

FALL 2015
AFFORDABLE RENTAL HOUSING
NOTICE OF FUNDING AVAILABILITY (NOFA)

OPPORTUNITY The Portland area is in an affordable housing crisis with low vacancy rates and limited quality affordable housing options. To provide some relief, the Portland Housing Bureau (PHB) in partnership with Multnomah County, the Portland Development Commission (PDC), and Home Forward is making available up to **\$61,600,000** in federal and local funds as well as five sites and up to 100 project based Section 8 vouchers for development, rehabilitation and/or preservation of affordable housing.

PHB's vision is that "all Portlanders can find affordable homes...and have equitable access to housing." Respondents to this NOFA should share this vision and craft their proposals to include PHB's values as contained in the [Strategic Plan](#):

Equity – we are committed to social justice in the delivery of housing to all residents of Portland's diverse communities;

Stewardship – we invest, leverage and prioritize spending in ways that provide the highest public value and have the greatest influence on critical housing needs;

Transparency – we build long-term trust by operating with integrity, inviting broad public involvement and following processes that are clear, open and without bias;

Innovation – we believe new thinking, partners and ideas will help us build an effective organization and resolve long-standing challenges.

MANDATORY DEVELOPER INFORMATION SESSION: An information session for this solicitation will be held on **Thursday, November 12, 2015 at the Portland Building, 1120 SW 5th Ave. in the 2nd Floor Auditorium from 12:00 to 1:30 PM.** All developers/sponsors wishing to be considered through this NOFA must attend.

MANDATORY CONTRACTOR NETWORKING SESSION: An information session for this solicitation will be held on **Thursday, December 3, 2015 at New Song Community Church on 2511 NE Martin Luther King, Jr. Blvd. from 5:30 to 7:30 PM.** All general contractors wishing to be part of a NOFA development team must attend.

OPTIONAL SITE TOUR: Development teams interested in the "North Williams Center" site are encouraged to take a tour on **Wednesday, November 4, 2015 from 4:30 to 5:45 PM.** The County requests that on-site viewing is restricted to this time out of respect to Albertina Kerr that is operating a vocational training center. Please do not disturb tenants. Contact Elisa Gorham to RSVP and make arrangements to visit elisa.d.gorham@multco.us

SOLICITATION COORDINATOR:

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SOLICITATION LOCATION: <http://www.portlandoregon.gov/phb/69006>

GENERAL INFORMATION

Solicitation Title:	Fall 2015 Affordable Rental Housing NOFA
Solicitation Coordinator:	Karl Dinkelspiel, Senior Program Manager (503) 823-1354 karl.dinkelspiel@portlandoregon.gov
Proposal Delivery Location:	Cheyenne Sheehan, Sr. Administrative Specialist Portland Housing Bureau 421 SW 6 th Ave, Suite 500 Portland, OR 97204
NOFA Webpage:	http://www.portlandoregon.gov/phb/69006

Direct all questions regarding this NOFA to Karl Dinkelspiel

SCHEDULE

NOFA Issued	Tuesday, October 27, 2015
<u>Developer/Sponsor Mandatory Information Session</u>	Thursday, November 12, 2015
<u>General Contractor Mandatory Networking Session</u>	Thursday, December 3, 2015
Proposals Due:	3:00 PM (PDT) on the due date. See Section I, Funding Sources and Due Dates
Anticipated Dates Evaluation Committees Meet:	January-February 2016
Anticipated Dates for Proposer Interviews:	February-March 2016
Anticipated Notice of Awards:	February-March 2016

All proposals must be received by the date and time proposals are due to be considered. PHB reserves the right to change any dates to serve the goals of the NOFA.

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I. FUNDING SOURCES AND PROPOSAL DUE DATES

This NOFA makes available up to the following:

Funding Source	Amount	Proposal Due Date
Home for Everyone: Multnomah County	\$5,000,000	February 8, 2016
A Home for Everyone: City of Portland General Fund	\$2,500,000	January 11, 2016
Community Development Block Grant (CDBG)	\$5,000,000	January 11, 2016
HOME	\$3,000,000	January 11, 2016
Downtown Waterfront Urban Renewal Area Tax Increment Financing (DTWFURA)	\$15,000,000	February 8, 2016
Gateway Regional Center Urban Renewal Area Tax Increment Financing (GRCURA)	\$1,000,000	January 11, 2016
Interstate Corridor Urban Renewal Area Tax Increment Financing (ICURA)	\$10,000,000	January 11, 2016
Lents Town Center Urban Renewal Area Tax Increment Financing (LTCURA)	\$5,000,000	January 11, 2016
Oregon Convention Center Urban Renewal Area Tax Increment Financing (OCCURA)	\$5,100,000	February 8, 2016
South Park Blocks Urban Renewal Area Tax Increment Financing (SPBURA)	\$10,000,000	February 8, 2016

This NOFA also makes available these five sites (see [Appendix A](#) for additional information):

Site Address	Current Owner	Location	Proposal Due Date
10520 NE Halsey St.	Portland Development Commission (PDC)	GRCURA	January 11, 2016
6431-6445 NE Martin Luther King, Jr. Blvd.	PHB	ICURA	January 11, 2016
2124 N. Williams Ave.	Multnomah County	ICURA	January 11, 2016
7104-7120 and 7126-7130 SE Foster Rd.	PDC	LTCURA	January 11, 2016
1010-1034 NE Grand Ave.	PHB	OCCURA	February 8, 2016

This NOFA also makes available up to 100 Project Based Section 8 vouchers. Due dates for proposals that include vouchers correspond with the funding sources/sites above:

Project Based Section 8 vouchers	# of Vouchers
Dedicated to 2124 N. Williams Ave./North Williams Center site	40
Available for sites other than 2124 N. Williams Ave./North Williams Center	60

II. INTRODUCTION AND GENERAL INFORMATION

In recognition of the growing shortage of affordable housing, this NOFA releases an unprecedented level of resources and reflects a cooperative approach amongst local government agencies including the City of Portland, the Portland Development Commission (PDC), Multnomah County and Home Forward. Resulting from the diversity of this NOFA's resources, PHB and its partners have created an interconnected proposal evaluation methodology. With the exception of the Multnomah County Affordable Housing Development Fund (MCAHDF, see Section III), all projects will be evaluated using the Overall Investment Priorities and Overall Preference Criteria found at the beginning of Section IV. However, additional priorities and preference criteria have been developed for each of the eight funding sources/sites (not including the MCAHDF). Section IV outlines how this interconnected methodology will work. In addition to priorities and preferences, the following provides information that, unless otherwise stated within each of the funding categories, will apply to all projects.

Common Elements

The following apply to all projects with the exception of the Multnomah County Affordable Housing Development Fund (MCAHDF):

- Projects located within Urban Renewal Areas are not also eligible to apply for CDBG or HOME funds.
- Compliance with the requirements contained in [Chapter 30](#) of the City Code including the requirement for 60 year affordability.
- The resource amounts shown in Section IV. are maximums and subject to appropriation.
- For this NOFA, the city will emphasize cost containment/efficiency in all aspects of building design, construction and operations. Innovations that can reasonably be expected to result in demonstrated lower costs are encouraged.
- While this NOFA requires no specific green building features or certifications, proposals demonstrating sustainable features particularly those leading to cost containment/efficiency are encouraged.

Equity

Equity with regard to race, ethnicity and other protected classes of people, is central to this NOFA. With the exception of MCAHDF-only funded projects, all projects must meet the requirements of the City's Minority, Women and Emerging Small Business (MWESB) contracting utilization and Workforce Training and Hiring (WFTH) Program requirements (see [Appendix E](#) and [Appendix F](#)). In addition, proposers should consider how equity is addressed throughout their proposals and within their organizations. Among other things PHB and its partners are interested in:

- Diversity of organizations including their staff and board members.
- Organizational equity and diversity plans and policies and their implementation.
- Training within organizations around equity, diversity, inclusion, cultural competency, etc.
- Outreach to, including during marketing and lease-up, communities of color, immigrants/refugees and special needs populations.
- Diversity in professional services and vendor contracting.

These and other related topics should be captured in development teams' Equity Narrative and/or Development Benefits Plan (see Section V, Submittal Requirements).

PHB's Guiding Principles of Equity and Social Justice in [Appendix H](#) provides additional guidance.

9% Low Income Housing Tax Credits

All proposers contemplating use of federal Section 42 Low Income Housing Tax Credits (LIHTCs) should prepare their applications assuming 4% credits (and associated tax exempt bond financing). Development

teams may submit additional alternate funding scenarios showing utilization of 9% low income housing tax credits. However, PHB and its funding partners in their sole discretion will determine whether to pursue/prioritize 9% LIHTC alternatives.

Funding Restrictions

Awards through this NOFA are subject to appropriation and contingent on approval of the relevant PDC, City of Portland and Multnomah County fiscal year budgets. An applicant for federal funds must not take any future action including rehabilitating, converting, demolishing, leasing, repairing or constructing on/of the proposed property nor sign any contracts or hold a pre-bid meeting(s) pertaining to the property until a Notice of Release of Funds from HUD has been obtained. A Release of Funds requires that all environmental requirements and/or tests are met and approved by HUD (24 CFR Part 58).

Cost Controls

With the exception of the MCAHDF, all projects should demonstrate average unit costs not to exceed those as calculated by the Cost/Unit Calculator as well as not to exceed average maximum PHB subsidy/unit and average maximum expenses per unit per annum (see [Form G](#) and [Appendix C](#)).

Site Control

All proposals for funding must have site control in the form of title, an option to purchase, a master lease agreement for a period years that will allow a mortgage, or other forms of site control acceptable to PHB, *or be able to demonstrate site control within six (6) months of application submittal*. Proposals for new construction or change of use/density must provide evidence of land use suitability including zoning, environmental assessments, and neighborhood compatibility. Depending on source of funding, a voluntary sales agreement/arm's-length transaction may be required. These requirements do not apply to the five sites offered through this NOFA.

Mandatory Information and Networking Sessions

At least one representative from each development team must attend the Mandatory Developer Information Session. Likewise, one representative from any/all general contractors interested in being included on a project/development team must attend the Mandatory Contractor Networking Session (subcontractors are NOT required to attend this meeting, but are strongly encouraged to do so). Representatives will be required to sign in at the sessions. Teams not complying with these requirements may be disqualified from this NOFA.

III. A HOME FOR EVERYONE INVESTMENT REQUIREMENTS AND PREFERENCES

MULTNOMAH COUNTY AFFORDABLE HOUSING DEVELOPMENT FUND

These funds may be used anywhere within Multnomah County including the City of Portland. Proposers seeking funds from Multnomah County (whether inside or outside the city of Portland) will be subject to the criteria, evaluation and award process for the Multnomah County Affordable Housing Development Fund (MCAHDF) only. In addition, MCAHDF only proposals **are not subject** to other City of Portland requirements, including those found or referred to in Sections IV and VII as well as this NOFA's appendices.

Resources

- Multnomah County General Fund: \$5,000,000.

Multnomah County Affordable Housing Development Fund (MCAHDF) and City General Fund

In fiscal year 2015 through the Home for Everyone Initiative (HFE), Multnomah County is making available development resources for affordable housing in Multnomah County. Preference will be given to projects which deliver units quickly, cost-effectively and maintain long-term affordability. Subsidy per unit will be dependent on size, amenities and amount of other public subsidy.

One of the intents is to foster innovation in public sector approaches to financing, acquisition, development, and management of affordable housing. The HFE partnership through the Evaluation Committee will consider the mix of strategies proposed to acquire units with its investment and the demonstration value/replicability of proposed strategies as it selects projects. Multnomah County's goals include the production of at least 125 units of housing.

Populations to Be Served: The housing units may serve any segment of the very low-income population at 50% median family income (MFI) or below that is homeless or at risk of homelessness. While a proposal may serve a single population group (e.g., families with children, singles, etc.), the HFE partnership will consider the overall mix of housing being developed with its investment as it selects projects.

Housing Types: There are no limitations on the types of housing that will be considered. Proposed housing types will be evaluated based on appropriateness to the target population.

Location: For County resources, the housing units may be located in any area of Multnomah County including the City of Portland. In addition, the HFE partnership will consider the following factors when assessing proposals:

1. The overall geographic distribution of the units being acquired through MCAHF.
2. Whether proposed units will off-set displacement from or increase access to high amenity areas for very low-income households.
3. Whether proposed units will improve the housing stock and options for very low-income households in underserved areas.

Affordability: The units must be affordable for households with 50% of area median income or lower, and proposals that offer rents affordable at 0-30% MFI, even if through the leveraging of long-term rental assistance resources, will receive preference. There is a strong preference for projects that offer a 60 year affordability commitment, but proposers may make the case for shorter or longer terms of affordability if that is an essential element of their strategy.

Low Barrier: The units must be accessible to households with adverse credit, rental, and legal histories and very limited income. Access may be achieved through partnerships with referring service providers, innovative screening and property management strategies, and/or other approaches that remove the barriers to access that are common in the rental market. Projects willing to accept referrals exclusively through one or more population-specific coordinated access systems are preferred. Those systems include Multnomah County's Homeless Family System of Care, Homeless Youth Continuum, and Domestic Violence Coordinated Entry System, as well as a coordinated entry system for homeless adults currently in pilot implementation with support of the City of Portland.

Cost-Efficiency: Given the limited funding available and the significant number of units the HFE partnership seeks to acquire, significant weight will be given to the amount of public subsidy required per unit and the overall cost of construction. The subsidy requested per unit may vary, but projects should average \$40,000 per unit of MCAHDF subsidy.

While cost is a significant consideration, the HFE partnership expects all projects to:

1. Ensure that employees of any contractor or subcontractor who work on the proposed development are paid residential prevailing wage. (Developers are responsible for ensuring all applicable BOLI standards are met, including Commercial Prevailing Wage for mixed use projects or projects over 4 stories)
2. Ensure that materials, finishes, and workmanship meet or exceed the standards for comparable development in the private market.
3. Invest in increases in energy efficiency beyond minimums required by applicable building codes that will be fully recouped through reductions in utility/operating expenses over the useful life of the improvement.

Speed: The urgency of the crisis in housing affordable and accessible to extremely low-income households means that significant weight will be given to how quickly a proposal will yield units ready for occupancy. Strategies that take advantage of current opportunities or offer a replicable approach to adding units that appreciably reduces the time to occupancy are preferred.

Services: While proposals may simply expand the supply of units available to extremely low-income households in Multnomah County, preference will be given to proposals that include a collaboration with social services providers who will provide housing placement and stabilization services utilizing the units. The units must be used as permanent housing.

MWESB: The County has a strong commitment to supporting minority owned, women owned, and emerging small businesses. The County expects all proposers to have a plan in place to encourage MWESB participation on their projects. The County has an aspirational goal of 20% MWESB participation. Strong preference is given for the utilization of state certified MWESBs, but the County will consider proposals that offer a verifiable commitment to working with non-certified MWESBs if the proposal advances the County's equity agenda in other significant ways.

Qualified Applicant: Proposals must come from teams that have substantial experience with comparable projects. Both the expertise of any developer and the expertise of the proposed owner/operator of the units must be demonstrated. Teams may include for-profit or non-profit entities, or a combination of the two.

Debt: Funding will be available to projects as a loan as allowed by law. For example, loans may be structured as a zero-interest loan, a due on sale loan with limited interest, and second position debt. Proposers are encouraged to propose a loan structure and demonstrate how that structure will assist the

project in achieving the objectives of the HFE Initiative. Multnomah County will maintain a real property interest in the project as long as the loan is outstanding.

IV. INVESTMENT REQUIREMENTS AND PREFERENCES ALL OTHER SOURCES/SITES

Unless otherwise specified in the Funding Source specific sections, all projects utilizing City or PDC sources of funding or sites will be evaluated against the following Overall Investment Requirements and Overall Preference Criteria. Where the same requirement/preference topics are covered in the Overall Requirements/Preferences and in the Funding Source section(s), those contained in the Funding Source section(s) prevail.

Overall Investment Requirements

- Development of new rental housing; acquisition with rehabilitation of existing building(s) for use as rental housing; preservation of existing regulated affordable rental housing.
- 50% test: acquisition/rehab or preservation projects must use at least 50% of PHB resources for construction related costs (hard and soft).
- Minimum units: 40
- Minimum average bedroom count: 1.0 (see [Form G](#) for calculation methodology)
- Subsidy: all PHB subsidy must be applied to units for households earning 60% or less of area median family income (MFI):
 - At least 5% of PHB subsidized units must be for households earning between 0-30% MFI.
- Programming: appropriate to building population(s)
- Financial metrics: see [Appendix B](#) and [Appendix C](#)

Overall Preference Criteria

Projects that meet any or all of the following may be prioritized for funding:

- Projects with 60 or more units
- Projects with average bedroom counts of 1.5 or greater
- Projects with demonstrated financial capacity to serve more than 5% of households earning 0-30% MFI
- Projects intending to serve formerly homeless and vulnerable populations. Vulnerable populations include: households exiting homelessness, particularly families with children, adults ages 25 and younger, adults with disabilities (particularly those who were chronically homeless for a year or more or had 4 episodes of homelessness in the last 3 years), women and veterans.
- Programming that demonstrates positive outcomes for residents or programming that demonstrates genuine partnership with a history of positive outcomes for residents.
- A detailed marketing and lease-up plan that demonstrates a focus on household/individuals of color or other underserved populations.
- Low entry barriers: units accessible to households with adverse credit, rental, and legal histories and very limited income. Access may be achieved through partnerships with referring service providers, innovative screening and property management strategies, and/or other approaches that remove barriers to access.
- Projects that demonstrate innovative design or other construction cost savings measures including a reduction from allowed cost/unit maximums of 10% or more (see [Appendix C](#) for cost maximum information).
- A detailed plan to achieve at least 30% MWESB subcontractor participation through the City of Portland Subcontractor Equity Program (see [Appendix E](#)).

- Projects including MWESB certified prime general contractors and/or prime general contractors partnered with certified MWESB general contractor in a significant capacity (proposals with a certified MWESB partnership agreement should detail the expected division of work).
- Significant leveraging of non-City sources of funding, including development team financial equity.
- Projects that will provide long-term positive cash flow and/or repayment of city-held debt as demonstrated by the development budget(s) and operating pro forma.

A HOME FOR EVERYONE: CITY GENERAL FUND

This funding source may be used anywhere within the City of Portland outside the urban renewal areas where funding is available through this NOFA. The funds may be used alone or in combination with the following funding sources only.

- Multnomah County Affordable Housing Development Fund
- Community Development Block Grant
- HOME

Resources

- City General Fund: \$2,500,000.

Investment Requirements

- If this source is used alone, the Overall Investment Requirements.
- If this sources is used with other sources/sites, the Investment Requirements of those sources/sites.

Preference Criteria

- If this source is used alone, the Overall Preference Criteria.
- If this sources is used with other sources/sites, the Preference Criteria of those sources/sites.

FEDERAL FUNDING SOURCES

These funding sources may be used anywhere within the City of Portland outside the urban renewal areas where funding is available through this NOFA (with the exception of Gateway).

Resources

- Community Development Block Grant: \$5,000,000
- HOME: \$3,000,000

Investment Requirements

- Only designated Community Based Development Organizations (CBDO) may use CDBG funds to finance new construction and only if the site is located within the area designated on the linked [map](#). Any developers may use CDBG in new construction projects for land acquisition and other non-construction related activities.
- Teams requesting HOME funds must include at least one member with demonstrated experience developing HOME-financed projects.
- Projects requesting HOME funds must comply with federal HOME program requirements including the requirement that 20% of HOME-funded units be limited to households earning up to 50% MFI. Proposers seeking HOME funds must submit the PHB HOME-subsidy calculator form included in the appendix

Preference Criteria

Projects that meet the following may be prioritized for funding.

- Projects on parcel(s) in areas with higher vulnerability for gentrification/displacement as identified by the Portland Bureau of Planning and Sustainability (see [Vulnerability Map](#))

CENTRAL CITY TAX INCREMENT FINANCING SOURCES

These funding sources may only be used within their designated urban renewal areas.

Resources

- Downtown Waterfront Urban Renewal Area Tax Increment Financing: \$15,000,000
- South Park Blocks Urban Renewal Area Tax Increment Financing: \$10,000,000

Preference Criteria

Projects that meet any or all of the following may be prioritized for funding.

- New construction.
- Mixed-income projects.

GATEWAY REGIONAL CENTER URBAN RENEWAL AREA

This funding source may only be used within Gateway Regional Center Urban Renewal Area.

Resources

- Tax Increment Financing: \$1,000,000 (PHB)
- Land: 10520 NE Halsey St. (see [Appendix A](#) for site information)

Investment Requirements

- Development of new rental housing including a mixed-use component: the available TIF must be used for development on the land listed above.
- Minimum commercial space: 10,000 square feet.
- Minimum parking: per zoning code
- Commercial programming: Commercial space should support neighborhood business growth and provide needed goods and services to the Gateway neighborhood and Portland community. The commercial space must be located on ground floor and front on NE Halsey St. Specifically, the design must: directly interact with the adjacent park, with South facing uses complementing the parking and creating an urban plaza; capitalize on the Halsey Street retail frontage; deliver a vibrant design that provides a mixed use program that is a catalyst for growth and change in Gateway.
- Planning: project should help implement and/or complement the [Halsey/Weidler Commercial District Investment Strategy](#).

Preference Criteria

Projects that meet the following may be prioritized for funding:

- Projects achieving a total floor area ratio of 1:1 or greater.

Additional Information Regarding Commercial Space/Uses

The Portland Development Commission (PDC) has tentatively agreed to provide financial support to ensure the presence of an active commercial tenant located in the building. PDC and its partners can also assist the selected developer in identifying potential tenants if needed. In order for the project or tenant to be eligible for PDC loans and/or grants, the tenanting of the space should be consistent with the commercial programming requirements listed above, provide needed goods and services to the community and/or enable wealth creation opportunities for people of color or low-income community members.

LENTS TOWN CENTER URBAN RENEWAL AREA

This funding source may only be used within Lents Town Center Urban Renewal Area.

Resources

- Tax Increment Financing: \$5,000,000 (PHB)
- Land: 7104-7120 and 7126-7130 SE Foster Rd. (see [Appendix A](#) for site information)

Investment Requirements

- Development of new rental housing including a mixed-use component.
- Minimum commercial space: 10,000 square feet.
- Minimum parking: per zoning code.
- Commercial programming: Commercial space should support neighborhood business growth and provide needed goods and services to the Lents and Portland community. For development on the Foster Rd. property listed above, the commercial space must be located on ground floor and front on SE Foster Rd. Both design and uses must be compatible with the Portland Mercado (adjacent to the east), with emphasis on use(s) that support this endeavor without competing with or distracting from it.
- Planning: project should help implement and/or complement the [Lents Action Plan](#) and leverage the [Foster Road Transportation and Streetscape Plan](#) improvements.

Preference Criteria

Projects that meet the following may be prioritized for funding:

- Projects achieving a total floor area ratio of 1:1 or greater.

Additional Information Regarding Commercial Space/Uses

For the Foster Rd. property listed above, the Portland Development Commission (PDC) has tentatively agreed to provide financial support to ensure the presence of an active commercial tenant located in the building. PDC and its partners can also assist the selected developer in identifying potential tenants if needed. In order for the project or tenant to be eligible for PDC loans and/or grants, the tenancing of the space should be consistent with the following priorities:

- Provide affordable and stable space for for-profit business owners long-term – especially for minority owned businesses;
- Enable wealth creation opportunities for people of color, low-income community members;
- Provide needed goods and services to the local community; and
- Complement rather than compete with other nearby businesses to help ensure their collective success.

INTERSTATE CORRIDOR URBAN RENEWAL AREA

This funding source may only be used within Interstate Corridor Urban Renewal Area.

Resources

- Total Tax Increment Financing: \$10,000,000, divided as follows:
 - \$4,500,000 for the “King/Parks” site
 - \$4,500,000 for the “North Williams Center” site
 - \$1M for all/any other projects
 - Land:
 - PHB. 6431-6445 NE Martin Luther King, Jr. Blvd. (see [Appendix A](#) for site information), aka “King/Parks.”
 - Multnomah County. 2124 N. Williams Ave. (also see [Appendix A](#) for more site information), aka “[North Williams Center](#)”
-

King/Parks

King/Parks Investment Requirements

- Development of new rental housing.
- Adherence to the N/NE Neighborhood Housing Strategy including use of the Preference Policy.

King/Parks Preference Criteria

Projects that meet any or all of the following may be prioritized for funding:

- Projects achieving a total floor area ratio of 1:1 or greater.
 - Projects best able to demonstrate adherence to the Development Benefits Plan (see [Appendix G](#)).
 - Programming that includes mixed-income or mixed-use or both.
-

North Williams Center

North Williams Center Development Assumptions

- Approval to convey the site at no cost was approved by the Multnomah County Board of Commissioners on October 22, 2015.
- Final site conveyance is subject to Multnomah County Board of Commissioners' approval.
- Home Forward is making available up to 40 project based Section 8 vouchers (aka Housing Choice Vouchers) for this site/project.
 - While Home Forward rules allow these to be applied to households earning up to 50% MFI, Multnomah County requires that at least 30 PBS8 vouchers are applied to households earning 0-30% MFI with the remaining 10 from 0-50% MFI. Such units will be income restricted accordingly.
 - Home Forward requires that at least 10% of any units to be income restricted at 0-50% MFI are made available without the benefit of PBS8 vouchers. For example, a

project requesting the maximum number of vouchers, 40, would need to include at minimum 4 additional units that aren't supported by vouchers.

- The site is currently encumbered by an Easement and Equitable Servitude Agreement (EESA) due to on site environmental conditions. The site has received a No Further Action (NFA) letter from Oregon Department of Environmental Quality (DEQ) resulting from the EESA (see information on [Multnomah County website](#) for further info).
- Encroachment by neighboring properties will be resolved prior to conveyance of site.
- Lease with current tenant, Albertina Kerr, expires June 2016.

North Williams Center Investment Requirements

- Development of new affordable rental housing.
- Projects must address the need for housing for families earning 0-30% MFI with a focus on families experiencing or at risk of becoming homeless.
- Minimum bedroom configuration
 - Minimum 10, two bedroom units; and
 - Minimum 10, three bedroom units
- Minimum average bedroom count: 2.1 (see [Form G](#) for calculation methodology)
- Subsidy: all PHB subsidy must be applied to units for households earning 60% MFI or less. See Assumptions above regarding units at 0-30% MFI.
- Programming: for homeless, recently homeless and other very low income families. Programming should be appropriate to the proposed population. If more than 50% of units receive project based Section 8 vouchers monitoring by Home Forward will be required.
- Adherence to the N/NE Neighborhood Housing Strategy including use of the Preference Policy
- Demonstrated ability to negotiate and execute a Prospective Purchaser Agreement with the Oregon Department of Environmental Quality (DEQ) in a timely manner and prior to conveyance of site.

North Williams Center Preference Criteria

Projects that meet any or all of the following may be prioritized for funding.

- Maximize site development capacity based on zoning and bonuses.
- Projects with average bedroom counts of 2.1 or greater.
- Projects with units to serve households with the following incomes:
 - Minimum 30 units at 0-30% MFI
 - Minimum 10 units at 0-50% MFI
 - Any remaining unit, less than 80% MFI (ICURA TIF may not be used to subsidize any units restricted above 60% MFI)
- Projects utilizing all 40 available PBS8 vouchers. See Assumptions above regarding units at 0-30% MFI.
- Projects best able to demonstrate adherence to the Development Benefits Plan (see [Appendix G](#))
- Significant leveraging of non-City, non-County sources of funding.

\$1,000,000 Tax Increment Financing

\$1,000,000 Investment Requirements

- Development of new rental housing.
- Projects with demonstrated commitment for funding from non-PHB sources of 20% or greater.

- Adherence to the N/NE Neighborhood Housing Strategy.

\$1,000,000 Preference Criteria

Projects that meet any or all of the following may be prioritized for funding:

- Projects with demonstrated commitment for funding from non-PHB sources of 50% or greater.
- Projects located within the N/NE Neighborhood Housing Strategy "[Study Area](#)".
- Projects best able to demonstrate adherence to the Development Benefits Plan (see [Appendix G](#)).
- Programming that includes mixed-income or mixed-use or both.

OREGON CONVENTION CENTER URBAN RENEWAL AREA

This funding source may only be used within Oregon Convention Center Urban Renewal Area.

Resources

- Tax Increment Financing: \$5,100,000
- Land: 1010-1034 NE Grand Ave. (see [Appendix A](#) for site information)

Investment Requirements

- Development of new rental housing: the available TIF must be used for development on the land listed above.

Preference Criteria

Projects that meet any or all of the following may be prioritized for funding.

- Projects achieving a total floor area ratio of 5:1 or greater.
- Programming that includes mixed-income or mixed-use or both.

PROJECT BASED SECTION 8 VOUCHERS

This funding source may be used anywhere within the City of Portland.

Resources

- Project Based Section 8 vouchers (aka Housing Choice Vouchers): 60.

Investment Requirements

- Minimum 10 vouchers per project.
- 10% of affordable units –defined as those receiving a subsidy and to be restricted at 50% MFI or below – **not** receiving/requiring PBS8 vouchers.
- Demonstrated reduced prospective tenant screening criteria.

Preference Criteria

Projects that meet any or all of the following may be prioritized for funding.

- Projects requesting funds and/or sites through this NOFA.
- Projects located outside “High Poverty Areas” defined as 20% or more of the households in the area earning an income equal to or less than the poverty level.
- Family sized units, i.e. two bedrooms and larger.
- More than 10% of affordable units –defined as those receiving a subsidy and to be restricted at 50% MFI or below – not receiving/requiring PBS8 vouchers

V. SUBMITTAL REQUIREMENTS/APPLICATION

Development teams must submit the following minimum application materials including the completed application form (Appendix A). Total combined page limit for the Project Overview Narrative (#2) and Development Team Summary (#3) is **10**. Page limit for the Equity Narrative (#7) is **5**

1. Sponsor Cover Page – [Form A](#).
2. Project Overview Narrative that includes:
 - Type of project (new construction, acquisition/rehab, and/or preservation);
 - Description of project including number and type of units, number of floors, construction type, floor area ratio, height and key design elements (if any);
 - Description of the target population and income mix;
 - Description of resident or other programming including resident services (if any);
 - If applicable, description of existing partnerships between sponsor and supportive service provider(s) serving households experiencing homelessness or at risk of becoming homeless. Description should include intent to replicate, expand, or create new such partnerships;
 - Plans, if any, for parking and open space;
 - Description of key financial assumptions and financing terms, particularly as those relate to: a) the funding source(s) contained in this NOFA; and b) contingent, at risk or otherwise uncommitted outside funding sources;
 - Indicators of cost efficient design, construction and operations;
 - Confirmation of Davis Bacon and/or BOLI wage assumptions for construction as applicable;
 - Description of the green/sustainable building or operations features and, if applicable, any green building certifications planned;
 - For projects proposing commercial space: development teams should provide information on any potential tenants already identified and/or discuss their approach and methodology for outreach and identifying potential tenants. Responses should include how any commercial tenants may be a benefit to residents of the housing development and/or the surrounding community. Proposals using ICURA funds/sites should include this information in their Development Benefits Plan.
3. Development Team Summary: Development team qualifications and experience, including ownership entity and its relationship to other development team members. The summary must also include a description of development teams' past use of or familiarity with the rules, regulations and requirements of the specific funding sources being requested. With the exception of the MCAHDF, **teams unable to satisfactorily demonstrate use or familiarity may be eliminated.**

4. Preliminary Budget/Pro Forma including projected sources and uses, income and expense breakdown, and 30 year cash flow projections. Use of [Form E](#) in **electronic/"live" (not PDF)** format is required. Proposals submitted without an electronic/"live" (not PDF) version may be eliminated.
5. Readiness: fill out, to the greatest extent possible, the "Proposed Project Schedule" contained in [Form F](#).
6. With the exception of sites offered through this NOFA, description of site control and supporting materials.
7. All proposals, with the exception of those funded by the MCAHDF only, must submit an Equity Narrative. MCAHDF only proposals should use the requirements of that funding source to guide their Equity Narrative. The Equity Narrative for all other proposals/funding sources should include:
 - A Plan to meet the City of Portland's Subcontractor Equity Program ([see Appendix E](#)) goals for participation of Disadvantaged, Minority, Women and Emerging Small Businesses (DMWESB) in construction contracting and City Workforce Training and Hiring (see [Appendix F](#)) and federal Section 3 Program goals and requirements. Development teams are encouraged to use the State's OMWESB website (<https://oregon4biz.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp>) for identifying potential MWESB subconsultants. As an example, elements of the Plan could include:
 - A description of the process to be used for selecting the general contractor;
 - A description of how PHB staff will be integrated in all aspects of contracting as they relate to DMWESB issues;
 - A description of how the development team intends to meet the requirements of the City's procurement office including Social Equity Contracting and Employment requirements and goals (See [Appendix E](#)).
 - Description of MWESB professional/technical services plans and goals if any.
 - Description of organizations' equity and diversity initiatives, if any, including:
 - Staff and board members recruiting, hiring and retention;
 - Equity and diversity plans and policies and their implementation;
 - Training around equity, diversity, inclusion, cultural competency, etc.
 - Planned outreach to, including during marketing and lease-up, communities of color, immigrants/refugees and special needs populations. Also indication of barriers the population(s) face(s), and how development team will provide outreach and support services.
 - Diversity in vendor contracting, if any.
 - For proposals using **ICURA** funds/sites (page limit is **6**):
 - Development Benefits Plan (DBP) ([Appendix G](#)). The DBP **substitutes** for the Equity Narrative, however, the DBP should include any/all Equity Narrative items NOT covered by the DBP requirements.
8. [Affirmative Fair Housing Marketing Plan](#).

9. PHB Cost Standard and Average Bedroom Calculation (see [Form G](#))
10. PHB Funding Application (see [Form B](#)), Sponsor Statement of Financial Capability (see [Form C](#)) and Acquisition and Relocation Questionnaire (see [Form D](#)).
11. Organizational financial statements. Exception: project sponsors who already submit financial statements to PHB as a result of existing projects in PHB's portfolio are not required to submit financial statements as part of their NOFA application.
12. For projects requesting HOME funds, a completed HOME subsidy calculation worksheet which can be found [here](#) along with instructions about how to use.

All pages in the application must be numbered.

Design/architecture is NOT required and is only encouraged to the minimum extent necessary for development teams to comply with other submittal requirements.

Signed and dated proposals must be submitted by **3:00 p.m. on the Proposal Due Date** to be considered responsive.

Submit five (5) hard copies of completed application and documentation, with copies of all documents on a Flash drive (NO FAXES PLEASE) to:

**Cheyenne Sheehan, Sr. Administrative Specialist
Portland Housing Bureau
421 SW 6th Ave, Suite 500
Portland, OR 97204
Phone: (503) 823-2362**

VI. SELECTION PROCESS AND EVALUATION CRITERIA

Upon receipt, all applications will be reviewed for adherence to this NOFA's submittal requirements. Proposals not meeting submittal requirements will be deemed non-responsive and will be eliminated from further consideration. PHB, PDC and Multnomah County reserve the right to identify, clarify and accept any minor irregularities or informalities in determining whether a proposal is responsive.

Proposals meeting submittal requirements and Overall and/or funding source specific Investment Requirements will be reviewed by PHB, PDC and Multnomah County staff. Following staff review, an Evaluation Committee will review some or all of the proposals. At PHB/PDC/Multnomah County's sole discretion, development teams may also be asked to make presentations to or interview with staff or the Evaluation Committee(s).

There will be at least three different Evaluation Committees:

1. A Home For Everyone proposals will be evaluated by a Multnomah County designated committee.
2. Proposals utilizing PDC owned sites will be evaluated by a PHB/PDC designated committee.
3. Other proposals will be evaluated by a PHB only designated committee.

Except as otherwise stated in this NOFA, proposals will be evaluated based on the following Evaluation Criteria:

- Investment Requirements specific to each funding source.
- Preference Criteria specific to each funding source.
- Content and quality of the Project Narrative.
- Qualifications and experience of the Development Team
- Content, quality, and appropriateness of the Preliminary Budget/Proforma and the assumptions contained therein.
 - Evaluation of this criteria includes leveraging of resources other than the City's (or County's). Additional consideration in this regard may be given to proposals awarded project-based Section 8 vouchers in Home Forward's September 2015 Request for Proposals for such vouchers - 08/15-295.
- Content and quality of the Proposed Project Schedule and the assumptions contained therein.
- For all projects, content and quality of the Equity Narrative or the Development Benefits Plan for ICURA (only) projects.
- Any and all content regarding building and site design (if any) as well as green building.

PHB recognizes there is a "creative tension" inherent in publically financed projects. PHB strongly discourages manipulation of pro forma assumptions to produce a particular desired outcome, e.g. lowering expenses to produce more favorable net operating income. PHB encourages the honest reporting of pro forma assumptions. PHB reserves the right to reject proposals that appear to portray misleading financial information.

VII. GENERAL CONDITIONS

This NOFA is not a solicitation of competitive bids. PHB and its NOFA partners by this NOFA specifically reserves the right in their sole discretion to determine which proposals best serve the public good, and to:

- A. Revise the solicitation, evaluation, or selection process including extending the deadline or canceling without selecting any projects.
 - B. Waive informalities and irregularities in the proposals received in response to this NOFA.
 - C. Disqualify without recourse or appeal any or all proposals.
 - D. Reject any or all proposals with or without cause.
 - E. Determine the timing, arrangement and method of any presentation throughout the process.
 - F. Verify and investigate the qualifications and financial capacity of the development team, and any of the information provided in the proposal.
1. Every effort has been made to provide current and correct information; however, unless citing a specific PHB approved resolution or plan, PHB makes no representation or warranty with respect thereto.
 2. All proposals received shall become the property of PHB and considered an official public record subject to inspection by the public in accordance with ORS 192.502 and PHB's Public Records Access Policy after the completion of the NOFA process; and may be used for any purposes relevant to the decisions and actions undertaken by PHB towards development of the property being offered. Entities are advised that confidential financial information, including the Developer's Statement of Financial Capacity, should be clearly labelled and submitted separately from the remainder of their proposal (both paper and digitally). Similarly, if any entity responding to this NOFA believes that a specific portion of its response constitutes a "trade secret" under Oregon Public Records Law (ORS 192.501.2) and is, therefore, exempt from disclosure, the entity must clearly identify that specific information as a "trade secret" and submit it together with the confidential financial information. Identification of information as a "trade secret" does not necessarily mean that the information will be exempt from disclosure. PHB will make the determination of exemption from disclosure based on the nature of the information and the requirements of the Oregon Public Records Law.
 3. Restrictions on communication. Every effort has been made to include herein all the information necessary to prepare and submit a responsive proposal to this NOFA. However, in the event additional information is desired, please adhere to the following:

If you have a question about any of the information or requirements contained in this NOFA, direct your question to:

Karl Dinkelspiel, Senior Program Manager
Portland Housing Bureau
421 SW Sixth Avenue, Suite 500
Portland, OR 97204
karl.dinkelspiel@portlandoregon.gov

All substantive questions and answers as well as formal Addenda will be posted to the PHB website page: <http://www.portlandoregon.gov/phb/69006>

4. During the course of this NOFA, development teams are cautioned not to undertake any activities or actions to promote or advertise their proposals except in the course of PHB-authorized presentations; or to make any direct or indirect (through others) contact with review committee members (if named) or PHB/PDC/County staff members not identified in this NOFA as a contact for specific information, except upon prior approval of the Project Manager.
5. PHB will not hold “one-on-one” meetings with any development teams during the evaluation process except as part of a scheduled interview or presentation process involving all or a “short list” of development teams. PHB may, however, ask individual development teams clarifying questions or obtain additional information about some specific point of a proposal.
6. Failure to abide by these restrictions is grounds for disqualification. This NOFA does not commit PHB to enter into an agreement.
7. PHB accepts no responsibility or obligation to pay any costs incurred by any potential or eventual development teams in the preparation or submission of a proposal; or in complying with any subsequent request by PHB for information or participation throughout the evaluation process.
8. Respondents to this NOFA are prohibited from employing or retaining a former PHB employee to assist in the preparation of a proposal to this NOFA if the former PHB employee has been separated from PHB for less than one year and was associated with the site or related project while employed by PHB.
9. The selected developer is further prohibited from employing or retaining a former PHB employee who has been separated from PHB for less than one year and was associated with this site or related project while employed by PHB:
 - A. To work on or receive any financial gain related to the project; or
 - B. To work in a capacity responsible for influencing, or trying to influence the actions of PHB other than through public testimony.
10. Funded projects will be required to:
 - A. Comply with City-required 60-year affordability agreement and annually submit compliance reporting as specified in agreement.
 - B. **Federal Lead Regulations:** All projects proposing rehabilitation of structures built before 1978 will be subject to federal Lead-Based Paint regulations per 24 CFR Part 35. See [Appendix K](#).
 - C. Other PHB and/or PDC policies and requirements may apply, depending on the specific project. See [Appendix D](#) for additional information.
 - D. **Existing PHB/PDC funded projects-** Any applicant with previously funded PHB/PDC projects in their portfolio must be current on reporting requirements and required loan payments.

- E. **Financial Documentation:** Current financial statements and recent financial audits (if available) in sufficient detail for PHB to analyze the overall health of the organization, and the performance of other real estate owned.
 - F. Support letters from all partner service providers must be submitted in order for services to be considered in scoring.
 - G. Additional information regarding project criteria is contained within the Appendices.
11. Development teams are limited to **one** proposal per funding source with the following exceptions:
- A. Development teams proposing use of the MCAHDF may submit multiple proposals if those proposals aren't combined with other sources/sites contained in this NOFA.
 - B. Development teams may submit a separate proposal for each of the two ICURA sites.
 - C. Proposals combining City General Fund or MCAHDF AND another source will be treated as one source.
 - D. "Bundling" of multiple sites into one application (including the two ICURA sites) is permitted, provided all sites function as a single application for both PHB and non-PHB funding.
12. Mandatory Information and Networking Sessions: Development teams may be eliminated from consideration if a) a representative of the team does not attend the Mandatory Developer Information Session; or b) proposers use a general contractor that does not attend the Mandatory Contractor Networking Session.
13. All acquisition and rehab projects must provide validation of purchase price, less deferred maintenance items, preferably through an appraisal no less than six months old. Development teams should have performed appropriate due diligence on rehabilitation cost including deferred maintenance items with evidence included in the application package.

VIII. LIST OF FORMS AND APPENDICES

FORM	LOCATION
Form A – Sponsor Cover Page	Form A
Form B - PHB Application Form	Form B
Form C- Sponsor Statement of Financial Capacity	Form C
Form D – Acquisition and Relocation Questionnaire	Form D
Form E- Budget / Proforma Template	Form E
Form F- Project Schedule	Form F
Form G - PHB Total Cost Standard and Average Number of Bedrooms	Form G

APPENDIX	LOCATION
Appendix A – Site Information	Appendix A
Appendix B – PHB Underwriting Metrics	Appendix B
Appendix C – Additional Financial Metrics for Fall 2015 NOFA	Appendix C
Appendix D – Additional Policies and Project Requirements	Appendix D
Appendix E – Subcontractor Equity Program	Appendix E
Appendix F – Workforce Training and Hiring Program	Appendix F
Appendix G – Development Benefits Plan	Appendix G
Appendix H – PHB Guiding Principles of Equity and Social Justice	Appendix H
Appendix I – Federal Funds Compliance	Appendix I
Appendix J – General Information Notice (GIN)	Appendix J
Appendix K – Lead Based Paint Requirements	Appendix K
Appendix L – Housing Rehabilitation Standards	Appendix L
Appendix M – Additional Documentation Required Prior to Reservation of Funds	Appendix M
Appendix N – Community Based Development Organizations (CBDO) and Community Housing Development Organizations (CHDO) list	Appendix N
Appendix O – PHB Relocation Policy and Procedures	Appendix O
Appendix P – Areas of Special Activities for CBDOS	Appendix P

Not all appendices are referenced within the body of the NOFA. Please read all appendices carefully.