

DRAFT Guidelines for Development Themes

Outreach to Procure Services: When the City procures for construction of a new building or rehabilitation of an existing building, such methods may be unfamiliar to PHB's traditional partners. To allow for the participation of these partners who already possess deep expertise in affordable housing development/rehabilitation, PHB should conduct direct outreach, and work with the City Procurement Office to provide information sessions to facilitate access to opportunities under the bond.

Recommendations for Development Strategies:

PHB should be as creative as possible, within the confines of the legal limitations of bond funds, when considering what development strategies to employ. It should factor in costs, additional community benefits, leverage opportunities and to the extent possible harness the deep-expertise of the affordable housing development community.

Creative strategies identified include:

- Exploring using bond funds to acquire the land only and utilize other financing for the construction of the buildings
- Exploring all other leverage options. While there is recognition that general obligation bond funds have limitations that may foreclose some traditionally available potential leverage options, e.g. low income housing tax credits (LIHTCs), PHB should consider all options available both debt and equity. These include lending programs from the federal government, non-profit lenders like the Network for Oregon Affordable Housing (NOAH) and less common lenders such as insurance companies and pension funds. They should also include future fee-in-lieu revenue from the Inclusionary Housing program, other non-general obligation bond revenue, tax increment financing (TIF) resources.
- Explore and/or advocate for Oregon constitutional changes. Oregon's constitution Article XI, Section 9, currently prohibits municipalities from loaning their credit to a "company, corporation or association." This, in effect, means GO Bond funds can't be used for projects that utilize the provisions of Section 42 of the internal revenue code, i.e. LIHTC partnerships. Removing or clarifying this provision would allow LIHTCs to be leveraged into Bond funding projects. It could also, potentially, open the door to a broader range of development and ownership partnerships.

When the bureau selects a method of contracting for development, design, or rehabilitation services PHB should select procurement methods that will take into consideration the likelihood of meeting additional community benefits like access to opportunities, MWESB Goals, Workforce Training and Hiring Policies.

PHB should be transparent and explain its decision-making to the community as to why it is selecting a particular contracting method or development strategy. PHB should also use external evaluators to the when possible in the procurement process to ensure that the expertise in the affordable housing community is harnessed and that decisions are not just seen as "City" decisions but involve the community in the decision-making process.