Fiscal year 2022 saw a correction and participation numbers that align with the moving 4-year average.

Procurement Category	Fiscal Year 19	Fiscal Year 20	Fiscal Year 21	Fiscal Year 22	4-Year Average
UBE Engagement Goods & Services, Personal Services, Professional Services	26%	7%	7%	**5.9%**	**11.5%**
UBE Engagement Public Improvement	33%	21%	48%	**34.9%**	**34.2%**
Total UBE Business Engagement	**28%**	***14.8%***	***44%***	***26%***	***28.2%***

Figure 5. Four-year look back at contracting equity data

SECTION 3 OUTCOMES

As reported previously, the Housing and Urban Development act of 1968 (HUD) updated the compliance standards for the long-standing Section 3 program, eliminating the contracting value guidelines. The resulting change will require reports for labor hours performed by people eligible under Section 3 workers, namely those individuals already living in public or affordable housing, as well as those eligible for public assistance. The expectation is that 25% of labor hours on HUD-assisted construction projects be performed by people eligible under Section 3, and 25% of the labor hours funded with HUD Operating Funds be performed by people eligible under Section 3. These changes went into effect for Home Forward beginning January 1, 2022. HUD has not yet required Section 3 reporting as it is in the process of updating its reporting system and not accepting reports until that process has been completed.

WORKFORCE TRAINING AND HIRING

Tradespeople performing on Public Improvement contracts owned by Home Forward in fiscal year 2022 recorded a total of 226,483 hours across 9 projects ranging in size and scope. Labor hours are reported by trade for each contractor along with data showing (1) hours worked by journey-level workers and apprentices and (2) hours worked by BIPOC and female tradespeople.

Agency goals for labor hours performed by BIPOC tradespeople and tradeswomen have seen mixed results from project to project, but generally, goals for BIPOC apprenticeship labor hours are met or exceeded. Statistically, projects performed by the most diverse workforces are the large CM/GC and Design-Build projects with many subcontractors. Seen below is a snapshot of three such projects that comprised 70% of the project labor hours throughout 2022.

Most Active Construction Projects in 2022	Reported Hours	Apprentice Hours %	Minority Hours %	Female Hours %
Hattie Redmond	66,386	22%	56%	8%
3000 Powell	61,419	17%	59%	3%
Group 7	31,628	20%	61%	7%

Figure 7. Summary of labor hours performed on most active qualifying Workforce projects with highest reported hours in 2022.

While reporting far fewer total labor hours in fiscal year 2022 than the projects in Figure 7, both Dahlke and Dekum boasted the highest percentages of tradeswomen on site, at 13% and 11% respectively. At Dahlke Manor, 93% of the hours performed by women were performed in skilled trades, with the remaining 7% of hours being construction cleaning. These hours are all nearly evenly divided between journeywomen and apprentices. Meanwhile, 100% of the hours performed by women at Dekum Court were in skilled trades.

Workforce Projects	Total Labor Hours	White	Black	Hispanic	Asian	Native Am.	Other	Female	Male
JOURNEY TOTALS	180,436.4	81,863.17	4575.68	83460.58	4553.25	1160.63	4823.05	9715.92	170,720.4
JOURNEY %	79.67%	45.37%	2.54%	46.25%	2.52%	0.64%	2.67%	5.38%	94.62%
APPRENTICE TOTALS	46,046.9	21,794.48	2,181.05	16458.97	2107.3	522	2983.1	6908.66	39,138.24
APPR. %	20.33%	47.33%	4.74%	35.74%	4.58%	1.13%	6.48%	15.00%	85%
TOTALS	226,483.3	103,657	6,756.73	99,919.55	6,660.55	1,682.63	7,806.15	16,624.58	209,858.6
		46%	3%	44%	3%	1%	3%	7.3%	92.7%
	Fiscal Year 2021	46%	2%	46%	3%	.5%	2.5%	6.4%	93.6%

Figure 8. Disaggregated labor hours by ethnicity and gender.

After an outlier year with significantly high Public Improvement spending coupled with significantly low labor hours on those projects, fiscal year 2022 shows a more typical story in terms of construction spending in a contracting year and jobsite hours recorded through certified payroll reporting.

Two significant shifts are seen in the hours reported by Black tradespeople and tradeswomen. Both groups saw the highest representation to date among the years that Home Forward has been reporting on its workforce demographics. Overall hours performed by Black tradespeople increased by 1% in 2022, and 0.9% for women. The percentage of hours performed by women apprentices is nearly unchanged from the year prior, but women at the journey level saw a 1.5% increase in labor hours. The U.S. Bureau of Labor and Statistics reports that women comprise 10.9% of the national construction workforce, and Black and African American individuals comprise 6.7% of the construction workforce.[1] As of 2018, women comprised approximately 4% of the construction workforce in the Portland Metro area. Reported labor hours show that Home Forward still falls in between the local and national averages for women in the construction workforce, and even with the 1% year-over-year increase, Black tradespeople are still represented at half the national average. Hispanic and Latino tradespeople are represented just above the national average on Home Forward projects.

Additionally, the type of work women are performing on Home Forward jobs is changing. In fiscal year 2020, 50% of hours reported by women were classified as Laborers, which are typically among the lowest paid workers on site. In fiscal year 2021, that number dropped to 24%, and in fiscal year 2022 that number has shrunk to 8.8%.

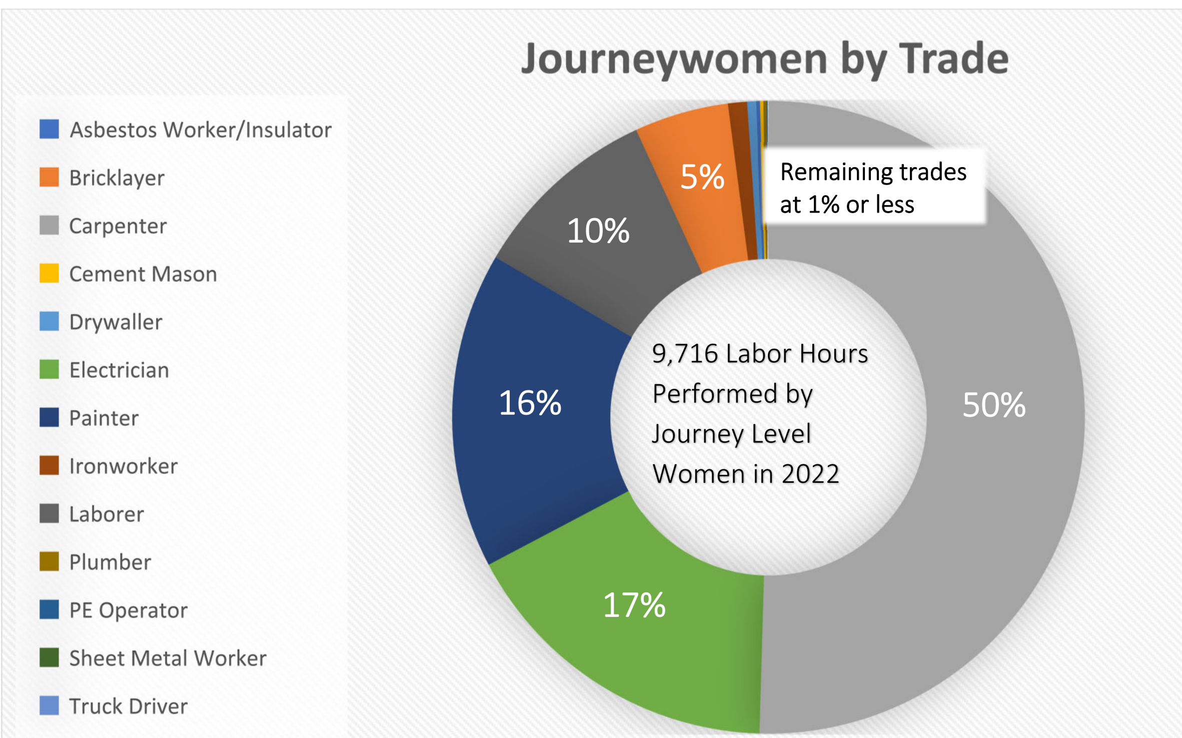


Figure 9. Trade hours performed by Journeywomen

1 https://www.bls.gov/cps/cpsaat18.htm

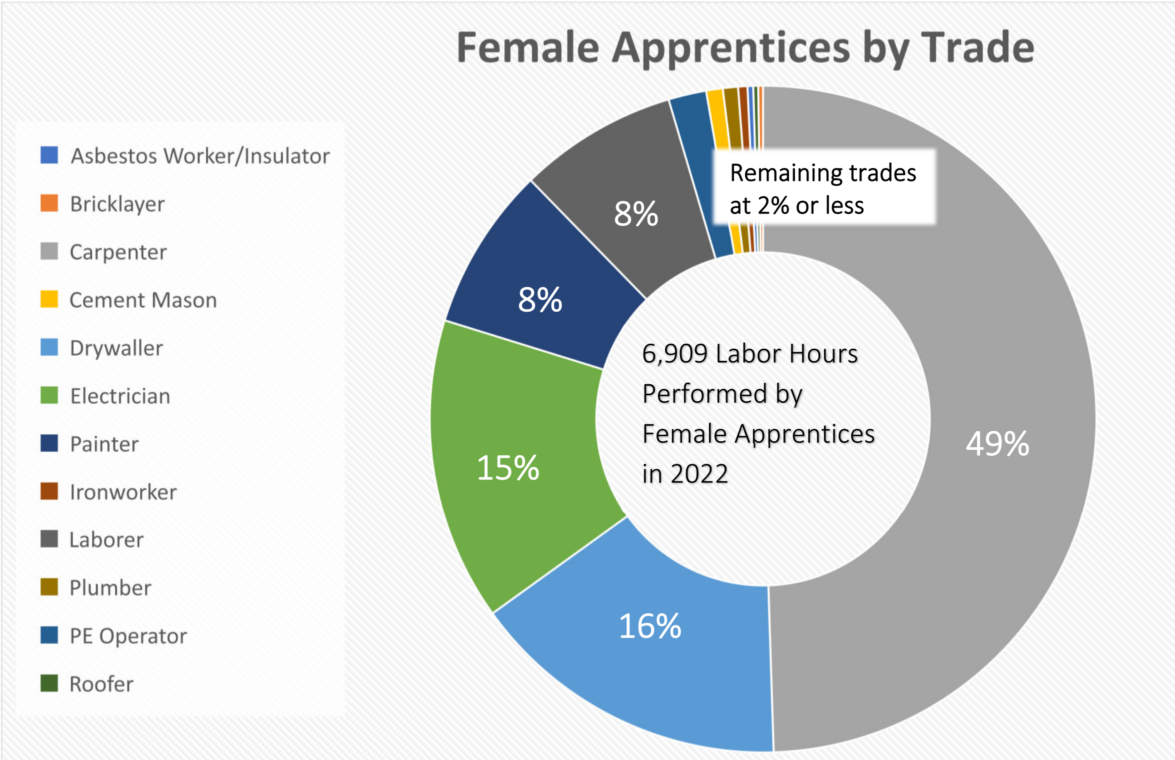


Figure 10. Trade hours performed by female apprentices

Mapping the Workforce

While the demographics of the construction workforce have long been a topic of interest, an examination of the geographical boundaries of where the construction workforce comes from has never been reported to this body. An analysis of labor hours from every zip code which sent workers to Home Forward jobs shows for the first time a snapshot of the where individuals who build housing for our neighbors across Portland and Multnomah County reside.

Determining how to approach such an analysis began with plotting Home Forward projects on a map and revealing that 3000 Powell sits relatively central to all current developments (in both construction and pre-construction phases). Procurement analyzed the hours on 3000 Powell to create a snapshot of a single project, and then looked at the zip codes and labor hours of all current projects, with 3000 Powell continuing to serve as the central point of the workforce map. Radiuses were set at 5, 10, 15, 25, and 50 miles away from 3000 Powell, and all labor hours were organized by their corresponding home zip code.

On 3000 Powell, led by Colas Construction, 7.5% of the labor hours performed were done so by individuals who live within 5mi of the job site, and the largest portion of labor hours were performed by individuals living between 10-15mi away from the site, and 69% of the hours have been performed by workers residing within 15m of the job site. Just 4% of labor hours were performed by individuals living more than 50mi away from the site.

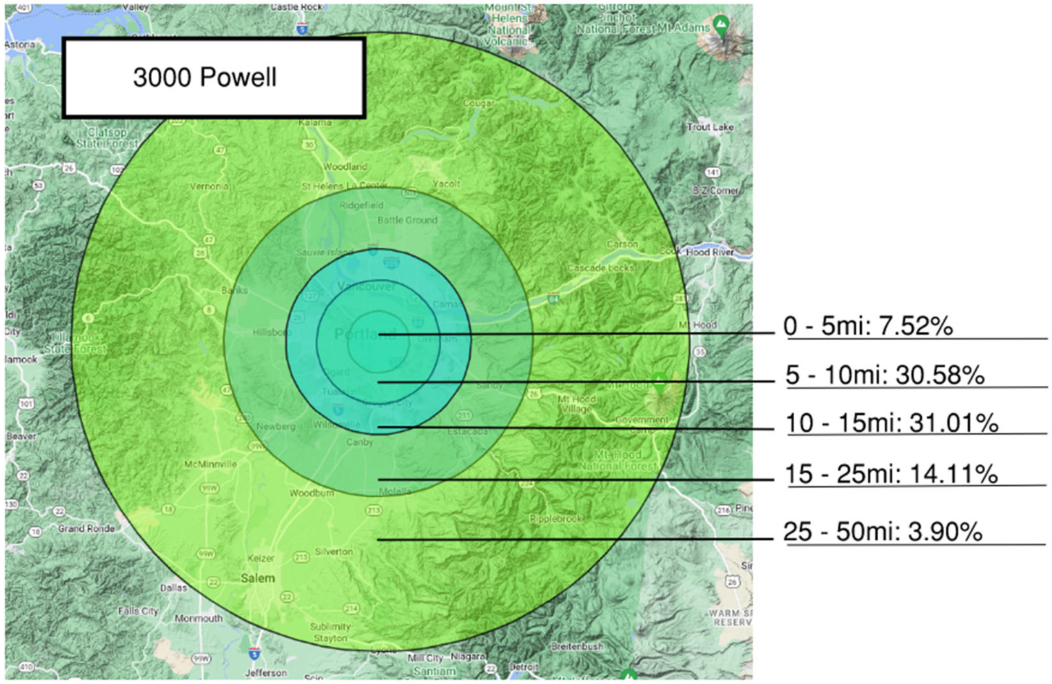


Figure 11. Construction workforce map, 3000 SE Powell

When looking at all current projects, the percentage of hours performed by those living both closest and furthest from the Creston-Kenilworth neighborhood increase, and quite dramatically for those on the largest, outermost range on the map.

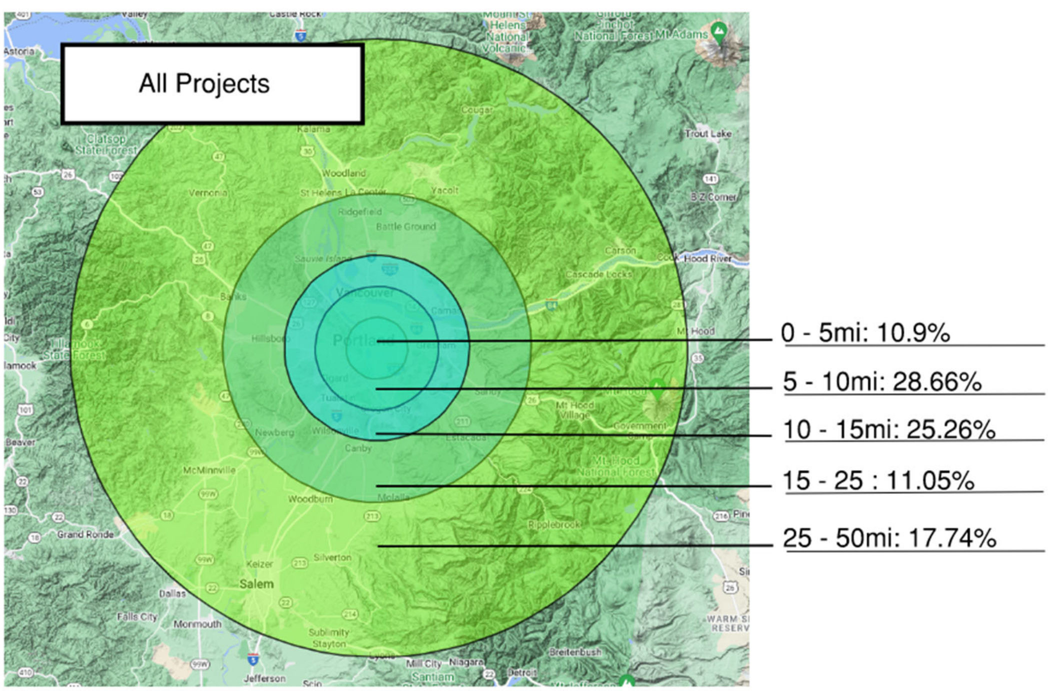


Figure 12. Construction workforce map, all projects

Across 27 different zip codes, the City of Portland residents produced 26% of the labor hours for Home Forward developments in 2022, with 7% of the overall hours originating from two bordering SE Portland zipcodes, 97233 and 97266, between SE 122nd and SE 202nd, and E. Burnside and SE Clatsop, the northern border of Happy Valley. Among the zip codes mapped beyond 50mi from 3000 SE Powell, Lebanon, OR and The Dalles report the highest hours, at 2,452 and 3,369 respectively, each comprising about 1% of the overall reported hours.

CONCLUSIONS

While fiscal year 2021 proved to be a significant year for exceeding our underutilized business enterprise goal of 28% with an astounding 44%, fiscal year 2022 showed a more realistic return with 26% participation. To date, the expanded certification types have not been utilized so the opportunity to gain the additional % of underutilized business enterprise utilization is still being sought. In the coming year, Procurement expects more usage of our additional categories and more self-certifications.

Procurement has had a presence at monthly PATP meetings with upcoming project details, trades requirements, accompanied by contractor representation and a Home Forward project manager. Placing this information in the hands of the pre-apprenticeship programs allows them to build their programs based on what our apprentice trade needs will be when projects commence construction.

Procurement is excited about the data showing both Black tradespeople and tradeswomen reporting the highest hours to date on any Home Forward project. Black tradespeople are up by 1% and women up by .9%. Journey women also saw an increase of 1.5% in labor hours and a significant decrease in their hours classified as laborers, from 24% to 8.8%.

Our women apprentices are keeping up with their training and graduating to journey status. This can provide benefits for their families, job stability and a strong wage. Job culture shift, along with more apprentice trade planning could mean continued success for these women. It's exciting that Home Forward can play a role in these results as we hold our contractors and jobs to high expectations and witness great work that the construction community, public owners, and community organizations are coming together to standardize.

RESOLUTIONS

MEMORANDUM

To: Board of Commissioners

From: Juli Garvey, Interim Director of Asset Management
503.802.8457

Loc Le, Asset Manager
503.802.8467

Date: August 15, 2023

Subject: Authorize Execution of a Contract for Pre-Construction Design Services for Peter Paulson Apartments and the Gretchen Kafoury Commons Envelope Rehabilitation
Resolution 23-08-02

The Board of Commissioners is requested to authorize a resolution authorizing the execution of a pre-construction design-build services contract with Walsh Construction/KASA Architects, PC, for the Peter Paulson Apartments and the Gretchen Kafoury Commons Envelope Rehabilitation project.

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

BACKGROUND

Peter Paulson Apartments, built in 1995, is a 5-story building with 93 single room occupancy (SRO) units that is located at 1530 SW 13th Avenue, Portland, OR. As is standard practice, in 2022 Home Forward's Asset Management department commissioned a capital needs assessment (CNA) on the property. The 2022 CNA identified that the building needed major system and mechanical capital upgrades. Home Forward applied to Oregon Housing and Community Services for funding in January 2023 and was notified that the project received funding of a $2.9 million preservation grant in May 2023. Identified work to be completed includes an envelope rehabilitation, HVAC system replacement, and mechanical area roof replacement.

The Gretchen Kafoury Commons, built in 2000, is a 9-story 129-unit affordable property consisting of one- and two-bedroom units located at 1240 SW Columbia, Portland, OR. The capital needs assessment (CNA) commissioned by Asset Management in 2017 identified building envelope exterior improvements with mechanical and elevator upgrades for the building. The capital improvements are needed to address known exterior water intrusion issues with window and roof replacements and repairs to the plumbing system. Home Forward applied to Oregon Housing and Community Services for funding in January 2023 and was notified of the award of that the project has received funding of a $4.5 mm preservation grant in May 2023.

The existing tenants of both buildings will remain in place while the envelope rehabilitation project occurs. The renovation work at these two properties will address deferred capital needs, reduce long-term operating costs through improving building systems, enhance livability and services for residents, and preserve low-income housing by leveraging outside capital.

The Board has previously authorized staff to submit applications for Oregon Housing and Community Services Preservation grants for the Peter Paulson Apartments and Gretchen Kafoury Commons (Resolution 22-08-01 & 22-08-02 respectively). The Peter Paulson Apartments and the Gretchen Kafoury Commons Envelope Rehabilitation project is also utilizing a class exemption for a design-build alternative procurement process.

OVERVIEW

In July 2023, Home Forward's procurement department issued a Request for Proposals for Design-Build services for the Peter Paulson Apartments and the Gretchen Kafoury Commons Envelope Rehabilitation project. A selection committee comprised of Home Forward development staff, asset management staff, and a representative from Pinehurst Property Management reviewed the three responses submitted. Evaluation criteria included:

- Overall quality and experience of the proposed team.
- The proposed team's portfolio of work.
- Approach to executing the work.
- COBID participation (Oregon's Certification Office for Business Inclusion & Diversity)
- Cost

The selection committee identified Walsh Construction/KASA Architects, PC team as most qualified to undertake this project. The cost for pre-construction services is $89,750. Staff will present a contract amendment for the Guaranteed Maximum Price (GMP) of construction to the Board of Commissioners prior to the financial closing. Given the capital needs at the properties and the ability to leverage $7.4 million in OHCS preservation funds, Home Forward is prepared to make a financial contribution as needed, to be determined based on current building envelope condition.

CONCLUSION

Home Forward staff requests that the Board of Commissioners authorize execution of a design-build contract for the Peter Paulson Apartments and the Gretchen Kafoury Commons Envelope Rehabilitation project.

Staff presented the content of this resolution to the Real Estate and Development (READ) Committee at its August 4, 2023, meeting.

ATTACHMENTS

- Peter Paulson Apartments and the Gretchen Kafoury Commons Envelope Rehabilitation proposal summary
- Class exemption for Design-Build procurement

RESOLUTION 23-08-02

RESOLUTION 23-08-02 AUTHORIZES THE EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER OR HER DESIGNEE TO EXECUTE A CONTRACT WITH WALSH CONSTRUCTION CO./KASA ARCHITECTS, PC FOR DESIGN/BUILD SERVICES FOR THE PETER PAULSON APARTMENTS/GRETCHEN KAFOURY COMMONS ENVELOPE REHABILITATION PROJECT

WHEREAS, the Contract Review Board of Home Forward previously adopted findings, granted an exemption from competitive bidding and directed the use of the design-build alternative contracting method for use on the Peter Paulson Apartments/Gretchen Kafoury Commons Envelope Rehabilitation project; and

WHEREAS, Home Forward undertook a formal competitive process for procuring design-build services for the Peter Paulson Apartments/Gretchen Kafoury Commons Envelope Rehabilitation project; and

WHEREAS, Walsh Construction Co./KASA Architects, PC was identified as the most advantageous proposer by the selection committee; and

WHEREAS, the contract will be undertaken in phases, with programming the initial phase and future phases (design and construction) authorized by contract amendments; and

WHEREAS, Home Forward identifies significantly important contracts that support the Home Forward Strategic Plan to be presented to the Board of Commissioners; and

WHEREAS, prior to financial closing, Home Forward’s line of credit will be used to pay for Peter Paulson Apartments/Gretchen Kafoury Commons Envelope Rehabilitation project design services and other pre-development expenses; and

WHEREAS, at financial closing, two OHCS grants will reimburse Home Forward's line of credit for Peter Paulson Apartments/Gretchen Kafoury Commons Envelope Rehabilitation project design and other pre-development expenses.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward hereby authorizes the Executive Director and Chief Executive Officer, or her designee, to execute a contract with Walsh Construction Co./KASA Architects, PC in the amount of $89,750 for design-build services for the Peter Paulson Apartments/Gretchen Kafoury Commons Envelope Rehabilitation project; and

NOW, THEREFORE, BE IT RESOLVED, that if necessary the Board of Commissioners of Home Forward authorizes the utilization of Home Forward's line of credit to pay design-build and related costs during the predevelopment of Peter Paulson Apartments/Gretchen Kafoury Commons Envelope Rehabilitation project.

ADOPTED: AUGUST 15, 2023

Attest:	Home Forward:
______________________________	______________________________
Ivory N. Mathews, Secretary	Damien R. Hall, Chair

RFP 07/23-468 - Peter Paulson and Gretchen Kafoury Design-Build

	Architect	Envelope	Structural	Mechanical	Electrical	Plumbing	Design-Builder Fee (includes CAT)	Initial GMP	Labor Costs	Combined Total (initial gmp+labor+fee)	Budget * fee
											$ 7,400,000
Bremik	LRS Architects / Akana (MBE/DBE)	LRS Architects	Akana (MBE/DBE)	Axiom (WBE)	Axiom (WBE)	Axiom (WBE)	6.95%	$ 84,435	$ 659,984	$ 1,258,719	$ 514,300
LMC Construction	MWA Architects	RDH	Stonewood Structural Engineers (ESB)	Cundiff Engineering (MBE)	Cundiff Engineering (MBE)	Cundiff Engineering (MBE)	4.65%	$ 56,067	$ 737,986	$ 1,138,153	$ 344,100
Walsh	KASA Architects (MBE, WBE)	RDH Building Science	Equilibrium	ColeBreit Engineering (WBE)	ColeBreit Engineering (WBE)	ColeBreit Engineering (WBE)	4.33%	$ 89,750	$ 546,900	$ 957,070	$ 320,420
		Walsh also included Civil engineer Janet Turner Engineering (WBE, DBE, ESB) and Interior Design 2Yoke Design (WBE)									

Weighted Points (Cost)

	%point worth	possible points	Points Awarded
Bremik	0.76	25	19.0
LMC Construction	0.84	25	21.0
Walsh	1.00	25	25.0

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STATE OF OREGON, COUNTY OF MULTNOMAH--ss.

I, **Michelle Ropp** , being first duly sworn, depose and say that I am a **Principal Clerk** of the **Daily Journal of Commerce** , a newspaper of general circulation in the counties of CLACKAMAS, MULTNOMAH, and WASHINGTON as defined by ORS 193.010 and 193.020; published at Portland in the aforesaid County and State; that I know from my personal knowledge that the Hearings and Minutes notice described as

Case Number: NOT PROVIDED
NOTICE OF PUBLIC HEARING

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

6/21/2017

State of Oregon
County of Multnomah

SIGNED OR ATTESTED BEFORE ME
ON THE **21st** DAY OF **June, 2017**

Michelle Ropp

Michelle Ropp

Selah Farmer

Notary Public-State of Oregon

OFFICIAL STAMP
SELAH MICHELE FARMER
NOTARY PUBLIC - OREGON
COMMISSION NO. 959961
MY COMMISSION EXPIRES FEBRUARY 27, 2021

HOME FORWARD
NOTICE OF PUBLIC HEARING

In accordance with ORS 279C.335(3), a public hearing will be held at:
9:00 a.m., PST
July 05, 2017
Metolius Room – 5th floor
135 SW Ash Street
Portland Oregon 97204

For the purpose of taking public comments on Home Forward's draft findings for a class exemption from competitive bidding requirements for multiple construction contracts in response to federal, state and local notices of funding availability (NOFA) or similar funding opportunities.

Draft findings are available at the offices of Home Forward:
135 SW Ash Street
Portland Oregon 97204
Procurement and Contracts Department, 5th Floor
8:00 a.m. to 5:00 p.m., Monday through Friday
Call (503) 802-8541 for further information

Published June 21, 2017. 11361862

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

Order No.: 11361862
Client Reference No:

Findings – Class Exemption – Federal, State and Local Funding Opportunities

FINDINGS IN SUPPORT OF USE OF REQUEST FOR PROPOSALS AND ALTERNATIVE CONTRACTING METHODS

A. Alternative Contracting Exemption under Oregon Law

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

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

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

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

1. How many persons are available to bid;
2. The construction budget and the projected operating costs for the completed public improvement;
3. Public benefits that may result from granting the exemption;
4. Whether value engineering techniques may decrease the cost of the public improvement;
5. The cost and availability of specialized expertise that is necessary for the public improvement;
6. Any likely increases in public safety;
7. Whether granting the exemption may reduce risks to the contracting agency or the public that are related to the public improvement;
8. Whether granting the exemption will affect the sources of funding for the public improvement;

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

In addition, ORS 279C.335 allows for the exemption of a class of contracts when distinguishing characteristics clearly define the class. Examples cited in ORS include projects that have a common purpose, require completion on a related schedule, or share common characteristics such as methods of procurement.

B. Background Information

As part of Home Forward's Strategic Plan goal, *One Portfolio*, Home Forward aims to increase the number of housing units available to the community through preservation, development, and acquisition. On occasion, Home Forward has responded to funding opportunities issued by federal, state, or local government agencies as a means of pursuing both development opportunities and the preservation of existing housing stock. For example, the City of Portland has routinely issued a Notice of Funding Availability (NOFA) to solicit proposals for the development or preservation of affordable housing; these NOFAs are wide-ranging depending on the City's housing goals, but offer funding and/or real property to affordable housing developers and owners. Other jurisdictions, such as Tri-Met, Metro and HUD have also issued similar solicitations to the affordable housing development community. These solicitations typically request that the respondent/developer identify their development team, including the project architect and contractor. These solicitations often require responses to be submitted within three to six weeks after the solicitation is issued. These solicitations are generally offered sporadically with little advance notice. Due to the funding amounts and the real property offered by such solicitations they are highly competitive, and Home Forward competes for awards against numerous for-profit and non-profit developers and owners.

Unlike Home Forward, non-profit and for-profit housing developers are not required to comply with governmental public procurement requirements. This situation has

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disadvantaged Home Forward in its ability to respond quickly and competitively. Complying with public procurement rules to identify and select architects and construction contractors often takes between four to six weeks. The process for construction contractors is the lengthier of the two given the additional step to seek and receive exemption from the competitive low-bidding process typically pursued on large-scale projects. The exemption process requires the drafting of findings, public notice, holding public hearing, and approval of the exemption by the agency's contract review board.

Due to the competitive nature and short window of time typically available to respond to funding solicitations, maximum flexibility and an agile approach must be in place to allow Home Forward to participate and competitively pursue federal, state and local funding opportunities. One method of providing such agility is to utilize a class exemption for future NOFAs and other competitive funding opportunities. This class exemption would allow the use of either a design-build or CM/GC approach—the preferred contracting methods for large development projects.

To streamline the procedure, Home Forward's Procurement and Development staff anticipate employing a two-step process known as RFQ/RFP. This process first involves soliciting Requests for Qualifications (RFQ) from contractors in advance of issuance of future NOFAs or other funding opportunities. At this phase, the selection committee considers qualifications such as past relevant experience and past performance related to equity goals and sustainability rather than cost. This allows for the identification and selection of qualified contractors. Identifying this group of pre-qualified firms would allow Home Forward to establish a short list of proposers that will be contacted during the second step—the Request for Proposal (RFP) phase of the two-step process—at the time of issuance of the NOFA or other competitive funding opportunity. Home Forward would invite all short-listed proposers to submit proposals with information related to the specifics of each NOFA or other competitive solicitation, including cost information.

Conducting the RFQ process in advance of an issuance of a NOFA or other competitive funding opportunity—eliminating the need for expensive and time-consuming exemption process for each NOFA or other competitive solicitation project—significantly increases Home Forward's ability to respond quickly and competitively to NOFA and other competitive funding opportunities. With the short list of proposers established, an expedited RFP process can occur once the details of the NOFA or similar competitive solicitation become known. This approach would allow Home Forward to competitively pursue federal, state and local funding opportunities. It will allow Home Forward to quickly identify team partners, contract with them for the limited scope of work related to the NOFA application, and prepare and timely submit competitive proposals. In the event that Home Forward received a funding award, larger contracts for the full scope of the project would presented to the Board for its review and approval. Based on the need to be able to quickly respond to future NOFAs and other competitive funding opportunities, Home Forward Procurement and DCR staff recommend a class exemption from traditional competitive-bid procurements for this clearly defined class of contracts to allow for alternative procurements of either CM/GC or design-build contracts.

C. Findings

1. Appropriate alternative contracting methods will be used.

The qualifications-based RFQ/RFP process for selecting contractors for this class of contracts falls squarely within the purview of ORS 279C.335(2) because the process is competitive and contractors will be selected based not only on price but on their ability to best complete the projects. The qualifications-based RFP approach is widely used and recognized as one of the preferred approaches when the projects are technically complex, time-constrained, often in difficult urban settings and are required to meet aggressive equity goals. In addition, the time-constrained projects are often targeted for the RFQ/ RFP process (rather than the competitive-bid process) because of the intricacies related to the short time period available to respond to NOFAs and other funding solicitations and extensive coordination issues that arise in such projects. Home Forward anticipates using two-step RFQ/ RFP processes for the solicitations covered under this class exemption.

2. No favoritism or diminished competition.

To assure Home Forward's Board of Commissioners that this exemption does not encourage favoritism or substantially diminish competition, the Procurement and Contracts department will follow a well-defined, very competitive procedure select contractors for this class of public improvement contracts.

The steps taken to ensure maximum competition and fair opportunity for this class of public improvement contracts will include advertisements in the Daily Journal of Commerce or similar newspaper, local community newspapers, postings on Home Forward's internet web page, and State of Oregon procurement website (aka ORPIN) for the initial RFQ step. In addition, direct outreach to qualified design-build and/or CM/GC contractors, scheduling of a pre-proposal conference for the RFQ, and appointment of unbiased evaluation committees that will consider qualifications received utilizing the criteria identified in the RFQ. Home Forward staff believes that market conditions are such that many of the same contractors who would bid the projects under a traditional competitive bid procurement will compete in the qualifications-based RFQ process.

Additionally, during the subcontractor bidding phases of the projects, outreach to the minority-owned, women-owned, and emerging small business ("MWESB") and Section 3 community will be conducted to inform this audience of bidding opportunities. This outreach involves direct solicitation to firms certified with the State of Oregon and the City of Portland, and submit notices to all relevant business and support organizations. Home Forward will require good faith efforts in the outreach to MWESB and Section 3 businesses for subcontracting opportunities. Home Forward anticipates meeting its aspirational goal of 20%

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participation by MWESB firms through these efforts. Historically, achievement of the Section 3 goals of 10% construction services and 3% professional services has been more difficult to achieve due to the limited number of Section 3 certified firms. Notwithstanding this challenge, Home Forward staff and project participants will continue to work diligently to accomplish maximum participation by Section 3 businesses.

By marketing these opportunities and working to notify all likely potential respondents, Home Forward will implement a process that does not encourage favoritism in the awarding of this class of public contracts nor substantially diminishes competition. Use of alternative contracting methods will also allow Home Forward to identify prime contractors prior to award of any construction subcontracts so that Home Forward can work with contractors to maximize opportunities for participation by all potential subcontractors, including minority-owned, women-owned and Section 3 businesses.

In addition, Home Forward will form evaluation committees to review the prospective contractors' qualifications in detail, conduct interviews if desired, and make recommendations for establishing a short list of proposers based on specific evaluation criteria set forth in the RFQ.

The evaluation criteria may include, among other things, consideration of the contractor's background, references, experience, personnel, client relations, schedule, quality control, and problem and solution identification. In addition, in the RFP phase, the evaluation committees will evaluate the contractors' fee proposals for providing preconstruction services, overhead and profit fee rates for performing construction work. The evaluation criteria will be used by the committees to score proposals using a scoring system that quantifies the value for each criterion and assures that proposers are fairly evaluated based on criteria set forth in the RFQ and each of the RFPs.

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

Home Forward's experience is that competitive-bid contracting for work of this nature is likely to result in numerous change orders and increased costs through claims. Construction delays can occur when the design requires "re-working" after a contractor is identified and when the maximum amount of benefits from value engineering are not realized. A competitive request for proposals procurement resulting in either a design-build or CM/GC contract will allow Home Forward to select contractors based upon criteria in addition to price. It will allow selection of a contractor whose proven experience matches the nature of the required work, in both the design and the construction phases. Design-build or CM/GC contracts are more easily structured to accommodate variable and changing conditions while minimizing costly, distracting, and disruptive change orders and claims.

By involving the contractor during design, Home Forward has the capacity to obtain real-time market pricing information. This pricing will facilitate more accurate assessment of design options and maximize opportunities for value engineering, resulting in cost savings that cannot be achieved by the traditional competitive-bid process. The single source of responsibility for both design and construction activities that is available when a design-build contract is employed will reduce claims and thus reduce costs. Finally, the involvement of the design-build or CM/GC contractors will allow phasing of the bidding and construction more effectively. This will significantly mitigate schedule impacts with a resulting cost savings in material/labor inflation and construction general conditions.

As the analysis of each of the below factors shows, award of this class of contracts for NOFAs or other competitive funding solicitation opportunity projects pursuant to an exemption will result in substantial cost savings and other substantial benefits to Home Forward.

4. How many persons are available to bid?

Beyond the finding that many of the same contractors would bid on the projects if they were competitively bid, this factor has no application because there are numerous contractors that would be interested in submitting bids or proposals for the projects.

5. The construction budget and the projected operating costs for the completed public improvement.

As this exemption will address future issuance of NOFAs or similar competitive funding solicitation opportunities, there are currently no known construction projects and/or budgets. However, these NOFAs and competitive funding solicitation opportunities are routinely associated with larger projects with construction budgets of at least $10,000,000. As projects are developed and contracts are established, project budgets become fixed by either a Guaranteed Maximum Price (GMP) negotiation (CM/GC or design-build) or competitive bid, including limited contractor's contingencies. The budgets will likely include a variety of public sources, including Low-Income Housing Tax Credits and Home Forward equity. Home Forward will be able to minimize the risk of design changes, construction delays and claims to control the project budget more effectively with either CM/GC or design/build contractors. In addition, design-build contracts provide a single source of liability for both design and construction activities and a proven approach for containing costs by establishing a single point of responsibility for both design and construction services. Both alternative approaches allow the construction contractors' input simultaneous to

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design and will facilitate development of construction plans that minimize costs and impacts related to delayed construction schedules, bidding and materials procurement. Further, the contractors can provide real-time market pricing that will assist in design decisions. Lastly, in many instances the scope of work is uncertain and benefits from the close collaboration between the designer and the contractor during the design phase, resulting in a better and more complete scope of work that produces a more cost-effective final product.

Either a CM/GC or design-build contract will involve the construction contractor during the design phase. Involving the contractors early in the design process encourages increased collaboration that results in a more efficient design, fewer change orders attributable to design issues, and faster progress with fewer unexpected delays. These benefits will allow Home Forward to better control costs because of real-time market pricing, constructability guidance and input from the contractors that will build the projects. Moreover, the ability to have the CM/GC do early work prior to completion of design shortens the overall duration of construction, resulting in less disruption to neighboring property owners. A shortened construction duration also will allow Home Forward to bring housing units into service more quickly, which will lessen the impact on Home Forward's rental revenue stream and generally benefit the public by increasing the supply of affordable housing. Faster progress and an earlier completion date can potentially help Home Forward mitigate the risk of inflationary increase in materials and construction labor costs.

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

6. <u>Public benefits that may result from granting the exemption.</u>

Collaboration with a qualified design-build or CM/GC contractor early in a project's schedule allows the development of practical approaches that achieve high levels of participation by MWESB and Section 3 businesses, and allows collaboration with pre-apprenticeship programs to grow workforce opportunities.

The use of alterative contracting methods will allow Home Forward to identify contractors who can work with the public and maximize public benefits for these projects. Design-build or CM/GC contracts allow the contractors to participate in the design process thereby resulting in the development of a safe and effective construction sequences that minimize disruptions to neighboring properties. Their valuable advice during design will result in better and more efficient affordable housing units. A shortened construction term will result in benefits to the community, nearby businesses and neighboring property owners. The public

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interests of maximizing participation of MWESB and Section 3 businesses is enhanced by use of either the design-build or CM/GC alternative process.

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

Construction contractor input during the early design phase will facilitate the value engineering process. Options can be considered while the design is being finalized and with minimal issuance of change orders during construction. Since the contractor is directly involved in value engineering evaluations, unrealistic or impractical options can be dismissed quickly when appropriate. When it occurs, value engineering on competitively bid projects typically results in increased design costs because the completed design must be revised to accommodate the changes that result from value engineering. These additional costs may be avoided or limited under the design-build and CM/GC delivery methods.

Construction contractor input during design will provide the optimal value engineering process. The design-build or CM/GC project delivery method allows the construction contractor to work directly with the design team during the design process to incorporate value-engineering ideas in the most timely and efficient manner, resulting in lower project costs to Home Forward.

8. The cost and availability of specialized expertise that is necessary for the public improvement.

Design-builder and/or CM/GC expertise in working with similar projects in size, scale, and complexity of the contemplated housing projects, working within constrained right of way and urban environments in some cases, and maintaining robust flexibility in daily planning are all requirements at these projects.

A design-build or CM/GC project delivery method will allow Home Forward to identify contractors with the special expertise required. The competitive-bid process does not ensure that the needed special expertise will be procured, because prospective bidders need meet only limited responsibility criteria. Design-build or CM/GC contracts are the best methods to incorporate the flexibility needed to quickly respond to changing plans and conditions that are the hallmark of work within urban construction sites. The ability to consider each proposer's degree of expertise in these areas is an integral component of the proposal evaluation process.

9. Any likely increases in public safety.

These contracts will require the utmost attention to public safety as the risks associated with construction activities increase in urban neighborhoods, which are likely to be the sites of these future projects. It is likely that surrounding neighbors include dense residential buildings, critical social services, businesses, and busy transit ways. At these sites, the construction sequencing will require changes to existing pedestrian and vehicular traffic patterns. Constant attention to needs of neighbors, residents and construction crews is crucial to maintaining a safe working and living environment for the workers and the general public.

The contractor's actual safety performance on similar past projects is critical and will be evaluated as part of the proposal review process. A competitive design-build or CM/GC procurement affords Home Forward the best opportunity to select contractors with proven, successful safety records.

10. Whether granting the exemption will affect the sources of funding for the public improvement.

Construction of the projects will be funded through a variety of sources including Home Forward equity, federal capital grants, and primarily, the sale of Low-Income Housing Tax Credits. Tax credit financing is highly competitive and to ensure award of tax credits, a highly experienced and reputable general contractor is advantageous. In addition, this type of financing requires a particular method of reporting of construction costs. A contractor that is selected under the competitive-bid process may not have the experience necessary to support tax credit financing.

Selection of a well-established, experienced design-build or CM/GC contractor would assist in attracting tax credit equity partners and the participation of lenders. The quality of the selected contractors and their proven ability to meet schedule requirements will help attract better pricing for private financing. The level of reporting and segregation of costs needed to support tax credit financed projects is substantial. Experience at these tasks will support the overall success of the projects.

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

Market conditions for residential construction in the Portland metro area are extremely busy, with rising construction costs and a tight labor market. General contractors can be much more selective in the work they pursue. It is important to package work in the most attractive manner to draw quality contractors and to eliminate as many barriers as possible.

Competitive design-build or CM/GC procurements will better enable Home Forward to manage construction bid risks within a robust construction market. Home Forward is more likely to attract experienced and capable general contractors using alternative contracting methods. In addition, these alternative contracting methods provide the advantages of real-time market pricing during design to inform material and equipment selection. In addition, alternative

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contracting methods will allow Home Forward to collaborate with the contractors concerning items such as subcontractor and supplier buy-out strategies and value engineering. Use of a competitive-bid approach in a tight or rising cost construction market increases the risk bids will exceed budget, with limited options to address overages through scope reductions. When bids exceed budget, it causes delay and budget problems as staff work to find solutions to make the project viable. Any delays translate into additional costs due to increasing construction material costs and other associated costs. Use of design-build or CM/GC delivery methods will enable Home Forward to better respond to market conditions in a manner that results in lower-cost projects.

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

The work contemplated by the NOFA and other funding solicitation opportunities will be complex in its investigatory phase and arrival final scope, meeting equity contracting goals, likely urban setting, and the necessity for a highly effective construction safety and mitigation plan. The contractors will be required to perform work daily in accordance with a schedule that meets contract deadlines driven by financing, the needs of neighbors and the community. Selection of contractors with demonstrated experience and success on similar projects will result in substantially lower risk to Home Forward and the public generally.

Beyond the minimum requirements for bidder responsibility, a competitive-bid procurement does not permit an in-depth evaluation a contractor's technical qualifications or proven ability to address complex technical issues, such as meeting critical deadlines, addressing the needs of neighbors, and maximizing participation by target MWESB and Section 3 businesses. Use of a request for proposals for the design-build and/or CM/GC methods—which will include several evaluation criteria in addition to price—allows Home Forward to evaluate a contractor's experience in similar work, including on-time performance, community and governmental coordination, equity contracting requirements and the ability to successfully respond to work plan adjustments.

13. Whether the public improvement involves new construction or renovates or remodels an existing structure.

The specifics of the contemplated projects are unknown until NOFAs or similar funding opportunities are released. This type of opportunity generally involves new construction, though historically, the City of Portland has included preservation/renovation projects. If the project is a renovation project, there are a considerable number of uncertainties and technical complexities associated with this type of work due to the nature of renovating older buildings, some of which are on constrained sites. For example, renovation projects frequently involve work in areas that were concealed or inaccessible during the design phase. When the work is performed, design and construction limitations in these previously inaccessible areas may be revealed, requiring additional design work and re-sequencing of work while revised designs are being prepared.

Because of these uncertainties, the opportunity to select the most qualified contractors, considering many factors, will help anticipate and avoid project problems and, as a result, realize substantial cost savings over the traditional competitive bid procurements where bid price is the only factor. In addition, the ability to perform so-called "early work" under design-build and CM/GC contracts may uncover latent conditions at the project site, enabling project designers to efficiently address design changes during the design phase rather than the construction phase.

The qualifications-based RFP process will allow the Home Forward to give appropriate weight to proposers that are skilled and experienced in performing either new construction or renovation work. Due to the nature of the renovation work, including but not limited to the potential for encountering latent conditions and the occupied nature of these buildings, it is critical for Home Forward to select contractors with significant experience in renovation and remodel projects.

15. Whether the public improvement will be occupied or unoccupied during construction.

As discussed above, the contemplated projects could be either new construction or renovation work on buildings occupied by Home Forward residents. Accordingly, renovation projects must continue to operate safely and be open to residents during construction. Use of the design-build or CM/GC delivery method will enable these project contractors to work with project designers, property managers and Home Forward during the project's design phase to identify and resolve potential conflicts and coordination issues related to occupation of the projects during construction. These efforts include without limitation developing construction staging plans, access corridors, and phasing plans to mitigate potential impacts on project occupants. Under a competitive-bid procurement, these types of pre-construction impact mitigation efforts on the part of the contractor are not possible. Home Forward expects that such mitigation efforts will increase efficiency and foster better relationships with building occupants, resulting in greater occupant satisfaction and cost savings.

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

Depending on the needs of each specific project, phasing of construction work may occur. For example, in renovation projects of buildings with multiple floors, construction may be phased so that floors or groups of floors undergo renovation during one phase, and other floors or groups of floors are renovated in later phases. Additionally, the ability of the parties to perform "early work" before the design is completed allows for earlier completion. Moreover, where appropriate, early work may be performed to investigate concealed conditions and potentially uncover latent conditions that could impact the project's design, thus avoiding costly re-design work and change orders. In other instances, early work may be utilized to purchase long-lead items or to shorten the construction phase by allowing for early work on the structure while design is finalizing on the interior work on new construction projects.

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

Home Forward staff has significant experience completing similar projects using the design-build and CM/GC project delivery methods. Home Forward also has retained legal counsel and will retain consultants and designers with the necessary qualifications and expertise to negotiate, administer and enforce the terms of the public improvement contracts.

18. Funding sources

Construction of the projects will be funded through a variety of sources including Home Forward equity, federal capital grants, and primarily, the sale of Low-Income Housing Tax Credits. Tax credit financing is highly competitive and to ensure their award a highly experienced and reputable general contractor is advantageous. In addition, this type of financing requires a particular method of reporting of construction costs. A competitive-bid contractor may not have the experience necessary to support the tax credit financing and financial reporting of construction costs.

Selection of a well-established, experienced design-build or CM/GC contractor would assist in attracting tax credit equity partners and the participation of lenders. The quality of the selected contractors and their proven ability to meet schedule requirements will help attract better pricing for private financing. The level of reporting and segregation of costs needed to support tax credit financed projects is substantial. Experience in these tasks will support the overall success of the projects.

D. Class Definition

In accordance with ORS 279C.335(3) and OAR 137-049-0630, following are the NOFA and solicitation for other competitive funding opportunity projects' defining class characteristics. The class of anticipated projects:

- Share a common purpose either increase the stock of affordable housing or to preserve and protect Home Forward's existing portfolio of affordable housing;
- Result from a competitive process that results in a funding award to Home Forward because of application to a federal, state or local NOFA or similar competitive funding opportunity;
- Require a streamlined procurement process to allow Home Forward to respond to NOFAs and similar competitive funding solicitations;
- Are all located in Multnomah County;
- Will be funded partially or wholly with Low-Income Housing Tax Credits;
- Will be procured using competitive requests for qualifications followed by requests for proposals in accordance with Oregon law and Home Forward requirements.
- As discussed in detail above, share characteristics that meet the requirements of ORS 279C.335(2).

The NOFA or similar competitive solicitation projects are distinguishable from Home Forward's other projects in Home Forward's construction program in that they do not involve renovation work funded by HUD capital grant or Rental Assistance Demonstration (RAD) Program, development of Home Forward owned property, emergency restoration projects resulting from fire or water damage, or projects related to routine and ongoing maintenance such as painting, flooring replacement and other minor repairs.

The contracts subject to the class exemption (1) have several defining characteristics, (2) are a limited and related class of public improvement contracts, (3) are distinguishable from Home Forward's overall construction program, (4) reasonably relate to the criteria set forth in Section C.3 above, and (5) are defined in a way that effectively meets Home Forward's objectives, while allowing for fair and open competition by using defined alternative contracting procurement methods under Oregon law and protecting the integrity of the exemption process.

Moreover, establishing a class exemption will further Home Forward's needs to efficiently exempt NOFA or similar solicitation projects, allowing Home Forward to prepare and submit competitive proposals in response to future NOFAs or solicitations for other funding opportunities. In the absence of a class exemption, Home Forward will be disadvantaged when responding to NOFAs or similar competitive solicitations and, as a result, be less competitive and less likely to receive funding. The class exemption will also result in cost savings to Home Forward. Without the class exemption, for each individual project Home Forward would be required to prepare findings for each contract, advertise each hearing, and hold separate hearings. Accordingly, this class exemption will reduce legal, advertising and related costs to Home Forward, decrease the burden on Home Forward staff, and avoid consuming the Board of Commissioners' valuable meeting time with numerous hearings.

E. Contract Terms and Conditions

The technical complexities and uncertainties of the projects make it critical for the contracts to contain specific terms and conditions that will increase efficiency and result in reduced costs. Legal counsel will prepare the project contracts. The contracts will contain, among other things, provisions for insurance, indemnification, payment and performance bonds, and requirements of Oregon Revised Statutes chapter 279C.

F. Reservation of Rights

ORS 279C.335(6) provides that the representations in and the accuracy of these findings are the bases for the class exemption if adopted by a Board of Commissioners resolution. These findings also describe, to some extent, anticipated features of the resulting public improvement contracts, but the final parameters of those contracts are those characteristics that will be announced in the solicitation documents, and Home Forward specifically reserves all of its rights in this regard.

F. Recommendation

A competitive RFQ/RFP procurement for design-build or CM/GC contractors as outlined above is the preferred contracting option for this class of NOFA or solicitations for other competitive funding opportunities. Competitive procurements will ensure that the selected contractors have the experience, expertise, and successful past performance to position for success each of the potential contracts that may result from successful award due to NOFAs or other competitive funding opportunities. Having either the design-build or CM/GC contractors collaborate in the design effort will yield the most cost-effective and practical choices in design options while still allowing Home Forward to retain control of the design and costs. Perhaps most importantly, design-build and/or CM/GC contracts provide the flexibility to maintain minimal disruption to the community, while meeting critical contract timeframes established by the tax credit financing. Lastly, these competitive procurement processes will include practices to ensure that meaningful competition occurs and that favoritism is not an element of the selections. All these factors will assist Home Forward in achieving fair and equitable selections of contractors that will deliver both good design and successful construction services with minimal public impacts at the least total construction costs and within the most beneficial schedule. Home Forward staff therefore recommends adoption of a resolution exempting the class of contracts defined herein from the competitive-bid requirements and authorizing the use of an alternative qualifications-based selection processes for public improvement contracts in the class described in these findings.

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HEARINGS OFFICER'S REPORT

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

REGARDING

Exemption from competitive bidding requirements for a class of contracts for Construction Services related to federal, state and local funding opportunities

As required by Home Forward's rules and ORS 279C.330 and ORS 279C.335, the undersigned duly appointed Hearing Officer, convened a public hearing at 9:00 a.m., on Wednesday, July 5, 2017, at 135 SW Ash, 5th Floor, Metolius Room, Portland Oregon, 97204. The hearing was held to present and receive public comment on an exemption from competitive bidding requirements for a class of construction contracts resulting from future federal, state and local funding opportunities. An affidavit of the Notice of Public Hearing is attached.

On July 21, 2017 Home Forward noticed the public hearing and made the proposed finding available to the public. The findings were also made available at the hearing. No members of the public attended the hearing or provided comment.

Dated: July 5. 2017

Attested: B. Stevenson

Hearing Officer
Berit Stevenson

MEMORANDUM

To: Board of Commissioners

Date: August 15, 2023

From: Kandy Sage, Chief Financial Officer
503.802.8585

Linda Uppinghouse, Controller
503.802.8554

Subject: Authorize Approval of Fiscal Year 2022 Audited Financial Statements, Single Audit Reports, Schedule of Closed Grants, and Governance Communication Letter to the Board of Commissioners
Resolution 23-08-03

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, 2022

2. Single Audit Reports for Year Ended December 31, 2022

3. Auditors' Governance Communication Letter to the Board of Commissioners for Year Ended December 31, 2022

Please note, this audit report covers the period January 1, 2022 to December 31, 2022

CliftonLarsonAllen (CLA) is the audit firm engaged to audit Home Forward's basic financial statements and compliance with federal programs. On August 14, 2023, CLA met with Home Forward's Audit and Finance committee and presented the audit results for Year Ended December 31, 2022.

135 SW Ash Street, Portland, Oregon 97204 TEL 503.802.8300 TTY 503.802.8554 homeforward.org

HIGHLIGHTS

Key financial highlights from the audit include:

- As in similar years, property transactions had a material impact on the financial statements. During fiscal year 2022, five public housing properties were converted to a voucher based tax credit partnership under the Department of Housing and Urban Development's Section 18 and Rental Assistance Demonstration programs. Also during the fiscal year, Home Forward Development Enterprises acquired the limited partner's interest in the Trouton, Cecelia and Haven Low Income Housing Tax Credit Partnerships.
- Total assets and deferred outflows of resources increased $29.2 million from $634.8 million at January 1, 2021 to $664.0 million at December 31, 2022, primarily due to the increase in capital assets for the acquisition of limited partner interest in the Trouton, Cecelia and Haven Limited Partnerships.

- Total liabilities and deferred inflows of resources increased $15.4 million from $240.8 million at January 1, 2021 to $256.2 million at December 31, 2022, mainly due to the increase in Net Pension Liability offset by a decrease in Deferred Outflows of Resources – Pension, a decrease in unearned revenue due to the completion of local Covid programs and an increase of Deferred Inflows of Resources – Lease for the implementation of the GASB 87 leasing standard.

- Total operating revenues were $235.6 million with HUD operating subsidies and grants providing over $155.7 million in funding.

- Total operating expenses were $235.1 million. Housing assistance payments made up $156.9 million of this total.

- Operating results for 2022 yield operating income of $538 thousand.

- Nonoperating revenues/(expenses) netted a decrease of $8.0 million.

- Capital contributions were $21.2 million during the year.

- Net position increased from $394.0 million to $407.7 million at December 31, 2022.

ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2022

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

1. The Primary government and any blended component units – this column includes the results for the primary government (Home Forward) and blended component units (including Home Forward Development Enterprises, Home Forward Community Partnerships, Home Forward Insurance Group, St. Francis LLC, New Market West Management Services, Trouton Limited Partnership, Cecelia Limited Partnership, Haven Limited Partnership and Gateway Park Apartments), and any intercompany eliminations.

2. Discretely presented component units – this column aggregates the calendar year results of 21 low income housing tax credit partnerships where the limited partners have majority ownership but have delegated the majority of their rights regarding the operations of the partnership to Home Forward (as general partner).

CLA issued an unmodified opinion on the basic financial statements for both the primary government and the discretely presented component units, with the opinion stating that they present fairly, in all material respects, the financial position as of December 31, 2022. This is the highest level of assurance Home Forward can obtain.

AUDITORS' SINGLE AUDIT REPORTS (Uniform Grant Guidance)

Home Forward expended $184.8 million in federal funds during the period from January 1, 2022 to December 31, 2022 (of which 60% were Moving to Work funds). For these funds, Home Forward is required to have an audit of internal controls in accordance with Government Auditing Standards and an audit of compliance for each major federal program as required by the Office of Management and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

The independent auditors tested one major federal program. There were no financial statement findings, no questioned costs, and two 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 2022. 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, 2022
- Single Audit Reports for Year Ended December 31, 2022
- Auditors' Governance Communication to Board of Commissioners for Year Ended December 31, 2022

HOME FORWARD

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

HOME FORWARD
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HOME FORWARD
BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL
YEAR ENDED DECEMBER 31, 2022

BOARD OF COMMISSIONERS

Damien Hall Chair	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Matthew Gebhardt Vice Chair	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Jenny Kim Treasurer	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Tomi Rene Hettman Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Vivian Satterfield Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Rakeem Washington Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Dina DiNucci Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204

ADMINISTRATIVE OFFICER

Ivory Matthews Executive Director and Secretary/Treasurer	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204

GENERAL COUNSEL

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

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Home Forward
Portland, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Home Forward's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Home Forward, as of December 31, 2022, 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.

We did not audit the financial statements of the aggregate discretely presented component units. The discretely presented component units statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it related to the amounts included for those entities is based solely on the reports of the other auditors. We have applied audit procedures on the conversion adjustments only to conform the presentation of the financial statements of the aggregate discretely presented component units to accounting standards issued by the Government Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, prior to these conversion adjustments, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Home Forward and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Forward's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Home Forward's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Forward's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Home Forward's basic financial statements. The combining schedule of net position – Affordable Housing, combining schedule of revenues, expenses, and changes in net position – Affordable Housing, combining schedule of net position – Special Needs Housing, and combining schedule of revenues, expenses, and changes in net position – Special Needs Housing (other supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of the Board of Commissioners, Management, and General Counsel but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of Commissioners
Home Forward

Other Reporting Required by *Government Auditing Standards*

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

Mandy L. Merchant
CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

This section includes a Management's Discussion and Analysis of the Home Forward's financial performance during the period of January 1, 2022 to December 31, 2022. 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, Home Forward 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 – For the period of January 1, 2022 to December 31, 2022
Significant Developments

Section 18 and Rental Assistance Demonstration - In April 2022, Home Forward converted four additional public housing properties consisting of 67 units under the Department of Housing and Urban Development's Section 18 and Rental Assistance Demonstration (RAD) programs. Upon conversion, the properties were issued vouchers and ceased to operate as public housing property.

Dekum Court - In April 2022, Home Forward transferred phase two of the site on NE 27th Avenue to Dekum 2 Limited Partnership. This partnership will utilize 4% low-income housing tax credits to develop a new 187 unit affordable housing property.

Transfer of Tax Credit Limited Partnership Interest – During fiscal year 2022, Home Forward Development Enterprises (HFDE), an existing blended component unit, acquired the limited partner's interest in the Trouton, Cecelia and Haven apartments. Home Forward was already the general partner and as such, the apartments with a combined total of 425 units were added as blended component units. All of these tax credit partnerships were originally formed by Home Forward under Section 42 of the Internal Revenue Code.

Leasing Standard – During fiscal year 2022, Home Forward implemented new accounting standard GASB Statement No. 87, Leases.

Financial Highlights

Home Forward's Statement of Net Position reflects growth in net position during the period of January 1, 2022 to December 31, 2022. Specifically:

- Total assets and deferred outflows of resources decreased $25.6 million from $634.8 million at January 1, 2021 to $660.4 million at December 31, 2022, primarily due to the increase in capital assets for the acquisition of limited partner interest in the Trouton, Cecelia and Haven Limited Partnerships.

- Total liabilities and deferred inflows of resources decreased $6.2 million from $246.1 million at January 1, 2021 to $252.3 million at December 31, 2022, mainly due to the increase in Net Pension Liability offset by a decrease in Deferred Outflows of Resources – Pension, a decrease in unearned revenue due to the completion of local Covid programs and an increase of Deferred Inflows of Resources – Lease for the implementation of the GASB 87 leasing standard.

- Total operating revenues for the period January 1, 2022 to December 31, 2022 were $236.3 million and total operating expenses were $234.8 million. Operating results for this period resulted in operating income of $1.5 million. Nonoperating revenues/ (expenses) were ($8.7) million as a result of the acquisition of interest for Trouton, Cecelia and Haven Limited Partnerships, land lease expense for Lloyd Housing, offset by the gain on sale of assets for Dekum Court and Progress House. Overall, net position increased $14.0 million.

Condensed Statement of Net Position

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

(in thousands of dollars)	December 31, 2022	December 31, 2021	Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current assets	$ 151,168	$ 147,641	$ 3,527
Non-current assets	342,329	346,994	(4,665)
Capital assets	156,349	130,515	25,834
Total assets before deferred outflows of resources	649,846	625,150	24,696
Deferred outflows of resources	14,223	9,631	4,592
Total assets and deferred outflows of resources	$ 664,069	$ 634,781	$ 29,288
Liabilities and Deferred Inflows of Resources			
Current liabilities	$ 53,958	$ 53,330	$ 628
Non-current liabilities	182,746	172,291	10,455
Total liabilities before deferred inflows of resources	236,704	225,621	11,083
Deferred inflows of resources	19,536	15,175	4,361
Total liabilities and deferred inflows of resources	256,240	240,796	15,444
Net Position			
Net investment in capital assets	206,874	36,809	170,065
Restricted	27,657	48,454	(20,797)
Unrestricted	173,187	308,723	(135,536)
Total net position	407,718	393,986	13,732
Total liabilities, deferred inflows of resources and net position	$ 663,958	$ 634,782	$ 29,176

Year-end Financial Position

Current assets increased $3.5 million during the period ending December 31, 2022. This increase was mainly due to an increase in cash reserves as a result of RAD and Section 18 proceeds offset by an increase in accounts receivable – tenants.

Non-current assets (other than capital assets) decreased by $4.6 million mainly driven by decreases in Notes Receivable – Tax Credit Partnerships offset by an increase in Investment – Partnerships due to the acquisition of limited partner interest for Trouton, Cecelia and Haven and the addition of a Land Lease Note Receivable for the implementation of GASB 87.

Capital assets increased $25.8 million mainly driven annual depreciation of $7.9 million, offset by the addition of Trouton, Cecelia and Haven Limited Partnerships.

Current liabilities decreased $0.6 million during the year, mainly due and increases in the Insurance Trust Account liability for Home Forward Insurance Group offset by a decrease in unearned revenues.

Non-current liabilities increased $10.5 million during the year, mainly due to increases in net Bonds Payable, Deferred Inflows – Leases and Net Pension Liability offset by decreases in Deferred Inflows – Pension and Bonds Payable – Partnerships.

Net position at December 31, 2022 was $407.7 million, an increase of $29.2 million from the balance at December 31, 2021.

Capital Assets

At December 31, 2022, Home Forward had $156.3 million of capital assets, an increase $25.8 million since December 31, 2021. More detailed information about Home Forward's capital assets is presented in Note 8 to the financial statements.

(in thousands of dollars)	2022	2021	Increase (Decrease)
Land	$ 38,756	$ 38,787	$ (31)
Construction in progress	10,647	6,115	4,532
Total capital assets not being depreciated	49,403	44,902	4,501
Buildings and improvements	278,545	198,800	79,745
Equipment	14,693	12,159	2,534
Accumulated depreciation	(186,292)	(125,346)	(60,946)
Total capital assets being depreciated	106,946	85,613	21,333
Total capital assets, net	$ 156,349	$ 130,515	$ 25,834

Notes and Bonds Payable

At December 31, 2022, Home Forward had $100.7 million of notes and bonds payable outstanding (*excluding bonds payable–partnerships*), an increase of $4.6 million over the prior year. More detailed information about Home Forward's capital debt is presented in Notes 10 and 11 to the financial statements.

(in thousands of dollars)	2022	2021	Increase (Decrease)
Current portion of notes and bonds payable	$ 4,860	$ 3,448	$ 1,412
Notes payable - long-term	69,525	69,771	(246)
Bonds payable - long-term	26,329	22,856	3,473
Total notes and bonds payable	$ 100,714	$ 96,075	$ 4,639

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

Results of Operations

Statement of Revenues, Expenses and Changes in Net Position

(in thousands of dollars)	2022	2021	Change
Operating revenues			
Rental revenue	$ 15,378	$ 22,400	(7,022)
HUD subsidies and grants	155,725	150,534	5,191
Development fee revenue	9,022	8,388	634
State, local and other grants	47,418	130,199	(82,781)
Other	8,080	9,642	(1,562)
	235,623	321,163	(85,540)
Operating expenses			
Housing assistance payments	156,918	233,506	(76,588)
Administration	23,308	19,142	4,166
Tenant services	11,896	8,628	3,268
Program expenses	15,592	11,333	4,259
Utilities	5,286	4,953	333
Maintenance	11,702	9,513	2,189
Depreciation	7,913	7,609	304
Other	2,470	2,786	(316)
	235,085	297,470	(62,385)
Operating income/(loss)	538	23,693	(23,155)
Nonoperating revenues (expenses)			
Investment income	5,270	1,040	4,230
Interest expense	(2,687)	(2,714)	27
Financing costs	(21)	(1)	(20)
Loss on sale of capital assets	(230)	(950)	720
Gain on sale of capital assets	5,347	23,950	(18,603)
Investment in Partnership Valuation Charge	(15,708)	-	(15,708)
Other contributions made	-	(2,515)	2,515
	(8,029)	18,810	(26,839)
Income (Loss) before Capital Contributions	(7,491)	42,503	(49,994)
Capital Contributions			
HUD non-operating contributions	648	2,144	(1,496)
Other non-operating contributions	21,295	-	21,295
Partner Contributions	(719)	-	(719)
	21,224	2,144	19,080
Increase in net position	13,733	44,647	(30,914)
Net position - Beginning of year	393,985	349,338	44,647
Net position - End of year	$ 407,718	$ 393,985	$ 13,733

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Forward Looking information

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. The final RAD/Section 18 closing is anticipated for the spring of 2023.

Transfer of Tax Credit Limited Partnership Interest

Home Forward acquired the limited partner's interest in The Jeffrey and the RAC Limited Partnerships in the first quarter of 2023. Both of these tax credit partnerships were originally formed by Home Forward under Section 42 of the Internal Revenue Code.

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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.

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HOME FORWARD
STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS AND DEFERRED OUTFLOWS	Home Forward	Discretely Presented Component Units
CURRENT ASSETS		
Cash and Cash Equivalents	$ 91,677,737	$ 14,314,375
Cash and Cash Equivalents - Restricted	30,409,005	28,453,789
Investments - Unrestricted	5,584,993	-
Investments - Restricted	959,068	-
Accounts Receivable, Net	15,929,679	776,896
Due from Partnerships, Net	2,998,313	-
Prepaid Expenses	1,911,397	13,930,620
Current Portion of Lease Receivable	1,072,129	-
Current Portion of Notes Receivable - Partnerships, Net	625,769	-
Total Current Assets	151,168,090	57,475,680
NONCURRENT ASSETS		
Investments - Restricted	-	-
Notes and Accrued Interest Receivable	249,781,971	-
Notes Receivable - Partnerships, Net	51,601,406	-
Lease Receivable	9,124,684	
Other Assets	-	9,202,895
Investments in Partnerships	31,263,823	-
Net OPEB Asset - RHIA	557,588	-
Capital Assets not being Depreciated	49,403,274	71,081,242
Capital Assets being Depreciated, Net	106,945,577	532,264,908
Total Noncurrent Assets	498,678,323	612,549,045
Total Assets	649,846,413	670,024,725
DEFERRED OUTFLOWS OF RESOURCES		
Related to Derivative Instruments	27,351	-
Pension Related	13,946,651	-
OPEB RHIA Related	11,822	-
OPEB HBRP Related	126,680	-
Total Deferred Outflows of Resources	14,112,504	-
Total Assets and Deferred Outflows of Resources	$ 663,958,917	$ 670,024,725

HOME FORWARD
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2022

LIABILITIES AND NET POSITION	Home Forward	Discretely Presented Component Units
CURRENT LIABILITIES		
Accounts Payable	$ 6,334,071	$ 14,126,516
Line of Credit	12,227,074	-
Accrued Interest Payable, Payable from Restricted Assets	751,581	15,555,925
Other Accrued Liabilities	6,252,506	29,061,719
Unearned Revenue	18,211,671	660,572
Deposits, Payable from Restricted Assets	4,605,792	403,092
Current Portion of Notes Payable	2,838,371	2,236,643
Current Portion of Bonds Payable	2,021,149	-
Current Portion of Bonds Payable - Partnerships	625,769	-
Current Portion of Lease Liability	90,163	34,343
Total Current Liabilities	53,958,147	62,078,810
NONCURRENT LIABILITIES		
Notes Payable - Long-Term	69,524,684	436,861,871
Bonds Payable - Long-Term	26,328,852	51,364,127
Bonds Payable - Partnerships	51,601,406	-
Accrued Interest - Long-Term	6,048,340	-
Net Pension Liability	28,250,387	-
Total OPEB Liability - HBRP	890,571	-
Derivative Instruments	27,351	12,000
Lease Liability - Long-Term	74,902	-
Total Noncurrent Liabilities	182,746,493	488,237,998
Total Liabilities	236,704,640	550,316,808
DEFERRED INFLOWS OF RESOURCES		
Pension Related	8,778,373	-
OPEB RHIA Related	151,347	-
OPEB HBRP Related	657,281	-
Lease Related	9,948,852	
Total Deferred Inflows of Resources	19,535,853	-
Total Liabilities and Deferred Inflows of Resources	256,240,493	550,316,808
NET POSITION		
Net Investment in Capital Assets	206,874,343	112,883,509
Restricted:		
Net OPEB Asset	557,588	-
Real Estate Sale Proceeds	339,563	5,291
Residual Receipts	7,603,970	2,131,037
Funds Held in Trust	17,625,026	31,831,611
Unused PILOT Funds	337,529	-
Program Reserves	1,193,677	-
Total Restricted	27,657,353	33,967,939
Unrestricted	173,186,728	(27,143,531)
Total Net Position	407,718,424	119,707,917
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 663,958,917	$ 670,024,725

HOME FORWARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022

	Home Forward	Discretely Presented Component Units
OPERATING REVENUES		
Dwelling Rental	$ 12,523,272	$ 30,148,011
Nondwelling Rental	2,854,984	430,985
HUD Operating Subsidies	147,037,403	1,687,749
HUD Grants	8,687,421	-
Development Fee Revenue	9,022,051	-
State, Local, and Other Grants	47,418,157	29,207
Other	8,080,409	806,728
Total Operating Revenues	235,623,697	33,102,680
OPERATING EXPENSES		
Housing Assistance Payments	156,918,042	1,261
Administration	23,308,271	4,756,859
Tenant Services	11,896,303	2,594,790
Program Expense	15,592,003	3,360,871
Utilities	5,286,096	6,146,285
Maintenance	11,702,290	9,248,338
Depreciation	7,912,831	18,982,560
General and Other	2,346,622	4,349,005
Impairment Loss	122,809	-
Total Operating Expenses	235,085,267	49,439,969
OPERATING INCOME (LOSS)	538,430	(16,337,289)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	5,269,687	441,519
Interest Expense	(2,687,334)	(8,785,245)
Investment in Partnership Valuation Charge	(15,708,048)	21,400,937
Financing Costs	(20,838)	-
Loss on Disposal of Capital Assets	(229,990)	(43,040)
Gain on Sale of Capital Assets	5,347,037	-
Total Nonoperating Revenues (Expenses), Net	(8,029,486)	13,014,171
LOSS BEFORE CAPITAL CONTRIBUTIONS	(7,491,056)	(3,323,118)
CAPITAL CONTRIBUTIONS		
HUD Nonoperating Contributions	647,875	-
Other Nonoperating Contributions	21,295,096	1,092,547
Partner Contributions	(719,238)	118,117
Total Capital Contributions	21,223,733	1,210,664
INCREASE (DECREASE) IN NET POSITION	13,732,677	(2,112,454)
Net Position - Beginning of Year	393,985,747	121,820,371
NET POSITION - END OF YEAR	$ 407,718,424	$ 119,707,917

See accompanying Notes to Financial Statements.

HOME FORWARD
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

	Home Forward
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from HUD Grants	$ 160,652,103
Receipts from State, Local, and Other Grants	44,862,959
Receipts from Tenants and Landlords	3,718,344
Receipts from Developer Fees	5,461,500
Receipts from Others	9,971,760
Receipt of Cash Restricted for Deposits Payable	1,384,025
Payments to Landlords	(155,225,263)
Payments to and on Behalf of Employees	(29,513,152)
Payments to Vendors, Contractors, and Others	(32,333,731)
Net Cash Provided by Operating Activities	8,978,545
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Line of Credit	7,975,296
Payments on Line of Credit	(7,691,329)
Net Cash Provided by Noncapital Financing Activities	283,967
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Line of Credit	22,500,000
Payments on Line of Credit	(22,000,000)
Proceeds from Issuance of Notes Payable	1,000,000
Proceeds from Issuance of Bonds Payable	
Proceeds from Issuance of Bonds Payable - Partnerships	4,186,957
Interest Paid on Notes and Bonds Payable	(1,889,770)
Principal Payments on Notes Payable	(1,686,327)
Principal Payments and Amortization of Premium and Discount on Bonds Payable	3,886,848
Principal Payments on Bonds Payable - Partnerships	(7,960,916)
HUD Capital Contributions	380,981
Other Nonoperating Contributions, Net	(719,238)
Acquisition and Construction of Capital Assets	(23,384,350)
Proceeds from the Sale of Capital Assets	15,506,658
Net Cash Used by Capital and Related Financing Activities	(10,179,157)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(4,880,347)
Financing Fees Paid	(20,838)
Issuance of Notes Receivable	(34,245,436)
Issuance of Notes Receivable - Partnerships	(5,717,905)
Collections on Notes Receivable	18,743,114
Collections on Notes Receivable - Partnerships	90,509,520
Change in Due from Partnerships, Net	(1,187,695)
Change in Investments in Partnerships, Net	(5,293,679)
Investment Income Received	8,985,873
Net Cash Provided by Investing Activities	66,892,607
NET INCREASE IN CASH AND CASH EQUIVALENTS	65,975,962
Cash and Cash Equivalents - Beginning of Year	83,117,380
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 149,093,342

See accompanying Notes to Financial Statements.

HOME FORWARD
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES		
Operating Income	$	538,430
Adjustments to Reconcile Operating Income to Cash Flows Provided by Operating Activities:		
Depreciation		7,912,831
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Accounts Receivable, Net		8,338,919
Developer Fee Receivable		(2,926,732)
Prepaid Expenses		842,203
Accounts Payable		(1,148,594)
Other Accrued Liabilities		2,092,885
Unearned Revenue		5,856,544
Deposits, Payable from Restricted Assets		1,292,215
Deferred Outflows of Resources - Pensions		(5,064,523)
Deferred Outflows of Resources - OPEB		128,068
Deferred Inflows of Resources - Pensions		7,263,460
Deferred Inflows of Resources - OPEB		118,338
Net Pension Liability		(3,611,894)
Net OPEB Asset and Net OPEB Liability		(429,929)
Net Cash Provided by Operating Activities	$	21,202,221
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Change in Investment in Partnerships	$	2,049,472
Total Noncash Transactions	$	2,049,472

See accompanying Notes to Financial Statements.

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 a now a registered name of Home Forward. Home Forward is a municipal corporation located in Portland, Oregon.

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

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

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

Blended Component Units

Home Forward’s operations include nine 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 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

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.

Cecelia Limited Partnership (Cecelia LP) was formed as a Tax Credit Limited Partnership on December 31, 2003 to construct a 131 unit apartment complex located in Portland, Oregon. On June 30, 2022, Banc of America-Alliant Tax Credit Fund XXVIII, Ltd. and Alliant ALP I-30, LLC transferred their interests as Investor Limited Partner and Administrated Limited Partner, respectively, to HFDE.

Haven Limited Partnership (Haven LP) was formed as a Tax Credit Limited Partnership on May 5, 2004 to construct a 44 unit apartment complex located in Portland, Oregon. On June 30, 2022, Banc of America-Alliant Tax Credit Fund XXVIII, Ltd. and Alliant ALP I-30, LLC transferred their interests as Investor Limited Partner and Administrated Limited Partner, respectively, to HFDE.

Trouton Limited Partnership (Trouton LP) was formed as a Tax Credit Limited Partnership on December 31, 2003 to construct a 250 unit apartment complex located in Portland, Oregon. On December 28, 2022, MMA Trouton, LLC and BFIM Special Limited Partner, Inc. transferred their interests as Investor Limited Partner and Special Limited Partner, respectively, to HFDE.

Home Forward Insurance Group LLC (HFIG) was formed December 14, 2022 to support Home Forward in long term risk management program savings through use of a formalized self-insurance program.

New Market West Management Services LLC (NMWMS) was formed on October 26, 2017 to support Home Forward by providing management services for housing projects, as defined in the Housing Authorities Law, which are owned by Home Forward and/or located within the area of Home Forward's operation, and by engaging or assisting in the development of operation of such public housing.

Home Forward is legally entitled to or can otherwise access the resources of HFDE, HFCP, HFIG, NMWMS, St. Francis, LLC, Gateway Park LP, Cecelia LP, Haven LP, and Trouton LP at the discretion of Home Forward management. Because HFDE, HFCP, HFIG, NMWMS, St. Francis, LLC, Gateway Park LP, Cecelia LP, Haven LP, and Trouton 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

- 1115 SW 11th Avenue Limited Partnership
- Beech Street Limited Partnership
- Civic Redevelopment Limited Partnership
- East Group 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
- Woolsey Limited Partnership
- Wests Limited Partnership
- Woods East Limited Partnership
- FP2 Limited Partnership
- 3000 Powell Limited Partnership
- Baldwin PSH Limited Partnership
- Central Group Limited Partnership

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

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, 2022, Home Forward administered approximately 11,500 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 7,208 units of housing. The Affordable Housing portfolio consists of 72 multifamily properties representing 6,673 units, of which 3,854 are owned through tax credit partnerships. The Special Needs portfolio consists of 30 properties representing 498 units. The Special Needs properties were developed using grant funds received from the State of Oregon and Federal programs combined with contributions from Home Forward and other local agencies.

Resident Services

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

Development

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – Restricted and Investments – Restricted
This consists of funds set aside for:

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

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

Rental Assistance Demonstration Acquisition Proceeds are externally restricted funds which consist of net proceeds received from the sale of 2,320 public housing units to various Limited Partnerships. These proceeds are used to fund the development of new affordable housing multi-family properties or for large-scale rehabilitation projects to existing affordable housing properties.

Section 18 Acquisition Proceeds are externally restricted funds which consist of net proceeds received from the sale of 1,199 public housing units to various Limited Partnerships. These proceeds are used to fund the development of new affordable housing multi-family properties or for large-scale rehabilitation projects to existing affordable housing properties.

Funds Held in Trust consist primarily of replacement reserves held in trust and by Home Forward for Affordable Housing properties owned and operated by Home Forward. In addition, the balance includes performance guarantee and other funds held in trust and by Home Forward under various agreements. The reserves are invested in interest-bearing bank accounts and are externally restricted for the purposes of maintaining required reserve funds or purchasing or constructing capital assets or other noncurrent assets. As such, the amounts are classified as restricted, noncurrent assets. During the year ended December 31, 2022, 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2022 was $31,085.

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

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 December 31, 2022, 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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 8). 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.

Leases (Lessor)
The Authority determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position (see Note 7).

Lease receivables represent the Authority's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Lessor) (Continued)

The Authority is the lessor of dwelling units to low-income and market rate residents. The low-income rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Authority may cancel the leases only for cause. A significant majority of the capital assets are used in these leasing activities. The Authority has elected to recognize payments received for tenant and short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statement of net position.

Where the individual lease contracts do not provide information about the discount rate implicit in the lease, the Authority has elected to use their incremental borrowing rate of 2.50% to calculate the present value of expected lease payments.

Leases (Lessee/Right to Use Assets)

The Authority is a lessee for noncancelable leases of office space and office equipment. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the statement of net position. The Authority recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease and option years that the Authority is reasonably certain to exercise.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors change in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported as current and noncurrent on the statement of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 three 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. The deferred inflow related to leases is recognized as revenue over the life of the leases.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 17).

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 16).

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, 2022. As of December 31, 2022, unearned revenue consisted of the following:

Prepaid Annual Contributions	$ 371,419
Unspent Funding	3,958,904
Prepaid Rent Revenue	13,881,348
Total Unearned revenue	$ 18,211,671

Other Accrued Liabilities – Current

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 were $2,108,789 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, 2022, Home Forward has adopted the following GASB statement:

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.

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.

NOTE 2 LOW INCOME HOUSING TAX CREDIT LIMITED PARTNERSHIPS (CONTINUED)

Tax Credit Limited Partnerships are created to finance and own affordable housing. Home Forward acts as Managing General Partner of each partnership. Although each Tax Credit Limited Partnership is structured differently, they are generally financed via loans to the partnership, contributions of equity by the general and limited partners, and other sources. In some transactions, Home Forward issues bonds and loans the proceeds to the Tax Credit Limited Partnership. Tax-exempt bond issuances are secured by the underlying partnership real estate and, in some cases, by the general revenues of Home Forward. The bonds and notes payable are offset by notes receivable from the partnerships. The partnerships make payments to Home Forward for debt service. Home Forward may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects. Because of limitations posed by the Internal Revenue Service, all such funds are received by Home Forward and lent to the partnerships. These funds are accounted for as notes receivable from the partnerships if the proceeds are used for developing the property. Other advances are included in amounts due from partnerships and are reflected in Note 5. Notes payable related to the partnerships are reflected in Note 11. A summary of Home Forward's long-term debt, including debt pertaining to the tax credit partnerships, is reflected in Note 12. A summary of notes receivable from the partnerships is reflected in Note 6.

Home Forward typically earns a developer's fee for its role in bringing the project to fruition. These fees are earned based on certain events or dates relative to the development of the project. Developer fees are paid primarily from development proceeds and available cash flows. Under the various partnership agreements, the balance of developer fees not paid during the construction phase are generally required to be paid within 10 to 15 years of the project having been placed in service and may accrue interest on unpaid balances. For the year ended December 31, 2022, Home Forward earned $9,022,051 in developer fees and was paid $9,424,008.

At December 31, 2022, the balance of the development fees owed to Home Forward is $26.7 million. The fees are included within notes receivable on the statement of net position. Some tax credit projects also pay a General Partner's management fee and/or a tenant services fee; these fees are reflected in other operating revenues and totaled $220,110 for the year ended December 31, 2022.

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, 2022, cash and investments consisted of the following:

Cash and Cash Equivalents	$ 91,677,737
Cash and Cash Equivalents - Restricted	30,409,005
Total Cash and Cash Equivalents	$ 122,086,742
Investments	$ 5,584,993
Investments - Restricted	959,068
Total Investments	$ 6,544,061

At December 31, 2022, 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.

<u>Investment Risk Disclosures</u>

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, 2022, 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.

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

Investment Risk Disclosures (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of Home Forward's investment in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools). To minimize concentration of credit risk, Home Forward's investments are made from a selection of diverse issuers. As of December 31, 2022, Home Forward is not exposed to concentration risk.

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

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

As of the year ended December 31, 2022, Home Forward's restricted investments consist of a guaranteed investment contract and a repurchase agreement with Bayerische with a S&P rating of AAA and a weighted average maturity more than three years in the amount of $472,680 and $486,388, respectively.

Investments restricted at December 31, 2022 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

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, 2022 as compared to December 31, 2021. Investments in derivatives are valued based upon quoted prices for similar assets in active markets.

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

Investments Not Subject to Fair Value Levels:	
Certificate of Deposit	$ 308,294
Guaranteed Investment Contract	472,680

The following table sets forth by level, within the fair value hierarchy, Home Forward's assets and liabilities at fair value as of December 31, 2022:

	Total	Level 2
Repurchase Agreement	$ 486,388	$ 486,388
U.S. Government Securities	494,211	494,211
U.S. Government Securities	4,782,488	4,782,488
Derivative Instrument	(27,351)	(27,351)

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of the year ended December 31, 2022:

HUD Grants	$ 755,237
State, Local, and Other Grants	4,114,984
Tenants and Landlords	7,282,434
Development	2,832,345
Other	1,831,138
Total Accounts Receivable	16,816,138
Less: Allowances for Doubtful Accounts	(886,459)
Accounts Receivable, Net	$ 15,929,679

NOTE 5 DUE FROM PARTNERSHIPS

Due from Partnerships consists of the following as of the year ended December 31, 2022:

Stephen's Creek Crossing North (4%)	$ 68,437
Woolsey Limited Partnership	370,518
Wests Limited Partnership	(132,805)
Stephen's Creek Crossing North (9%)	48,906
Woods East Limited Partnership	(309,504)
Square Manor Limited Partnership	218,539
Lloyd Housing Limited Partnership	135,745
North Group Limited Partnership	188,446
East Group Limited Partnership	103,521
Central Group Limited Partnership	351,043
Baldwin PSH Limited Partnership	223,666
3000 Powell Limited Partnership	342,843
All Other Partnerships	2,497,840
Total Due from Partnerships	4,107,195
Less: Allowances for Doubtful Accounts	(1,108,882)
Due from Partnerships, Net	$ 2,998,313

NOTE 6 NOTES RECEIVABLE AND ACCRUED INTEREST

Notes and accrued interest receivable consist of the following as of December 31, 2022:

Partnerships Notes	$ 299,678,930
Homeowners Notes	208,300
Total Notes Receivable	299,887,230
Accrued Interest Receivable	14,691,456
Less: Allowances for Doubtful Accounts	(12,569,540)
Total Notes and Accrued Interest Receivables, Net	$ 302,009,146

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

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.

NOTE 7 LEASE RECEIVABLE

The Authority, acting as lessor, leases land and buildings under long-term, non-cancelable lease agreements. The leases expire at various dates through 2067 and provide for various renewal options.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$ 1,072,129	$ 222,946	$ 1,295,075
2024	983,848	197,836	1,181,684
2025	919,971	174,580	1,094,551
2026	893,419	152,855	1,046,274
2027	794,298	133,135	927,433
2028 - 2032	2,287,258	469,484	2,756,742
2033 - 2037	925,062	322,643	1,247,705
2038 - 2043	236,393	317,531	553,924
2043 - 2047	241,764	361,699	603,463
2048 - 2052	252,157	299,771	551,928
2053 - 2057	360,395	177,349	537,744
2058 - 2062	566,343	119,970	686,313
2063 - 2067	663,776	34,821	698,597
Total Minimum Lease Payments	$ 10,196,813	$ 2,984,620	$ 13,181,433

NOTE 8 INVESTMENTS IN PARTNERSHIPS

Investments in partnerships consist of the following as of December 31, 2022:

Investments in Limited Liability Partnerships	
RAC Housing Limited Partnerships	$ 21,185,477
The Jeffrey Limited Partnership	50,931
The Morrison Limited Partnership	25,998
St. Francis Park Limited Partnership	442,811
Square Manor Limited Partnership	291,673
Central Group Limited Partnership	73
Baldwin Limited Partnership	100
Powell Limited Partnership	100
Fountain Place 2	38
Lloyd Housing Limited Partnership	7,176,809
Dekum Court	2,089,813
Total Investments in Partnerships	$ 31,263,823

NOTE 9 CAPITAL ASSETS AND LEASES

Land, structures, and equipment activity of Home Forward was as follows for the year ended December 31, 2022:

	Balance January 1, 2022	Additions	Disposals	Transfers	Component Unit Transfer	Balance, December 31, 2022
Land	$ 38,787,284	$ -	$ (31,034)	$ -	$ -	$ 38,756,250
Construction in Progress	6,115,244	12,116,384	(5,723,774)	(1,860,830)	-	10,647,024
Total Capital Assets Not being Depreciated/Amortized	44,902,528	12,116,384	(5,754,808)	(1,860,830)	-	49,403,274
Buildings and Improvements	198,800,193	78,456,823	(230,813)	1,421,613	-	278,447,816
Right to Use Assets - Buildings	-	96,748	-	-	-	96,748
Equipment	12,158,480	2,032,280	(160,984)	439,217	-	14,468,993
Right to Use Assets - Equipment	-	223,891	-	-	-	223,891
	210,958,673	80,809,742	(391,797)	1,860,830	-	293,237,448
Less Accumulated Depreciation/Amortization:						
Buildings and Improvements	(115,315,104)	(7,319,174)	916,076	-	(51,975,970)	(173,694,172)
Right to Use Assets - Buildings	-	(67,957)	-	-	-	(67,957)
Equipment	(10,031,067)	(450,477)	23,327	-	(1,996,302)	(12,454,519)
Right to Use Assets - Equipment	-	(75,223)	-	-	-	(75,223)
	(125,346,171)	(7,912,831)	939,403	-	(53,972,272)	(186,291,871)
Total Capital Assets being	85,612,502	72,896,911	547,606	1,860,830	(53,972,272)	106,945,577
Depreciated/Amortized, Net	$ 130,515,030	$ 85,013,295	$ (5,207,202)	$ -	$ (53,972,272)	$ 156,348,851

NOTE 10 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, 2022, gross draws, including initial draws and draws after repayments, on the line of credit were $22,500,000 which represents both principal and accrued interest. The remaining outstanding line of credit balance for December 31, 2022 was $5,000,000.

A summary of activity for Home Forward's line of credit for year ended December 31, 2022 is as follows:

Balance January 1, 2022	Draws	Repayments	Balance December 31, 2022
$ 4,500,000	$ 22,500,000	$ (22,000,000)	$ 5,000,000

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

Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2022, gross draws, including initial draws and draws after repayments, on the line of credit were $7,975,296 which represents both closing costs and accrued interest. The remaining outstanding line of credit balance for the year ended December 31, 2022 was $7,227,074.

A summary of activity for Home Forward's line of credit for the year ended December 31, 2022 is as follows:

Balance January 1, 2022	Draws	Repayments	Balance December 31, 2022
$ 6,943,107	$ 7,975,296	$ (7,691,329)	$ 7,227,074

NOTE 11 NOTES PAYABLE

Notes payable of Home Forward consist of the following as of December 31, 2022:

Property	Interest Rate	Final Maturity Date*	Payment Terms	Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Schiller Way	1.50 %	2030	Monthly	Deed of Trust	Borrower fails to pay principal and interest and doesn't cure within 15 days after due date and Lender may declare all sums owed	If Borrower becomes insolvent all principal and interest become automatically due	N/A	$ 287,121
Richmond Place	3.00	Sale of Property	Cash Flow	Deed of Trust	Beneficiary may declare all principal balance and accrued interest due immediately if loan payments are not paid by due date; beneficiary may take possession of property and collect all rents	Failure to disclose (any misrepresentation), beneficiary has the option to declare all principal balance and interest immediately due	N/A	862,042
Turning Point	7.49	2032	Monthly	Secured by Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing and a Pledge and Security Agreement	Borrower fails to pay any amount within 10 days of due date and Lender may declare entire loan due and payable; Borrower fails to perform or comply with any other covenant or condition under agreement, Borrower fails to show evidence of full or substantial compliance with governmental authority over property and not cured in 30 day period, if property is seized by any governmental agency, material adverse change in financial condition of borrower and not remedied within 30 days	Not applicable	N/A	269,474
Willow Tree	4.42	2036	Monthly	Secured by Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing and a Pledge and Security Agreement	Borrower fails to pay any amount within 10 days of due date and Lender may declare entire loan due and payable; Borrower fails to perform or comply with any other covenant or condition under agreement, Borrower fails to show evidence of full or substantial compliance with governmental authority over property and not cured in 30 day period, if property is seized by any governmental agency, material adverse change in financial condition of borrower and not remedied within 30 days	Not applicable	N/A	464,485
Cambridge Court	1.00	2032	Monthly	Lender has a lien on the land and all improvements and a security interest in personal property	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclosure of property	Not applicable	N/A	328,292
Cambridge Court	-	2032	Cash Flow	Lender has a lien on the land and all improvements and a security interest in personal property	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclosure of property	Not applicable	N/A	395,975
Fenwick Apts	3.77	2025	Monthly	Trust deed, security agreement, assignment of leases and rents, and fixture filing	Borrower fails to make payment of any amount payable under this loan entire indebtedness becomes immediately due	Not applicable	N/A	887,336
Fenwick Apts	-	Sale of Property	Cash Flow	Security agreement in property including accessories, additions, replacements and accession now and hereinafter affixed connected to property	Failure to pay sum due under this agreement within 10 days, failure to pay general debts when due, failure to comply with covenants under agreement and not cured within 30 days, failure to obtain lender's consent to transaction (sale, transfer of proceeds from agreement), failure to disclose material facts, default under other loans, default by guarantor or failure to replace guarantor within 90 days. Lender may declare the entire remaining balance of principal and interest due immediately. Lender can place a lien on the land and all buildings and improvements. Lender may take action to recover monetary damages caused by violation or attempted violation of any covenant, condition, agreement or obligation. Damages can include but not be limited to all costs, expenses, including but not limited to staff and administrative expenses, fees including legal	Not applicable	N/A	1,159,003
Fenwick Apts	3.00	2034	Monthly	Trust Deed, Security interest in personal property collateral	Failure to pay sum due under this agreement within 10 days, failure to pay general debts when due, failure to comply with covenants under agreement and not cured within 30 days, failure to obtain lender's consent to transaction (sale, transfer of proceeds from agreement), failure to disclose material facts, default under other loans, default by guarantor or failure to replace guarantor within 90 days. Lender may declare the entire remaining balance of principal and interest due immediately. The Trustee at Lender's direction shall have the right to foreclose by notice and sale of property. Upon any occurrence of any Event of Default interest shall accrue on the unpaid principal balance at a rate equal to the less of four percentage points above the current rate.	Not applicable	N/A	104,843
Helen Swindells	3.00	2023	Cash Flow	Trust Deed in the property and all tenements along with leases and rents of the property	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, title is free of encumbrance, pay liens, taxes and assessments, abide by loan agreement covenants, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	1,483,870

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Helen Swindells	3.00	2023	Cash Flow	Trust Deed in the property and all tenements along with leases and rents of the property	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, title is free of encumbrance, pay liens, taxes and assessments, abide by loan agreement covenants, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	$ 600,451
Kelly Place	4.80	2028	Monthly	Trust Deed covering the real property and other collateral	Borrower fails to perform any obligation to pay principal or interest and doesn't cure within 15 days when due	If Borrower becomes insolvent, all sums of principal and interest under the Note become automatically due and payable	N/A	175,284
James Hawthorne	-	Sale of Property	Cash Flow	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or place a lien on the property	Not applicable	N/A	5,728,950
North Interstate	-	Sale of Property	Cash Flow	Trust Deed	Not applicable	Not applicable	N/A	912,948
Yards at Union Station	1.00	2027	Monthly	Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale. Upon the event of default, interest can be increased of 4 percentage points above the current interest rate.	Not applicable	N/A	522,550
Pearl Court	3.00	2027	Monthly	Trust Deed, Security Agreement, UCC1	An event of default is constituted as the following: failure to make any payment when due any loan documents and not cured within 10 days, failure to perform any covenant, agreement or obligation under any of the Loan Documents if not cured within 60 days will lead to the declaration any or all indebtedness secured by the Trust to be due and payable immediately, foreclose the trust deed as a mortgage, cause any or all of the property to be sold under the power of sale, elect to exercise its right with respect to Leases & Rents	Not applicable	Acceleration of the entire unpaid principal balance of the Note and other indebtedness secured by the Trust Deed securing this note upon any sale or transfer is automatic	298,934
Peter Paulson	7.91	2024	Cash Flow	Trust Deed and assignment of leases and collection of rents	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, pay liens, taxes and assessments, abide by loan agreement covenants, monthly reserve is maintained by borrower, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	1,021,301
Peter Paulson	0.50	2024	Cash Flow	Trust Deed and assignment of leases and collection of rents	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, pay liens, taxes and assessments, abide by loan agreement covenants, monthly reserve is maintained by borrower, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	250,000
Peter Paulson	-	2024	Cash Flow	Trust Deed and assignment of leases and collection of rents	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, pay liens, taxes and assessments, abide by loan agreement covenants, monthly reserve is maintained by borrower, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	689,635
Schiller Way	-	Sale of Property	Cash Flow	Not applicable	Events of default are constituted as follows: failure to pay any sum due under agreement within 10 days of due date, failure to comply with covenants, failure to obtain Loan provider's consent in sale, transfer or assignment of proceeds, failure to comply with agreement, failure to pay general debts when due, failure to disclose material facts, default under other grants, default by guarantor or failure to replace guarantor will cause the entire remaining unpaid balance immediately due and loan will become lien on the property	Not applicable	N/A	505,351
SW 45th (Carriage Hill Apts)	-	Sale of Property	Cash Flow	Line of credit trust deed, security agreement, fixture and filing and assignment or leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property	Not applicable	N/A	178,241

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
SW 45th (Carriage Hill Apts)	3.00	2032	Monthly	Line of credit trust deed, security agreement, fixture and filing and assignment or leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property	Not applicable	N/A	$ 22,048
Willow Tree	-	2035	Cash Flow	Line of credit trust deed, security agreement, fixture and filing and assignment or leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property	Not applicable	N/A	116,642
Fairview Oaks & Woods	3.05	2047	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	Events of default include: borrower fails to pay or deposits amounts when due under the note, fraud or material misrepresentation or material omission by borrower or any of its officers, directors, members, commencement of a forfeiture action or proceeding, any material failure by Borrower to comply obligations under Security Instrument, failure by borrower to perform obligations under regulatory agreement will be cured	Not applicable	If a monetary event of default occurs for a period of 30 days, the entire unpaid principal balance and any accrued interest and all other amounts payable to becomes due and payable	9,956,091
Rockwood Station	3.58	2047	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	Events of default include: borrower fails to pay or deposit amounts when due under the note, fraud or material misrepresentation or material omission by borrower or any of its officers, directors, members, commencement of a forfeiture action or proceeding, any material failure by Borrower to comply obligations under Security Instrument, failure by borrower to perform obligations under regulatory agreement will be cured	Not applicable	If a monetary event of default occurs for a period of 30 days, the entire unpaid principal balance and any accrued interest and all other amounts payable to becomes due and payable	4,022,302
Rockwood Station (Mpower)	6.00	2025	Monthly	Security interest in the Efficiency Measures, Memo of ESA	Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable.	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approve by Lender, Borrower's failure to make any payment within 10 days of due date, and other default or breach of any term in the Note or other Loan documents	46,704
Hawthorne Home	6.00	2029	Monthly	Trust Deed	Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.	Not applicable	N/A	29,611
Madison Home	6.00	2029	Monthly	Deed of Trust	If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender hat proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender	Not applicable	N/A	29,306
North Interstate	6.00	2033	Monthly	Deed of Trust	If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender hat proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender	Not applicable	N/A	314,412

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Project Open Door	1.00	2027	Monthly	Trust Deed	If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender hat proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender	Not applicable	N/A	$ 87,135
Taylor Home	7.00	2029	Monthly	Deed of Trust	If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender hat proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender	Not applicable	N/A	28,419
Ashcreek Commons	0.04	2034	Monthly	Deed of Trust	Events of default can allow Lender to declare all sums owed this loan and other loan documents. Events of default include: Borrower fails to pay when due any sums payable under Note or any other Loan document, performance of obligations to cure failure in cure period provided, recording of any claim of lien on property (for more than 20 days), failure of any representation or warranty of Borrower in any of the Loan documents and continuation of failure for 10 days, material adverse change in financial condition of Borrower, voluntary bankruptcy, insolvency or dissolution, involuntary bankruptcy, material management or organization change in Borrower which Lender determines has a material adverse effect on the loan, the failure of the Deed of Trust to be a valid first lien upon property, discovery of any significant hazards materials on property, unsecured indemnity agreement.	Not applicable	If Borrower fails to pay when due any sums payable or a Default occurs Lender may declare all sums owing immediately due and payable	1,362,657
Ainsworth Court	-	2052	Cash Flow	Subordination agreement to be secured by certain liens and encumbrances against the property, Lien on the land	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property	Not applicable	N/A	1,049,004
Ainsworth Court	4.77	2034	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	If an event of default has occurred, the entire unpaid principal balance of the mortgage loan, any accrued interest, interest accruing at the default rate, the prepayment premium (if applicable) at the option of Lender shall be immediately due and payable without notice to Borrower. In addition Lender shall have rights and remediate including foreclosure on and/or the power of sale of the property. The following events are events of default: failure by Borrower to pay or deposit when due amounts required the Note or any other Loan document, failure of Borrower to maintain insurance coverage, failure by Borrower to maintain property as single asset status, any warranty or representation is false or inaccurate, fraud, gross negligence or will misconduct or material misrepresentation (including on financial statements, rent rolls or other report information, request from Lender in regards to disbursements from Replacement Account Funds), occurrence of any transfer not permitted by Loan Document, occurrence of a bankruptcy event, commencement of forfeiture action (whether civil or criminal) which could leas to forfeiture of the property or impair the lien on the property, any failure by Borrower to compete any repair related to fire, life or safety issues within terms of Loan agreement, and any exercise by the holder of any debt instrument secured by mortgage or deed on the property of a right to declare all amounts due immediately.	Not applicable	If an event of default has occurred and is continuing the entire unpaid principal balance of the loan, any accrued interest, interest accruing at the default rate or prepayment premium (if applicable) and all other indebtedness at the option of Lender is immediately due and payable without prior written consent to Borrower.	1,734,731

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Madrona Apartments	5.31	2034	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	If default has occurred, the unpaid principal balance of the mortgage loan, accrued int, int accruing at the default rate, prepayment premium (if applicable) at the option of Lender shall be immediately due & payable without notice. Lender shall have rights and remediate including foreclosure on and/or the power of sale of the property. The events of default are: failure by Borrower to pay or deposit when due amounts required the Note or any other Loan document, failure of Borrower to maintain insurance coverage, failure by Borrower to maintain property as single asset status, any warranty or representation is false or inaccurate, fraud, gross negligence or will misconduct or material misrepresentation (including on financial statements, rent rolls or other report information, request from Lender in regards to disbursements from Replacement Account Funds), occurrence of any transfer not permitted by Loan Document, occurrence of a bankruptcy event, commencement of forfeiture action (civil or criminal) leading to forfeiture of the property or impair the lien on the property, any failure by Borrower to complete any repair related to fire, life or safety issues within terms of Loan agreement, a right to declare all amounts due immediately	Not applicable	If an event of default has occurred and is continuing the entire unpaid principal balance of the loan, any accrued interest, interest accruing at the default rate or prepayment premium (if applicable) and all other indebtedness at the option of Lender is immediately due and payable without prior written consent to Borrower.	$ 1,026,475
Kelly Place (Multnomah)	-	2046	Maturity Date	Trust deed	Failure to perform the covenants and conditions in trust deed shall give the option to declare the unpaid balance due on the Note immediately. If any material fact is not disclosed all indebtedness can be due and payable and the trust deed may be foreclosed on including the recouping of reasonable expenses such as attorney fees.	Not applicable	N/A	350,456
Rockwood Landing	-	2058	Maturity Date	Trust deed, security agreement, and fixture filing	Events of default include: failure to pay any of the obligations of the loan before due date, the occurrence of a breach of covenant, agreement, condition, provision, representation or warranty contained in Trust Deed or any Loan documents, or a writ of execution or any similar process shall be issued against or any part or interest in the estate or any judgement involving monetary damages that become a lien on the property. In the case of these acceleration of all debt occurs and is immediately due and payable, lender can take possession of all or any part of the property, lender can foreclose the property and sale under applicable law. Lender can take over management, rents and revenues of the property	Not applicable	N/A	150,000
Gretchen Kafoury	3.00	2031	Maturity Date	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	2,664,000
Stephens Creek Crossing	-	2014	Converts to Grant	Pledge Agreement of Assets	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans results may lead to Lender declaring all unpaid balance due immediately	Not applicable	N/A	1,798,318
Hamilton West	3.00	2031	Monthly	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans , default by guarantors or failure to replace guarantor may lead to Lender declaring all unpaid balance due immediately	Not applicable	N/A	432,298
Hamilton West	-	Sale of Property	Cash Flow	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans , default by guarantors or failure to replace guarantor may lead to Lender declaring all unpaid balance due immediately	Not applicable	N/A	2,039,641
Helen Swindells (Mpower)	6.00	2024	Monthly	Security interest in the Efficiency Measures, Memo of ESA	Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable.	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approve by Lender, Borrower's failure to make any payment within 10 days of due date of payment, and other default or breach of any term in the Note or other Loan documents	19,315

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Rockwood Landing (Mpower)	6.00	2025	Monthly	Security interest in the Efficiency Measures, Memo of ESA	Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable.	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approved by Lender, Borrower's failure to make any payment within 10 days of due date of payment, and other default or breach of any term in the Note or other Loan documents	$ 20,252
Rockwood Landing	3.05	2029	Monthly	Deed of Trust, Security Agreement and Fixture Filing, Assignment of Leases and Rents	In any event representation or warranty shall be found untrue or performance of any obligation, term, covenant or warranty shall constitute default under the Note and Deed of Trust can declare all sums secured immediately due and payable	Not applicable	N/A	230,875
St. Francis LLC	3.38	2050	Monthly	Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing	Events of default: Monetary Default (failure to pay sums when due required under the Note), fraud or material misrepresentation in regards to i) loan application, ii) financial statement or rent, iii) the commencement of a forfeiture action or proceeding, iv) any material failure to perform or comply with any of its obligation under Security Instrument, v) failure to perform any HUD obligations under the Regulatory Agreement can lead to the immediate payment of unpaid principal and accrued interest	Not applicable	If a Monetary Event of Default occurs (and continues for 30 days) the entire unpaid principal balance, any accrued interest will become due & payable.	3,433,205
Sequoia Square	3.00	2031	Monthly	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	53,580
St Francis LLC	-	Sale of Property	Cash Flow	Trust Deed and Assignment of Leases	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	5,194,028
Sequoia Square	8.08	2031	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	484,694
Sequoia Square	3.99	2031	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	291,234
Sequoia Square	-	Sale of Property	Cash Flow	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	514,486

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Lovejoy Station	3.00	2032	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	$ 1,657,746
Development non-capital Proj	-	2023	Maturity Date	Security for predevelopment loan, grant of security interest	Failure to pay obligations when due, failure ot comply with covenants, failure to pay general debts when due, failure to disclose material facts, failure to diligently pursue the project, and default under other loans. Default may lead to lender declaring the entire remaining unpaid balance of principal, interest and other charges to be immediately due and payable in full, or may result in interest accruing on the unpaid principal at a rate of 12% per year from date of default until paid in full	Not applicable	N/A	$ 1,000,000
The Alexis	2.78	2040	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Events of default include: failure to pay principal or interest on debt when (within 5 days of due date), the trust estate or any portion is transferred in violation of sale or increase in interest rate on sale, failure to perform or comply with any other covenant in Deed of Trust (fails to cure within 30 days) , writ of execution or attachment is levied against the property or any judgement involving monetary damages against property and a lien is placed on the property, event of default within the Loan agreement occurs, breach or default under any mortgage, trust deed or lien on the property that is either senior or subordinate to the Trust Deed can lead to entire indebtedness becoming immediately due and payable or the right to foreclose by judicial foreclosure on the property or a trustee will be designated to sell property	Not applicable	N/A	4,963,997
Gateway Park	5.10	2033	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Default include: Default in the performance of any of its covenants or agreements in any loan document, any representation to current or historical information in regards to certificate, notice report or financial statement that is incorrect in any material respect, any authorization now or hereafter necessary to enable Borrower to comply with obligations under the Trust Deed or Note fails to be timely issued or granted, Borrower becomes bankrupt, insolvent, winding up or reorganization, Borrower receives a proceeding in court for liquidation, dissolution or the readjustment of debts, Borrower effects a change of ownership or transfers any interest without prior written consent, Borrower fails to terminate Property management agreement after request of Lender or makes new satisfactory arrangements for a new management agent which allows Lender to declare all or any portion of debt immediately due and payable, the Lender can take possession of the property and collect rents, the Lender will be empowered to foreclose on Property and sell the Property	Not applicable	N/A	4,193,169
4720 North Maryland	-	2026	Monthly	Deed of trust	Event of default: maker fails to pay all or any other portion due within 10 days after written notice, makers fails to pay the outstanding balance on maturity date, event of default defined under deed of trust.	Not applicable	N/A	4,147,685
4720 North Maryland	5.25	2023	Monthly	Deed of trust	Events of default include: Non Payment- Failure to pay any installment o, other non-compliance (failure to comply with any other covenant of Agreement or other Loan Documents, non compliance with governmental regulations, other material breach, seizure	Not applicable	N/A	495,000
Haven	3.93	2036	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Events of default include: failure to pay any amount within 15 days of due date, other non-compliance (failure to comply with any other covenant of Agreement or other Loan Documents, non compliance with governmental regulations, other material breach, material portion of the property is condemned or seized). Default may result in the lender declaring the note immediately due and payable.	Not applicable	N/A	749,727
Cecelia	3.00	2059	Maturity Date	Trust Deed	Events of default include but are not limited to: failure to pay any sum of money in accordance with the Note, failure to comply with any covenants, executing an assignment for the benefit of credits or take any action in furtherance thereof or admit in writing an inability to pay debts generally as they become due, default under or acceleration of any indebtedness secured by any other trust deed, security interest, or assignment which covers or affects any part of the property, a levy which is not permanently dismissed or discharged within 30 days, discovery that any representation or warranty made in any of the loan documents is false, misleading, erroneous, or breached in any material respect, and failrure to commence construction within 90 days of the loan agreement. Default may result in the lender declaring the note immediately due and payable	Not applicable	N/A	527,726
							Total	72,363,055
							Less Current Portion of Notes Payable	(2,838,371)
							Total Notes Payable - Long-Term	$ 69,524,684

(*) Note: Calendar Year of Final Maturity Date

NOTE 11 NOTES PAYABLE (CONTINUED)

Notes payable includes those notes related to equity gap financing. Equity gap financing is utilized to fund the difference between project costs and sources of construction and permanent financing, These notes bear interest rates between 0.00% and 8.08% with maturities due up through 2059 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, 2022 is as follows:

Balance January 1, 2022	Increase	Decrease	Balance December 31, 2022
$ 73,049,382	$ 1,000,000	$ (1,686,327)	$ 72,363,055

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

Year Ending December 31,	Principal	Interest
2023	$ 2,838,371	$ 1,479,517
2024	5,545,880	1,327,243
2025	3,104,362	1,139,537
2026	5,279,860	1,059,479
2027	2,056,596	987,479
2028 - 2032	14,140,405	4,188,797
2033 - 2037	5,664,763	2,241,445
2038 - 2043	7,671,133	1,737,135
2043 - 2047	4,395,977	385,772
2048 - 2052	514,013	25,317
2053 - 2057	1,050,768	-
2058 - 2059	677,726	-
Total	52,939,854	14,571,721
Notes With No Set Maturity	19,423,201	-
Total	$ 72,363,055	$ 14,571,721

NOTE 12 BONDS PAYABLE

Bonds payable of Home Forward, which are secured by mortgages on the respective properties, consist of the following as of December 31, 2022

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Dawson Park 2012	Fixed	3.37 %	2027	Pledge of all legal available revenues of the Project, b) moneys on deposit in a loan reserve fund, c) moneys on deposit in a debt service reserve fund, d) general revenues of Home Forward not previously or subsequently pledge to a specific purpose and legally available. Deed of trust with a security interest in the land and improvement which encompasses the Project.	Events of default include: default in the due debt payment, failure of the Property to perform any other covenant, agreement or obligation under Loan agreement or regulatory agreement, event of default under the Deed of Trust, filing of a petition in voluntary bankruptcy or reorganization, insolvency, involuntary bankruptcy, dissolution or liquidation which can lead to the Authority to declare the entire balance due and payable immediately, the Authority may foreclose the Deed of Trust and Authority may recover monetary damages caused by such violation.	Not applicable	Not applicable	$642,980
New Market West 2013	Variable	1.73	2023	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to observe or perform any obligation or agreement in the Trust Deed, any representation that is proved to be incorrect, false or misleading in material respect when made or default in the payment or performance of an obligation and continuance of default, any default under the continuing covenant agreement or any other Bond document can lead to all obligations immediately payable in full (any Swap shall be terminated in accordance with terms), Lender can cause the Property to be sold to satisfy the obligations, Lender can obtain appointment of a receiver as it pertains to the i) the adequacy of the security for the repayment of its obligations, ii) the existence of a declaration that the obligations are immediately due and payable.	Not applicable	Not applicable	2,605,280
Pearl Court	Fixed	4.50	2027	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtenesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	2,080,000
Gretchen Kafoury	Fixed	4.00	2034	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtenesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	3,370,000
Hamilton West	Fixed	4.00	2034	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtenesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	2,900,000
Yards at Union Station	Fixed	4.85	2029	Leasehold Trust Deed, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtenesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	2,740,000
Lovejoy Station	Fixed	1.45	2033	Leasehold Trust Deed, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtenesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	6,710,000
Cecelia	Variable	-	2037	Line of Credit Commercial Deed of Trust, Assignment, Security Agreement and Fixture filing	Events of default include the following: default in the due and punctual payment of the principal or premium or interest on any Bond when due, failure to pay the purchase price of any variable rate bond tendered when such payment is due, default by the Authority in the observance of any other covenants, agreements (including ground lease and mixed finance amendment) or conditions in the indenture, loan agreement or the bonds (not cured within 60 days) can lead to the acceleration of the bonds including principal and interest accrued due immediately, foreclosure of the deed of trust and power sale.	Not applicable	occurs the Trustee shall be entitled to upon written notice to the Authority, the Bank, the Remarketing agent and the partnership or the owners of a majority in aggregate principal of the bonds at the time outstanding is entitled to declare the principal of all of the bonds then	2,770,000
Trouton	Variable	-	2035	Line of Credit Commercial Deed of Trust, Assignment, Security Agreement and Fixture filing	Events of default include the following: default in the due and punctual payment of the principal or premium or interest on any Bond when due, failure to pay the purchase price of any variable rate bond tendered when such payment is due, default by the Authority in the observance of any other covenants, agreements or conditions in the indenture, loan agreement or the bonds (not cured within 60 days) can lead to the acceleration of the bonds including principal and interest accrued due immediately.	Not applicable	If any Event of Default occurs the Trustee shall be entitled to upon written notice to the Authority, the Bank, the Remarketing agent and the partnership or the owners of a majority in aggregate principal of the bonds at the time outstanding is entitled to declare the principal of all of the bonds then outstanding and the interest accrued due payable and immediately	4,405,000

Total	$28,223,260
Less: Current Portion of Bonds Payable	(2,021,149)
Total	26,202,111
Plus Unamortized Premiums	200,995
Less: Unamortized Discounts	(74,254)
Total Long-Term Bonds Payable	$ 26,328,852

NOTE 12 BONDS PAYABLE (CONTINUED)

A summary of activity of Home Forward's bonds payable for the year ended December 31, 2022 is as follows:

Balance January 1, 2022	Draws	Repayments	Balance December 31, 2022
$ 22,704,873	$ 7,175,000	$ (1,656,613)	$ 28,223,260

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

Year Ending December 31,	Principal	Interest
2023*	$ 2,021,149	$ 801,922
2024	1,965,723	721,357
2025	2,050,453	587,852
2026	2,130,344	513,250
2027	2,132,810	443,573
2028 - 2032	7,552,922	1,430,190
2033 - 2036	10,369,859	283,825
Total	$ 28,223,260	$ 4,781,969

For the variable rate debt, the December 31, 2022 interest rate of 1.73% was used for the New Market West 2012 Bonds.

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

NOTE 13 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 8 and Note 19) 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.

NOTE 13 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Bonds payable—partnerships and the corresponding notes receivable—partnerships consist of the following at December 31:

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Civic Redevelopment Limited Partnership	Variable	0.09	2038	Multifamily Mortgage, Assignment of Rents and Security Agreement	Events of default: failure to pay the principal or purchase price of, premium if any or interest on any bond when due, failure by the credit facility provider to make when due a requirement payment under the credit facility, failure to overserve or perform any of the covenants, agreements or conditions on the part of the Authority in the indenture or in the bonds and continues for 30 days can lead to the acceleration of the declaration the principal of all bonds then outstanding and interest accrued immediately due and payable	In the event of default, the entire unpaid principal balance, accrued int and all other amounts payable shall be at once become due and payable at the option of the Lender, without prior notice to the Borrower	7,800,000
Stephens Creek Crossing North LP	Fixed	4.56	2031	Line of Credit Construction Leasehold Deed of Trust, Assignment, Security Agreement and Fixture Filing	Events of default: payment obligation failure, transfer of any or all part of property not included in the trust deed, failure to perform or comply with any obligations in trust deed (and not cured for 30 days), an event of default under the note or loan agreement, change in zoning or public restriction in regards to the use of the property if it would be in violation of zoning ordinance or regulation, default under any lease, default under any other mortgage, deed of trust or security agreement covering the property or an execution or attachment is levied against the property and is not discharged or stayed within 30 days of being levied can lead to acceleration of all obligations becoming due and payable without notice of default or acceleration, the property can be foreclosed upon and the power of sale can be enacted. A judicial action can be submitted for foreclosure of the Deed of Trust. In the event of default, collection of rents can be assumed by Lender	In the event of default all obligations shall become due and payable without notice of default, notice of acceleration or intention to accelerate. The property can be foreclosed upon and the power of sale can be enacted. A judicial action can be submitted for foreclosure of the Deed of Trust and collection of rents can be assumed by Lender.	2,661,886
Humboldt Gardens Limited Partnership	Fixed	6.17	2040	Line of Credit Construction Leasehold Deed of Trust, Assignment, Security Agreement and Fixture Filing	Event of default: failure to pay any installment of principal or the redemption price of any bond when due, failure to pay any installment of interest during the variable rate period and during reset period, failure to pay any installment of interest due the fixed rate period, failure by the Authority to perform or observe any material covenant, agreement or condition in the bond indenture (continues for 60 days), default in the timely payment of any installment of the amounts (other than Loan repayments) fees payable to the Authority (continues for 30 days), default under the Regulatory agreement has occurred and continues will lead to the declaration of all outstanding bonds be immediately due and payable including interest, implementation of actions for the recovery of the amounts due on the Note, the Loan Agreement and other Loan Documents, foreclosure upon the collateral held by the Trustee for the obligations of the Borrower, implementation of remedies may be available under the Loan documents. Trustee has the right to revenue fund account and other amounts (excluding the Rebate fund) pledged under the Indenture to the payment of Trustee expenses, to the payment of the bonds or reimbursement to the Owners of the Bonds.	Not applicable	760,000
Wests Limited Partnership	Fixed	4.18	2052	Revenues and receipts therefrom and the security therefore (including the Security Instrument) and the amounts on deposit from time to time in any and all funds established under the Funding Loan Agreement	Events of default: failure by the Borrower to pay any Borrower Loan Payment on the date such payment is due, failure by or behalf of Borrower to pay when due any amount required to be paid under any of the other funding loan documents, an Event of Default as defined by any other Funding Loan Document, any representation made by Borrower, the General Partner or Guarantor in any Funding Loan Document or in any report, certificate, financial statement or other instrument, agreement or document by the Borrower that is false or misleading in any material respect, the Borrower makes a general assignment for the benefit of credits or shall generally not be paying its debt as they become due, bankruptcy, any portion of the Borrower required equity to be made by the Equity investor is not received, failure to comply with ERISA, any material litigation or proceeding against the Borrower, the General Partner or the Guarantor or the property, if a final judgement is issued for monetary damages in excess of $50,000 is not paid and discharged prior to completion date, a failure to pay when due any monetary obligation to any Person in excess of $100,000 and such failure continues beyond the expiration of any grace period, a final and un-appealable and uninsured money judgment in favor of any other person other than a governmental authority in the aggregate sum of $50,000 or more against Borrower, the general partner or the guarantor that is not paid prior to completion date, the inability of the Borrower to satisfy any condition for the receipt of a Disbursement and failure to resolve, construction or rehabilitation is abandoned or halter prior to the completion date (as long as not caused by unforeseeable conditions such as acts fire, strikes, disruption of shipping acts of terrorism), Borrower fails to keep in force and effect any material permit, license, consent or approval required under the loan agreement, failure to substantially complete the construction or rehab on or prior to the substantial completion date, , failure of Borrower to satisfy conditions to conversion or before the conversion date, failure by any subordinate lender to disburse the proceeds of its subordinate loan, an Event of Default occurs under any of subordinate loan documents, any failure by the Borrower to perform or comply with any of its obligations under the loan agreement (and continues for 30 days), a seizure or forfeiture of the property can lead to declaring the borrower payment obligations to be immediately due and payable including prepayment premium.	Event of default can make all borrower payment obligations immediately due and payable including the prepayment premium	12,425,379
						Forward Balance to the Next Page	$ 23,647,265

NOTE 13 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
						Forward Balance from the Previous Page	$ 23,647,265
Woods East Limited Partnership	Fixed	4.18	2052	Revenues and receipts therefrom and the security therefore (including the Security Instrument) and the amounts on deposit from time to time in any and all funds established under the Funding Loan Agreement	Events of default: failure by the Borrower to pay any Borrower Loan Payment on the date such payment is due, failure by or behalf of Borrower to pay when due any amount required to be paid by Borrower under any of the other funding loan documents, an Event of Default as defined by the Borrower note, the Security Instrument or any other Funding Loan Document, any representation made by Borrower, the General Partner or Guarantor in any Funding Loan Document or in any report, certificate, financial statement or other instrument, agreement or document by the Borrower that is false or misleading in any material respect, the Borrower makes a general assignment for the benefit of credits or shall generally not be paying its debt as they become due, bankruptcy, any portion of the Borrower required equity to be made by the Equity investor is not received, failure to comply with ERISA, any material litigation or proceeding against the Borrower, the General Partner or the Guarantor or the property, if a final judgement is issued for monetary damages in excess of $50,000 is not paid and discharged prior to completion date, a failure to pay when due any monetary obligation to any Person in excess of $100,000 and such failure continues beyond the expiration of any grace period, a final and un-appealable and uninsured money judgment in favor of any other person other than a governmental authority in the aggregate sum of $50,000 or more against Borrower, the general partner or the guarantor that is not paid prior to completion date, the inability of the Borrower to satisfy any condition for the receipt of a Disbursement and failure to resolve, construction or rehabilitation is abandoned or halter prior to the completion date (as long as not caused by unforeseeable conditions such as acts fire, strikes, disruption of shipping acts of terrorism), Borrower fails to keep in force and effect any material permit, license, consent or approval required under the loan agreement, failure to substantially complete the construction or rehab on or prior to the substantial completion date, , failure of Borrower to satisfy conditions to conversion or before the conversion date, failure by any subordinate lender to disburse the proceeds of its subordinate loan, an Event of Default occurs under any of subordinate loan documents, any failure by the Borrower to perform or comply with any of its obligations under the loan agreement (and continues for 30 days), a seizure or forfeiture of the property can lead to declaring the borrower payment obligations to be immediately due and payable including prepayment premium.	Event of default can make all borrower payment obligations immediately due and payable including the prepayment premium	14,712,947
Square Manor Limited Partnership	Fixed	4.25	2035	Leasehold Trust Deed, Security Agreement, Assignment of Leases and Rents and Fixture Filing	Events of default: borrower fails to make any payment within 10 days when due, borrower fails to comply with or perform when due any other term, obligation, covenant, or condition contained in the note, borrower makes representation that is false or misleading in any material way, borrower dissolves or becomes insolvent or bankrupt, any creditor tries to take any of property on or in which lender has a lien or security interest, any guarantor of the note seeks to limit/modify/ revoke such guarantor's guaranty with Lender cane can lead interest rate increase of 4% per annum in excess of the interest rate otherwise than in effect of 18% per annum whichever is greater and lead to the balance of unpaid principal and accrued interest immediately due and payable.	Not applicable	3,962,100
3000 Powell	Fixed	2.20	2025	Secured by leasehold interest in the property	Event of default of one or more of the following: failure to pay an installment of interest or principal within 30 days of due date; any of the convenats, provisions, terms and conditons of the loan document not fully cured within the period of time therein. In the event of default, the entrie unpaid balance of principal shall bear the interest rate of 12% per annum until piad in full.	Not applicable	9,853,138
Dekum Court	Variable	-	2024	All rights and remedies afforded under the UCC; right to sell property.	Events of default include any representation made by the borrower is incorrect; failure to pay any amounts due; borrower fails to observe or perform any other term, covenant, condition or agreement set forth in the Project Loan Agreement. Default rate as applicable 12% per annum or the maximum interest rate allowable by law. If principal and accrued interest are not paid in full on maturity date, unpaid balances shall accrue at the default rate	If an event of default occurs and is continuing, entire principal balance and accrued interest become due at the option of the funding lender without any prior notice.	51,725
						Total	52,227,175
						Less: Current Portion of Bonds Payable	(625,769)
						Total Bonds Payable and Notes Receivable - Partnerships	$ 51,601,406

*For the variable rate debt, the December 31, 2022, interest rate, as provided above, was used for the future interest calculation.

NOTE 13 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

A summary activity of Home Forward's bonds payable at December 31, 2022 is as follows:

Balance January 1, 2022	Draws	Repayments	Balance December 31, 2022
$ 56,001,134	$ 4,186,957	$ (7,960,916)	$ 52,227,175

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

Year Ending December 31,	Principal	Interest
2023	$ 625,769	$ 1,468,615
2024	708,418	1,440,601
2025	10,536,877	1,411,314
2025	711,952	1,380,732
2027	746,384	1,348,857
2028 - 2032	6,031,270	6,100,286
2033 - 2037	7,346,899	4,509,973
2038 - 2042	12,691,730	3,213,370
2043 - 2047	5,866,440	2,099,496
2048 - 2052	6,961,436	738,959
Total	$ 52,227,175	$ 23,712,203

NOTE 14 DERIVATIVE INSTRUMENTS

Home Forward issued variable rate demand bonds and notes for its New Market West headquarters building and for two separate projects: 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 (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.

NOTE 14 DERIVATIVE INSTRUMENTS (CONTINUED)

- The banks act as a remarketing agent, reselling at market rates any bonds sold by bondholders. They have committed to repurchase bonds that cannot be resold on the open market.
- New Market West's interest rates are recalculated monthly, based on the rate at which bond can be remarketed. Interest rates for other bonds are recalculated weekly, based on the rate at which bonds can be remarketed.
- The annual remarketing fee on the outstanding amount of the bonds is 0.08% (Civic) and 0.10% (Trouton). New Market West is not subject to an annual remarketing fee.
- For bonds where the underlying financed asset is not the pledge for the bonds, the underlying credit for the bonds is the general funds of Home Forward.

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

The Trouton bonds mature in 2037 The variable rate on the bonds was 3.177% as of December 31, 2022. The swap instrument associated with the remaining bonds matures July 1, 2022, and is fixed at 4.188% on a notional amount of $4.405 million at December 31, 2022 for which Home Forward receives the 30 day SIFMA rate. The swap expired on July 1, 2021 so the value of the swap was $0 as of December 31, 2022.

New Market West bonds mature in 2038. The variable rate on the bonds was 4.382% as of December 31, 2022. The bond documents were amended effective December 31, 2021 to amend the LIBOR language and extend the term to August 2023. The swap instrument associated with the remaining bonds mature August 1, 2023 and is fixed at 1.73% on a notional amount of the outstanding principal of the New Market Bonds Series 2012 up to $4.21 million for which Home Forward receives 78.5% of the 30 day LIBOR rate. The fair value loss of the swap was $27,351 as of December 31, 2022.

NOTE 14 DERIVATIVE INSTRUMENTS (CONTINUED)

The fair value of the swap instruments is calculated from proprietary models using a mid-market basis. The change in fair market value of Home Forward's swap transactions for the years ended December 31, 2022 was a decrease of $84,954. 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 (Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for 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 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 (Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.

- *Rollover Risk* – Letters of Credit (LOC) have been issued Bank of America Securities (Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for 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 15 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 2022 Experience Study, which reviewed experience for the four-year period ended on December 31, 2022.

NOTE 15 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, 2020 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date:	December 31, 2020
Measurement Date:	June 30, 2022
Experience Study Report:	2020, published July 20, 2021
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method:	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.40%
Projected Salary Increases	3.40% Overall Payroll Growth
Investment Rate of Return	6.90%
Mortality:	Health Retirees and Beneficiaries: Pub-2010 Healthy Retir sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	Disabled Retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

NOTE 15 RETIREMENT PLANS (CONTINUED)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	20-Year Annual Return (Geometric)
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	(2.50)	1.76
Total	100.00 %	
Assumed Inflation - Mean		2.40 %

NOTE 16 PENSION

PERS Pension (Defined Benefits)
Home Forward is a participant of the PERS pension program. PERS benefits, as described by the PERS 2022 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 $200 per month for deaths that occur after July 30, 2003.

NOTE 16 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 their 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 2022 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.

NOTE 16 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).

NOTE 16 PENSION (CONTINUED)

Funding Status

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

Employer contribution rates in effect July 1, 2021 to June 30, 2023 are:

	Tier 1/Tier 2	OPSRP
Pension Contribution Rate	21.01 %	17.54 %
Retiree Health Care Rate	0.05	-
Total Employer Contribution	21.06 %	17.54 %

The amount contributed by Home Forward for the year ended December 31, 2022 was approximately $5,414,148 which represents the required contributions for both the employee and the employer for the year presented.

Net Pension Assets and Liabilities

At December 31, 2022, Home Forward reported a liability of $28,250,387 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. Home Forward's proportion of the net pension liability was based on a projection Home Forward's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, Home Forward's proportion was 0.18449827% which increased from its proportion of . 0.15246390% measured as of June 30, 2020.

NOTE 16 PENSION (CONTINUED)

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

For the year ended December 31, 2022, Home Forward recognized pension revenue of $303,911 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	$ 2,780,980	$ -
Net Differences Between Expected and Actual Experience	1,371,328	176,175
Changes in Assumptions	4,432,638	40,497
Net Differences Between Projected and Actual Earnings on Plan Investments	-	5,050,623
Changes in Proportion	5,303,950	45,870
Difference Between the Employer's Contributions and the Employer's Proportion Share of Contributions	57,755	3,465,208
Total	$ 13,946,651	$ 8,778,373

The amount of $2,780,980 reported as of the year ended December 31, 2022 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2023	$ 732,501
2024	105,029
2025	(1,491,724)
2026	2,836,202
2027	205,290
Total	$ 2,387,298

NOTE 16 PENSION (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Home Forward's proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.90%) or 1% higher (7.90%) than the current rate:

1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
$ 50,099,617	$ 28,250,387	$ 9,963,590

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, 2022 was $233,318. This balance is recorded in other accrued liabilities on the statement of net position.

NOTE 17 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, 2022 (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.

NOTE 17 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 $27,301 for the year ended December 31, 2022. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in health care costs. Participating employees are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.50% of annual covered PERS payroll and 0.00% of OPSRP payroll. The PERS board sets the employer contribution rate based on creditable compensation for active members reported by employers. Effective March 31, 2018, Home Forward adopted GASB Statement No. 75 where Home Forward recognizes a liability as the employees earn benefits by providing services. Changes to OPEB liability are recognized immediately as OPEB expenses or deferred outflows/inflows of resources.

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

At December 31, 2022, Home Forward reported an asset of $557,588 for its proportionate share of the collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the collective net OPEB asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to June 30, 2022. 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, 2022 measurement date, Home Forward's proportion was 0.15691889%, which increased from its proportion measured as of June 30, 2022 (0.11964643%).

NOTE 17 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, 2022, Home Forward recognized a decrease in OPEB revenue of $79,695 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	$ 7,456	$ -
Differences Between Expected and Actual Experience	-	15,110
Changes in Assumptions	4,366	18,586
Net Differences Between Projected and Actual Earning on Plan Investments	-	42,523
Changes in Proportionate Share	-	75,128
Total	$ 11,822	$ 151,347

The amount of $7,456 reported for the year ended December 31, 2022 as deferred inflow of resources related to OPEB resulting from Home Forward contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended December 31, 2023. Other amounts reported as deferred outflow and inflow of resources related to OPEB will be recognized in Home Forward's OPEB expense as follows:

Year Ending December 31,	Deferred Outflows (Inflows) of Resources
2023	$ (88,954)
2024	(44,812)
2025	(26,834)
2026	13,619
Total	$ (146,981)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

NOTE 17 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, 2022 would be if it were calculated using a discount rate that is 1% lower (5.90%) or 1% higher (7.90%) than the current rate:

1% Decrease (5.90%)	Current Rate (6.90%)	1% Increase (7.90%)
$ (502,544)	$ (557,588)	$ (604,774)

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, 2022 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.

NOTE 17 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, 2022, Home Forward reported a total OPEB liability of $890,571 for its implicit benefit subsidy based on a measurement date of December 31, 2022.

The following table shows the changes in the total OPEB liability for the year ended December 31, 2022:

	Total OPEB Liability
Balance - Beginning of Year	$ 986,736
Benefit Payments	(32,264)
Service Cost	64,555
Interest on Total OPEB Liability	20,577
Change in Assumptions	(189,381)
Experience (Gain) Loss	40,348
Balance - End of Year	$ 890,571

For the year ended December 31, 2022, Home Forward recognized OPEB revenue of $38,903 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	$ 36,808	$ 155,349
Changes of Assumptions or Other Inputs	89,872	501,932
Total	$ 126,680	$ 657,281

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

Year Ending December 31,	Deferred Inflows of Resources - OPEB HBRP
2023	$ (91,770)
2024	(91,770)
2025	(91,770)
2026	(91,163)
2027	(61,708)
2028	(46,924)
All Subsequent Years	(55,496)
Total	$ (530,601)

NOTE 17 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, 2022. Rates of mortality, retirement, and withdrawal are the same rates that were used in the December 31, 2022 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 2022.

Valuation Date:	December 31, 2022
Measurement Date:	December 31, 2022
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market value of assets
Interest Discount Rate:	3.72% per year
Kaiser Medical Cost Annual Trend Rate:	5% in all future years.
Providence Medical Cost Annual Trend Rate:	6% initial increase, reducing to 5% over 2 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 3.72% discount rate assumption is the December 31, 2022 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, 2022 would be if it were calculated using a discount rate that is 1% lower (2.72%) or 1% higher (4.72%) than the current rate:

1% Decrease (2.72%)	Current Rate (3.72%)	1% Increase (4.72%)
$ 959,430	$ 890,571	$ 826,654

NOTE 17 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, 2022 would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current health care cost trend rates.

1% Decrease	Current Rate	1% Increase
$ 803,350	$ 890,571	$ 992,772

NOTE 18 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 $20,500 or 100% of includable compensation. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. This plan is administered by a third party and is not included in Home Forward's basic financial statements.

NOTE 19 BLENDED COMPONENT UNITS

The condensed statements of net position of the blended component units are as follows as of December 31, 2022 :

	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	39,051,062	-	-	-	-
Capital Assets	-	-	-	7,060,650	4,269,550
Total Assets	$ 45,614,020	$ 1,000,006	$ 15,977	$ 8,368,586	$ 5,016,713
Liabilities					
Current Liabilities	$ 32,733	$ -	$ -	$ 226,798	$ 500,553
Noncurrent Liabilities	-	-	-	8,747,477	4,473,219
Total Liabilities	32,733	-	-	8,974,275	4,973,772
Net Position					
Restricted	-	89,994	-	442,610	-
Unrestricted	45,581,287	910,012	15,977	(1,048,299)	42,941
Total Net Position	45,581,287	1,000,006	15,977	(605,689)	42,941
Total Liabilities and Net Position	$ 45,614,020	$ 1,000,006	$ 15,977	$ 8,368,586	$ 5,016,713

NOTE 19 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, 2022:

	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	700,000	-	33,788	8,640	20,636
Total Operating Revenues	700,000	-	283,788	1,021,882	1,587,128
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	1,620,975	-	267,862	831,053	1,551,617
Operating Income (Loss)	(920,975)	-	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)	1,034,283	6	51	(129,770)	(257,961)
Income/Loss before Capital Contributions	113,308	6	15,977	61,059	(222,450)
Capital Contributions					
Other Nonoperating Contributions	-	1,000,000	-	(34,010)	-
Increase (Decrease) in Net Position	113,308	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	$ 45,581,287	$ 1,000,006	$ 15,977	$ (605,689)	$ 42,941

NOTE 19 BLENDED COMPONENT UNITS (CONTINUED)

The condensed statements 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	23,489	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	5,627	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	15,978	138,258	(256,488)
Cash and Cash Equivalents - Beginning of Year	5,269,791	-	-	1,121,248	912,286
Cash and Cash Equivalents - End of Year	$ 4,684,602	$ 597,706	$ 15,978	$ 1,259,506	$ 655,798

NOTE 20 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, 2022 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	$ 95,401,066	$ 74,473,278	$ 22,850,126	$ 11,177,263	$ 14,319,995	$ 20,231,696	$ 12,382,212
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	$ 95,401,066	$ 74,473,278	$ 22,850,126	$ 11,177,263	$ 14,319,995	$ 20,231,696	$ 12,382,212
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	$ (5,104,072)	$ (327,876)	$ (8,791,294)	$ 5,866,909	$ (1,767,706)	$ (1,218,834)	$ 1,137,430

NOTE 20 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	$ 24,061,554	$ 10,109,449	$ 18,468,443	$ 7,766,711	$ 49,306,339	$ 56,928,713	$ 3,342,941
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	$ 24,061,554	$ 10,109,449	$ 18,468,443	$ 7,766,711	$ 49,306,339	$ 56,928,713	$ 3,342,941
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)	(20,737)	(279,325)	(529,256)	(304,498)	(285,665)	(1,025,310)	(358,165)
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	(52,091)	(371,232)	(650,108)	(311,875)	(1,256,414)	(2,168,022)	(461,881)
Capital Contributions	-	-	-	-	-	-	-
Change in Net Position	(52,091)	(371,232)	(650,108)	(311,875)	(1,256,414)	(2,168,022)	(461,881)
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	$ 19,852,194	$ 5,635,639	$ 1,430,517	$ 6,437,275	$ 14,479,664	$ 13,540,594	$ (66,517)

NOTE 20 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	$ 9,749,270	$ 10,486,345	$ 16,780,962	$ 64,545,952	$ 16,543,037	$ 538,925,352
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	$ 9,749,270	$ 10,486,345	$ 16,780,962	$ 64,545,952	$ 16,543,037	$ 538,925,352
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	$ (4,418,628)	$ 1,594,255	$ 4,308,597	$ 3,881,523	$ 1,374,350	$ 57,844,020

NOTE 20 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, 2022:

	Balance 12/31/21	Additions and Transfers In	Disposals and Transfers Out	Balance 12/31/2022
Land	$ 16,379,876	$ 35,134,146		$ 51,514,022
Construction in Progress	59,554,955	221,144	(24,733)	59,751,366
Total Capital Assets not Being Depreciated	75,934,831	35,355,290	(24,733)	111,265,388
Buildings and Improvements	587,651,175	70,552,322	(78,904,547)	579,298,951
Capital Lease	40,260,000	-		40,260,000
Equipment	20,601,675	2,102,654	(2,087,606)	20,616,723
Total	648,512,850	72,654,976	(80,992,153)	640,175,674
Less: Accumulated Depreciation	(180,563,152)	(18,982,445)	51,450,686	(148,094,911)
Total Capital Assets Being Depreciated	467,949,698	53,672,531	(29,541,467)	492,080,763
Total Capital Assets, Net	$ 543,884,529	$ 89,027,821	$ (29,566,200)	$ 603,346,150

Summarized Notes Payable – Discretely Presented Component Units

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

	December 31, 2022
Notes payable - General Partner	$ 213,749,085
Mortgages and other housing related notes	278,984,542
Total	492,733,627
Less current portion	$ (2,236,643)
Noncurrent portion	$ 490,496,984

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

Balance January 1, 2022	Increase	Decrease	Balance December 31, 2022
$ 433,802,719	$ 108,569,087	$ (51,874,822)	$ 490,496,985

NOTE 21 COMMITMENTS AND CONTINGENCIES

Leases
At December 31, 2022, Home Forward has approximately 11,420 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, 2022 was approximately $118,321,906. These leases are not subject to GASB 87 , *Leases*.

Construction Commitments
As of December 31, 2022, Home Forward had construction commitments of approximately $87,143,325.

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 2023 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 $3,134,956.

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, 2022, no additional liability existed relating to excess operating deficits for any of the partnerships.

NOTE 22 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.

NOTE 22 RISK MANAGEMENT (CONTINUED)

Marsh's comprehensive insurance provides coverage for 2,504 affordable units, 1 New Market West property, 463 public housing units, 222 special needs units, 1 parcel of land being held for future development, and 50 vehicles. It also includes actions by Home Forward employees, directors, officers and departments. This does not include the 497 units Home Forward's Asset Management manages as part of our inter-governmental agreement with the City of Portland.

Marsh coverage as of December 31, 2022, includes:

Liabilities	Deductible	Coverage
Property/Earthquake/Flood/Business Interruption	$ 100,000	$ 100,000,000
Boiler/Machinery/Equipment	5,000	100,000,000
General Liability	250,000	2,000,000
Automobile	250,000	2,000,000
Professional Liability	250,000	2,000,000
Umbrella Liability	-	10,000,000
Public Officials Liability	100,000	2,000,000
Fidelity and Crime	25,000	1,000,000
Special Risks	-	1,000,000
Cyber Liability	150,000	1,000,000
Lloyds/Roanoke Property Terrorism	10,000	50,000,000

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

Settlements have not exceeded coverage during the last three years. Home Forward has one liability claim as of December 31, 2022.

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

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

This captive will allow Home Forward to provide insurance coverage to itself and its related entities, reduce its exposure in the retail insurance market, and gain access to reinsurance markets. It will also allow Home Forward to build insurance reserves to support its ability to retain more risk. The captive was initially structured to provide only property related coverage but on January 1, 2022 also began to provide general liability, auto liability, and Errors & Omissions insurance coverage. We continue to explore additional types of insurance for future policy years.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST NINE 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, 2022	0.18449827 %	$ 28,250,387	$ 26,324,526	107.32 %	84.50 %
December 31, 2021	0.15246390	18,244,562	23,403,663	77.96	87.60
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, 2022	$ 5,414,178	$ 5,414,178	-	$ 26,324,526	20.57%
December 31, 2021	3,387,161	3,387,161	-	23,403,663	14.47
December 31, 2020	2,758,006	2,758,006	-	22,943,155	12.02
December 31, 2019	2,044,769	2,044,769	-	18,423,720	11.10
December 31, 2018**	1,846,617	1,846,617	-	17,367,082	10.63
March 31, 2018	1,755,769	1,755,769	-	17,227,380	10.19
March 31, 2017	1,476,588	1,476,588	-	17,299,181	8.54
March 31, 2016	1,465,817	1,465,817	-	17,560,069	8.35
March 31, 2015	1,565,938	1,565,938	-	16,954,319	9.24

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

*Fiscal year ended March 31, 2015 was the first year of implementation of GASB Statement No. 68, therefore, only nine 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.

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, 2022	0.15691889 %	$ 557,588	$ 26,324,526	2.12 %
June 30, 2021	0.11964643	410,866	23,403,663	1.76
June 30, 2020	0.08330245	169,736	22,943,155	0.74
June 30, 2019	0.14722967	284,501	18,423,720	1.54
June 30, 2018	0.13862370	154,742	17,367,082	0.89
June 30, 2017	0.14138662	59,006	17,227,380	0.34

Schedule of OPEB Contributions*

Year Ended	(a) Contractually Required Contribution**	(b) Contributions in Relation to the Contractually Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) Covered Payroll	(b/c) Percentage of Covered Payroll
December 31, 2022	$ 27,301	$ 27,301	$ -	$ 26,324,526	0.26 %
December 31, 2021	67,196	67,196	-	23,403,663	0.29
December 31, 2020	61,211	61,211	-	22,943,155	0.27
December 31, 2019	73,049	73,049	-	18,423,720	0.40
December 31, 2018***	66,536	66,536	-	17,367,082	0.38
March 31, 2018	109,892	109,892	-	17,227,380	0.64

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of changes in net OPEB asset and related ratios and schedule of OPEB contributions are presented in accordance with GASB Statement No. 75's reporting requirement. Fiscal year ended March 31, 2018 was the first year of implementation of GASB Statement No. 75, therefore, only six 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 SIX 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, 2022***	December 31, 2021***	December 31, 2020***	December 31, 2019***	December 31, 2018***	March 31, 2018***
Beginning of Year - January 1	$ 986,736	$ 932,648	$ 887,379	$ 900,487	$ 1,415,327	$ 1,384,796
Benefit Payments	(32,264)	(48,271)	(60,911)	(98,600)	(66,832)	67,210
Service Cost	64,555	83,100	80,290	50,593	36,662	51,747
Interest on Total OPEB Liability	20,577	19,259	18,167	34,899	42,494	(58,362)
Change in Assumptions	(189,381)	-	119,179	-	(512,048)	(15,894)
Experience (Gain) Loss	40,348	-	(111,456)	-	(15,116)	(14,170)
Total Changes	(96,165)	54,088	45,269	(13,108)	(514,840)	30,531
End of Year - December 31	$ 890,571	$ 986,736	$ 932,648	$ 887,379	$ 900,487	$ 1,415,327
Covered Payroll**	$ 26,324,526	$ 23,403,663	$ 22,943,155	$ 17,030,216	$ 16,454,315	$ 15,368,318
Total Liability as a Percentage of its Covered Payroll	3.38%	4.22%	4.07%	5.21%	5.47%	9.21%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of changes in OPEB liability and related ratios is presented in accordance with GASB Statement No. 75's reporting requirement. Fiscal year ended March 31, 2018 was the first year of implementation of GASB Statement No. 75, therefore, only six 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

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING
DECEMBER 31, 2022

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	St. Francis	Ainsworth Court
ASSETS AND DEFERRED OUTFLOWS											
CURRENT ASSETS											
Cash and Cash Equivalents	$ 2,667,927	$ 752,956	$ 746,456	$ 2,082,007	$ 97,726	$ 4,358	$ 33,154	$ 553,245	$ 441,873	$ 322,027	$ 357,718
Cash and Cash Equivalents - Restricted	48,397	210,508	11,638	75,333	181,354	706,629	533,507	1,719,501	1,159,646	923,823	804,296
Accounts Receivable, Net	2,812,954	23,749	1,386,887	1,469,069	5,044	5,045	28,086	50,178	37,746	2,836	388,680
Prepaid Expenses	-	-	-	340	290	43,411	651	6,938	3,760	15,949	2,064
Total Current Assets	5,529,278	987,213	2,144,981	3,626,749	284,414	759,443	595,398	2,329,862	1,643,025	1,264,635	1,552,758
NONCURRENT ASSETS											
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-	-
Capital Assets not being Depreciated	157,489	579,600	731,732	140,332	292,240	432,880	138,456	952,468	572,089	1,046,424	1,115,635
Capital Assets being Depreciated, Net	333,899	1,835,945	921,921	424,097	1,507,566	1,604,168	160,665	1,055,111	1,616,310	5,681,182	852,139
Total Noncurrent Assets	491,388	2,415,545	1,653,653	564,429	1,799,806	2,037,048	299,121	2,007,579	2,188,399	6,727,606	1,967,774
Total Assets	$ 6,020,666	$ 3,402,758	$ 3,798,634	$ 4,191,178	$ 2,084,220	$ 2,796,491	$ 894,519	$ 4,337,441	$ 3,831,424	$ 7,992,241	$ 3,520,532
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
Accounts Payable	$ 20,982	$ 53,706	$ 33,026	$ 14,384	$ 87,398	$ 240,850	$ 279,023	$ 73,697	$ 68,052	$ 4,850	$ 14,202
Accrued Interest Payable	-	4,694	-	-	3,049	1,744,644	3,610	370,782	1,678,635	87,350	6,725
Other Accrued Liabilities	12,375	-	7,792	9,000	-	-	303,450	101,000	-	-	-
Deferred Revenue	15,242	4,542	13,599	18,606	9,625	26,239	19,124	54,358	41,688	36,538	13,351
Deposits, Payable from Restricted Assets	16,028	6,535	11,638	15,950	12,544	21,530	20,466	76,397	66,219	30,940	41,415
Current Portion of Notes and Bonds Payable	-	62,291	-	-	65,394	11,352	134,607	460,270	95,000	75,619	111,988
Total Current Liabilities	64,627	131,768	66,055	57,940	178,010	2,044,615	760,280	1,136,504	1,949,594	235,297	187,681
NONCURRENT LIABILITIES											
Notes Payable	-	964,184	-	-	2,085,788	2,092,284	-	218,664	2,664,000	8,551,615	2,671,747
Bonds Payable	-	-	-	-	-	-	508,373	1,700,000	3,275,000	-	-
Total Noncurrent Liabilities	-	964,184	-	-	2,085,788	2,092,284	508,373	1,918,664	5,939,000	8,551,615	2,671,747
Total Liabilities	64,627	1,095,952	66,055	57,940	2,263,798	4,136,899	1,268,653	3,055,168	7,888,594	8,786,912	2,859,428
NET POSITION	5,956,039	2,306,806	3,732,579	4,133,238	(179,578)	(1,340,408)	(374,134)	1,282,273	(4,057,170)	(794,671)	661,104
Total Liabilities and Net Position	$ 6,020,666	$ 3,402,758	$ 3,798,634	$ 4,191,178	$ 2,084,220	$ 2,796,491	$ 894,519	$ 4,337,441	$ 3,831,424	$ 7,992,241	$ 3,520,532

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2022

	Fairviews	Rockwood Station	Willow Tree	The Alexis	Ash Creek	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial	Commercial Space at Lloyd Housing	Yards at Union Station
ASSETS AND DEFERRED OUTFLOWS											
CURRENT ASSETS											
Cash and Cash Equivalents	$ 7,726,582	$ 4,456,733	$ 19,862	$ 297,110	$ 203,246	$ 349,828	$ 109,318	$ 103,891	$ 62,823	$ 143	$ 321,252
Cash and Cash Equivalents - Restricted	2,313,236	1,330,366	234,756	178,603	136,713	104,287	210,562	138,308	-	-	1,005,861
Accounts Receivable, Net	60,316	88,282	36	61,283	1,125	45,687	21,921	4,603	-	176	60,463
Prepaid Expenses	-	-	629	-	43	-	3,543	630	153	-	10,968
Total Current Assets	10,100,134	5,875,381	255,283	536,996	341,127	499,802	345,344	247,432	62,976	319	1,398,544
NONCURRENT ASSETS											
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-	3,610
Capital Assets not being Depreciated	964,307	702,000	162,767	465,000	363,581	899,618	285,850	188,664	-	14,155	671,000
Capital Assets being Depreciated, Net	9,635,168	3,117,629	739,768	6,637,828	760,774	1,324,075	1,475,969	629,946	17,068	1,630,825	1,238,986
Total Noncurrent Assets	10,599,475	3,819,629	902,535	7,102,828	1,124,355	2,223,693	1,761,819	818,610	17,068	1,644,980	1,913,596
Total Assets	$ 20,699,609	$ 9,695,010	$ 1,157,818	$ 7,639,824	$ 1,465,482	$ 2,723,495	$ 2,107,163	$ 1,066,042	$ 80,044	$ 1,645,299	$ 3,312,140
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
Accounts Payable	$ 1,895,018	$ 1,097,737	$ 4,320	$ 312,957	$ 72,081	$ 523,893	$ 135,721	$ 26,422	$ 66,267	$ 14,956	$ 39,908
Accrued Interest Payable	25,305	10,457	1,711	11,883	4,623	359	2,048,402	701	-	-	22,584
Other Accrued Liabilities	(13,357)	-	-	-	-	1,110,328	125,000	28	-	-	-
Deferred Revenue	81,095	147,953	847	84,072	7,972	70,382	16,739	4,251	2,335	-	13,783
Deposits, Payable from Restricted Assets	206,071	109,530	4,800	16,178	7,836	9,148	31,656	5,400	-	-	64,014
Current Portion of Notes and Bonds Payable	281,692	134,610	26,379	97,697	96,281	36,876	-	29,548	-	-	430,912
Total Current Liabilities	2,475,824	1,500,287	38,057	522,787	188,793	1,750,986	2,357,518	66,350	68,602	14,956	571,201
NONCURRENT LIABILITIES											
Notes Payable	9,674,398	3,934,397	554,747	4,866,299	1,266,376	755,595	1,960,936	496,192	-	-	426,638
Bonds Payable	-	-	-	-	-	-	-	-	-	-	2,405,000
Total Noncurrent Liabilities	9,674,398	3,934,397	554,747	4,866,299	1,266,376	755,595	1,960,936	496,192	-	-	2,831,638
Total Liabilities	12,150,222	5,434,684	592,804	5,389,086	1,455,169	2,506,581	4,318,454	562,542	68,602	14,956	3,402,839
NET POSITION	8,549,387	4,260,326	565,014	2,250,738	10,313	216,914	(2,211,291)	503,500	11,442	1,630,343	(90,699)
Total Liabilities and Net Position	$ 20,699,609	$ 9,695,010	$ 1,157,818	$ 7,639,824	$ 1,465,482	$ 2,723,495	$ 2,107,163	$ 1,066,042	$ 80,044	$ 1,645,299	$ 3,312,140

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2022

	Rockwood Landing	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Dekum Court	Cora Park Apartments	Chateau Apartments	East Area A Scattered Sites	Totals
ASSETS AND DEFERRED OUTFLOWS											
CURRENT ASSETS											
Cash and Cash Equivalents	$ 115,618	$ 112,526	$ 109,072	$ 126,000	$ 306,466	$ -	$ 32,021	$ 128,227	$ 122,375	$ 103,551	$ 22,866,091
Cash and Cash Equivalents - Restricted	152,458	1,308,829	178,066	82,660	1,618,327	-	21,693	-	-	-	15,389,357
Accounts Receivable, Net	8,902	9,533	12,890	4,909	75,378	-	-	-	-	-	6,665,778
Prepaid Expenses	-	13,343	613	307	30,961	-	-	-	-	-	134,593
Total Current Assets	276,978	1,444,231	300,641	213,876	2,031,132	-	53,714	128,227	122,375	103,551	45,055,819
NONCURRENT ASSETS											
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-	3,610
Capital Assets not being Depreciated	225,000	406,124	448,845	90,000	1,997,915	-	-	17,000	-	-	14,061,171
Capital Assets being Depreciated, Net	882,965	3,216,849	1,765,586	748,069	7,730,536	-	-	-	-	-	57,545,044
Total Noncurrent Assets	1,107,965	3,622,973	2,214,431	838,069	9,728,451	-	-	17,000	-	-	71,609,825
Total Assets	$ 1,384,943	$ 5,067,204	$ 2,515,072	$ 1,051,945	$ 11,759,583	$ -	$ 53,714	$ 145,227	$ 122,375	$ 103,551	$ 116,665,644
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
Accounts Payable	$ 21,486	$ 74,289	$ 225,707	$ 333,672	$ 135,877	$ -	$ 64,251	$ 38,373	$ 14,660	$ 5,285	$ 5,993,050
Accrued Interest Payable	844	60,698	113,397	1,179	115,743	-	-	-	-	-	6,317,375
Other Accrued Liabilities	-	-	28	-	-	842,640	92,122	1,265	10,197	5,401	2,607,269
Deferred Revenue	25,427	64,240	15,306	6,505	48,607	-	1,384	(364)	(972)	(814)	841,660
Deposits, Payable from Restricted Assets	16,346	51,387	13,572	775	104,860	-	20,595	(202)	-	-	981,628
Current Portion of Notes and Bonds Payable	39,396	135,691	72,778	23,498	746,069	-	-	-	-	-	3,167,948
Total Current Liabilities	103,499	386,305	440,788	365,629	1,151,156	842,640	178,352	39,072	23,885	9,872	19,908,930
NONCURRENT LIABILITIES											
Notes Payable	361,731	2,421,247	1,271,216	1,203,862	1,426,677	-	-	-	-	-	49,868,593
Bonds Payable	-	2,815,000	-	-	6,321,741	-	-	-	-	-	17,025,114
Total Noncurrent Liabilities	361,731	5,236,247	1,271,216	1,203,862	7,748,418	-	-	-	-	-	66,893,707
Total Liabilities	465,230	5,622,552	1,712,004	1,569,491	8,899,574	842,640	178,352	39,072	23,885	9,872	86,802,637
NET POSITION	919,713	(555,348)	803,068	(517,546)	2,860,009	(842,640)	(124,638)	106,155	98,490	93,679	29,863,007
Total Liabilities and Net Position	$ 1,384,943	$ 5,067,204	$ 2,515,072	$ 1,051,945	$ 11,759,583	$ -	$ 53,714	$ 145,227	$ 122,375	$ 103,551	$ 116,665,644

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING
YEAR ENDED DECEMBER 31, 2022

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	St. Francis	Ainsworth Court
OPERATING REVENUES											
Dwelling Rental	$ 1,014,317	$ 444,697	$ 830,404	$ 984,372	$ 310,274	$ 497,088	$ 707,467	$ 1,838,145	$ 1,148,550	$ 918,378	$ 889,924
Nondwelling Rental	32,907	-	96,795	1,046	823	137,406	893	18,485	6,682	139,915	2,279
HUD Operating Subsidies	-	299,201	360	400	-	-	-	-	-	-	-
HUD grants	-	14,927	4,939	449	-	-	-	30,503	4,490	-	898
State, Local, and Other Grants	-	-	-	-	-	-	-	-	-	-	-
Other	6,110	4,494	18,984	8,323	1,955	21,818	22,532	42,836	5,920	43,087	6,830
Total Operating Revenues	1,053,334	763,319	951,482	994,590	313,052	656,312	730,892	1,929,969	1,165,642	1,101,380	899,931
OPERATING EXPENSES											
Housing Assistance Payments	$ 248	$ -	$ -	$ 663	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Administration	202,362	66,665	215,801	194,588	52,081	419,254	232,074	492,130	439,230	290,384	119,414
Financing Costs	-	-	-	-	-	9,194	-	-	-	-	-
Program Expense	28,701	55,993	9,173	57,119	-	3,934	6,589	11,391	20,300	-	-
Tenant Services	-	927	-	-	900	7,333	7,200	121	-	-	-
Utilities	120,167	98,224	148,067	97,596	47,171	135,509	85,606	210,057	173,802	167,805	95,003
Maintenance	137,677	182,198	233,394	127,198	84,120	344,213	276,401	507,801	266,862	246,183	138,466
Depreciation	25,923	185,399	73,928	65,947	72,144	118,112	145,202	389,602	310,387	187,349	159,354
General and Other	61,231	12,197	14,947	46,735	13,769	119,596	69,604	163,526	49,873	138,765	32,936
Total Operating Expenses	576,309	601,603	695,310	589,846	270,185	1,157,145	822,676	1,774,628	1,260,454	1,030,486	545,173
OPERATING INCOME (LOSS)	477,025	161,716	256,172	404,744	42,867	(500,833)	(91,784)	155,341	(94,812)	70,894	354,758
NONOPERATING REVENUES (EXPENSES)											
Investment Income	$ 2,407	$ 3,736	$ 1,121	$ 14,510	$ 163	$ 2,806	$ 3,651	$ 22,772	$ 5,204	$ 631	$ 1,074
Interest Expense	-	(56,721)	-	-	(37,727)	(64,048)	(19,370)	(108,802)	(220,200)	(125,813)	(85,868)
Equity Transfer	-	-	-	-	-	-	-	-	-	-	-
Loss on Sale of Assets	-	-	-	-	-	-	(130)	(3,778)	(12,648)	(7,724)	-
Total Nonoperating Revenues (Expenses)	2,407	(52,985)	1,121	14,510	(37,564)	(61,242)	(15,849)	(89,808)	(227,644)	(132,906)	(84,794)
CAPITAL CONTRIBUTIONS											
Other Nonoperating Contributions	521	-	2,607	-	-	399,937	(1,121)	85,000	-	4,693	(197,679)
Total Capital Contributions	521	-	2,607	-	-	399,937	(1,121)	85,000	-	4,693	(197,679)
INCREASE (DECREASE) IN NET POSITION	479,953	108,731	259,900	419,254	5,303	(162,138)	(108,754)	150,533	(322,456)	(57,319)	72,285
Net Position - Beginning of Year	5,476,086	2,198,075	3,472,679	3,713,984	(184,881)	(1,178,270)	(265,380)	1,131,740	(3,734,714)	(737,352)	588,819
NET POSITION - END OF YEAR	$ 5,956,039	$ 2,306,806	$ 3,732,579	$ 4,133,238	$ (179,578)	$ (1,340,408)	$ (374,134)	$ 1,282,273	$ (4,057,170)	$ (794,671)	$ 661,104

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Fairviews	Rockwood Station	Willow Tree	The Alexis	Ash Creek	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial	Commercial Space at Lloyd Housing	Yards at Union Station
OPERATING REVENUES											
Dwelling Rental	$ 4,547,494	$ 2,503,222	$ 211,666	$ 527,492	$ 419,737	$ 218,403	$ 582,402	$ 186,709	$ -	$ -	$ 1,502,581
Nondwelling Rental	36,138	28,545	12,086	5,024	-	54,581	1,240	267	55,373	-	-
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	-	-
HUD grants	-	13,629	1,947	-	-	-	2,694	649	-	-	9,429
State, Local, and Other Grants	-	-	-	-	-	-	-	-	-	-	-
Other	64,219	11,442	5,392	51,753	4,131	211	77,722	1,341	66,059	-	36,789
Total Operating Revenues	4,647,851	2,556,838	231,091	584,269	423,868	273,195	664,058	188,966	121,432	-	1,548,799
OPERATING EXPENSES											
Housing Assistance Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Administration	522,634	338,181	58,265	57,903	57,526	58,273	224,987	50,743	6,341	-	392,235
Financing Costs	-	-	-	-	-	-	-	-	-	-	-
Program Expense	-	1,325	-	1,349	-	27,067	11,832	-	-	-	27,528
Tenant Services	-	-	-	-	-	-	-	-	-	-	-
Utilities	430,048	232,092	29,926	100,921	87,228	81,682	158,139	36,889	61,305	-	159,508
Maintenance	676,966	442,846	58,561	90,376	51,774	85,176	330,166	139,572	19,912	-	435,101
Depreciation	893,766	409,047	112,520	185,479	113,188	68,325	135,276	88,300	1,493	54,385	414,143
General and Other	324,576	147,284	9,895	48,544	11,456	27,047	127,294	10,230	4,788	-	145,635
Total Operating Expenses	2,847,990	1,570,775	269,167	484,572	321,172	347,570	987,694	325,734	93,839	54,385	1,574,150
OPERATING INCOME (LOSS)	1,799,861	986,063	(38,076)	99,697	102,696	(74,375)	(323,636)	(136,768)	27,593	(54,385)	(25,351)
NONOPERATING REVENUES (EXPENSES)											
Investment Income	$ 39,702	$ 37,088	$ 134	$ 786	$ 466	$ 9	$ 229	$ 26	$ -	$ 1	$ 22,600
Interest Expense	(307,501)	(127,579)	(21,046)	(141,138)	(56,121)	(4,557)	(82,035)	(9,039)	-	-	(147,995)
Equity Transfer	-	-	-	66,000	-	-	-	-	-	-	70,000
Loss on Sale of Assets	-	(3,224)	-	-	-	(115,940)	-	(29,574)	-	-	-
Total Nonoperating Revenues (Expenses)	(267,799)	(93,715)	(20,912)	(74,352)	(55,655)	(120,488)	(81,806)	(38,587)	-	1	(55,395)
CAPITAL CONTRIBUTIONS											
Other Nonoperating Contributions	-	-	-	-	(24,264)	255,888	-	33,317	-	7,003	327,132
Total Capital Contributions	-	-	-	-	(24,264)	255,888	-	33,317	-	7,003	327,132
INCREASE (DECREASE) IN NET POSITION	1,532,062	892,348	(58,988)	25,345	22,777	61,025	(405,442)	(142,038)	27,593	(47,381)	246,386
Net Position - Beginning of Year	7,017,325	3,367,978	624,002	2,225,393	(12,464)	155,889	(1,805,849)	645,538	(16,151)	1,677,724	(337,085)
NET POSITION - END OF YEAR	$ 8,549,387	$ 4,260,326	$ 565,014	$ 2,250,738	$ 10,313	$ 216,914	$ (2,211,291)	$ 503,500	$ 11,442	$ 1,630,343	$ (90,699)

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Rockwood Landing	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Dekum Court	Cora Park Apartments	Chateau Apartments	East Area A Scattered Sites	Totals
OPERATING REVENUES											
Dwelling Rental	$ 277,639	$ 1,230,588	$ 544,275	$ 144,662	$ 2,002,851	$ -	$ 222,353	$ 140,883	$ 118,539	$ 107,405	$ 25,072,517
Nondwelling Rental	-	54,979	2	160	232,411	-	-	-	-	-	918,037
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	-	299,961
HUD grants	10,327	14,368	-	-	898	-	2,596	19,495	18,344	14,870	165,452
State, Local, and Other Grants	-	-	-	-	-	-	-	-	-	-	-
Other	8,025	14,847	14,042	5,464	76,508	-	(102)	1,316	506	-	622,554
Total Operating Revenues	295,991	1,314,782	558,319	150,286	2,312,668	-	224,847	161,694	137,389	122,275	27,078,521
OPERATING EXPENSES											
Housing Assistance Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 911
Administration	56,866	384,022	106,937	30,925	397,395	-	16,974	819	(13)	19	5,485,015
Financing Costs	-	-	-	-	-	-	-	-	-	-	9,194
Program Expense	29	-	-	-	15,313	-	35,740	2,120	5,931	3,954	325,388
Tenant Services	-	-	11,094	177	-	-	145,378	22,957	6,543	-	202,630
Utilities	77,796	244,463	138,695	21,173	241,651	-	66,953	19,395	11,340	14,712	3,592,923
Maintenance	82,018	414,752	181,923	45,091	392,156	-	76,802	10,228	14,835	9,467	6,102,235
Depreciation	164,439	205,145	58,044	44,358	285,529	-	-	-	-	-	4,966,784
General and Other	24,398	83,841	39,469	7,213	177,958	-	7,638	541	263	444	1,921,693
Total Operating Expenses	405,546	1,332,223	536,162	148,937	1,510,002	-	349,485	56,060	38,899	28,596	22,606,773
OPERATING INCOME (LOSS)	(109,555)	(17,441)	22,157	1,349	802,666	-	(124,638)	105,634	98,490	93,679	4,471,748
NONOPERATING REVENUES (EXPENSES)											
Investment Income	$ 69	$ 4,564	$ 171	$ 77	$ 33,916	$ -	$ -	$ -	$ -	$ -	$ 197,913
Interest Expense	(10,870)	(132,884)	(72,886)	(14,655)	(324,632)	-	-	-	-	-	(2,171,487)
Equity Transfer	-	-	-	-	-	-	-	-	-	-	136,000
Loss on Sale of Assets	-	-	-	-	-	-	-	-	-	-	(173,018)
Total Nonoperating Revenues (Expenses)	(10,801)	(128,320)	(72,715)	(14,578)	(290,716)	-	-	-	-	-	(2,010,592)
CAPITAL CONTRIBUTIONS											
Other Nonoperating Contributions	-	(74,683)	40,129	-	(59,982)	-	-	521	-	-	799,019
Total Capital Contributions	-	(74,683)	40,129	-	(59,982)	-	-	521	-	-	799,019
INCREASE (DECREASE) IN NET POSITION	(120,356)	(220,444)	(10,429)	(13,229)	451,968	-	(124,638)	106,155	98,490	93,679	3,260,175
Net Position - Beginning of Year	1,040,069	(334,904)	813,497	(504,317)	2,408,041	(842,640)	-	-	-	-	26,602,832
NET POSITION - END OF YEAR	$ 919,713	$ (555,348)	$ 803,068	$ (517,546)	$ 2,860,009	$ (842,640)	$ (124,638)	$ 106,155	$ 98,490	$ 93,679	$ 29,863,007

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – SPECIAL NEEDS HOUSING
DECEMBER 31, 2022

	Carriage Hill	Project Open Door	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 3,642	$ 10,800	14,442
Cash and Cash Equivalents - Restricted	6,751	101,961	108,712
Accounts Receivable Net	305	789	1,094
Total Current Assets	10,698	113,550	124,248
NONCURRENT ASSETS			
Capital Assets not being Depreciated	75,424	71,104	146,528
Capital Assets being Depreciated, Net	201,563	265,551	467,114
Total Noncurrent Assets	276,987	336,655	613,642
Total Assets	$ 287,685	$ 450,205	$ 737,890
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	$ 11,279	$ 3,715	$ 14,994
Accrued Interest Payable	54	73	127
Other Accrued Liabilities	18,626	47,396	66,022
Unearned Revenue	2,097	4,167	6,264
Deposits, Payable from Restricted Assets	175	1,382	1,557
Current Portion of Notes and Bond Payable	1,960	17,377	19,337
Total Current Liabilities	34,191	74,110	108,301
NONCURRENT LIABILITIES			
Notes Payable	198,329	69,757	268,086
Total Liabilities	232,520	143,867	376,387
NET POSITION	55,165	306,338	361,503
Total Liabilities and Net Position	$ 287,685	$ 450,205	$ 737,890

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – SPECIAL NEEDS HOUSING
YEAR ENDED DECEMBER 31, 2022

	Carriage Hill	Project Open Door	Total
OPERATING REVENUES			
Dwelling Rental	$ 33,386	$ 66,779	$ 100,165
Other	-	-	-
Total Operating Revenues	33,386	66,779	100,165
OPERATING EXPENSES			
Administration	118	4,645	4,764
Program Expense	4,903	14,046	18,949
Tenant Services	-	362	362
Utilities	8,857	22,980	31,837
Maintenance	29,118	53,824	82,942
Depreciation	12,389	20,561	32,950
General and Other	5,278	19,221	24,499
Total Operating Expenses	60,663	135,639	196,303
OPERATING LOSS	(27,277)	(68,860)	(96,138)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	$ 317	$ 810	$ 1,127
Interest Expense	(931)	(1,038)	(1,969)
Total Nonoperating Revenues (Expenses)	(614)	(228)	(842)
DECREASE IN NET POSITION	(27,891)	(69,088)	(96,979)
Net Position - Beginning of Year	$ 83,056	$ 375,426	$ 458,482
NET POSITION - END OF YEAR	$ 55,165	$ 306,338	$ 361,503

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, 2022, and the related notes to the financial statements, which collectively comprise Home Forward's basic financial statements, and have issued our report thereon dated August 31, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Minimum Standards for Audits of Oregon Municipal Corporations*. Our auditors' report includes a reference to other auditors. Novogradac & Company LLP and Jones & Roth PC audited the financial statements of the aggregate discretely presented component units. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditors.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

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

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

Purpose of this Report

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

Mandy L. Merchant
CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

MEMORANDUM

To: Board of Commissioners

From: Kandy Sage, Chief Financial Officer
503.802.8585

Jeff Klatke, Treasury & Risk Manager
503.802.8531

Date: August 15, 2023

Subject: Authorize Lending Agreement with Beneficial State Bank
Resolution 23-08-04

The Board of Commissioners authorize Home Forward to agree to replacement lending agreement for the New Market West Property and execute the relevant loan documents for the transaction.

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

BACKGROUND

In 2012 the Board of Commissioners approved a series of Resolutions entering into a bond issuance debt agreement with Wells Fargo in the amount of $4.2 million which was used for capital repairs including seismic upgrades to the New Market West property located at 135 SW Ash Street in Portland in which Home Forward's central offices are located. The bonds were structured as short-term lending which included an associated interest SWAP agreement and an option to extend upon mutual agreement by Home Forward and Wells Fargo. Home Forward and Wells Fargo both opted to extend the bond debt in 2018 and 2021 with the extended period shortened to a two-year term in 2021 with a new maturity date of September 1, 2023.

Prior to the bond loan maturing September 1, Home Forward staff sought to either extend the existing debt instrument or find a suitable replacement loan for the remaining estimated balance of $2.5 million at which time Wells Fargo chose not to renew their option to extend.

OVERVIEW

Staff have sought loan options from a variety of lenders and have found the following terms negotiated with Beneficial State Bank to be the most favorable for a replacement loan on Home Forward's offices at New Market West:

- Principle amount of $2,500,000
- Interest rate of 5-year CMT index + 2.30%, currently 6.35%. Rate is fixed for first 5 years of the agreement. Rate will reset at beginning of year 6 to 5-year CMT index + 2.30% in effect at that time.
- Term of 15 years fully amortized.
- Annual debt service payments of $258,864
- Declining prepayment penalties as time progresses with an option to prepay up to 20% of the principal balance in any 12-month period and full principal balance 120 days prior to the change in the index without penalty.

This new debt obligation will not add any substantial increase to the annual expense of supporting New Market West. Annual debt service payments will increase by $2,500 from $256,302 to $258,864 and will save Home Forward ongoing Legal and Trustee costs that result from the extension of the Bonds and associated interest SWAP agreement.
To complete this transaction, Home Forward must execute routine loan documents and record a 1st deed of trust on the New Market West property.

CONCLUSION

Staff requests the Board of Commissioners approve Resolution 2023-08-xx authorizing the Chief Executive Officer or Chief Financial Officer to execute the proposed lending agreement with Beneficial State Bank.

RESOLUTION 23-08-04

RESOLUTION 23-08-04 AUTHORIZING THE CHIEF EXECUTIVE OFFICER OR CHIEF FINANCIAL OFFICER TO EXECUTE THE PROPOSED LENDING AGREEMENT WITH BENEFICIAL STATE BANK

WHEREAS, the Board of Commissioners approved the Wells Fargo Bond issuance in 2012 (the "Bonds") via Resolutions 2012-10-05, 2012-11-01, and 2012-12-13; and

WHEREAS, the Bonds mature September 1, 2023; and

WHEREAS, Wells Fargo has elected not to extend current bond debt and interest rate SWAP; and

WHEREAS, Beneficial Bank has provided the most favorable loan terms, has prioritized Home Forward's timing needs and have offered a lending agreement that results in similar monthly payments as current Bond debt;

NOW, THEREFORE, BE IT RESOLVED:
The Board has determined that it is in the best interest of Home Forward to execute the lending agreement with Beneficial State Bank and The Chief Executive Officer or Chief Financial Officer is authorized to execute the lending agreement with Beneficial State Bank for New Market West.

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

ADOPTED: AUGUST 15, 2023

Attest:	Home Forward:
Ivory N. Mathews, Secretary	Damien R. Hall, Chair

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homeforward

MEMORANDUM

To: Board of Commissioners

Date: August 15, 2023

From: Christina Dirks
Director of Policy & Planning
503.802.8494

Subject: Authorize Changes to Chapter 3 of the Administrative Plan
Resolution 23-08-05

The Board of Commissioners is requested to authorize changes to Chapter 3 of Home Forward's Administrative Plan.

These actions support Strategic Plan Goal, One System: We leverage our role as the largest provider of affordable housing in Oregon to improve collaboration and efficacy between systems impacting people in poverty.

BACKGROUND

Beginning the summer of 2020, Home Forward began an intensive work group process to evaluate our rent assistance termination policy with a group of Home Forward residents, participants, and staff. That workgroup made a set of policy recommendations related to when Home Forward should terminate a household's Housing Choice Voucher (HCV) for the purpose of reducing racial disparities and promoting housing stability. These recommendations were adopted and implemented through amendments to Chapter 12 and Chapter 16 of Home Forward's Administrative Plan in November 2022 and March 2023 respectively.

Beginning in May 2023, an internal workgroup of Home Forward staff began to meet in order to evaluate our eligibility criteria for the HCV program and develop a set of comprehensive recommendations for policy reform. This evaluation focused on bringing our eligibility criteria into alignment with our new rent assistance termination policy and carrying through the purpose of reducing racial disparities and promoting greater access to the program. After review and approval by leadership, the recommendations of this work group are embodied in the proposed changes to Chapter 3 of the Administrative Plan.

OVERVIEW

Home Forward is making the following changes to the admission criteria outlined in Chapter 3 of the Administrative Plan.

Previous Eviction for Drug Related Criminal Activity

HUD Regulation: PHA must prohibit admission to an applicant for three years from the date of eviction if a household member has been evicted from federally assisted housing for drug-related criminal activity with exception for rehab or changed circumstances.

Current Policy: The PHA will admit an otherwise ineligible family who was evicted from federally-assisted housing within the past three years for drug-related criminal activity, if the PHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the PHA, or the person who committed the crime is no longer living in the household.

Policy Change: Change “the person who committed the crime is no longer living in the household” to “the circumstances which led to eviction no longer exist.” This change allows for the acceptance of a broader range of evidence to demonstrate changed circumstances.

Illegal Drug Use and/or Alcohol Abuse

HUD Regulation: PHA must establish standards that deny admission if the PHA determines that any household member is currently using illegal drugs or a household member's illegal drug use, a pattern of illegal drug use, or alcohol abuse may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Current Policy: Admission will be denied if we determine that an applicant has currently engaged in illegal drug use within the last six months. Admission will be denied if we determine that a household member's illegal drug use, a pattern of illegal drug use, or alcohol abuse may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. Determination may be based on all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest.

Policy Change: We will only deny admission due to illegal drug use and/or alcohol abuse if an applicant has a drug or alcohol related felony conviction within the last 12 months.

Inaction by Applicant

HUD Regulation: PHA must deny an applicant due to a family's failure to sign and submit consent forms or provide evidence of citizenship or eligible immigration status.

Current Policy: Will deny if family does not provide information that the PHA or HUD determines is necessary in the administration of the program.

Policy Change: Add requirement to perform reasonable outreach efforts prior to admission denial.

Incomplete or False Information

HUD Regulation: PHA may deny an applicant if the family does not comply with the Statement of Family Obligations, including that any information supplied by the family must be true and complete.

Current Policy: Will deny if family does not provide complete and true information to the PHA.

Policy Change: No not consider.

Criminal History

HUD Regulation: PHA may deny an applicant for violent criminal activity, drug-related criminal activity, or other criminal activity that would threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Current Policy: Will deny if an applicant has a conviction for Identify Theft within the last 3 years. Will also deny if any evidence, based on convictions, arrests, or records of eviction, of the following criminal activity:

- Violent criminal activity within the last 3 years;
- Drug related criminal activity related to possession or use within the last 3 years; or
- Drug related criminal activity related to manufacturing, sale, or distribution within the last 5 years.

Policy Change: No not consider.

<u>Fraud, Bribery, or Any Other Corrupt or Criminal Act</u>

HUD Regulation: PHA may deny an applicant that has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

Current Policy: Will deny if any evidence of fraud, bribery, or corruption in any federal housing program with no prescribed look back period. Will deny if any conviction for identify theft within the last three years.

Policy Change: No not consider.

<u>Prior Evictions or Program Terminations</u>

HUD Regulation: PHA may deny an applicant that has ever been evicted from federally assisted housing or terminated from the Housing Choice Voucher program.

Current Policy: Will deny an applicant that has been evicted from federally assisted housing or been terminated from the Housing Choice Voucher program within the past 5 years.

Policy Change: No not consider.

<u>Prior Debts</u>

HUD Regulation: PHA may deny an applicant if the family currently owes money to the PHA or to another PHA or has breached an agreement with the PHA.

Current Policy: Will deny if the family owes money to any PHA, including Home Forward, or breached a repayment agreement with Home Forward unless the family repays the full amount owed to the PHA or Home Forward prior to issuance of the voucher.

Policy Change: No not consider.

CONCLUSION

Accordingly, staff request the approval of the Chapter 3 Administrative Plan changes.

ATTACHMENTS

Chapter 3 Administrative Plan (Redlined)
Chapter 3 Administrative Plan (Blacklined)

RESOLUTION 23-08-05

RESOLUTION 23-08-05 AUTHORIZES HOME FORWARD STAFF TO AMEND CHAPTER 3 OF HOME FORWARD'S ADMINISTRATIVE

WHEREAS, the Department of Housing and Urban Development (HUD) permits a Public Housing Authority to amend and modify an Administrative Plan with Board of Commissioner's approval; and

WHEREAS, an internal work group composed of Home Forward staff evaluated the rent assistance admission policy which included what criteria will be considered as outlined in Chapter 3; and

WHEREAS, the work group met to evaluate the policy and developed a set of comprehensive recommendations to change the policy for the purpose of reducing racial disparities and promoting greater access to the program; and

WHEREAS, Home Forward proposes amendments to Chapter 3 of the Administrative Plan that reflect the recommendations of the work group and are within Home Forward's regulatory flexibility; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Home Forward that Home Forward staff is authorized to make the changes to Chapter 3 of the Administrative Plan outlined in the August 15, 2023 Memorandum and attachments from Home Forward staff to the Board of Commissioners.

ADOPTED: AUGUST 15, 2023

Attest:

Ivory N. Mathews, Secretary

Home Forward:

Damien R. Hall, Chair

Chapter 3

ELIGIBILITY

INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the PHA.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for household members as required.
  - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
- The PHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and PHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the PHA to deny assistance.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c); FR Notice 02/03/12; Notice PIH 2014-20]

The terms *family* and *household* have different meanings in the HCV program.

Family

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status: a single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.

Gender identity means actual or perceived gender-related characteristics.

Sexual orientation means homosexuality, heterosexuality, or bisexuality.

> <u>PHA Policy</u>
>
> A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.
>
> Each family must identify the individuals to be included in the family at the time of application, and must notify the PHA if the family's composition changes~~.~~
>
> Once initial eligibility process is completed, the changes to family composition will be allowed in accordance with policies in Section 11-II.C.

Household

Household is a broader term that includes additional people who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

Family Break-up [24 CFR 982.315]

Except under the following conditions, the PHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, and stalking, see Section 16-IX.D of this plan.)
- If a court determines the disposition of property between members of the assisted family in a divorce or separation decree, the PHA is bound by the court's determination of which family members continue to receive assistance.

PHA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision, or an agreement among the original family members, the PHA will determine which family will retain their placement on the waiting list or continue to receive assistance. In making its determination, the PHA will take into consideration the following factors: (1) the interest of any minor children, including custody arrangements; (2) the interest of any ill, elderly, or disabled family members; (3) the interest of any family member who is the victim of domestic violence, dating violence, sexual assault, or stalking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse; (4) any possible risks to family members as a result of criminal activity; and (5) the recommendations of social service professionals.

VASH and FUP Vouchers

Since the set-aside of VASH and FUP vouchers is for veterans or FUP-qualified participants respectively, the voucher will remain with the veteran or FUP-qualified participant in the case of a family break-up.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family,* which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only "remaining members of a tenant family" and there is no family member able to assume the responsibilities of the head of household, see Section 6-I.B for the policy on "Caretakers for a Child."

Special Purpose Vouchers (Including VASH and FUP Vouchers)

PHA Policy

Death of a Family Member

If the family member who initially qualified for a special purpose voucher dies, the remaining family members of the tenant family will continue to be assisted. The PHA will use one of its own vouchers, if available, to continue assisting the family and free up the special purpose voucher for another family eligible for the special program.

If a regular voucher is not available, the family will continue to utilize the special purpose voucher. Once the special purpose voucher turns over, it will go to a family eligible for the special program.

Domestic Violence, Dating Violence, Sexual Assault, or Stalking

If the family member who initially qualified for a special purpose voucher commits an act of domestic violence, dating violence, sexual assault, or stalking and is terminated from the program in accordance with policies in Chapter 12 for violating the family obligation not to engage in violent criminal activity, the victim will continue to be assisted. The victim will be given a regular HCV if one is available, and the perpetrator's special purpose voucher will be used to serve another family eligible for the special program.

If a regular HCV is not available for the victim and the perpetrator is terminated from the program, the victim will continue to utilize the special purpose voucher. Once the special program voucher turns over, it will be issued to another family eligible for the special program.

The PHA will request documentation from the victim to support the claim for VAWA protections in accordance with policies in Chapter 16 of this plan.

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

> PHA Policy
>
> At the time of application for assistance, the family may designate any qualified family member as the head of household.
>
> The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

> PHA Policy
>
> A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

> PHA Policy
>
> Minors who are emancipated under state law may be designated as a cohead.

Other adult means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a dependent allowance as described in Chapter 6.

Joint Custody of Dependents

PHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family more than 50 percent of the time. In 50-50% cases, the families must decide which family will claim the child or children as family members and dependents. Only one family may claim the child or children as dependents. The dependent allowance may not be shared.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603; HCV GB, p. 5-29]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because: (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent allowance, and (2) the earned income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403, FR Notice 02/03/12]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is 50-61 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because elderly families qualify for the elderly family allowance as described in Chapter 6.

3-I.I. SENIOR / PEOPLE WITH DISABILITIES AND WORK-FOCUSED HOUSEHOLDS [MTW Plan]

The PHA's rent reform initiative has established a rent and subsidy calculation methodology that distinguishes between two household types: seniors / people with disabilities and the work-focused households.

Senior Persons

A senior person is a person who is at least 55 years old.

Senior and People with Disabilities Household

Senior and people with disabilities household is a household in which the head, spouse, or cohead is a senior or a person with disabilities.

VASH voucher households

Regardless of age / disability, households participating in HUD-VASH program authorized by 2008 Appropriation Act meet the definition *of Senior and People with Disabilities Household* in regard to rent calculation under rent reform.

Emergency Housing Voucher (EHV) households

Regardless of age / disability, households participating in EHV program meet the definition *of Senior and People with Disabilities Household* in regard to rent calculation under Rent Reform.

Households Residing in Converted RAD Mod Rehab Projects

Regardless of age / disability, households residing in converted RAD Mod Rehab projects meet the definition *of Senior and People with Disabilities Household* in regard to rent calculation under rent reform.

Work-focused Household

Work-focused household is a household in which neither the head, spouse, nor cohead is a senior or a person with disabilities. All households that do not meet the definition of a senior and people with disabilities household are considered work-focused households.

3-I.J. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the PHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because disabled families qualify for the disabled family allowance as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the PHA from denying assistance for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter, or from terminating assistance in accordance with the policies in Chapter 12.

3-I.K. GUESTS [24 CFR 5.100]

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent.

> PHA Policy
>
> A guest can remain in the assisted unit no longer than 14 consecutive days or a total of 90 cumulative calendar days during any 12-month period.
>
> Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.
>
> A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.
>
> The PHA will provide blanket exceptions for guests who have been displaced due to a natural disaster, including wildfire, that has received a National or State disaster declaration. The household must request and have the PHA approve the exception to the guest policy. The PHA will accept self-certification from the household that their guest is eligible for this exception. The guest may remain in the unit for up to 12 months.

3-I.L. FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults who are living with an applicant or who have been approved by the PHA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, p. 13].

PHA Policy

A *foster child* is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

The PHA requires full name, social security number, and date of birth of each individual requested to be added to an assisted household as a foster child or a foster adult. It is the responsibility of the custodial agency to provide this information. If the information is not provided, foster care services may not be provided in the assisted unit.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.M.

3-I.M. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Family Absence from the Unit

The family may be absent from the unit for brief periods. The PHA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

PHA Policy

If a family is absent from the unit for more than 60 consecutive calendar days and does not meet one of the exceptions outlined in Section 12-I.D, the unit will not be considered the family's principal place of residence, and the family's assistance will be terminated. Notice of termination will be sent in accordance with Section 12-II.F.

Definitions of Temporarily and Permanently Absent

PHA Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive calendar days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive calendar days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

PHA Policy

When a full-time student who has been considered a family member attends school away from home, the family may either remove the person's name from the lease and from the voucher or retain the person as a family member, unless information becomes available to the PHA indicating that the student has established a separate household.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

PHA Policy

If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been removed from the home for a period of more than 180 consecutive calendar days, the child will be counted as a family member.

Absences Due to Incarceration

PHA Policy

If any adult family member is incarcerated for a period of more than 60~~30~~ consecutive calendar days, that person will no longer be considered a family member. The family must submit a document from the court or institution indicating the length of incarceration.

If the sole family member is absent from the assisted unit due to incarceration, policy on family absence from the unit (discussed earlier in this section) will apply.

Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

PHA Policy

The PHA will request verification of the family member's permanent absence from a responsible medical professional. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. If the family certifies that the family member is confined on a permanent basis, they may present, and the PHA will consider, any additional documentation or evidence. If the responsible medical professional provides a determination that the person will be confined for a period of more than 180 consecutive calendar days, the person will be considered permanently absent and will not be considered a family member.

Return of Permanently Absent Family Members

PHA Policy

The family must request PHA approval for the return of any adult family members that the PHA previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

3-I.N. LIVE-IN AIDE

A *live-in aide* is a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The PHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

The definition of a live-in aide applies to a specific person. The PHA may not approve an unidentified live-in aide, nor a larger unit than the family qualifies for under the PHA's subsidy standards for an unidentified live-in aide [PIH Notice 2008-20 (HA)].

Occasional, intermittent, multiple or rotating caregivers do not meet the definition of a live-in aide since 24 CFR 982.402(7) implies live-in aides must reside with a family permanently for the family unit size to be adjusted in accordance with the subsidy standards established by the PHA. Therefore, regardless of whether these caregivers spend the night, an additional bedroom should not be approved [PIH Notice 2008-20 (HA)].

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

<u>PHA Policy</u>

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. See Section 2-II.C for a discussion of reasonable accommodation request.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services. The live-in aide must provide a valid photo ID and must sign all applicable authorization forms for release of information.

The PHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The person commits drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

The PHA will notify the family of its decision in writing within 15 business days of receiving a request for a live-in aide, including all required documentation related to the request.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median family income with adjustments for family size. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

Definitions of the Income Limits [24 CFR 5.603(b), FR Notice 6/25/14]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A very low-income family whose annual income does not exceed the higher of the federal poverty level or 30 percent of area median income, adjusted for family size.

HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 982.201]

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant family to the applicable income limit for their family size. Annual income used to establish eligibility will be determined in accordance with HUD regulations as listed in Chapter 6. Any MTW modifications related to annual income are not applicable for the purpose of determining income eligibility. In order to be income-eligible, an applicant family must be one of the following:

- A *very low-income* family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4]

  PHA Policy

  The PHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were selected from the PHA's waiting list.

- A *low-income* family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173

- A *low-income* or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits the PHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the PHA plan and the consolidated plans for local governments within the PHA's jurisdiction.

PHA Policy

The PHA has established the following additional categories of eligible low-income families:

- A *low-income* family that is displaced because of demolition or disposition of a public housing project
- A *low-income* family that is residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project
- A *low-income* family that is residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term
- A *low-income* family that is referred under the Veterans Affairs Supportive Housing (VASH) program.

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to the PHA's program during a PHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the PHA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the PHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration as evidence of their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

> PHA Policy
>
> Family members who declare citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under Section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the PHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the PHA in accordance with program requirements [24 CFR 5.512(a)].

PHA Policy

The PHA will not provide assistance to a family before the verification of at least one family member.

When a PHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 15 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the PHA. The informal hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 16.

Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the assisted family, the PHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the PHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

PHA Policy

The PHA will verify the status of applicants at the time other eligibility factors are determined.

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2012-10]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and provide documentation necessary to verify each SSN. If a child under the age of 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, HCV GB, p. 5-13]

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

PHA Policy (MTW)

The PHA will use its equivalent form in place of form HUD-9886, Authorization for Release of Information/Privacy Act Notice.

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612, FR Notice 4/10/06, FR Notice 9/21/16]

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established new restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from his/her parents in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The new law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

Definitions

In determining whether and how the new eligibility restrictions apply to a student, the PHA will rely on the following definitions [FR Notice 4/10/06, FR Notice 9/21/16].

Dependent Child

In the context of the student eligibility restrictions*, dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

Independent Student

<u>PHA Policy</u>

The PHA will consider a student "independent" from his or her parents and the parents' income will not be considered when determining the student's eligibility if the following four criteria are all met:

1. The individual is of legal contract age under state law.
2. The individual has established a household separate from his/her parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of independent student.

   To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:

   a. The individual is 24 years of age or older by December 31 of the award year;

   b. The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;

   c. The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;

   d. The individual is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for other than training purposes;

   e. The individual is a graduate or professional student;

   f. The individual is a married individual;

   g. The individual has legal dependents other than a spouse (for example, dependent children or an elderly dependent parent);

   h. The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act), or as unaccompanied, at risk of homelessness, and self-supporting, by –

      (i) a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;

      (ii) the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;

(iii) the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or

(iv) a financial aid administrator; or

i. The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

3. The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations.
4. The individual provides a certification of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

If the PHA determines that an individual meets the definition of a *vulnerable youth* such determination is all that is necessary to determine that the person is an *independent student* for the purposes of using only the student's income for determining eligibility for assistance.

The PHA will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E.

Institution of Higher Education

The PHA will use the statutory definition under Section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education* (see Exhibit 3-2).

Parents

PHA Policy

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc).

Person with Disabilities

The PHA will use the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a *person with disabilities* (see Exhibit 3-1).

Veteran

PHA Policy

A *veteran* is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

Vulnerable Youth

PHA Policy

A *vulnerable youth* is an individual who meets the U.S. Department of Education's definition of *independent student* in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older

The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence

The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

- a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;
- the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;
- the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or
- a financial aid administrator.

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Determining Student Eligibility

If a student is applying for assistance on his/her own, apart from his/her parents, the PHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the PHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from his/her parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

PHA Policy

For any student who is subject to the 5.612 restrictions, the PHA will:

- Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program
- Determine whether the student is independent from his/her parents in accordance with the definition of *independent student* in this section
- Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program.

If the PHA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, the PHA will send a notice of denial in accordance with the policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

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Determining Parental Income Eligibility

PHA Policy

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of *independent student* in this section, the PHA will determine the income eligibility of the student's parents as follows:

- If the student's parents are married and living together, the PHA will obtain a joint income declaration and certification of joint income from the parents.
- If the student's parent is widowed or single, the PHA will obtain an income declaration and certification of income from that parent.
- If the student's parents are divorced or separated, the PHA will obtain an income declaration and certification of income from each parent.
- If the student has been living with one of his/her parents and has not had contact with or does not know where to contact his/her other parent, the PHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. The PHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, the PHA will use the income limits for the jurisdiction in which the parents live.

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PART III: DENIAL OF ASSISTANCE

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance.

In addition, HUD requires or permits the PHA to deny assistance based on certain types of current or past behaviors of family members.

Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures.

Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), 24 CFR 5.2005(b)]

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction under portability (See Chapter 10.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant is otherwise qualified for assistance (See Section 3-III.G).

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).

  PHA Policy

  The PHA will admit an otherwise eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if the PHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the PHA, or the circumstances which led to the eviction no longer exist.~~the person who committed the crime is no longer living in the household.~~

- The PHA determines that any household member is currently engaged in the use of illegal drugs.

  Note: Based on federal law, new admissions of medical marijuana users are prohibited based on the illegal use of controlled substances, including state legalized medical marijuana. State laws that legalize medical marijuana directly conflict with the admission requirements set forth in the Quality Housing and Work Responsibility Act (QHWRA) of 1998 (42 U.S.C. §13661) and are thus subject to federal preemption [HUD Memorandum, February 10, 2011].

  Medical marijuana is defined by HUD as marijuana which, when prescribed by a physician to treat a serious illness such as AIDS, cancer, or glaucoma, is legal under State law.

  PHA Policy

  Currently engaged in is defined as any use of illegal drugs as evidenced by a felony conviction for drug-related criminal activity within the last 12 months~~during the previous six months~~.

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

  PHA Policy

  In determining reasonable cause, the PHA will only consider felony ~~criminal~~ convictions for drug-related criminal activity within the last 12 months. ~~all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest.~~ The PHA will also consider evidence ~~from treatment providers or community-based organizations providing services to household members~~regarding rehabilitation.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require, the PHA to deny assistance for the reasons discussed in this section.

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, the PHA to deny assistance if the PHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

PHA Policy (MTW)

The PHA will not consider an applicant's criminal history beyond what is outlined in Section 3-III.B. ~~If any adult household member has been convicted of the crime of identity theft within the past three years, the family will be denied assistance.~~

~~If any household member is has been convicted of a felony violent crimecurrently engaged in, or has engaged in any of the following criminal activities, within the specified timeframelast twelve months, the family will be denied assistance:~~

~~*Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale or distribution of a drug, or the possession of a drug with intent to manufacture, sell or distribute the drug [24 CFR 5.100] – within the past five years;~~

~~*Drug-related criminal activity*, defined by HUD as the illegal use of a drug, or the possession of a drug with intent to use the drug [24 CFR 5.100] – within the past three years;~~

~~*A Violent criminal activitycrime*, as defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage~~
~~[24 CFR 5.100]. – within the past three years;~~

~~Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity – within the past three years; or~~

~~Criminal activity that may threaten the health or safety of property owners and management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent) – within the past three years.~~

~~*Immediate vicinity* means within a one-block radius of the premises.~~

~~Evidence of such criminal activity includes, but is not limited to:~~

~~Any conviction for drug-related or violent criminal activity within the past 3-5 years;~~

~~Any arrests for drug-related or violent criminal activity within the past 3-5 years;~~

~~Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 3-5 years.~~

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~~A conviction for drug-related or violent criminal activity will be given more weight than an arrest for such activity.~~

~~The PHA may deny assistance based on a preponderance of evidence, regardless of whether the family member has been arrested or convicted of the activity in question.~~

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

In instances where the PHA has a formal agreement with a referring partner agency to make available ongoing supportive services to the family, the PHA may choose not to deny assistance without conducting a case-by-case review.

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes the PHA to deny assistance based on the family's previous behavior in assisted housing:

PHA Policy (MTW)

~~The PHA **will not** deny assistance to an otherwise eligible family because the family previously failed to meet its obligations under the Family Self Sufficiency (FSS) program.~~

The PHA **will** deny assistance to an applicant family if:

The family does not provide information that the PHA or HUD determines is necessary in the administration of the program. Prior to denial, the PHA will take reasonable efforts to contact the applicant regarding the necessary information through multiple methods of communication and through outreach to any known case workers, advocates, or other third parties working with the applicant.

~~The family does not provide complete and true information to the PHA.~~

~~Any family member has been evicted from federally-assisted housing in the last five years.~~

~~Any PHA has terminated assistance under the program for any member of the family in the last five years.~~

~~Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.~~

~~The family owes rent or other amounts to any PHA, unless the family repays the full amount of the debt prior to being issued a voucher. Amounts owed are subject to the local statute of limitations unless owed under a judgment.~~

~~If the family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being issued a voucher.~~

~~The family has breached the terms of a repayment agreement entered into with the PHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being issued a voucher.~~

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

Abusive or violent behavior towards PHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

In instances where the PHA has a formal agreement with a referring partner agency to make available ongoing supportive services to the family, the PHA may choose not to deny assistance without conducting a case-by-case review.

3-III.D. SCREENING

Screening for Eligibility

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

PHA Policy

The PHA will perform a criminal background check through local law enforcement for every adult household member.

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

PHA Policy

The PHA will use a national sex offender database to screen applicants for admission.

Additionally, PHAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the PHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

Screening for Suitability as a Tenant [24 CFR 982.307]

The PHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The PHA has the authority to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

PHA Policy

The PHA will not conduct additional screening to determine an applicant family's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. The PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires the PHA to provide prospective owners with the family's current and prior address (as shown in PHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the PHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

The PHA may not disclose to the owner any confidential information provided in response to a PHA request for documentation of domestic violence, dating violence, sexual assault, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

PHA Policy

The PHA will inform owners of their responsibility to screen prospective tenants, and will provide owners, upon their request, with the required known name and address information, at the time of the initial HQS inspection or before.

3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

Evidence [24 CFR 982.553(c)]

PHA Policy

The PHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory (see Section 3-III.B).

PHA Policy

The PHA will consider the following factors prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents;

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure;

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in Section 3-III.G) a victim of domestic violence, dating violence, sexual assault, or stalking;

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future;

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

> The PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

The family's willingness to participate in supportive services and the availability of those services as demonstrated through a formal agreement between the PHA and a service provider.

Removal of a Family Member's Name from the Application

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 982.552(c)(2)(ii)].

> PHA Policy
>
> As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. ~~In such instances, the head of household must certify that the family member will not be permitted to stay as a guest in the assisted unit.~~
>
> ~~After admission to the program, the family may be required to present evidence of the former family member's current address upon PHA request.~~

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

> PHA Policy
>
> If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the PHA will determine whether the behavior is related to the stated disability. If so, upon the family's request, the PHA will determine whether admitting the family as a reasonable accommodation is appropriate. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

If the family is eligible for assistance, the PHA will notify the family in writing and schedule a briefing, as discussed in Chapter 5.

If the PHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe: (1) the reasons for which assistance has been denied, (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal review policies and procedures.

PHA Policy

The family will be notified of a decision to deny assistance in writing within 15 business days of the determination.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

PHA Policy

If, based on a criminal record or sex offender registration information, an applicant family appears to be ineligible the PHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to request an informal review, at which the family will be given an opportunity to dispute the accuracy and relevance of the information. A family that does not exercise their right for an informal review will be denied admission.

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault, or stalking are contained in Section 3-III.G.

3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING

The Violence against Women Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying an applicant admission to the HCV program on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission.

Definitions of key terms used in VAWA are provided in Section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a notice of rights and the form HUD-5382 at the time the applicant is denied.

> PHA Policy
>
> The PHA acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under the PHA's policies. Therefore, if the PHA makes a determination to deny assistance to an applicant family, the PHA will include in its notice of denial the VAWA information described in Section 16-IX.C of this plan, including a copy of the form HUD-5382. The PHA will request in writing that an applicant wishing to claim protection under VAWA notify the PHA within 10 business days.

Documentation

Victim Documentation [24 CFR 5.2007]

PHA Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault, or stalking, the PHA will request in writing that the applicant provide documentation supporting the claim in accordance with Section 16-IX.D of this plan.

Perpetrator Documentation

PHA Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

  Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

  In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

  (A) In General

  The term "developmental disability" means a severe, chronic disability of an individual that:

  (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;

  (ii) is manifested before the individual attains age 22;

  (iii) is likely to continue indefinitely;

  (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self-sufficiency; and

  (v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) Infants and Young Children

An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

(a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

(b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) *Is regarded as having an impairment* means:

(a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;

(b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or

(c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

EXHIBIT 3-2: DEFINITION OF INSTITUTION OF HIGHER EDUCATION [20 U.S.C. 1001 and 1002]

Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]

Institution of Higher Education shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

Definition of ''Institution of Higher Education'' From 20 U.S.C. 1001

(a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term ''institution of higher education'' means an educational institution in any State that

(1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;

(2) Is legally authorized within such State to provide a program of education beyond secondary education;

(3) Provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;

(4) Is a public or other nonprofit institution; and

(5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

(b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term ''institution of higher education'' also includes—

(1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and

(2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

Definition of ''Institution of Higher Education'' From 20 U.S.C. 1002

(a) Definition of institution of higher education for purposes of student assistance programs

(1) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term ''institution of higher education'' for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

(A) A proprietary institution of higher education (as defined in subsection (b) of this section);

(B) A postsecondary vocational institution (as defined in subsection (c) of this section); and

(C) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.

(2) Institutions outside the United States

(A) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless—

(i) In the case of a graduate medical school located outside the United States—

(I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a)(5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and

(bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; or

(II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

(ii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001(a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.

(B) Advisory panel

(i) In general. For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—

(I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and

(II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.

(ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.

(C) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.

(D) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

(3) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

(A) Offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4)(C) of this title;

(B) Enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

(C) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or

(D) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.

(4) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

(A) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or

(B) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

(5) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.

(6) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter.

(b) Proprietary institution of higher education

(1) Principal criteria. For the purpose of this section, the term ‘‘proprietary institution of higher education’’ means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title;

(C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;

(D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;

(E) Has been in existence for at least 2 years; and

(F) Has at least 10 percent of the school's revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.

(2) Additional institutions. The term ‘‘proprietary institution of higher education’’ also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) Postsecondary vocational institution.

(1) Principal criteria. For the purpose of this section, the term ‘‘postsecondary vocational institution’’ means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title; and

(C) Has been in existence for at least 2 years.

(2) Additional institutions. The term ‘‘postsecondary vocational institution’’ also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

Chapter 3

ELIGIBILITY

INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the PHA.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for household members as required.
  - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
- The PHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and PHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the PHA to deny assistance.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c); FR Notice 02/03/12; Notice PIH 2014-20]

The terms *family* and *household* have different meanings in the HCV program.

Family

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status: a single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.

Gender identity means actual or perceived gender-related characteristics.

Sexual orientation means homosexuality, heterosexuality, or bisexuality.

> PHA Policy
>
> A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual’s income and other resources will be available to meet the needs of the family.
>
> Each family must identify the individuals to be included in the family at the time of application, and must notify the PHA if the family’s composition changes
>
> Once initial eligibility process is completed, the changes to family composition will be allowed in accordance with policies in Section 11-II.C.

Household

Household is a broader term that includes additional people who, with the PHA’s permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

Family Break-up [24 CFR 982.315]

Except under the following conditions, the PHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, and stalking, see Section 16-IX.D of this plan.)
- If a court determines the disposition of property between members of the assisted family in a divorce or separation decree, the PHA is bound by the court's determination of which family members continue to receive assistance.

PHA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision, or an agreement among the original family members, the PHA will determine which family will retain their placement on the waiting list or continue to receive assistance. In making its determination, the PHA will take into consideration the following factors: (1) the interest of any minor children, including custody arrangements; (2) the interest of any ill, elderly, or disabled family members; (3) the interest of any family member who is the victim of domestic violence, dating violence, sexual assault, or stalking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse; (4) any possible risks to family members as a result of criminal activity; and (5) the recommendations of social service professionals.

VASH and FUP Vouchers

Since the set-aside of VASH and FUP vouchers is for veterans or FUP-qualified participants respectively, the voucher will remain with the veteran or FUP-qualified participant in the case of a family break-up.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family,* which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only "remaining members of a tenant family" and there is no family member able to assume the responsibilities of the head of household, see Section 6-I.B for the policy on "Caretakers for a Child."

Special Purpose Vouchers (Including VASH and FUP Vouchers)

PHA Policy

Death of a Family Member

If the family member who initially qualified for a special purpose voucher dies, the remaining family members of the tenant family will continue to be assisted. The PHA will use one of its own vouchers, if available, to continue assisting the family and free up the special purpose voucher for another family eligible for the special program.

If a regular voucher is not available, the family will continue to utilize the special purpose voucher. Once the special purpose voucher turns over, it will go to a family eligible for the special program.

Domestic Violence, Dating Violence, Sexual Assault, or Stalking

If the family member who initially qualified for a special purpose voucher commits an act of domestic violence, dating violence, sexual assault, or stalking and is terminated from the program in accordance with policies in Chapter 12 for violating the family obligation not to engage in violent criminal activity, the victim will continue to be assisted. The victim will be given a regular HCV if one is available, and the perpetrator's special purpose voucher will be used to serve another family eligible for the special program.

If a regular HCV is not available for the victim and the perpetrator is terminated from the program, the victim will continue to utilize the special purpose voucher. Once the special program voucher turns over, it will be issued to another family eligible for the special program.

The PHA will request documentation from the victim to support the claim for VAWA protections in accordance with policies in Chapter 16 of this plan.

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

PHA Policy

At the time of application for assistance, the family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

PHA Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

PHA Policy

Minors who are emancipated under state law may be designated as a cohead.

Other adult means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a dependent allowance as described in Chapter 6.

Joint Custody of Dependents

PHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family more than 50 percent of the time. In 50-50% cases, the families must decide which family will claim the child or children as family members and dependents. Only one family may claim the child or children as dependents. The dependent allowance may not be shared.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603; HCV GB, p. 5-29]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because: (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent allowance, and (2) the earned income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403, FR Notice 02/03/12]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is 50-61 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because elderly families qualify for the elderly family allowance as described in Chapter 6.

3-I.I. SENIOR / PEOPLE WITH DISABILITIES AND WORK-FOCUSED HOUSEHOLDS [MTW Plan]

The PHA's rent reform initiative has established a rent and subsidy calculation methodology that distinguishes between two household types: seniors / people with disabilities and the work-focused households.

Senior Persons

A senior person is a person who is at least 55 years old.

Senior and People with Disabilities Household

Senior and people with disabilities household is a household in which the head, spouse, or cohead is a senior or a person with disabilities.

VASH voucher households

Regardless of age / disability, households participating in HUD-VASH program authorized by 2008 Appropriation Act meet the definition *of Senior and People with Disabilities Household* in regard to rent calculation under rent reform.

Emergency Housing Voucher (EHV) households

Regardless of age / disability, households participating in EHV program meet the definition *of Senior and People with Disabilities Household* in regard to rent calculation under Rent Reform.

Households Residing in Converted RAD Mod Rehab Projects

Regardless of age / disability, households residing in converted RAD Mod Rehab projects meet the definition *of Senior and People with Disabilities Household* in regard to rent calculation under rent reform.

Work-focused Household

Work-focused household is a household in which neither the head, spouse, nor cohead is a senior or a person with disabilities. All households that do not meet the definition of a senior and people with disabilities household are considered work-focused households.

3-I.J. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the PHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because disabled families qualify for the disabled family allowance as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the PHA from denying assistance for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter, or from terminating assistance in accordance with the policies in Chapter 12.

3-I.K. GUESTS [24 CFR 5.100]

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent.

> PHA Policy
>
> A guest can remain in the assisted unit no longer than 14 consecutive days or a total of 90 cumulative calendar days during any 12-month period.
>
> Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.
>
> A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.
>
> The PHA will provide blanket exceptions for guests who have been displaced due to a natural disaster, including wildfire, that has received a National or State disaster declaration. The household must request and have the PHA approve the exception to the guest policy. The PHA will accept self-certification from the household that their guest is eligible for this exception. The guest may remain in the unit for up to 12 months.

3-I.L. FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults who are living with an applicant or who have been approved by the PHA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, p. 13].

> PHA Policy
>
> A *foster child* is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.
>
> A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.
>
> The PHA requires full name, social security number, and date of birth of each individual requested to be added to an assisted household as a foster child or a foster adult. It is the responsibility of the custodial agency to provide this information. If the information is not provided, foster care services may not be provided in the assisted unit.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.M.

3-I.M. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Family Absence from the Unit

The family may be absent from the unit for brief periods. The PHA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

> PHA Policy
>
> If a family is absent from the unit for more than 60 consecutive calendar days and does not meet one of the exceptions outlined in Section 12-I.D, the unit will not be considered the family's principal place of residence, and the family's assistance will be terminated. Notice of termination will be sent in accordance with Section 12-II.F.

Definitions of Temporarily and Permanently Absent

PHA Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive calendar days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive calendar days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

PHA Policy

When a full-time student who has been considered a family member attends school away from home, the family may either remove the person's name from the lease and from the voucher or retain the person as a family member, unless information becomes available to the PHA indicating that the student has established a separate household.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

PHA Policy

If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been removed from the home for a period of more than 180 consecutive calendar days, the child will be counted as a family member.

Absences Due to Incarceration

PHA Policy

If any adult family member is incarcerated for a period of more than 60 consecutive calendar days, that person will no longer be considered a family member. The family must submit a document from the court or institution indicating the length of incarceration.

If the sole family member is absent from the assisted unit due to incarceration, policy on family absence from the unit (discussed earlier in this section) will apply.

Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

PHA Policy

The PHA will request verification of the family member's permanent absence from a responsible medical professional. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. If the family certifies that the family member is confined on a permanent basis, they may present, and the PHA will consider, any additional documentation or evidence. If the responsible medical professional provides a determination that the person will be confined for a period of more than 180 consecutive calendar days, the person will be considered permanently absent and will not be considered a family member.

Return of Permanently Absent Family Members

PHA Policy

The family must request PHA approval for the return of any adult family members that the PHA previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

3-I.N. LIVE-IN AIDE

A *live-in aide* is a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The PHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

The definition of a live-in aide applies to a specific person. The PHA may not approve an unidentified live-in aide, nor a larger unit than the family qualifies for under the PHA's subsidy standards for an unidentified live-in aide [PIH Notice 2008-20 (HA)].

Occasional, intermittent, multiple or rotating caregivers do not meet the definition of a live-in aide since 24 CFR 982.402(7) implies live-in aides must reside with a family permanently for the family unit size to be adjusted in accordance with the subsidy standards established by the PHA. Therefore, regardless of whether these caregivers spend the night, an additional bedroom should not be approved [PIH Notice 2008-20 (HA)].

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

> <u>PHA Policy</u>
>
> A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. See Section 2-II.C for a discussion of reasonable accommodation request.
>
> In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services. The live-in aide must provide a valid photo ID and must sign all applicable authorization forms for release of information.
>
> The PHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:
>
>> The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
>>
>> The person commits drug-related criminal activity or violent criminal activity; or
>>
>> The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

The PHA will notify the family of its decision in writing within 15 business days of receiving a request for a live-in aide, including all required documentation related to the request.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median family income with adjustments for family size. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

Definitions of the Income Limits [24 CFR 5.603(b), FR Notice 6/25/14]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A very low-income family whose annual income does not exceed the higher of the federal poverty level or 30 percent of area median income, adjusted for family size.

HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 982.201]

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant family to the applicable income limit for their family size. Annual income used to establish eligibility will be determined in accordance with HUD regulations as listed in Chapter 6. Any MTW modifications related to annual income are not applicable for the purpose of determining income eligibility. In order to be income-eligible, an applicant family must be one of the following:

- A *very low-income* family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4]

  PHA Policy

  The PHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were selected from the PHA's waiting list.

- A *low-income* family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173

- A *low-income* or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits the PHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the PHA plan and the consolidated plans for local governments within the PHA's jurisdiction.

PHA Policy

The PHA has established the following additional categories of eligible low-income families:

- A *low-income* family that is displaced because of demolition or disposition of a public housing project
- A *low-income* family that is residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project
- A *low-income* family that is residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term
- A *low-income* family that is referred under the Veterans Affairs Supportive Housing (VASH) program.

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to the PHA's program during a PHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the PHA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the PHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration as evidence of their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

> PHA Policy
>
> Family members who declare citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under Section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the PHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the PHA in accordance with program requirements [24 CFR 5.512(a)].

> PHA Policy
>
> The PHA will not provide assistance to a family before the verification of at least one family member.
>
> When a PHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 15 business days of the determination.
>
> The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the PHA. The informal hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.
>
> Informal hearing procedures are contained in Chapter 16.

Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the assisted family, the PHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the PHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

> PHA Policy
>
> The PHA will verify the status of applicants at the time other eligibility factors are determined.

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2012-10]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and provide documentation necessary to verify each SSN. If a child under the age of 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, HCV GB, p. 5-13]

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

> PHA Policy (MTW)
>
> The PHA will use its equivalent form in place of form HUD-9886, Authorization for Release of Information/Privacy Act Notice.

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612, FR Notice 4/10/06, FR Notice 9/21/16]

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established new restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from his/her parents in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The new law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

Definitions

In determining whether and how the new eligibility restrictions apply to a student, the PHA will rely on the following definitions [FR Notice 4/10/06, FR Notice 9/21/16].

Dependent Child

In the context of the student eligibility restrictions*, dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

Independent Student

PHA Policy

The PHA will consider a student "independent" from his or her parents and the parents' income will not be considered when determining the student's eligibility if the following four criteria are all met:

1. The individual is of legal contract age under state law.
2. The individual has established a household separate from his/her parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of independent student.

   To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:

   a. The individual is 24 years of age or older by December 31 of the award year;

   b. The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;

   c. The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;

   d. The individual is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for other than training purposes;

   e. The individual is a graduate or professional student;

   f. The individual is a married individual;

   g. The individual has legal dependents other than a spouse (for example, dependent children or an elderly dependent parent);

   h. The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act), or as unaccompanied, at risk of homelessness, and self-supporting, by –

      (i) a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;

      (ii) the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;

(iii) the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or

(iv) a financial aid administrator; or

i. The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

3. The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations.

4. The individual provides a certification of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

If the PHA determines that an individual meets the definition of a *vulnerable youth* such determination is all that is necessary to determine that the person is an *independent student* for the purposes of using only the student's income for determining eligibility for assistance.

The PHA will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E.

Institution of Higher Education

The PHA will use the statutory definition under Section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education* (see Exhibit 3-2).

Parents

PHA Policy

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc).

Person with Disabilities

The PHA will use the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a *person with disabilities* (see Exhibit 3-1).

Veteran

PHA Policy

A *veteran* is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

Vulnerable Youth

PHA Policy

A *vulnerable youth* is an individual who meets the U.S. Department of Education's definition of *independent student* in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older

The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence

The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

- a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;
- the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;
- the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or
- a financial aid administrator.

Determining Student Eligibility

If a student is applying for assistance on his/her own, apart from his/her parents, the PHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the PHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from his/her parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

PHA Policy

For any student who is subject to the 5.612 restrictions, the PHA will:

- Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program
- Determine whether the student is independent from his/her parents in accordance with the definition of *independent student* in this section
- Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program.

If the PHA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, the PHA will send a notice of denial in accordance with the policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

Determining Parental Income Eligibility

PHA Policy

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of *independent student* in this section, the PHA will determine the income eligibility of the student's parents as follows:

- If the student's parents are married and living together, the PHA will obtain a joint income declaration and certification of joint income from the parents.
- If the student's parent is widowed or single, the PHA will obtain an income declaration and certification of income from that parent.
- If the student's parents are divorced or separated, the PHA will obtain an income declaration and certification of income from each parent.
- If the student has been living with one of his/her parents and has not had contact with or does not know where to contact his/her other parent, the PHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. The PHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, the PHA will use the income limits for the jurisdiction in which the parents live.

PART III: DENIAL OF ASSISTANCE

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance.

In addition, HUD requires or permits the PHA to deny assistance based on certain types of current or past behaviors of family members.

Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures.

Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), 24 CFR 5.2005(b)]

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction under portability (See Chapter 10.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant is otherwise qualified for assistance (See Section 3-III.G).

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).

  PHA Policy

  The PHA will admit an otherwise eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if the PHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the PHA, or the circumstances which led to the eviction no longer exist.

- The PHA determines that any household member is currently engaged in the use of illegal drugs.

  Note: Based on federal law, new admissions of medical marijuana users are prohibited based on the illegal use of controlled substances, including state legalized medical marijuana. State laws that legalize medical marijuana directly conflict with the admission requirements set forth in the Quality Housing and Work Responsibility Act (QHWRA) of 1998 (42 U.S.C. §13661) and are thus subject to federal preemption [HUD Memorandum, February 10, 2011].

  Medical marijuana is defined by HUD as marijuana which, when prescribed by a physician to treat a serious illness such as AIDS, cancer, or glaucoma, is legal under State law.

  PHA Policy

  Currently engaged in is defined as any use of illegal drugs as evidenced by a felony conviction for drug-related criminal activity within the last 12 months.

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

  PHA Policy

  In determining reasonable cause, the PHA will only consider felony convictions for drug-related criminal activity within the last 12 months. The PHA will also consider evidence regarding rehabilitation.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require, the PHA to deny assistance for the reasons discussed in this section.

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, the PHA to deny assistance if the PHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

PHA Policy (MTW)

The PHA will not consider an applicant's criminal history beyond what is outlined in Section 3-III.B. In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

In instances where the PHA has a formal agreement with a referring partner agency to make available ongoing supportive services to the family, the PHA may choose not to deny assistance without conducting a case-by-case review.

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes the PHA to deny assistance based on the family's previous behavior in assisted housing:

PHA Policy (MTW)

The PHA **will** deny assistance to an applicant family if:

The family does not provide information that the PHA or HUD determines is necessary in the administration of the program. Prior to denial, the PHA will take reasonable efforts to contact the applicant regarding the necessary information through multiple methods of communication and through outreach to any known case workers, advocates, or other third parties working with the applicant.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

Abusive or violent behavior towards PHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

In instances where the PHA has a formal agreement with a referring partner agency to make available ongoing supportive services to the family, the PHA may choose not to deny assistance without conducting a case-by-case review.

3-III.D. SCREENING

Screening for Eligibility

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

PHA Policy

The PHA will perform a criminal background check through local law enforcement for every adult household member.

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

PHA Policy

The PHA will use a national sex offender database to screen applicants for admission.

Additionally, PHAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the PHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

Screening for Suitability as a Tenant [24 CFR 982.307]

The PHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The PHA has the authority to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

> PHA Policy
>
> The PHA will not conduct additional screening to determine an applicant family's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. The PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires the PHA to provide prospective owners with the family's current and prior address (as shown in PHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the PHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

The PHA may not disclose to the owner any confidential information provided in response to a PHA request for documentation of domestic violence, dating violence, sexual assault, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

> PHA Policy
>
> The PHA will inform owners of their responsibility to screen prospective tenants, and will provide owners, upon their request, with the required known name and address information, at the time of the initial HQS inspection or before.

3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

Evidence [24 CFR 982.553(c)]

PHA Policy

The PHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory (see Section 3-III.B).

PHA Policy

The PHA will consider the following factors prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents;

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure;

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in Section 3-III.G) a victim of domestic violence, dating violence, sexual assault, or stalking;

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future;

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

The family's willingness to participate in supportive services and the availability of those services as demonstrated through a formal agreement between the PHA and a service provider.

Removal of a Family Member's Name from the Application

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 982.552(c)(2)(ii)].

> <u>PHA Policy</u>
>
> As a condition of receiving assistance, a family may agree to remove the culpable family member from the application.

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

> <u>PHA Policy</u>
>
> If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the PHA will determine whether the behavior is related to the stated disability. If so, upon the family's request, the PHA will determine whether admitting the family as a reasonable accommodation is appropriate. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

If the family is eligible for assistance, the PHA will notify the family in writing and schedule a briefing, as discussed in Chapter 5.

If the PHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe: (1) the reasons for which assistance has been denied, (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal review policies and procedures.

PHA Policy

The family will be notified of a decision to deny assistance in writing within 15 business days of the determination.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

PHA Policy

If, based on a criminal record or sex offender registration information, an applicant family appears to be ineligible the PHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to request an informal review, at which the family will be given an opportunity to dispute the accuracy and relevance of the information. A family that does not exercise their right for an informal review will be denied admission.

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault, or stalking are contained in Section 3-III.G.

3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING

The Violence against Women Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying an applicant admission to the HCV program on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission.

Definitions of key terms used in VAWA are provided in Section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a notice of rights and the form HUD-5382 at the time the applicant is denied.

> PHA Policy
>
> The PHA acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under the PHA's policies. Therefore, if the PHA makes a determination to deny assistance to an applicant family, the PHA will include in its notice of denial the VAWA information described in Section 16-IX.C of this plan, including a copy of the form HUD-5382. The PHA will request in writing that an applicant wishing to claim protection under VAWA notify the PHA within 10 business days.

Documentation

Victim Documentation [24 CFR 5.2007]

PHA Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault, or stalking, the PHA will request in writing that the applicant provide documentation supporting the claim in accordance with Section 16-IX.D of this plan.

Perpetrator Documentation

PHA Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

  Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

  In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

  (A) In General

  The term "developmental disability" means a severe, chronic disability of an individual that:

  (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;

  (ii) is manifested before the individual attains age 22;

  (iii) is likely to continue indefinitely;

  (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self-sufficiency; and

  (v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) Infants and Young Children

An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

(a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

(b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) *Is regarded as having an impairment* means:

(a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;

(b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or

(c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

EXHIBIT 3-2: DEFINITION OF INSTITUTION OF HIGHER EDUCATION [20 U.S.C. 1001 and 1002]

Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]

Institution of Higher Education shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

Definition of ''Institution of Higher Education'' From 20 U.S.C. 1001

(a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term ''institution of higher education'' means an educational institution in any State that

- (1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;
- (2) Is legally authorized within such State to provide a program of education beyond secondary education;
- (3) Provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;
- (4) Is a public or other nonprofit institution; and
- (5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

(b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term ''institution of higher education'' also includes—

- (1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and
- (2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

Definition of ''Institution of Higher Education'' From 20 U.S.C. 1002

(a) Definition of institution of higher education for purposes of student assistance programs

(1) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term ''institution of higher education'' for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

(A) A proprietary institution of higher education (as defined in subsection (b) of this section);

(B) A postsecondary vocational institution (as defined in subsection (c) of this section); and

(C) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.

(2) Institutions outside the United States

(A) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless—

(i) In the case of a graduate medical school located outside the United States—

(I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a)(5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and

(bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; or

(II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

(ii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001(a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.

(B) Advisory panel

(i) In general. For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—

(I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and

(II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.

(ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.

(C) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.

(D) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

(3) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

(A) Offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4)(C) of this title;

(B) Enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

(C) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or

(D) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.

(4) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

(A) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or

(B) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

(5) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.

(6) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter.

(b) Proprietary institution of higher education

(1) Principal criteria. For the purpose of this section, the term ''proprietary institution of higher education'' means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title;

(C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;

(D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;

(E) Has been in existence for at least 2 years; and

(F) Has at least 10 percent of the school's revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.

(2) Additional institutions. The term ''proprietary institution of higher education'' also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) Postsecondary vocational institution.

(1) Principal criteria. For the purpose of this section, the term ''postsecondary vocational institution'' means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title; and

(C) Has been in existence for at least 2 years.

(2) Additional institutions. The term ''postsecondary vocational institution'' also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

STAFF REPORTS

Procurement & Contracts Department
MONTHLY CONTRACT REPORT
Contracts Approved 06/01/23 - 07/31/23

PUBLIC IMPROVEMENT
(CONSTRUCTION & MAINTENANCE SERVICES)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3184	0	Prime Legacy	$ 12,992.50	Buildback from flood at Humboldt Gardens	Property Management	6/15/2023	8/11/2023
C2868	0	Walsh Construction Co.	$ 47,262,626.46	Phase 2 GMP	DCR	6/22/2023	9/30/2025
C3200	0	Prime Legacy	$ 18,650.38	Repair of external and internal walls and flooring at Madrona	Property Management	7/1/2023	8/11/2023
C3186	0	Interstate Roofing	$ 14,763.00	New roof at 171st House	Asset Mgmt	7/5/2023	7/31/2023
C3175	0	Oltean Construction LLC	$ 560,713.00	Rockwood Station Roofing Replacement	Asset Mgmt	7/17/2023	10/31/2023
Subtotal			**$ 47,869,745.34**				**5**

GOODS & SERVICES

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3178	0	Eclipse Security Service	$ 4,800.00	Nightly patrols at Gallagher Plaza	Property Management	6/15/2023	12/31/2023
C3181	0	Eclipse Security Service	$ 9,000.00	Security at Hattie Redmond	Property Management	6/15/2023	12/31/2023
C3180	0	Lovett Inc	$ 27,991.25	Replace 2 water heaters at NWT	Property Management	7/5/2023	11/1/2023
C3190	0	NW Enforcement	$ 8,160.00	Nightly security patrol at Tukwila	Community Services	7/5/2023	6/30/2024
C3192	0	West Coast Landscape LLC	$ 40,392.00	Landscaping at Peaceful Villa, Lexington, Cora, Chateau, and scattered sites	Property Management	7/24/2023	6/30/2024
C3199	0	Responsible Media Group	$ 6,415.00	Film and provide full production services for 1-2 videos	Executive	7/24/2023	1/1/2024
C3195	0	Pro-Tek Automotive LLC	$ 150,000.00	General maintenance and repairs to HF fleet vehicles	IFS	7/25/2023	7/17/2026
Subtotal			**$ 246,758.25**				**7**

PERSONAL SERVICE CONTRACTS

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3171	0	B2G Now	$ 38,519.25	UBE Tracking Software	Procurement	6/8/2023	3/31/2024
C3176	0	RFM, LLC	$ 40,500.00	Cell carrier consulting and coordination for Grace Peck renovation	DCR	6/9/2023	12/31/2024
C3177	0	Gans, Gans & Associates	$ 60,000.00	Recruitment for Chief Communications Officer; Rule 46-0340	HR	6/9/2023	10/1/2023
C3182	0	Cuenta Conmigo LLC	$ 10,500.00	Resident engagement and leadership trainings	Community Services	6/15/2023	12/31/2023
C3179	0	Cornerstone Community Housing	$ 87,864.00	Resident Services at East Burnside Project	Community Services	6/20/2023	6/30/2024
C3187	0	Community Alliance of Tenants (CAT)	$ 49,292.00	Tenant education program for recipients	Rent Assistance	6/27/2023	2/15/2024
C3189	0	Immigrant Refugee Community Organization (IRCO)	$ 232,614.00	Permanent Supportive Housing support services for 20 units at The Ellington; Rule 46-0340	Community Services	7/6/2023	6/30/2024
C3194	0	TRC Environmental Corporation	$ 1,825.00	LBP clearance sampling at Dahlke Manor	DCR	7/13/2023	10/31/2023
C3193	0	Cascadia Health	$ 95,265.00	Rent assistance for participants in the Shelter Plus Care (SPC) Program; Rule 46-0340	Rent Assistance	7/25/2023	3/31/2024
Subtotal			**$ 616,379.25**				**9**

PROFESSIONAL SERVICE CONTRACTS (A&E)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3197	0	Imagine Energy	$ 25,000.00	Design of 38.7 kW PV solar array and battery storage for the Troutdale Development.	DCR	7/21/2023	12/10/2025
Total			**$ 25,000.00**				**1**

AMENDMENTS TO EXISTING CONTRACTS

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3073	1	LRS Architects, Inc	$ 2,089.00	Louisa Flowers ground floor renovation design work	DCR	6/2/2023	10/31/2023
C2919	9	Walsh Construction Co.	$ -	Equity doc update	DCR	6/5/2023	12/31/2024
C2958	1	KPFF Consulting Engineers	$ 7,900.00	Added scope to survey 30' of the Woodward neighbor's yards.	DCR	6/9/2023	6/1/2024
C3026	5	Bacharach Construction LLC	$ 6,898.29	Additional work, tree removal for fence and double switch valve. For Celilo court security improvements.	DCR	6/9/2023	6/30/2023
C3122	1	Environmental Works	$ 1,500.00	Radon testing at the Hattie Redmond; amended to add scope	DCR	6/9/2023	7/1/2023
C3031	2	Le Chevallier Strategies	$ 42,500.00	Assisting with communications related to current events and other media and public engagement as needed; amended to update scope and extend contract	Executive	6/13/2023	12/31/2023
C3056	1	Bryan Potter Design	$ -	Graphic Design Services; amended to add time	DCR	6/14/2023	6/1/2024
C2705	2	Westlake Consultants Inc	$ 10,250.00	Amend scope of work to include property line adjustment Killingsworth	DCR	6/15/2023	6/30/2025
C2465	4	Elizabeth Bradley (E.B.) Ferdig	$ 4,940.00	Weekly yoga classes at BCC; amended to extend contract	Property Management	6/15/2023	6/30/2024
C2786	2	Pegasus Moving & Cleaning	$ 85,200.00	On-site housekeeping support at BCC, Helen Swindell's, and NWT; amended to extend contract	Community Services	6/15/2023	6/30/2024
C2943	2	Home Instead	$ 78,941.20	Housekeeping and personal care services for the CHSP program; amended to extend contract	Community Services	6/20/2023	12/31/2023
C3109	1	Nancy Davis Consulting	$ -	Strategist & Facilitation Consultant; amended to add time	Executive	6/20/2023	6/1/2024
C3039	1	Central City Concern	$ 60,000.00	Behavioral health case management services at BCC; amended to extend contract	Community Services	6/21/2023	8/31/2023
C3169	1	Buildskape	$ 22,155.00	Tenant Improvement at Louisa Flowers CO #01	DCR	6/22/2023	11/25/2023
C2862	6	Cuenta Conmigo LLC	$ -	Administrative support and executive assistance to the Director of Equity; amended to extend contract	Executive	6/23/2023	6/30/2024
C2445	5	Lever Architects	$ 11,300.00	Dekum court architect additonal services	DCR	6/27/2023	3/2/2025
C3100	2	Family Essentials	$ 138,140.00	Supportive services for 32 homeless preference units at The Ellington; amended to extend contract	Community Services	6/27/2023	6/30/2024
C2919	10	Walsh Construction Co.	$ 25,592.00	Fairfield Design-Build CO #03	DCR	6/28/2023	12/31/2024
2271	8	Colas Construction	$ 167,895.54	Powell CO #08	DCR	6/30/2023	4/30/2024

C2976	6	Walsh Construction Co.	$ 104,443.90	Grace Peck CO #01	DCR	6/30/2023	2/28/2024
C3107	1	Unfold LLC	$ 396.00	Bi-Monthly yoga at Tukwila Springs; amended to add funds	Community Services	7/3/2023	6/30/2023
C2868	9	Walsh Construction Co.	$ 8,881.41	Dekum CO #7	DCR	7/10/2023	11/31/2023
C3029	2	El Porvenir Services LLC	$ 15,000.00	Data survey, facilitate work sessions, leadership & coaching; amended to extend contract	Talent & Organizational Development	7/13/2023	9/1/2023
C2593	1	Verbio Group	$ 12,500.00	On-Call Interpreter and Translation Services; amended to add funds	Prop Mgmt	7/17/2023	9/30/2025
C2990	3	Milo Reed		Research into Home Forward history to justify creation of a preference policy; amended to add time	Executive	7/17/2023	9/15/2023
C2801	2	Carbonell Cleaning Solutions	$ 53,280.00	Landscaping at Floresta, Townhouse Terrace, Demar Downs, Hunter's Run, Tillicum North, Tillicum South, Powellhurst Woods, Harold Lee Village; amended to extend contract	Property Management	7/28/2023	8/31/2024
C2216	4	Cascadia Behavioral Healthcare	$ 87,520.00	Case management and mental health services for participants in the Shelter Plus Care (SPC) Program; amended to extend contract	Homeless Initiatives	7/31/2023	3/31/2024
C2944	1	Ideas42	$ -	Behavioral design program - content refinement, consultation, and education; amended to add time	Executive	7/31/2023	12/31/2023
C3064	1	Elevator Consulting Services	$ 20,500.00	Elevator Maintenance Consulting Services at multiple properties; amended to extend contract	Property Management	7/31/2023	3/31/2024
Subtotal			**$ 967,822.34**				**29**

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			**$ 49,725,705.18**				**51**

Procurement & Contracts Department
FUTURE FORMAL PROCUREMENTS
6-Month Look Ahead - August 2023

Estimated Contract Amount	Description	Dept.	Solicitation Period
$2.5 million	Security Services at HWE & NWT	Prop Mgmt	Waiting Board Approval
$7.4 million	Design and construction services for Gretchen Kafoury/Peter Paulson	DCR	Waiting Board Approval
$1 million	Rockwood Station Roof Replacement	Prop Mgmt	In progress
TBD	Civic Station Housing A&E	DCR	In progress
TBD	Civic Station Housing CM/GC	DCR	In progress
TBD	Relocation for Peaceful Villa	DCR	Aug 2023
TBD	Roof at Rockwood	DCR	Aug/Sept 2023
$13.2 million	CM/GC for N. Maryland	DCR	Oct 2023
TBD	STRA	Homeless Initiatives	Jan 2024
$10 million	Broadway Corridor Design and Construction	DCR	Jan/Feb 2024
$1.5 million	CHSP Housekeeping & Personal Care	Community Services	TBD
$2.17 million	Design and construction services for Sequoia	DCR	TBD
$910k	Design and construction services for Schiller Way	DCR	TBD
$1.650 million	A&E for N. Maryland	DCR	TBD