

Intergovernmental Agreement

City of Portland Contract # XXXXXX
Home Forward Contract #XXXX

This Intergovernmental Agreement dated January 15, 2018 (“Agreement”) is by and between Home Forward, a public body corporate and politic of the state of Oregon, and the City of Portland, a municipal corporation of the State of Oregon (“City”) acting by and through the Portland Housing Bureau, (the “PHB”). Home Forward and PHB are authorized under ORS 190.010 to enter into this Agreement.

Background:

- A. In November 2016, Portland voters approved Portland City Council Measure 26-179, authorizing the City to issue up to \$258,400,000 in general obligation bonds (“PHB GO Bond”) for affordable housing. PHB plans to use the PHB GO Bond proceeds to purchase land to develop new affordable, and to purchase existing occupied rental housing.
- B. In April 2017, the PHB convened the Stakeholder Advisory Group to create a Policy Framework to guide bond investments and operations. The Portland City Council accepted the Stakeholder Advisory Group’s Bond Framework (“Bond Framework”) in October of 2017, Exhibit A. The Bond Framework established the following goals:
 - 1. “Productions Goals”: The bond will produce a minimum of 1,300 new housing units affordable for households with incomes at or below 60% of the Area Median Income (AMI). Of these: 600 will be affordable for households at 0-30% AMI, including a target of 300 units of Permanent Supportive Housing (PSH) and other supportive housing, provided services funding is secured; and 650 will be larger size (2 or more bedrooms) for families. (the “Production Goal”).
 - 2. “Priority Communities” to further the communitywide goals of preventing displacement, advancing racial equity, and making a visible impact on ending homelessness. By aligning a targeted number of bond-financed housing units with the homeless service system, culturally specific organizations, and other community organizations, we will seek to create housing opportunities for

families and individuals impacted by racism, housing discrimination, homelessness, and displacement, with a particular focus on: Communities of Color; Families, including families with children, immigrant and refugee communities, families with foster children and intergenerational households; Households experiencing homelessness or at imminent risk of becoming homeless; and Households facing imminent displacement.

3. “Guidelines for Development”: Development should advance equity in access to development opportunities, through culturally specific partnerships, and create housing that is culturally appropriate in design and form; increase Disadvantaged/Minority/Women/ Emerging Small Business goals, Workforce Training and Hiring policies, and other community benefits; and meet green building and accessibility standards.
 4. “Guidelines for Operations”: Effective structures and processes for both asset and property management are vitally important to preserve the quality and financial viability of affordable housing. Asset management strategies should sustain the physical and financial viability of the housing asset. Property management activities should support the mission and goals of the housing and foster tenants’ housing stability and independence.
- C. General Obligation Bonds have legal restrictions that require any housing funded with the PHB GO Bond that are constructed or acquired, to be owned by the City. In accordance with state law, construction (new or rehabilitation) are public improvement projects that are subject to the Oregon Public Contracting Code.
- D. Prior to the passage of the PHB GO Bond, PHB has primarily acted as a funder of affordable housing and not an owner or developer.
- E. PHB has not traditionally acted as an asset manager of occupied buildings. Prior to the passage of the PHB GO Bond, PHB did not own a substantial portfolio of affordable housing. PHB does own two tenant occupied buildings, the Fairfield Apartments and the Headwaters Apartments. These two properties were managed under a long-term asset management agreement with the Portland Development Commission (presently known as Prosper Portland), and in 2016 PHB took over asset management responsibilities for these two buildings.
- F. Home Forward has deep expertise owning, developing and managing affordable housing assets. In addition, as an Oregon public entity, Home Forward is

uniquely well-qualified to issue on PHB's behalf, solicitations that are subject to the Oregon Public Contracting Code.

- G. Home Forward has been an integral part of the City of Portland's housing programs since its creation by the Portland City Council in 1941. Home Forward has a depth of expertise in affordable housing management, and is an essential part of both the City's and Multnomah County's plans to address homelessness, through the, "A Home For Everyone" Plan. Home Forward also worked with the City on the delivery and success of voter approval of the PHB GO Bond, committing resources to create 400 of the 600 deeply affordable units under the bond. Home Forward manages a portfolio of over 6,000 units of affordable housing, and has deep expertise in effectively managing housing with supportive services, including the Richard Harris Building, the Jeffrey, and the Bud Clark Commons.
- H. PHB and Home Forward wish to collaborate to most quickly and efficiently reach the Bond Framework Goals, and to successfully manage housing created under the PHB GO Bond for its financial health and the benefit of the residents of the bond properties. Leveraging Home Forward's significant asset management experience and expertise, will avoid the expense and delay otherwise resulting from PHB building and training additional staff resources necessary to perform this work.
- I. The parties also wish to collaborate on immediate development work on a short-term basis. Specifically, PHB would like to employ Home Forward's technical assistance on projects currently under evaluation or development. This short-term collaboration will inform the content of a longer-term agreement for Home Forward to provide technical services for projects commenced to satisfy the GO Bond Production Goal.
- J. PHB and Home Forward are both committed to reaching the Goals as delineated in the Bond Framework.

Therefore, in consideration of the mutual covenants made herein, the parties hereby agree as follows:

AGREEMENT:

1. Home Forward will provide PHB with Asset Management Services (defined below) for those PHB-owned properties listed on the attached Exhibit B. Exhibit B will be updated periodically to reflect the addition of properties identified by PHB and accepted by Home Forward.
2. Home Forward will provide Asset Management services on behalf of PHB and will discharge its obligations under this Agreement guided by the goal of ensuring long-term affordability of the properties subject to its management by incorporating best management practices with respect to both the financial practices and physical condition of the PHB owned assets;
3. At PHB direction, Home Forward will assist in acquiring existing housing projects that may or may not be occupied and may or may not need rehabilitation;
4. At PHB direction, Home Forward will provide development services for new housing projects on land acquired by or owned by PHB;
5. Property management companies (PMCs) will oversee the day-to-day operations of each of the affordable housing properties subject to Home Forward's oversight as indicated on Exhibit B;
6. PHB may contract with a third-party technical assistance provider, at its expense, to achieve greater Minority/Women/Emerging Small Business/Disadvantaged (MWESBD) participation for work related to asset and property management. Home Forward will cooperate with that contractor and PHB to achieve greater MWESBD participation; and
7. The provisions included in the Asset Management and Development Services sections apply only to those sections. The General Terms in Section 3 apply to all sections.

1. ASSET MANAGEMENT

RESPONSIBILITIES OF HOME FORWARD:

A. Compliance Monitoring

1. For each property listed in Exhibit B, Home Forward will compile and publish compliance and regulatory requirements.
2. Home Forward will, not less frequently than annually, review rents and income levels for each property as against maximum allowable rent restrictions per property, and as against market rate rents in neighborhood for comparable units.
3. Home Forward will monitor each PMC and property for affordable housing regulatory and other funding compliance requirements.

B. Property Management Oversight

1. Home Forward will assume existing contracts at its option or will contract with property management services for each property but will work closely with PHB to ensure that the property management arrangements comply with PHB's GO Bond compliance requirements. Home Forward will make recommendations to PHB for the appropriate property management service and company for each property to achieve affordability and other PHB goals. PHB will have final approval over the selection of such PMC.
2. Home Forward will analyze property management variances on property performance such as budget to actuals, occupancy, or other significant changes to budget.
3. As needed, Home Forward will make recommendations non-budgeted operating or capital improvement investments.
4. Home Forward will evaluate performance measures semi-annually using Home Forward's watch list criteria (see Exhibit D).
5. If PMC is not performing to criteria, Home Forward will work with PMC on a corrective action plan.
6. Home Forward will make recommendations to change or terminate management agreement for PHB's approval.
7. Initial management agreements for each tax-exempt bond-funded project, and any subsequent amendments to such agreements, shall be provided to the City's Debt Manager who will engage the City's bond counsel to assure that such agreements conform to qualified management contract rules relating to projects financed with tax

exempt bonds. No initial property management agreement or subsequent amendment will be entered into without the prior review and approval of the City's bond counsel.

C. Financial Management

In collaboration with the PMCs, Home Forward will:

1. Create annual operating budgets for each property six months prior to fiscal year start. The fiscal year extends from July 1 to June 30. This budget shall include any rent increase recommendations, subsidy assumptions, other revenue, operating expenses, resident services, reserve contributions and capital expenditures, and present to PHB for approval.
2. Review monthly financial statements from the PMCs for compliance with management agreement and alignment with budget.
3. Ensure each property and PMC complies with Generally Accepted Accounting Principles (GAAP). Home Forward will ensure financial information is provided in the required format to meet City's financial reporting requirements.
4. Calculate quarterly Debt Coverage Ratios (DCR) and variance analyses and submit to PHB.
5. Make recommendations for replacement reserve withdrawals for capital improvements. Submit replacement reserve withdrawal requests to PHB.
6. Approve all non-budgeted expenditures from \$2,000 to \$25,000. Non-budgeted expenditures over \$25,000 will require PHB approval unless emergency repairs that exceed this amount are needed to avoid endangering life or property or to ensure the continuation of essential services, e.g. heat, hot water, electricity.
7. Manage insurance claims processes and coordinate with the City's Risk Management division on property insurance claims.
8. Assist with audit process with third party auditor.

D. Physical Condition Oversight

1. Home Forward will inspect each property annually on schedule determined by Home Forward to identify capital improvements needs and to ensure that the PMC is maintaining the physical condition of each property to a high standard.

2. In collaboration with the PMC, Home Forward will create and implement a preventive maintenance plan for each property to extend useful lives of building systems and components.
3. Six (6) months after its initial implementation, Home Forward will evaluate the preventive maintenance plan for effectiveness, and will update the plan thereafter annually to reflect any previous capital improvements.
4. For each property, Home Forward shall have the authority to approve non-budgeted exterior or interior repair work beyond general day-to-day maintenance in an amount not to exceed \$25,000.

E. Policy Development

1. PHB will be the lead in creating GO Bond policies for implementation consistent with the goals and priorities set forth in the Bond Framework. PHB will work in close partnership with Home Forward in development of policies.
2. Under PHB's direction, Home Forward will work with PHB, PMCs and community partners on crafting policies, including, but not limited to tenant policies (preferences, referral processes, marketing and outreach to tenant populations, screening and eviction criteria, tenant appeals processes and other tenant-related policies).
3. Tenant policies will be created by PHB and reviewed and accepted by Home Forward and PMCs. If conflicts arise related to policies, Home Forward and PHB will work to find a mutually agreeable resolution.
4. Home Forward will create a task order template to be completed by PHB for each project outlining goals and policies.

F. Resident and Community Services Coordination

1. Home Forward will contract manage Resident Service partnership agreements and/or contracts between PHB and service agencies to ensure project-specific goals and policies are met and coordination occurs with property management staff to track programmatic and tenant-related outcomes. Home Forward will charge a contract management fee based on 10% of the contract value.
2. If the select service provider is Home Forward, compensation, roles, and outcomes will be outlined in a separate contract. PHB will become the contract manager.

G. Tenant and Public Relations

3. The PMC will be the point of contact for residents and property neighbors. Home Forward will be the point of contact for the public, media, and community stakeholders regarding issues with the operation and mission-focus of each property.
4. Home Forward will investigate complaints or inquiries regarding issues with the operation and mission-focus of each property and report back contentious issues or findings to PHB.
5. Home Forward will act as an intermediary with community partners interested in providing additional services for each property.
6. Home Forward will notify PHB as soon as possible of any media or high-level inquiry regarding PHB properties.

H. Management of Capital Improvement Projects

Home Forward will manage all capital improvement projects related to PHB properties that are the subject of this agreement. In this role, Home Forward will:

1. Follow all procurement requirements and select contractors that are qualified, licensed and bonded.
2. Determine whether the PMC has capacity to project manage capital improvement projects. Home Forward could assign and contract for capital improvement project management services with PMCs for projects involving costs not exceeding \$50,000 inclusive of project management service costs.
3. In close collaboration with PHB, procure and manage capital improvements, repairs, refurbishments or equipment replacement costing more than \$50,000. For this project management service, PHB will pay Home Forward a fee of five (5) percent of the total project cost.

RESPONSIBILITIES OF PORTLAND HOUSING BUREAU

PHB shall:

- A. Provide all existing financial information, including budgets, funding sources, replacement reserves, and operating expenses.
- B. Provide specific mission-based direction for each property. This includes population served, required services, neighborhood outreach and relationships, property habitability, and desired outcomes.

- C. Provide specific financial goals for each property, including funding that would need to come back to PHB for future programming.
- D. Conduct quarterly and year-end financial “true-ups” to ensure that cash flow projections include debt service payments, depreciable items, and any other accounting adjustments.
- E. Share any existing As-Builts, O&Ms, Capital Needs Assessments, and any other information on the physical infrastructure of each property.
- F. Assign property management agreements in place for those PHB properties identified on Exhibit B to Home Forward and notify property management firms of the assignment communicating Home Forward’s contact and notice information.
- G. Communicate with the selected PMCs via Home Forward’s point of contact.
- H. Ensure the PMCs understand Home Forward’s role, adopt Home Forward’s chart of accounts, and communicate with PHB through Home Forward.
- I. Maintain continuous property and comprehensive liability insurance for the PHB properties.
- J. Review and approve annual Operating Budgets and Capital Budgets.
- K. Act as the lead for policy development working closely with Home Forward, PMCs and community partners on crafting Tenant Policies, including but not limited to preferences, referral processes, marketing and outreach to tenant populations, screening and eviction criteria, tenant appeals processes and other tenant-related policies.
- L. Create tenant policies that will be reviewed and accepted by Home Forward and PMCs. If conflicts arise related to policies, Home Forward and PHB will work to find a mutually agreeable resolution.
- M. Complete a task order template for each project outlining goals and policies.

PAYMENT TERMS:

PHB will pay Home Forward for services rendered in accordance with attached Exhibit C Asset Management Fee Schedule. Payments will be made within 30 days of receipt of Home Forward’s monthly invoice.

PROJECT MANAGERS:

The Home Forward Project Manager shall be the Director of Asset Management, who is hereby authorized to give all notices and take all actions to implement Home Forward’s obligations described in this IGA. The Director of Asset Management will designate an asset manager for ongoing day to day management as the point of contact.

The PHB Project Manager shall be the assigned Deputy Director, who is authorized to take all actions necessary to implement the City's obligations under this IGA. The Deputy Director will designate a day to day point of contact.

Both parties will endeavor to interact solely through their respective points of contact. Both parties recognize that circumstances may dictate that material written or oral communication between the Parties related to Asset Management Activities occasionally may not initially include the Parties' respective points of contact. Under such circumstances, the Parties will mutually endeavor to ensure that each Party's point of contact is fully informed of all material communication as quickly as possible. Each party will provide 30 days' advance written notice to the other of the planned replacement of a primary project manager.

TERM:

This Agreement shall be binding on the parties for a period of 42 months beginning on January 15, 2018 unless otherwise terminated or extended pursuant to the terms of this Agreement. Unless earlier terminated, this Agreement will, with no further action of the parties, automatically extend for an additional two years.

TERMINATION:

This Agreement may be terminated prior to expiration of the Term without cause, by either party by that party providing the other with 120 days' advance written notice of its intent to terminate. In the event of early termination, all fees, due and payments incurred by Home Forward shall be paid within thirty (30) days following the date of termination.

2. Home Forward Development Services

RESPONSIBILITIES OF HOME FORWARD:

- A. Project/Deal Origination
- B. Provide support and guidance to PHB in Policy Development
- C. Property Acquisition
- D. Procurement
- E. Provide support and recommendation to PHB in Conceptual Design/Programming
- F. Pre-Development
- G. Programming and Resident Services Coordination:

1. Home Forward will assess resident and community service needs of existing or potential tenants based on property goals and policies, demographics, and income levels of intended population.
2. Home Forward will recommend service provider(s) to meet the service needs of existing or potential tenants, based on PHB programming. PHB to approve selection of service provider(s).
3. Home Forward will develop partnership agreements and/or contracts with service agencies to articulate roles and responsibilities for referrals and/or supportive services to be made available to tenants of PHB properties.
4. For this one-time, upfront resident services assessment work (items 1 - 3), Home Forward will be compensated on an hourly basis, based on the rates outlined in the attached Exhibit F.

Upon request from PHB, Home Forward staff will provide no more than a total of twenty (20) hours staff per week on tasks described in Exhibit E and as otherwise described in this section of this Agreement, unless, in the Home Forward's Project Manager's sole discretion, the combination of Home Forward staff capacity and consulting tasks in process merit additional weekly hours. This agreement does not prohibit Home Forward from applying for and receiving affordable housing resources from PHB for Home Forward projects. This agreement does not prohibit Home Forward from applying for and receiving resident and community services contracts with PHB for City-owned projects.

RESPONSIBILITIES OF PORTLAND HOUSING BUREAU

PHB shall:

- A. Provide to Home Forward all available development services information on prospective PHB GO Bond properties.
- B. Include Home Forward staff in all relevant meetings.
- C. Fulfill roles as described in Exhibit E.
- D. Staff the Bond Oversight Committee.
- E. Update and communicate any changes in bond policy goals to Home Forward in writing.
- F. Complete and submit to Home Forward a Task Order for each project outlining goals and policies and note any changes to roles and responsibilities in attached Task Matrix.

Policy Development:

PHB will develop policies related to the topics listed below as well additional policies identified by the parties. PHB will consider Home Forward's input in policy development relevant to provision of Home Forward Development Services.

Policies that will be developed include but are not limited to:

- A. Resident Screening Criteria
- B. Income and rent restrictions requirements per project;
- C. Appraisal policy
- D. Rehabilitation expenditure policies including per project budget goals

DEVELOPMENT SERVICES PAYMENT TERMS:

PHB will pay Home Forward for hourly development services rendered in accordance with Exhibit F rate schedule. Payments will be made within 30 days of receipt of invoice which will be submitted monthly.

PROJECT MANAGERS:

The Home Forward Project Manager will be the Director of Development and Community Revitalization, who is hereby authorized to give all notices and take all actions necessary to implement and discharge the Home Forward obligations described in this Agreement. The Project Manager may assign ongoing day to day tasks to Senior Development Consultant as the point of contact and other staff as appropriate.

The PHB Project Manager will be the Housing Investment and Portfolio Preservation (HIPP) Manager, who is authorized to take all actions necessary to implement and discharge the City's obligations under this Agreement. The HIPP Manager will designate a day to day point of contact.

Both parties will endeavor to interact solely through their respective points of contact. Both parties recognize that circumstances may dictate that material written or oral communication between the Parties related to Development Activities occasionally may not initially include the Parties' respective points of contact. Under such circumstances, the Parties will mutually endeavor to ensure that each Party's point of contact is fully informed of all material communication as quickly as possible. Each party will provide 30 days' advance written notice to the other of the planned replacement of a primary project manager.

TERM:

The Development Services IGA begins on January 15, 2018 and ends six months later, on July 15, 2018 unless extended by mutual agreement of the parties. If agreed by both parties, the IGA may be renewed for an additional three months, to October 15, 2018. If the obligations described in this portion of the Agreement will be renewed, each must notify the other in writing thirty (30) days prior to the end of the initial Term, of the intent to extend.

TERMINATION:

This agreement may be terminated with or without cause prior to the end of the Term by either party providing to the other, thirty (30) days advance written notice of its intent to terminate. In the event of early termination, PHB shall pay to Home Forward all fees, due and payable as of the date of termination within 30 days of its receipt of Home Forward's invoice for such services. Home Forward reserves the right to reject development services work on particular projects for which it cannot meet the PHB program goals. Home Forward can elect not to develop that project without terminating the entire contract. Home Forward will give PHB at least 30 days written notice if it will not develop a project on behalf of PHB. In the event this determination is made following commencement of development service work, Home Forward will provide PHB with all relevant work product and assign all relevant contracts, and take other reasonable actions as requested by PHB to effect smooth and efficient transfer of these responsibilities.

NOTICES:

All notices, demands, requests or other communications given under this Agreement shall be in writing and be given by personal delivery, certified mail, return receipt requested, or nationally recognized overnight courier service to the address set forth below or as may subsequently in writing be requested.

Home Forward at:



135 SW Ash Street
Portland, OR 97204

and PHB at:

Office of the City Attorney
1221 SW 4th Ave., Room 430
Portland, Oregon 97210

3. GENERAL TERMS

INDEMNIFICATION:

Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, the parties will each with respect to the other, indemnify, defend and hold harmless from and against all liability, loss and costs arising out of or resulting from the respective acts and omissions of its officers, employees and agents in the performance of this Agreement, including without limitation for any third-party claims related to its performance of this Agreement, For the purposes of this Agreement, the officers, employees and volunteers of the Home Forward are deemed to be agents, but not employees of the Portland Housing Bureau of the City of Portland.

INSURANCE:

Each party shall provide with respect to its own employees, all worker's compensation insurance required by law, general liability insurance sufficient for their respective operations. The City of Portland shall continuously maintain property and general liability insurance covering the properties. Neither party shall be required to provide or show proof of any insurance coverage but will do so upon request as necessary for the other party to comply with, or discharge its obligations under this Agreement.

The "City of Portland, Portland Housing Bureau" will self-insure property, workers compensation and tort liability as it deems appropriate. Home Forward will maintain throughout the Term of this Agreement, a fidelity bond through which it will cover risks of loss resulting from fraud, theft, embezzlement of money and securities owned by PHB. The dollar amount of the fidelity bond will be based on the anticipated monthly amount of money in the custody and under the control of Home Forward. The City of Portland, Portland Housing Bureau shall be named as an additional insured on Home Forward's commercial general liability policy and Home Forward will be responsible for third party claims arising out or related to the errors or omissions of its employees and agents in connection with discharging Home Forward's performance obligations under this Agreement.

OWNERSHIP OF WORK PRODUCT:

Unless otherwise agreed to in writing by the Parties, PHB shall be deemed to own any and all data, documents, plans, designs, drawings, technical data reports, specifications, and other materials produced in connection with this Agreement (the “Work Product”), except for Home Forward’s internal ledgers, working papers and other job records copies of which shall be made available upon request to PHB for a period of six (6) years following termination of this Agreement. PHB also shall be deemed owner of all rights, title and interest, in and to copyrights of specified work products.

Home Forward shall be entitled to produce and retain copies of the Work Product as reasonably necessary to discharge its obligations under this Agreement. Home Forward shall make any or all of Home Forward’s internal ledgers, working papers and other job records available to City of Portland and its representatives, at Home Forward’s offices and during normal business hours, as City of Portland may reasonably request from time to time, to enable City of Portland to perform examinations and audits and make excerpts and transcripts, provided that any such examinations and audits shall be at City of Portland’s sole expense.

DISPUTE RESOLUTION:

The parties shall attempt to resolve any dispute arising out of or relating to this agreement through negotiation between senior executives of the parties who have authority to settle disputes. If this attempt at negotiation fails, the parties agree to submit to binding arbitration to resolve the dispute. The arbitration shall be conducted by and in accordance with the rules and procedures of the American Arbitration Association. The Arbitration award shall be binding upon the parties and shall be enforceable in any court of competent jurisdiction. Both parties shall share the cost of the dispute resolution process equally up to and including the arbitration hearing. Each party shall pay its own attorneys and witnesses fees; provided however, that as part of an arbitration award, the arbitrator(s) may allocate the fees and the costs of the arbitration along with reasonable attorney’s fees and other reasonable costs and expenses to the prevailing party.

ADHERENCE TO LAW:

Each party shall comply with all federal, state and local laws and ordinances applicable to the subject matter of this Agreement.



NON-DISCRIMINATION:

Each party shall comply with all requirements of federal and state civil rights and local non-discrimination ordinances.

ACCESS TO RECORDS:

Each party shall have access to the books, documents and other records of the other which are related to this Agreement for the purpose of examination, copying and audit, unless otherwise limited by law.

SUBCONTRACTORS AND ASSIGNMENT:

Neither party will subcontract or assign any part of this agreement without the prior written consent of the other party.

THIS IS THE ENTIRE AGREEMENT:

This Agreement constitutes the entire Agreement between the parties. This Agreement may be modified or amended only by the written agreement of the parties.

THIRD PARTY BENEFICIARIES:

No third-party beneficiaries are intended or created by this Agreement.

COUNTERPARTS:

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

CITY OF PORTLAND

HOME FORWARD

BY:

XXXXXXX,

BY:

Michael Buonocore, Executive Director

DATE:

DATE:

Reviewed _____ Approved as to form: _____

BY: _____ BY: _____

DATE: _____ DATE: _____

The Recitals and the following listed Exhibits and Attachments are hereby incorporated into and made a part of this Intergovernmental Agreement:

Exhibit A – Portland’s Housing Bond Policy Framework – <i>Created by the Bond Stakeholder Advisory Group for the Portland Housing Bureau</i>	27 pages
Exhibit B – List of Properties and Property Management Companies to be Asset Managed by Home Forward Under IGA	1 page
Exhibit C – Asset Management Fee Schedule for Home Forward	1 page
Exhibit D – Watch List Criteria for PMCs	1 page
Exhibit E – Matrix of Development Activities	4 pages
Exhibit F – Development Services Hourly Fee Schedule	1 page

Exhibit A: Portland's Housing Bond Policy Framework

<https://static1.squarespace.com/static/59d4128b80bd5e9928374e77/t/59e63291dc2b4a4614d128d3/1508258456554/Final+Bond+Policy+Framework+10-12-17.pdf>

Exhibit B: List of Properties and Property Management Companies to be Asset Managed by Home Forward Under this Agreement

Name of Property	Address	# Of Units	PMC	Management Agreement Effective Date
The Ellington	1610 NE 66th Ave, Portland, OR 97213	263	Affinity Property Management	July 1, 2017
Headwaters Apartments	8833 SW 30th Ave, Portland, OR 97219	100	Guardian Management LLC	October 1, 2017
Fairfield Apartments	1117 SW Stark St, Portland, OR 97205	82	Income Property Management	July 1, 2017
	TOTAL UNITS	445		

Exhibit C: Asset Management Fee Schedule for Home Forward

Asset Management Fees – Year 1

AM Fee Per Unit Per Year	# of Units	Total
\$240	445	\$106,800

*Fees will change as each property comes on-line, commencing on the property management agreement effective date.

Asset Management Fee Schedule Per Unit Per Year - Year 2 through 5*

Year 2	\$252
Year 3	\$265
Year 4	\$278
Year 5	\$292

*Escalates at 5% annual increase, starting on January 1 of each year

Capital Improvement Project Management Fee Schedule

Project Management of Capital Improvement Projects	5% Total Project Cost
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Resident and Community Services Contract Management Fee Schedule

Resident Services Contract Management	10% of Contract Cost
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Exhibit D: Watch List Criteria For PMCs

Property goes on Watch List if (one or more):		Measure	Time Period
1	Economic occupancy	One percent (1%) lower than Multifamily NW survey of average occupancy in submarket / neighborhood	Average nonperformance for six (6) months
2	Uncorrected life, health and / or safety findings	Third party funder or investor inspection report	Outstanding beyond third party's applicable deadline
3	Preventative Maintenance (PM) plan approval	PM plan is updated annually, critical items are designated, and approved by Home Forward	Approval not received within six (6) months of annual update
4	PM plan implementation	Critical maintenance items completed as scheduled	Outstanding twelve (12) months after PM plan is updated
5	Average days vacant (from move out to move in)	Thirty (30) days	Average nonperformance for six (6) months
6	Uncorrected file review findings from third party funders or investors	Third party funder or investor inspection report	Outstanding beyond third party's applicable deadline
7	Late submission of monthly reporting	15th of month	Nonperformance for three (3) months, consecutively

Exhibit E: Matrix of Development Activities

Key for Home Forward and PHB columns	
" Responsible " means an organization leads a task and is accountable for ensuring its successful completion. When the other organization has an Input role on a topic, the Responsible organization shall have the obligation to seek agreement on that topic through timely communications. If such agreement cannot be obtained within timeframes required to meet deadlines or continue operations in a business-like manner, the Responsible organization is authorized to make a decision regarding the topic.	R
" Input " means an organization has the option of providing information and/or advice to the organization responsible for a task.	I
" Assist " has different meanings depending on which organization is in the assisting role. When "AS" appears in the HF column, PHB shall incorporate HF's perspective and expertise while completing a task for which PHB is ultimately responsible. When "AS" appears in the PHB column, HF needs PHB to furnish information and/or work product in a timely fashion so that HF can successfully complete a task for which it is responsible. In these circumstances, HF must clearly define the information or work product that is required and on what timeframe.	AS
" Approval Rights " arise in circumstances where decisions have long-term implications for either party. When a party has approval rights, the responsible party cannot complete a task without the other party's approval.	AR

Type of project	Type of work	Phase	Task	HF	PHB
AR	policy	start-up	Develop relocation policies for over-income HH living in acquired properties.	AS	R
all	systems	start-up	RFQ for architecture (to speed up selection process as opportunities arise).	R	AR
all	tenant relations	on-going	Arrange for and coordinate resident meetings.	R	AS
all	community relations	on-going	Arrange for and coordinate meetings with neighborhood(s), business, community or government groups, as appropriate.	AS	R

Type of project	Type of work	Phase	Task	HF	PHB
all	Acquisition	Origination	Initial screening of development / acquisition opportunities.	AS	R
all	Acquisition	Origination	Secondary project screening of prospects that pass initial screening.	R	AS
all	Acquisition	Origination	Decide to proceed or not with projects that pass secondary screening.	AS	R
NC	design	origination	Initial massing (pre-architect selection).	AS	R
all	Acquisition	Origination	Develop overall financial feasibility analysis (in conjunction with initial programming goals and massing) for prospects that pass initial screening.	R	AR
all	Acquisition	Origination	Develop budget for consultant reports needed prior to acquisition.	R	AR
all	Acquisition	Origination	Negotiate purchase and sale agreements.	AS	R
all	Acquisition	Origination	Determine and secure financing	AS	R
all	Acquisition	Origination	Close acquisition transaction	AS	R
all	Acquisition	Origination	Determine applicability of federal requirements for federal tax exemption compliance	I	R
all	Acquisition	Origination	Determine applicable federal requirements for Project Based Housing Choice Vouchers	R	I
All	Acquisition	Origination	Complete Federal Environmental Review as required by funding or vouchers	AS	R

Type of project	Type of work	Phase	Task	HF	PHB
All	Acquisition	Origination	Determine, and enact, most effective method for commissioning third party reports including (but not limited to) appraisal, Phase 1, Capital Needs Assessment, Seismic Analysis, Survey, Geotechnical Report and Utilities Scopes	AS	R
all	Acquisition	Origination	Review Appraisal	AS	R
All	Acquisition	Origination	Review Phase 1	R	I
all	Acquisition	Origination	Review Capital Needs Assessment	R	I
all	Acquisition	Origination	Review Seismic Analysis	R	I
all	Acquisition	Origination	Review Survey	R	I
all	Acquisition	Origination	Review Geotechnical Report	R	I
all	Acquisition	Origination	Review Utilities scopes	R	I
all	Acquisition	Origination	Review other reports as needed.	R	I
all	Acquisition	Origination	Decide whether to proceed with purchase, renegotiate or walk away (prior earnest money goes "hard").	AS	R

Type of project	Type of work	Phase	Task	HF	PHB
all	Acquisition	origination	Complete options analysis, accounting for unit mix, PSH goals, PBV commitment and other goals (ownership, commercial space, etc.)	R	AR
nc	programming	predev	Finalize options analysis unit mix decision (new construction).	AS	R
all	programming	predev	Finalize options analysis decision on PBVs.	R	AS
all	programming	predev	Finalize options analysis decision on PSH units.	AS	R
all	design	predev	Create MWESB contracting plan for soft costs.	R	AR
All	Design	predev	Develop solicitation document for architect.	R	AS
All	Design	Predev	Run procurement process for architect	R	AS
all	design	predev	Select architect if CMGC.	R	AR
all	design	predev	Negotiate and execute A/E contract.	R	AR
all	construction management	predev	Determine contracting method (CMGC, Design-Build).	R	AR

Exhibit F: Rate Schedule for Home Forward for Development Services

Position	Hourly Rate
Director of Development and Community Revitalization	\$150
Director of Asset Management	\$150
Chief Administrative Officer	\$150
Senior Development Consultant	\$140
Senior Project Manager	\$125
Assistant Director of Resident and Community Services	\$125
Asset Manager	\$125
Procurement and Contracts Manager	\$125
Resident and Community Services Program Manager	\$105
Community Relations Manager	\$105
Procurement Coordinator	\$90