

EXHIBIT B: Project summary submitted by Housing Authority of Washington County | Metro bond Final Approval for Aloha Family Housing

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Project Overview

Aloha Family Housing is a new construction, 4-story 82-unit development on a 1.1 acre site located at 3575 SW 174th Avenue in the unincorporated Aloha community in Washington County, Oregon. The property contained two single family homes that have been recently demolished.

The 82 units range in size from studios to three-bedrooms. There a community room, courtyard area with community amenities, and laundry room on the first floor. The project will serve families whose incomes are between 30%-60% of Median Family Income (MFI), with 33 units serving extremely low-income households at or below 30% MFI. There will be 51 family-sized units with two- and three-bedrooms.

The team is led by BRIDGE Housing, who purchased the property and will act as the developer and owner for the project. Total project costs are \$33.6 million anticipated to be financed with \$10.23 million in Metro Bond funds; \$450,000 in Metro TOD (Transit Oriented Development) funds; \$2.89 million in OHCS LIFT (Local Innovation and Fast Track) funds; \$500,000 in Washington County Housing Production Opportunity Funds; \$630,000 in deferred developer fee; \$14.3 million in 4% LIHTC equity, and a \$3.9 million permanent loan.

Changes between Concept Endorsement and Final Approval

In order to better serve families and in response to community engagement listening sessions held by Washington County and the project sponsor, the project now includes six three-bedroom units. In addition, over half the units are family-sized units with two or three bedrooms. Other project changes include providing initial unit rents at 55% AMI instead of 60% AMI due to changes in surrounding area market rents, a completed building design that will have a Ceraclad exterior and TPO roof – features that will enhance long-term durability of the project, and refined community area and courtyard design programming.

The total project cost increased 17.3% since Concept Endorsement for a final project cost of \$32,661,515. The primary cause of this increase is a \$5 million increase in hard costs, specifically increased lumber and metal prices, supply chain delays, inflation and finally the limited availability of subcontractors. These are comparable cost increases to what other affordable housing projects in the market are experiencing, with several projects facing financial deficits as they approach project financial closing. However, despite this cost increase, the total amount of Metro Housing Bond subsidy request is not increasing with Final Approval, nor are additional public subsidies being requested. Instead, project cost increases are being offset by increased project equity, debt structuring, and structuring of developer fee percentages to increase the project eligible basis equity.

Due to project cost changes, the proposed net cash developer fee has increased from Concept Endorsement in order to create an increase in the project's eligible basis- this increased developer fee amount creates additional project equity to offset construction cost increases. The net cash developer fee is \$2,866,821, which is 10.15% of the developer fee basis.

In addition to increasing project eligible basis and therefore project equity, the developer fee is an important tool in fulfilling project budget gaps. The developer fee will offset predevelopment cost expenditures by BRIDGE, including their use of internal working capital for predevelopment in the amount of \$1.25 million expended through closing plus another \$1M million expended to acquire the site. These costs totaling approximately \$3.66MM as well as the opportunity cost of sustaining development staff are all offset by the cash developer fees. The fee was expended over the last two years as BRIDGE acquired the site, designed the project with predevelopment funding consisting of Bridge’s internal working capital, and advanced the designed project through the permit process.

On March 1, 2022, Metro adopted Regional Guidelines that limited cash developer fee to 7% of eligible total developer fee costs for projects 76-100 units in size. However, the project received Concept Endorsement and submitted Final Approval materials substantially prior to the effective date of these requirements. In order to meet a planned March 24 closing date, the project has received OHCS Stability Council Approval, locked the tax credit investor and lender rate amounts and percentages, and finally the BRIDGE Board of Directors all approved the project with the proposed net cash developer fee amount. Reducing the net cash developer fee would require these approvals to be resubmitted and would be seriously injurious to the closing schedule and would cause significant delay and a currently successfully balanced project budget would be placed in jeopardy.

Washington County is formally requesting Metro adhere to the Concept Endorsement Commitment of \$10.23 million in Metro Housing Funds for the project to successfully close and begin construction. The Washington County Board of Commissioners approved submitting this project for Final Approval to Metro on January 25, 2022.

Preliminary Development Program

The project consists of 7 studios, 24 one-bedroom units, 45 two-bedroom units, and 6 three-bedroom units. The unit mix was informed both by the parameters of the Washington County Affordable Housing Bond Notice of Funding Availability (NOFA) and the need and demand for larger family units brought to light in the community listening sessions.

Site features include a centralized outdoor area that includes a play area, raised garden beds, picnic seating, and BBQs. Surface parking with 42 spaces will be provided. A community room will provide resident service activities that includes kitchen facilities. PTHPs (Packaged Terminal Air Conditioners) will be included in every unit to provide cooling. A laundry room will be provided on the first floor, and the building will contain two elevators.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
Studio	7	30%		450	\$508
One	24	30%		608	\$544
Two	2	30%		802	\$653
Two	43	60%		802	\$1,197
Three	5	60%		1072	\$1,509
Three	1	Manager		1072	N/A
Total	82				

Project Image



Background

Location and Neighborhood

Located in the unincorporated community of Aloha, the subject site has frequent transit service, which qualified the project to receive Metro Transit Oriented Development funds. The site is accessed from SW Alexander Street and is near Tualatin Valley Highway, where the TriMet 57 frequent service bus stop is located 300 feet from the site. There is access to food markets in the area, including Philippine Market, Fruteria El Campesino, Viet & Thai Market, and Safeway. It is also in direct proximity to One-Stop urgent care and Kaiser Permanente Aloha Dental Care. The site is a half-mile from the Tualatin Hills Nature Park, and approximately 1.3 miles from Kinnaman Elementary, Mountain View Middle School, and Aloha High School.



Site

Aloha Family Housing is located at 3575 SW 174th Avenue in the unincorporated community of Aloha. The property is zoned Community Business District which allows multi-family housing and provides flexible development standards for regulated affordable housing and is located on one tax lot. BRIDGE Housing purchased the site in November 2020. The 1.1-acre site contained two existing single-family residential homes that have been demolished. The site is in a Difficult Development Area (DDA) which provides a boost to the eligible basis.

A Phase II ESA was produced in response to petroleum hydrocarbons discovered during the Phase I ESA, which were caused by a decommissioned gas station located on an adjacent property southwest of the project site. The detected concentrations were all below Oregon Department of Environmental Quality (DEQ) direct contact human health risk screening levels for Urban Residential property uses, however the Phase II ESA recommends a series of mitigation measures to avoid soil disturbance in the impacted area during site construction.

Project Financing

Total Project Costs are \$33.6 million with total hard costs for construction projected at \$22.58 million. Total cost per unit is \$410,506.

Funding Source	Amount
OHCS Programs	\$17,443,580
Total OHCS Grants and Equity	\$17,443,580
Non-OHCS Grants	
Metro Housing Bond	\$10,230,000
Metro TOD	\$450,000
Washington County HPOF	\$500,000
Total Non-OHCS Grants	\$11,180,000
Loans	\$3,950,000
Deferred Developer Fee	\$630,000
Sponsor Equity	\$457,935
Total Fund Sources	\$33,661,515

Uses of Funds	Amount
Acquisition Costs	\$1,038,500
Construction Costs	\$22,583,824
Soft Costs	\$10,039,191
Total Project Cost	\$33,661,515

Development Team

The team is led by BRIDGE Housing Corporation, who will act as the Developer, Sponsor and Owner for the project. Hacienda CDC will provide resident services for the project. The project architect of record is Scott Edwards Architecture, and the project general contractor is LMC Construction.

BRIDGE strengthens communities and improves the lives of its residents, beginning — but not ending — with affordable housing. BRIDGE is the largest nonprofit developer of affordable and workforce housing on the West Coast and has participated in the development of 17,000 housing units throughout California, Oregon, and Washington. BRIDGE brings a 37-year track record of building high-quality affordable and mixed-income housing together with local partners. BRIDGE will own the Aloha project using a single purpose entity, with an affiliate of BRIDGE Northwest Development, an Oregon nonprofit public benefit corporation, as its General Partner.

Hacienda – Resident Services Provider: Hacienda CDC was formed in 1986 and as a resident services provider for its own housing portfolio and a partner for organizations like BRIDGE, Hacienda is well-versed in resident needs as well as funding requirements. Hacienda is guided by the belief that the provision of culturally specific and culturally responsive services is an essential component to eliminating structural, cultural, and linguistic barriers, and fostering a sense of safety, understanding and belonging for residents and program participants. These practices ultimately lead to better outcomes, such as increased housing and family stability and increased social capital. 95% of Hacienda’s direct services staff are bilingual and bicultural, and have been trained in best practices of trauma-informed care.

Scott Edwards Architecture – Architect: S|EA is an award-winning design firm that provides full-service architecture, interior design and planning services. Licensed to practice architecture in the State of Oregon, S|EA has been doing business throughout the Northwest for two decades on a wide range of project types. S|EA has extensive experience in affordable and specialty housing for public agencies and non-profit groups throughout the Pacific Northwest including urban infill and suburban garden apartments, single and multi-family, low income and workforce housing, specialty and senior housing, as well as housing for at-risk youth and victims of substance abuse.

LMC is the General Contractor for this project, based out of Tualatin, OR, operating in Oregon and Washington with a primary focus on, and passion for, affordable housing. LMC has over 100 employees and a \$250,000,000 bonding capacity. Winner of the 2019 Multi-housing News Award of Excellence for Design + Development, LMC is a firm committed to equity. MWESB-SDV participation in most LMC projects exceed 25%, and often 40%, as was the case on their work with Bienestar to redevelop the Montebello Apartments in Hillsboro.

Community Engagement

During the fall of 2020 and winter-spring of 2021, Washington County staff coordinated eight listening sessions with individuals from a variety of cultural groups by contracting with culturally specific organizations active in Washington County. Those listening sessions focused on receiving input on project design. Feedback from the sessions were collated and shared with each Affordable Housing Bond-funded project in Washington County.

Primary input from these engagement events has been incorporated in the project design, which included the need to provide a central kitchen facility in the community room, the importance for the project to provide family-sized units, and the need for outdoor play amenities for families.

Advancing Racial Equity

BRIDGE is committed to 30% COBID-certified subcontractor participation and 20% COBID-certified professional services and is setting an aspirational goal of 35% and 25%, respectively. These goals are based on recent experience with similar projects as well as LMC's and S|EA's overall history of meeting or exceeding DMWESB/SDVBE goals. BRIDGE has engaged NAMC-OR to provide technical assistance in achieving the project's COBID subcontractor utilization goals. NAMC-OR brings authentic engagement with the subcontracting community and experience in removing the barriers to subcontractors providing a competitive bid for the project.

In addition, BRIDGE is committed to ensuring the utilization of apprenticeship programs, workforce training, and tracking the diversity of the workforce for this project. BRIDGE plans on accomplishing this by, among other items, assigning a Project team staff to take the lead on recruitment and engagement of MWESB-DV subcontractors, apprenticeship, and workforce training, planning, and preparing for pre-bid meetings with NAMC-OR, and demonstrated internal process and specific plan to track workforce diversity, including identifying lead staff accounting.

The project's general contractor, LMC Construction, has committed to several processes to facilitate COBID firm engagement, including assigning a project team staff person as the lead on recruitment and engagement of COBID certified subcontractors, providing cash flow assistance through an expedited payment process ahead of monthly project draws, and working with programs such as Constructing Hope, Oregon Tradeswomen and other apprenticeship/pre-apprenticeship support.

BRIDGE's affirmative marketing strategies and community outreach will allow BRIDGE to identify interested prospective residents, as well as help potential residents overcome issues that might otherwise lead to denial of a rental application. BRIDGE has partnered with resident service provider Hacienda CDC to expand its network of engagement and community connection. Prior to the application period, BRIDGE and Hacienda staff will provide in-person outreach with a focus on providing information and creating a welcoming leasing opportunity. Staff will establish face-to-face relationships with community leaders, culturally specific organizations, service providers, schools, churches, community centers, and others serving communities of color in Aloha and Washington County. Other marketing and leasing channels will include phone calls, in-person visits, and attendance at community groups' regular meetings and gatherings, and housing or resource fairs. BRIDGE will translate fliers into Spanish and Chinese to reach the target population. A language translation line service will be utilized in the property management office.

Partnerships and Services

BRIDGE Housing is partnering with Hacienda CDC to provide resident and culturally responsive services that will assist with providing housing stability, bilingual and bicultural services, and trauma-informed care. – Resident Services Provider. The building design will help link with resident services, allowing for community activities and social engagement in the building's common space and courtyard area. The playground space and family-sized units will allow for intergenerational service engagement. BRIDGE intends to provide Wi-Fi free of charge to all units, as well as within common areas. Hacienda will provide services coordination, housing stabilization management, economic opportunity, and youth and family services including after-school programming and early childhood education to Aloha Family Housing residents.

Livability and Accessibility

This C-shaped building features a main entry lobby that faces SW 174th Ave, and there is a clear line of sight through the building to the courtyard on the other side. There is a secondary entrance through the courtyard from the parking lot. The property management office has a strong visual connection to the front entrance, lobby/mail area, and community room.

Over 60% of the project units consist of family-sized units consisting of two-bedroom or three-bedroom units. In the three-bedroom units, one of the bathrooms will be equipped with a shower to better accommodate elders who may experience lack of mobility. All family-sized units will have a dividing wall between the sink/vanity area and bathing/toilet area to allow more than one family member to utilize the bathroom at the same time.

Property amenities feature a large community room with kitchen and laundry room on the ground floor. The community room will serve the residents with a range of uses including resident meetings, public or private resident events, and programmed events by the on-site service coordinator. An adjoining Resident Services office will facilitate the connection to residents. The community room opens onto a centrally landscaped courtyard with a children's playground, raised garden beds, BBQs, and picnic seating. Trash/recycling rooms are located on each of the four floors of the building.

Climate Resilience and Sustainability

The project will provide Packaged Terminal Heat Pumps (PTHPs) cooling systems in each unit, with circulating cooling fans located in each unit's bathroom. The common area spaces including the community

room will have centralized heating. These costs are accounted for in the project construction budget provided by the project general contractor, LMC Construction.

The building will achieve Earth Advantage Gold or a higher rating by providing a solar-ready design, LED lighting throughout the building, and installing certified energy-efficient appliances.

Anticipated Timeline

Describe the anticipated timeline and milestones for the project, including developer or contractor selection, concept endorsement, due diligence, final approval, closing, construction, and lease up – as well as any timelines related to community or elected body engagement.

The project was approved by the Washington County Board of Commissioners for Concept Endorsement on September 1, 2020 and approved by Metro for Concept Endorsement on September 17, 2020. The full application for 4% Low Income Housing Tax Credits (LIHTC) and conduit bond was submitted and accepted by Oregon Housing and Community Services (OHCS) on December 21, 2021. The Washington County Board of Commissioners provided Final Approval for the project on January 25, 2022. The project will be ready to close on construction financing March 24, 2022, with project completion anticipated in August 2023.