

Washington County Affordable Housing Bond Project – Tigard Senior Housing – Metro Final Approval Narrative

Overview

New construction and conversion project narrative

The following narrative should be submitted at the concept endorsement stage and again at the final approval stage. As noted below, some items will be added to the report at the final approval stage.

Please do not change the formatting of margins, fonts, alignment or section titles (“project overview,” “background”....)

Project Overview

Provide a general overview of the proposed project, including the requested amount of bond funding from Metro, the size of the site and its ownership status, any existing buildings and their current/past use, and high level financing structure for the project.

Tigard Senior Housing will be a new construction, four story, wood-framed structure that will provide 57 affordable apartment homes to seniors, 62 and older. The project is located on a site owned by the City of Tigard, directly adjacent to the existing Tigard Senior Center. The Tigard Senior Center will temporarily close to accommodate construction and will reopen in conjunction with the opening of the new building. The 1.7 acre site is currently improved with a 10,700 square foot building that houses the Tigard Senior Center, and approximately 49,000 square feet of paved parking and circulation area.

The project was awarded to Northwest Housing Alternatives (NHA) through a competitive Request for Qualifications process by the City of Tigard in June 2019 and entered into an exclusive negotiating agreement in October 2019. The total development cost for the project is \$24.76 million, with a request of \$6.27 million from Metro funds. Additional funding sources include \$1.2 million in Washington County HOME funds, \$250,000 in Metro TOD funds, and \$8.89 million in LIHTC equity. After receiving final construction pricing, the project sponsor has submitted a request to the Washington County Board of Commissioners \$500,000 in Housing Production Opportunity Funds to close the project gap. That request will be considered on April 5, 2022.

Changes between Concept Endorsement and Final Approval (Final Approval only)

Summarize all changes to the project between concept endorsement and final approval and additional information provided in the report that was not previously included in the Concept Endorsement report. Specifically, please address how changes in total subsidy resulted in changes to the project that could impact sustainability, durability, climate resilience, and resident experience. If total subsidy increased, please describe whether a reduction in Metro bond funds is recommended and why or why not.

Due to escalating costs, the total project cost increased from \$19.2 million since Concept Endorsement to \$25,769,204, of which \$17.77 million are construction costs. Increases were primarily due to material construction cost increases, specifically increased lumber prices, supply expectations, and availability of subcontractors. These are comparable cost increases to what other projects in the market are

experiencing, although due to the amount of federal project-based vouchers the project is subject to Davis-Bacon Wages, which is a key factor in the higher-than-average construction costs compared to other Metro Housing Bond projects in the region. The total Metro Housing Bond subsidy request is not increasing, with project costs being offset primarily by increased project equity. The Metro Affordable Housing Bond funds at concept endorsement are requested to stay the same at \$6.27 million due to escalating costs, demonstrated by the current project gap being filled with a Housing Production Opportunity Fund (HPOF) request.

Additional changes include the addition of A/C ports to accommodate in-unit cooling systems, and the refinement of project design, in particular the community courtyard and meeting room space, in response to community outreach feedback. The project received Concept Endorsement approval prior to the March 1, 2022 effective date of Metro's Regional guidelines for cash developer fee, and therefore the project is not subject to the requirements, however since the project has a 6% net cash developer fee of total development basis, it still meets Metro's policy intent for projects within the range 6%-10% maximum net cash developer fee range for projects between 31-75 units in size. In addition, the City of Tigard has executed a DDA with the City of Tigard for the 99-year ground-lease to utilize the property for Senior Housing.

Finally, since Concept Endorsement, the project has selected Northwest Real Estate Capital Corp. (NWRECC) to be the property manager for the project. NWRECC is a well-known firm that currently manages 64 properties with 1,921 units in six states.

Preliminary Development Program

Describe the planned development program including but not limited to number, size, and affordability of units; non-residential space, parking, and amenities; and total square footage.

Complete the below table summarizing unit breakdown. Add/delete rows as needed.

Tigard Senior Housing will serve high needs households through provision of 40% of the units with Project Based Vouchers. NHA anticipates award of five HUD-VASH vouchers at the property, and 18 HUD Project Based Vouchers. Residents of units with HUD-VASH subsidy at Tigard Senior Housing will receive supportive services from the Veterans Administration. The VA provides intensive case management and services, which emphasize housing stability and health and wellness. The development will consist of 57 affordable one-bedroom units and one manager's unit for a total of 58 residential units.

Site features include an indoor lounge with a fireplace and other gathering amenities, a community room with a community kitchen, private meeting spaces to facilitate onsite services. Each unit will be ADA accessible, and will have equipped kitchens, dishwashers, walk-in showers, and a/c ports to accommodate air-conditioning. The development is proposing the use of 25 spaces on site dedicated to apartment residents, and 48 spaces for use by the Tigard Senior Center during business hours and available to the public during non-business hours.

A Parking Management Agreement is being prepared with the City of Tigard to allocate designated spaces to both the Tigard Senior Center and to the apartments and will allow the use of Senior Center spaces to residents during times when the Center is closed. In addition, a Transportation Management Plan has been developed by the project team to incentivize residential tenants to utilize alternative transportation options, which will include measures such as installing Transit Apps on residents' smart phones, weekly shared shuttle service coordination, parking enforcement, and establishing a waitlist for parking placards.

Unit size (no. of bedrooms)	No. of units	AMI %	PBVs	Square feet/unit	Gross monthly rent/unit
One	23	30%	23	600	\$491
One	34	60%		600	\$1035
One	1	Manager		600	N/A
Total	58				

Project Image

Provide a high resolution image in jpeg format (rendering is acceptable) of the project if available. If submitting final approval, please provide an updated image.



Background

Describe the process and timeline for how project was selected through a local funding process, and how the site was selected or acquired for affordable housing development. Provide an overview of due diligence and predevelopment completed to date.

Location and Neighborhood

[word limit: 100]

Describe the project location and surrounding zoning, land uses and activities. Describe any nearby services or community amenities, including schools or employment centers, grocery stores or farmer's markets, natural areas or parks. Describe walking distance and accessibility (e.g., sidewalks, signalized crossings) to nearby transit stations, and the existing/planned level and type of transit service (e.g., frequent service bus, MAX, etc.).

The site is adjacent to the Tigard Senior Center, which will provide shared programming opportunities. The site is also near Fanno Creek Park, Tigard City Hall and Tigard Public Library and within easy walking distance of public transit. The City is currently planning the Universal Plaza project, which will be located approximately 0.5 miles from our site, with the first phase scheduled to open by the end of 2022. The

Universal Plaza will host the Tigard Area Farmers Market and other cultural attractions including movies and music in the park as well as educational/artistic installations. The site is less than a quarter mile from frequent TriMet #76 bus stop and is located approximately 0.75 miles away from the existing Tigard Transit Center, which is presently served by seven TriMet bus lines, Yamhill County Transit and the WES Commuter Rail service.



Provide an aerial map with key transit and amenity features labeled, along with the site location.

Site

[word limit: 300]

Describe key elements of the site including size, number of tax lots, site control/ownership, appraisal, and zoning. If the site includes existing buildings, provide an overview of the year they were built, past/current use, and future plans as part of the project.

The project is located on a site owned by the City of Tigard, directly adjacent to the existing Tigard Senior Center. The project was awarded to Northwest Housing Alternatives (NHA) through a competitive Request for Qualifications process by the City of Tigard, and a DDA for a 99-year ground lease for NHA to operate Senior Housing has been executed.

The city of Tigard provided rezoning to MU-CBD Mixed-Use Central Business District to facilitate additional site density, completed an ALTA survey, wetlands review and delineation; and is partnering on outreach and community education. The Tigard Senior Center is in an adjacent existing building that provides programming, events and Meals-on-Wheels food services. The Senior Center will close to accommodate construction and reopen in conjunction with the opening of Tigard Senior Housing.

Final approval only: Describe key findings from the Phase 1 environmental assessment and geotechnical report, and any follow up studies underway.

A Phase I Environmental Site Assessment was performed Hahn and Associates Inc, and consisted of a Site Reconnaissance, an historical and physical features evaluation of the subject property, an examination of the surrounding land uses, and an environmental database review of the property and of the surrounding land uses. This Phase I Environmental Site Assessment did not reveal evidence of Recognized

Environmental Conditions in connection with the subject property. From the data that was assembled during the investigation, it is the professional opinion of Hahn and Associates, Inc. that further investigatory work in the form of a Phase II Environmental Site Assessment does not appear to be necessary for the subject property.

Building rehabilitation only: Describe the findings from your capital needs assessment and anticipated repair needs. Describe hazardous materials assessments and planned abatement needs. Describe seismic risk assessment findings and related investment needs.

Project Financing

Describe the estimated total development cost and total public subsidy, cost and subsidy per unit, and cost and subsidy per bedroom. Provide a table summarizing planned sources and uses of funding. Summarize funding contributions and any local incentives or policies benefiting the project (e.g., SDC waiver, property tax abatement, density bonus, reduced parking requirements, etc.).

Total Project Costs are \$25.58 million with total hard costs for construction projected at \$16.9 million. Total cost per unit is \$441,034.

Funding Source	Amount
OHCS Programs	\$ 9,011,364
Total OHCS Grants and Equity	\$9,011,364
Non-OHCS Grants	
Metro Housing Bond	\$6,270,000
Metro TOD	\$250,000
Washington County HPOF	\$500,000
Washington County HOME	\$1,200,000
Total Non-OHCS Grants	8,220,000
Permanent Loan OAHTC	\$ 2,500,000
Permanent Loan Non-OAHTC	\$3,290,000
Deferred Developer Fee	\$ 811,815
Cash	\$100
GP Contributed Equity	\$ 1,753,034
Total Fund Sources	\$25,586,313

Uses of Funds	Amount
Acquisition Costs	\$7,501
Construction Costs	\$17,463,200
Soft Costs	\$8,115,612
Total Project Cost	\$25,586,313

Development Team

Describe the development team including the developer, general contractor, architect, and other key partners, and their relevant experience, respectively. If some members of the team are not yet selected as of the concept endorsement, this information can be added at the final approval step.

Developer, Northwest Housing Alternatives (NHA), has successfully completed over 37 projects across 16 Oregon counties including both rural and urban projects, rehabilitation and new construction, in all jurisdictions. These projects serve a wide variety of households including working families, seniors, veterans, people living with mental illness, those in need of Permanent Supportive Housing, and extremely low-income households.

Contractor, Walsh Construction (Walsh), will be involved at all stages of the development and design process through a negotiated bid process as the general contractor for the project. Walsh has 58 years of experience in the construction industry and 479 full time employees. They have an excellent record of delivering projects on time or ahead of schedule. Notable highlights include the completion of over 160 “green” construction projects and numerous affordable housing projects in the Portland metro area.

SERA Architects (SERA) will serve as the Architect for the project. Over the last 15 years, SERA’s Urban Design + Planning Studio has worked on nine different efforts with the City of Tigard primarily focused on facilitating the revitalization of the City’s Downtown district into a vital, mixed-use, multi-modal center for the surrounding community. As a result of this experience, SERA is familiar with Tigard’s policies, building and zoning codes, which is fundamental to efficient and informed design and optimizing the design durations and milestones as well as the general flow of the project. Moreover, SERA has earned a favorable reputation and built trust with local municipalities while working on affordable and other housing projects including successful projects with the Portland Housing Bureau, METRO, City of Gresham, City of Portland and the City of Tigard.

Northwest Real Estate Capital Corp. (NWRECC) will be the property manager for the project. NWRECC is a well-known firm that currently manages 64 properties with 1,921 units in six states. Overall, NWRECC manages a diverse portfolio of properties and complies with income restrictions such as Section 8, LIHTC/Section 8, Section 236, Section 202, Section 811, HOME, Rural Development, and Supportive Housing for the Homeless.

Community Engagement

Please summarize community engagement to inform project outcomes to support the needs of future residents. This could include engagement conducted previously by the LIP or developer to shape the goals of a NOFA or vision for a project. It could also include plans for further engagement to inform the design or programming of the project to meet the needs of historically marginalized community members.

Note: Outreach strategies for affirmative marketing and COBID participation should be described in the following section under “advancing racial equity.” This section is focused on engagement to inform the goals, vision, design, or programming of the project.

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 out with each Affordable Housing Bond-funded project in Washington County.

Over the past 2.5 years, NHA has held 23 community engagement events - including Advisory Committee meetings, City Council presentations and Community Conversations. The most recent community outreach event that NHA participated in for this project was an on-site meeting in July 2021 with the City of Tigard and several neighborhood stakeholders. The purpose of this meeting was to walk the site and

review the building footprint stakes. NHA also participated in a project presentation to the Metro Transit Oriented Development (Metro TOD) program's Steering Committee on 4/28/2021, a project update to the Tigard City Council on 4/6/2021, and a project overview to the Tigard Senior Housing Advisory Committee on 3/3/2021.

In fall 2019, the project Advisory Committee was established to create guiding principles and document opportunities and challenges about the project. The committee consists of immediate neighbors, Senior Center patrons, Tigard Senior Center/Meals on Wheels staff, members of the Tigard Town Center Advisory Commission, a Tigard City Councilor and staff from the City and Northwest Housing Alternatives. This committee met for over 1.5 years during the project's early and middle stages of predevelopment when design input was prioritized and incorporated into the project.

Advancing Racial Equity

Summarize how the project will address strategies and policies for advancing racial equity, as described in your local implementation plan. Be sure to include:

- *How the project location reflects considerations related to racial equity (e.g., geographic distribution of affordable housing, access to opportunity, strategies to address racial segregation, and strategies to prevent displacement and stabilize communities)*
- *Fair housing strategies to eliminate barriers to housing access for communities of color and other historically marginalized groups (e.g., fair housing marketing strategies, community partnerships, low barrier screening, etc.)*
- *Strategies to include economic opportunities for people of color (e.g., MWESB/COBID participation and workforce diversity)*

NHA will work with the project General Contractor, Walsh Construction, to ensure that the Washington County Affordable Housing Bond goal of 20% contracting with COBID firms is exceeded. Walsh has developed an Outreach Strategy for Tigard Senior Housing to ensure DMWESB-SDV participation in the project. This entails actively involving DMWESB-SDV trade partners in the preconstruction process by requesting budget input throughout the process to confirm interest in the project and communicate project specifications. Scopes of work will be analyzed to match opportunities with the firms' expertise and capacity while bid packages will be developed in a manner that clearly explains project requirements and that is adaptable to bidders' capabilities.

NHA is a recognized affordable housing industry leader in equity procurements, equity-related practices, and implementation. The Oregon Opportunity Network (now named Housing Oregon) selected NHA twice as the "Strides for Equity" award winner for our innovative equity plan and implementation. This project will utilize NHA's innovative and proven marketing and outreach model designed for service to Communities of Color (COC) in the Portland Metro Area. Using an analysis of both existing resident demographics and census data, NHA will identify and market to those groups and communities that are underrepresented and least likely to apply. Using this approach at other NHA properties, NHA has achieved impressive results in diversifying NHA applicant pools to include historically disenfranchised populations.

Partnerships and Services

Provide information about plans and partnerships for ongoing operations, including property management partner(s) or service providers. Describe strategies for aligning culturally specific programming or services to meet the needs of future residents. If your project includes PSH units, please describe if these will use coordinated access process, or another referral process.

NHA has extensive experience providing resident services for senior properties, having operated 861 units of senior affordable housing statewide. NHA conducts annual tenant census surveys to understand tenant needs in senior properties. NHA's Resident Services staff will partner with local nursing programs, local public health authorities, and other community-based health care providers to facilitate on-site preventive health services for residents. Blood pressure, blood glucose, foot care, and medication management are just some of the preventive resources that can be offered by these partners in a residential setting. The primary goal of Resident Services is to provide residents with the community links needed to remain stable in their housing, independent and self-sufficient, able to make positive life choices, and connected to their community. Northwest Housing Alternatives' Resident Services Coordinators (RSCs) have an average of three years working in the Resident Services field and are well qualified to handle the various individual and community needs that arise at affordable housing properties. The RSC for Tigard Senior Housing will have set hours of availability on site, which will be spent connecting with residents, meeting with property management, and collaborating with community service providers to coordinate property-specific events such as financial education workshops, visits from nursing students, and LIHEAP utility assistance sign-ups. In addition, Pathways is a program of Northwest Housing Alternatives which provides housing case management to adults with a qualifying severe and persistent mental illness (SPMI). Three units at Tigard Senior with project-based subsidy will be reserved for individuals and households referred by Pathways.

Building upon the proximity to Tigard Senior Center, residents of Tigard Senior Housing will be closely connected to Meals on Wheels and meal service at the senior center. This supplemental meal assistance will be coupled with delivery of food boxes to residents in need by the Resident Services Coordination. Additional partnerships include an executed Memorandum of Understanding with the Washington County Disability, Aging, & Veteran Services (DAVS). DAVS will provide referrals to programs and services for Tigard senior residents and coordinate with other providers to ensure service plans that promote successful tenancies. Case management services for Veterans moving from homelessness will be provided by the Veterans Administration..

Livability and Accessibility

Please highlight design elements that enhance livability and accessibility (e.g. shared Wi-Fi, common spaces, universal design)

This project takes advantage of Universal Design principals; each unit will be ADA accessible, and will have equipped kitchens, dishwashers, and walk-in showers. Common spaces are designed to meet ADA accessibility standards, units and grounds are further designed to meet UFAS federal standards, a subset of units are designed with special Auditory and Visual accommodations, and additional units can easily be adapted. Additional site features include an indoor lounge with a fireplace, a community room with a community kitchen, and private meeting spaces to facilitate onsite services.

Climate Resilience and Sustainability

Please describe the project's cooling plan to keep residents safe in extreme heat events, take into consideration Metro's Policy Statement of Air Conditioning (Sept. 14, 2021) for expectations related to cooling strategies.

In response to Metro’s newly adopted Policy Statement, NHA revised project plans to provide AC Ports in each unit along with ceiling fans in each room... The cooling plan will also provide conditioned fresh air in hallways and elevator lobbies via mini-split systems.

Please highlight sustainability elements and/or green building features for this project.

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. NHA will also adopt a robust transportation demand management program to encourage alternative transportation, carpooling, coordinated events and other components to reduce vehicle trips.

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.

Tigard Senior Housing 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. On March 1, 2022 the Washington County Board of Commissioners recommended final approval of the project to Metro. The project will be ready to close on construction financing April 28, 2022, with project completion anticipated in September 2023.