



177 Day Island Rd., Eugene, OR 97401 • PH 541-682-3755 • FAX 541-682-3411  
300 West Fairview Dr., Springfield, OR 97477 • PH 541-682-4090 • FAX 541-682-3875



Homes. People. Partnerships. Good. [www.homesforgood.org](http://www.homesforgood.org)

## REQUEST FOR PROPOSALS

Architectural & Engineering Services  
For Housing First on MLK in Eugene, OR

ISSUE DATE: August 7, 2018

DUE DATE: August 28, 2018 by 4:00 PM

RFP CONTACT: Nora Cronin  
Project Developer  
Homes for Good  
177 Day Island Road  
Eugene, OR 97401  
Phone: 541-682-2521  
Email: [ncronin@homesforgood.org](mailto:ncronin@homesforgood.org)

DOCUMENT AVAILABILITY: Electronic copy of the RFP and all associated documents will be available on the Homes for Good web site ([www.homesforgood.org](http://www.homesforgood.org)) beginning Tuesday, August 7, 2018. If the RFP is downloaded from the website, Homes for Good requests that an email indicating interest in the solicitation be sent to the RFP Contact in order to be added to the Prospective Responders List and to receive addenda.

## **SECTION I: INTRODUCTION**

Homes for Good Housing Agency (formerly, The Housing and Community Services Agency of Lane County, HACSA) requests proposals from qualified professional Architectural Firms that will lead a design and engineering team for design services to support the development of a new affordable multi-family building, known as Housing First on MLK, at 2411 Martin Luther King Jr Blvd in Eugene, Oregon. This is a highly specialized project providing housing and extensive supportive services for chronically homeless individuals at or below 30% of area median income (AMI), including individuals with severe and persistent mental illness and/or substance use disorder.

Housing First on MLK is a community partnership to identify, engage, house, and support the people in our community who have been homeless the longest and utilize the most resources. Homes for Good and Lane County are leading the effort to develop 50 units of new permanent supportive housing apartment community on Martin Luther King Jr. Blvd in Eugene, Oregon. Using the Housing First/harm reduction model, this apartment community will provide permanent, stable housing as the first priority, while also offering the support services necessary to ensure each individual's maximum opportunity for overcoming homelessness.

The new housing development will be built next door to the Lane County Behavioral Health building located at 2411 Martin Luther King Jr Blvd in Eugene. Lane County will be donating a portion of this site for development (approximately 38,000 square feet). Homes for Good is in the process of hiring a surveyor to start the partition process. Lane County gave a grant to the project in 2016 to complete a feasibility analysis, which included a land use feasibility review, financing scenarios, and a conceptual design. The report (Exhibit A) was completed in July 2017 and presented to the Poverty and Homelessness Board. The site is zoned Public Land (PL) and lies within the FEMA designated 100-year Floodplain. The feasibility analysis identified a development scenario in which the proposed project would be feasible.

The conceptual design is based on best practices for Housing First projects. The initial design is a four story building consisting of approximately 35,000 square feet. The ground floor will be approximately 8,400 SF and will contain common use areas, laundry facilities, secure front door entry, 24/7 reception desk, bug decontamination room, and ample supportive service meeting rooms and offices. The 50 studio apartments (each approximately 360 SF) are located on the upper 3 floors. The estimated construction cost for this project is \$8.8 million. More information about the design program is included in Exhibit A. Please note: the report in Exhibit A was completed in June 2017 and some of the details, including the budget assumptions, may have changed.

The estimated timeline is to start construction by June 2019, with construction completion in August 2020. The selected Architectural Firm will need to start work on this project immediately after being selected through this RFP with the anticipation of submitting for building permit review by March 2019.

For the implementation of this project, Homes for Good will establish a Project Team consisting of a design firm, owner representatives, and a Construction Manager/General Contractor to perform the work. The design firm will lead the Project Team. The Project Team will be of particular importance when estimating the overall budget that will be required for the project. Homes for Good anticipates issuing an RFP for Construction Management/General Contractor (CM/GC) Services following selection of an Architectural Firm through this RFP.

Homes for Good intends to use Oregon Housing and Community Services Department (OHCS) Low-income Housing Tax Credits and other financial subsidies necessary to develop the project. Design will need to meet OHCS and accessibility requirements.

Interested firms and individuals are invited to submit proposals in accordance with the requirements described below. Minority, Women and/or Emerging Small Business Enterprises are encouraged to respond. No Pre-Proposal Conference will be held for this proposal. Requests for additional information should be directed to Nora Cronin, Project Developer, at (541) 682-2521 or [ncronin@homesforgood.org](mailto:ncronin@homesforgood.org).

This project may be subject to the rules and regulations of Oregon's Prevailing Wage Rate laws and/or Davis Bacon wage requirements.

## **SECTION II: SCOPE OF SERVICES**

The most qualified Architectural Firm will be selected to provide architectural, engineering, and other related services for the design, permitting, and construction administration of Housing First on MLK as outlined in this RFP. The Architectural Firm, either through in-house or sub-consultants, shall provide Homes for Good with professional services in the following areas:

- Architectural design
- Civil design and engineering
- Structural design and engineering
- Landscape design
- Mechanical, electrical, plumbing, and fire systems design and engineering
- Envelope and constructability review services

Design Services for this project will include, but are not limited to, the following:

A. Schematic Design Services (See AIA Document B101 – 2017 Section 3.2)

1. Manage architect services, consult with owner, attend project meetings, and report to owner.
2. Coordinate services provided by owner and owner's consultants.
3. Prepare schematic design, schedule, and cost of work for approval.

B. Design Development (See AIA Document B101 – 2017 Section 3.3)

1. Based on Owner approval, prepare design/development documents.
2. Coordinate design work with public and franchise utilities.
3. Coordinate design work with geotechnical engineer, environmental engineer, land surveyor, and other consultants under contract with Homes for Good.
4. Update Cost of Work estimate.
5. Submit documents to Owner for approval.

C. Contract and Construction Documents Services (See AIA Document B101 – 2017 Section 3.4)

1. Prepare construction documents including drawings and specifications.
2. Incorporate design guidelines and requirements into documents.
3. Acquire all necessary building permits and other jurisdictional approvals.

4. Assist Owner in development of bidding and procurement information, form of agreement between Owner and Contractor and compile Conditions of the Contract for Construction and Specifications.
5. Update Cost of Work as appropriate.
6. Submit Construction documents to owner and request approval.

D. Construction Phase Services (See AIA Document B101 – 2017 Section 3.6)

1. Conduct specified number of site visits to evaluate construction.
2. Conduct inspection and testing as required.
3. Respond to RFIs.
4. Review and certify amounts due to Contractor and submittal schedule.
5. Authorize minor changes in work.
6. Prepare and distribute punch-lists.
7. Determine dates of substantial completion.

E. Post-Construction Services and Additional Services

1. Provide final images of the finished site plan and unit floor plans.
2. Participate in one-year warranty inspection.
3. Additional Services may be required and will be negotiated.

### **SECTION III: SELECTION PROCESS AND REQUIREMENTS**

The intent of the Request for Proposals is to select a firm to enter into a Contract (including the fee) to provide Design services as described in the above Scope of Work. Qualified and experienced professionals are invited to submit a proposal in accordance with requirements outlined below:

- A. Three (3) copies of all materials and one USB flash drive containing a PDF file of the entire proposal must be received by Homes for Good no later than 4:00 p.m. August 28, 2018. Late proposals will not be accepted.
- B. Mail or deliver proposals to:

Ms. Nora Cronin  
Homes for Good Housing Agency  
Project Developer  
177 Day Island Road  
Eugene, Oregon 97401

Faxed or emailed proposals will not be accepted.

- C. Please limit submission to 20 double-sided pages (not including front and back cover pages and exhibits). Submittals shall be tabulated in separate sections and labeled to match the requirements of Section IV. All materials shall be in 8.5" x 11" format.



- D. Any and all preparation costs incurred by the Proposer in developing proposals, presentations, demonstrations or any other activity in responding to the RFP are the sole responsibility of the Proposer and will not be reimbursed by Homes for Good. The proposal, along with all supporting materials, shall become the property of Homes for Good. All of the information provided is public record and will be provided in conformance with Homes for Good's public records request policy.
- E. Homes for Good may at its sole and absolute discretion, reject any and all, or parts of any and all, proposals; postpone or cancel, at any time, this RFP process; or waive any irregularities in this RFP or in the proposals received as a result of this RFP. Also, the determination of the criteria and process whereby proposals are evaluated, the decision as to who shall receive a contract award, or whether or not an award shall ever be made, shall be at the sole and absolute discretion of Homes for Good. Homes for Good may at any time request clarifications and supplemental information from any respondent after receipt of proposals. Additionally, Homes for Good may enter into a contract for all or a portion of the planned developments, at the discretion of Homes for Good.
- F. No Pre-Proposal Conference will be held for selection process. A tentative tour is scheduled for September 5, 2018 of similar Housing First projects in Portland, OR and Vancouver, WA. The selected Architecture Firm or finalists will be invited to join the tour. Requests for additional information or clarification should be directed towards Nora Cronin at (541) 682-2521 or [ncronin@homesforgood.org](mailto:ncronin@homesforgood.org). All questions must be submitted by 4:00 PM on August 17, 2018. Answers will be provided to all interested respondents via email in a timely manner. If any query results in an addendum to this RFP, the addendum will be issued to prospective respondents no later than August 20, 2018. Do not contact any other Homes for Good Board Member or staff member, or the property owner or current tenants, to discuss this project in any way during the RFP selection process.

The Architect will be selected on the basis of several factors, including, but not limited to: experience, capacity to perform work, staff qualifications, approach to this specific project, professional record, familiarity with this type of work, and interview (if necessary). Homes for Good will carry out the following process to rate proposals and negotiate an agreement for professional services:

- Written proposals submitted in accordance with this RFP will be evaluated by a committee of Homes for Good staff and/or project consultants.
- The committee will rate the proposals according to the selection criteria outlined below and select top firms. Interviews may be held, if necessary, to make a final selection and recommendation.
- Based on the ratings of the written proposals and interviews, the committee will recommend to the Homes for Good Executive Director a ranked list that meets the qualifications described in this RFP.
- Homes for Good will negotiate a contract, including a fee amount, with the top ranked firm. If an agreement cannot be reached with the top ranked firm, Homes for Good will then negotiate with the second ranked firm. A professional services agreement may be entered into for pre-development services prior to the AIA Contract.
- The final recommendation will be presented to the Homes for Good Board of Commissioners for their authorization.

## SECTION IV: SUBMITTAL REQUIREMENTS & EVALUATION CRITERIA

Responses to the following items must be provided following the format described and should be prepared simply and economically. Homes for Good reserves the right to reject all proposals or to request clarification of proposals during analysis, selection, and award proceedings. In addition to the following, please include a cover letter that describes your Firm's interest in the project and design philosophy, and is signed by an individual who is authorized to bind the Respondent contractually. The signature must indicate the title or position that the individual holds in the firm.

- A. Architectural & Consultant Team. (25 points) Provide a brief description of your firm's history, size, and its capabilities related to its ability to succeed with this project. Professional credentials should be related to the services described in this RFP. Please provide a minimum of three owner references regarding your experience. Describe the types of projects that you perform and the relative number (and dollar value) of each. Describe the Consultant Team members by discipline including role on the Design Team. Identify staff who would be working on this project and their relevant project experience.

*This section will be scored on the overall experience, expertise and qualifications of Architectural Firm and Consultant Team as related to the services described in this RFP.*

- B. Similar Project Experience. (30 points) Describe experience with affordable multi-family housing projects and other projects similar to the proposal. Describe experience specifically related to the development of permanent supportive housing and your approach to this type of specialized housing for chronically homeless individuals. Provide a list and description of relevant projects and indicate all new affordable housing projects carried out in the last 5-10 years that may be relevant to this RFP. Describe experience with completion of these projects, what the budgets were, and any other relevant evidence of the firm's ability to perform.

*This section will be evaluated on the related experience and record of performance with similar projects.*

- C. Design/Construction Cost Control and Quality Control. (15 points) Describe your firm's approach to controlling construction costs and quality control both in design and oversight of construction. How does your firm minimize costs through design and construction, specifically on renovation or rehabilitation projects? Please describe practices implemented and lessons learned, and provide specific examples.

*This section will be evaluated on the firm's commitment to best practices and commitment to minimizing overall costs, while providing very high quality design and construction. Maximum scoring can be achieved by provide responses that provide specific examples and evidence of a proven track record of quality design and construction.*

- D. Local Knowledge. (10 points) Describe your firm's knowledge and experience with the market and building conditions in Lane County as well as local rules and regulations. Describe experience working on projects that are located within a FEMA designated 100-year Floodplain.

*This section will be evaluated based on the architect's ability to show experience and knowledge about the conditions in Lane County as well as local codes and regulations specific to the area and the specific project site.*

- E. Staffing/Capacity. **(20 points)** Provide list of proposed staff for this job. Describe staff capacity and ability to complete project on time and within the desired project schedule. Clearly identify the involvement of each person at each phase and/or the proposed percentage or full time equivalent (FTE) that each person will work on this project during (1) design and (2) construction (100% = 1.0 FTE). Resumes may be included in an Appendix and will not be counted within the page limit.
- F. Additional Data. **(No points)** Include any pertinent data not covered by the other sections. This section can be used to provide alternatives or additional information the firm feels would be useful during the review process.
- G. Interview (if necessary). **(No points)** Homes for Good may conduct interviews with the top ranked Architectural Firms, if necessary. After completing the interviews, the evaluation committee may revise its scores based on the evaluation criteria in Section IV of this RFP. Interviews are not a separate evaluation criterion eligible for points, but the committee may consider the interview when revising its scores.

## SECTION V: SCHEDULE

The schedule for this RFP is as follows.

Task	Date
RFP Issue Date	08/07/18
Deadline for Questions	08/17/18, 4:00 PM
Issue Final Addendum (if necessary)	08/20/18
<b>Proposals Due</b>	<b>08/28/18, 4:00 PM</b>
Committee Evaluation	08/29/18-08/31/18
Tentative Housing First Tour (by invite only)	09/05/18
Interview (if necessary)	09/04/18-09/07/18
Selection of Firm	09/10/18
Contract Execution	10/17/18

All above dates are subject to change at Agency's discretion.

## SECTION VI: ADDITIONAL CONTRACT REQUIREMENTS AND PROVISIONS

Homes for Good and the Architectural Firm will enter into an AIA B101 Standard Form of Agreement between Owner and Architect, 2017 Edition. A professional services agreement may be entered into for pre-development services prior to the AIA Contract.

The Agency strongly encourages the participation of Minority, Women and/or Emerging Small Business Enterprises in this and all Agency projects, programs and services, pursuant to ORS 200.090. The work

performed will be subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance shall to the greatest extent feasible be directed to low- and very low-income persons.

Proposer will be required to execute the material terms and conditions of the standard AIA B101-2017 contract, unless it is deemed by the Agency to be in the Agency's best interest to modify the contract. The proposer should satisfy itself that it can fully execute the standard form agreement if awarded the contract for the project. Questions or requests for change, if any, should be made according to the process outlined elsewhere in this RFP.

Proposer agrees to maintain accurate fiscal records that conform to generally accepted accounting principles and are in compliance with all District and State public audit and accounting requirements.

Proposer agrees to comply with all applicable Federal, State, District, and local ordinances, statutes, rules and laws governing this project and its financing.

Proposer agrees that it will not sub-contract any part of the contract without the prior written consent of the Agency.

Projects may be funded partially with federal funds. Architect may be required to comply with the Davis Bacon Act. Federal Davis Bacon Residential Wage Rates as determined by the Department of Labor may apply to this project. Monitoring of wage rates shall be per the U.S. Department of Labor (DOL) standards.

All information submitted by Proposers shall be public record and subject to disclosure pursuant to the Oregon Public Records Act (ORS Chapter 192), except such portions of the Qualifications Statements for which proposer requests exception from disclosure, and such exception is, in the opinion of Authority counsel, consistent with Oregon Law. All requests for exception shall be in writing, noting specifically which portion of the Qualifications Statement to be accepted from disclosure and the legal basis for the requested exception. Proposer shall not copyright, or cause to be copyrighted, any portion of any said document submitted to the Authority as a result of this Request for Proposals.

## **SECTION VII: HOMES FOR GOOD APPEALS CONTACT AND PROCESS**

- A. Commenting on or Appealing RFP Process. Proposers may comment on or protest any provisions of this Request for Proposals that they believe limit competition, and/or may protest any of its specifications or proposed contract terms. Comments should be sent to:

Kurt von der Ehe,  
Capital Projects Manager  
Homes for Good Housing Agency  
177 Day Island Road,  
Eugene, Oregon 97401

- B. Appeal Procedures. Comments must be in writing and received at the Homes for Good office at least seven calendar days before the RFP submission deadline. Comments will be reviewed by the Homes for Good Contract Administrator. If the comments are determined to be valid, an addendum to the RFP will be issued to all applicants. The appeal procedures and limits set forth herein are directory and not mandatory and failure to follow or complete the action in the manner provided shall not invalidate the decision.

The selected firm will be announced by Homes for Good in an email sent to all Proposers. Anyone responding to an RFP who is not recommended for award by the evaluation committee may appeal the recommendation to the Executive Director. Homes for Good's Procurement Policy describes the right of appeal as follows:

1. Any appeal must be made in writing, be received before the contract is awarded by the decision-maker, clearly state the grounds for the appeal, and indicate what condition(s) resulted in the proposal not being recommended for award. Any appeal which does not comply with the applicable procedures may be rejected.
2. Unless otherwise stated in the RFP, the appeal must be received not later than seven calendar days after notice of the evaluation committee's decision was sent. Upon receipt of the appeal, the proposer recommended for award and the evaluation committee shall be notified. The proposer and the committee shall have three calendar days from the date the appeal is filed to respond to the appeal in writing, if they so desire.
3. If an appeal is filed, the department responsible for the RFP shall prepare a written analysis of the appeal and recommend appropriate action to the Executive Director.
4. The grounds for appeal are:
  - a) Different criteria were used to evaluate different proposals.
  - b) The evaluation committee unfairly applied the evaluation criteria to a proposal.
  - c) A member or members of evaluation committee had a relationship with a proposer that represented a conflict of interest.
  - d) The criteria used to evaluate the proposals did not pertain to the services or products requested.
  - e) A member or members of the evaluation committee demonstrated bias toward a proposal or a responder.
5. The Executive Director shall evaluate any appeal before rendering a decision and shall state the conclusions reached and reasons in writing. Any decision to overturn the recommendation shall be based on a finding that one of the criteria above (grounds for appeal) occurred to the substantial prejudice of the appellant.



# MARTIN LUTHER KING (MLK) SUPPORTIVE HOUSING APARTMENT COMMUNITY — LANE COUNTY BEHAVIORAL HEALTH CAMPUS

POVERTY AND HOMELESSNESS BOARD EXECUTIVE COMMITTEE

## REPORT PREPARED BY

Kristen Karle  
Steve Manela  
Anne Delaney  
Jacob Fox

*July 2017*



**1,529**

people were counted during  
Lane County's 2017 Annual Point  
in Time Count

**12,998**

individuals who were homeless  
sought social services through  
Lane County Human Services  
Division funded programs during  
Calendar Year (CY) 2016

**\$2,613-\$3,045**

the daily cost of care at Sacred Heart's  
In-Patient Behavioral Health Unit, acute  
psychiatric care

**2,388**

homeless and precariously  
housed students attended  
public school in Lane  
County during the 2015-16  
school year

# project concept



MLK is a community partnership to identify, engage, house and support the people in our community who have been homeless the longest and utilize the most resources. The project is included in the Poverty and Homelessness Board Strategic Plan. Lane County is donating the land for development of the project next to the Lane County Behavioral Health Building. Modeled on the harm reduction/housing first model, MLK will provide permanent, stable housing as the first priority, while also providing the support services necessary to ensure an individual's maximum opportunity for overcoming homelessness.

Housing First is a holistic approach where homeless persons are provided immediate access to housing and then offered the supportive services that they need to foster long-term stability. It is based on the belief that people want a place to live and people want to get better. The Office of Special Needs Assistance Programs reports that the Housing First model is effective for people that have long histories of homelessness with the most complex service needs— such as mental illness. Studies show that for even those considered the hardest to serve over 80 percent were in housing a year after entry under the Housing First model; service utilization is reduced, mental health status is improved, drug/alcohol consumption is reduced, and over 35 studies have demonstrated the cost effectiveness of the model. Research also identifies that if not housed; the chronically homeless utilize 50% of the shelter system resources, utilize a higher percentage of hospital emergency services and require longer care, and have higher rates of incarceration and recidivism.



# housing first principles

**HOMELESSNESS IS FIRST AND FOREMOST A HOUSING PROBLEM AND SHOULD BE TREATED AS SUCH**

**HOUSING IS A RIGHT TO WHICH ALL ARE ENTITLED IT IS NOT A REWARD FOR CLINICAL SUCCESS OR COMPLIANCE**

**PEOPLE WHO ARE HOMELESS OR ON THE VERGE OF HOMELESSNESS SHOULD BE RETURNED TO OR STABILIZED IN PERMANENT HOUSING AS QUICKLY AS POSSIBLE AND CONNECTED TO RESOURCES NECESSARY TO SUSTAIN THAT HOUSING**

**ISSUES THAT MAY HAVE CONTRIBUTED TO A HOUSEHOLD'S HOMELESSNESS CAN BEST BE ADDRESSED ONCE THEY ARE HOUSED**



=



+



Housing First supports people who are homeless and living with mental illness by combining the immediate provision of permanent housing with wrap-around supports.

# design program

The Housing First building is a four story building consisting of approximately 35,100 square feet. The ground floor common use and services area and is 8,400 square feet. The remaining 3 floors are 8,900 square feet each.

## Residential units

There are 50 residential units total—with 16 units on the second floor and 17 units on the third and fourth floors. Three of the units are fully ADA compliant and are 385 square feet. The remaining 47 units are approximately 360 square feet.

## Unit design includes

- Full bathroom
- Efficient kitchen with a microwave, sink, and small refrigerator
- Sleeping area and area for a couple of small furniture items.

## Ground Floor

The architect spoke with the development team and multiple agencies who currently work with the target population to design a conceptual ground floor plan. The ground floor elements include:

- Secure front door entry
- 24-hour reception desk
- Manager's office
- Bug decontamination room
- Meeting room
- Community room with kitchen
- Storage and housekeeping areas
- Laundry room
- Back "wing" for service providers includes:
  - o Multiple offices
  - o Individual counseling rooms
  - o Separate staff entrance
- Mechanical and IT rooms that service the building
- Staff and 'other' restrooms

It is important to note that the current design reflects the information we were able to gather through this exercise. This design can be adapted as we move forward with the project.

# design program



The 50 furnished studio apartments will be approximately 360 square feet with kitchenettes and private bathrooms. The four (4) story structure will be approximately 35,000 square feet. The exterior design of MLK has been designed to complement surrounding buildings and green space. Three (3) of the units will be ADA. Meeting and office space will be present on the first floor along with laundry facilities.

Lane County Housing Authority and Community Services Agency (HACSA) intends to apply for Project Based Section 8 vouchers for MLK; as a result, tenant's rent will be set at 30% of their income. For tenants, as recipients or potential recipients of social security assistance, the project based federal rent subsidy ensures that the units are accessible and affordable.

# design program





# design program

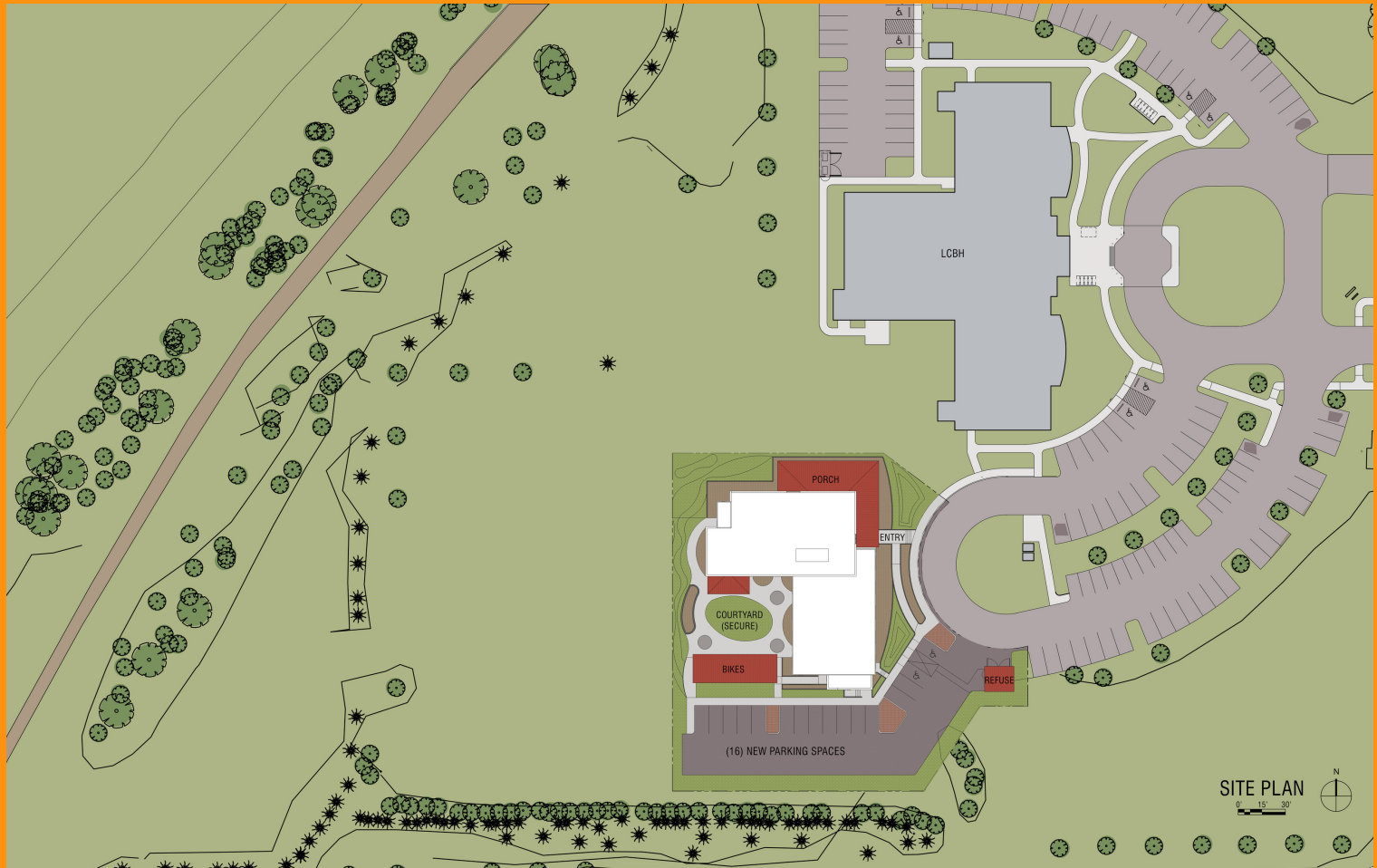
## Building and unit amenities

The building has been designed to respond to the particular site and to the anticipated needs of future tenants based on conversations with other Housing First providers. Below are some items that have been included in the outline specifications and priced by the contractor.

- Brick and metal façade—given the high visibility of site and being adjacent to the behavioral health building, this selected this design approach
- Central water heating system
- Central heating/cooling system—currently specified a “City Multisystem” which is a central system with the individual unit in each dwelling unit. (Can be centrally controlled or can allow tenant to select temperature level)
- Mechanical fresh air ventilation system
- Fully sprinkled with hardwired smoke detectors
- Sound control windows (minimal level of control)—will most likely be required because of noise level of MLK Blvd
- Solid surface countertops and window sills
- Single layer of high impact sheetrock to reduce damage to walls
- Resilient flooring throughout units and common areas for easy maintenance and replacement
- Bathroom floor drains to alleviate potential flooding issues
- Two elevators—due to number of units and expected high usage



# design program



## Site Amenities

The primary site amenity is the secure courtyard in the back of the building. By code, we must also provide covered, secure bike parking. We will also be creating 16 new paved parking spaces.

Special considerations for more discussion potentially impacting design

- Pets. Many residents will have pets. How will this be managed and does there need to be a designated area for pets?
- No smoking in the building, but will smoking be allowed on the property? If so, where?

# housing first in Lane County

Due to the high degree of success, Housing First has become widely adopted by HUD, Veteran Affairs, and national and community-based organizations as a best practice for solving homelessness. Supportive housing apartment communities, like the MLK, are in operation in many communities throughout the nation. No other facility of this nature is available in Lane County. The project will address a major need that has been identified in the Lane County Poverty and Homeless Board Strategic Plan, the Community Health Improvement Plan and in the Lane County Strategic Plan.

As a Housing First development, MLK will house those with the highest Vulnerable Assessment Tool (VAT) scores. The VAT, developed by Seattle's Downtown Emergency Center, measures the vulnerability of the homeless in the following categories:

**SURVIVAL SKILLS – SAFETY, DEPENDENCY, AND JUDGMENT**

**INDICATED MORTALITY RISKS – SPECIFIC CONDITIONS SUCH AS HEART DISEASE, CIRRHOSIS OF THE LIVER AND TRI-MORBIDITY**

**ORGANIZATION/ORIENTATION – THINKING AND MEMORY**

**SUBSTANCE ABUSE – SERVICES, INSIGHT, AND SPECTRUM OF SYMPTOMS**

**SOCIAL BEHAVIORS – TOLERATING PEOPLE, CONVERSATIONS, SELF-ADVOCACY**

**BASIC NEEDS – ABILITY TO OBTAIN/MAINTAIN FOOD, CLOTHING, AND HYGIENE**

**MEDICAL RISKS – MEDICAL CONDITIONS AND MANAGEMENT OF THEM**

**MENTAL HEALTH – MENTAL HEALTH SERVICES, INSIGHT, AND SPECTRUM OF SYMPTOMS**

**HOMELESSNESS – LENGTH OF TIME ON THE STREET**

# supportive services

Tenant case management plans will be based on the vulnerability need assessment as well as the goals established by the tenants, such as securing employment, accessing education or training opportunities, accessing health care, addressing substance abuse issues, education and goals for personal growth. As part of the case management plan, the case manager will provide tenants with access to on-site and off-site resources, including residential activities, life skills workshops, self-help and peer support groups, and a full range of supportive services. The plan will be updated regularly with client re-assessments.

## **SERVICES TO BE AVAILABLE TO MLK RESIDENTS:**

### **MENTAL HEALTH SERVICES**

### **PHYSICAL HEALTH SERVICES (INCLUDING PREVENTION PROGRAMS)**

### **EMPLOYMENT/ VOCATIONAL SERVICES EDUCATIONAL OPPORTUNITIES AND LINKAGES**

### **SUBSTANCE ABUSE SERVICES**

### **BUDGET AND FINANCIAL TRAINING**

### **ASSISTANCE IN OBTAINING AND MAINTAINING BENEFITS/ ENTITLEMENTS**

### **LINKAGES TO COMMUNITY-BASED SERVICES AND RESOURCES**



## OWNERSHIP STRUCTURE AND ZONING

The site currently is designated Government & Education by the Eugene-Springfield Metro Plan and Public Land (PL) by the Eugene Zoning Ordinance. The land use consultant reviewed multiple ownership and management scenarios and concluded:

The findings from the land use feasibility review indicate that to be permitted outright within the PL zone, the project will require a development scenario in which the land is owned by a public agency and operated by the same agency (i.e. HACSA). The facility itself may be leased by another entity. There are significant advantages to the project being permitted outright as specialized housing in the PL zone, including the avoidance of land use processes that expend time and cost and can be challenged or appealed. Therefore, the following option is recommended:

- The facility is owned by a for profit limited partnership, which leases land from the HACSA. The facility is operated by HACSA.

Alternatively, the project can be realized under other development scenarios using available land use processes. The primary tradeoff is that these processes will consume time, add cost, and are subject to extensive public scrutiny, hearings, and appeal provisions." The land use processes alluded to would include a zone change as well as a Metro Plan Amendment.

## FLOODPLAIN

"The entire site is located within the FEMA designated 100-year Floodplain (Zone AE, 1% Annual Chance) with a base flood elevation of approximately 418.5 feet. According to the Eugene Code and Eugene Public Improvement Design Standards Manual, a Floodplain Development Permit is required prior to any development occurring within the regulatory floodplain. Current floodplain regulations specify that buildings be elevated one foot above the base flood elevation.

Floodplain regulations will be revised in the future based on a lawsuit at the federal level related to the Endangered Species Act and protection of salmon habitat. The current timeline calls for cities in Oregon to adopt new regulations by April 2018; however, depending on how the process at the state and federal level unfolds, it may occur later. It is not yet known exactly what the changes will entail, but it appears that it may become more difficult to build in the floodplain."

Practically what this means for the site is that we will need to raise the site by a full three feet in order to develop the site.

Moreover, given that we are currently planning to use federal funds (HUD funds) the project must go through HUD's Floodplain Management Process which is an 8 step process to determine if federal funds may be used on the site. The primary emphasis of the review (as long as safety measures are met) is to determine if developers have sufficiently sought out other sites that do NOT have floodplain issues. Developers must prove why the selected site is the only alternative for the proposed development. We believe meeting the requirements of the review is possible if there is a strong connection with the Behavioral Health building.

While the floodplain issues are not insurmountable, there are definite challenges to overcome them and we need to be cognizant of the proposed new regulations that are coming in the near future.

## NOISE

From site visits, we experienced that the traffic noise coming from Martin Luther King Blvd is significant. Also, in meeting with the Development Director of the Boy Scouts (also located on the site), he indicated that during practice sessions for the University of Oregon football team across the street at Autzen Stadium, the noise from music etc. is clearly audible. A noise assessment will most likely need to be conducted in order to use federal funds. In anticipation of required noise abatement, we have included standard 'sound control' windows in our current outline specifications. These serve to help reduce noise but do not eliminate it.



## GAME DAY PARKING

The design team met with Debbie Heeszal, Lane County Senior Program Services Coordinator, and Tony Reyneke, Development Director with Boy Scouts—the current contractor for game day parking activities. We listened to their current parking process, explained our project, and we attempted to minimize the negative impacts to their game day parking as much as possible. Even with that, our civil engineer estimates the site will lose the capacity of approximately 65-75 spaces for gameday parking. (This means a loss of revenue for the parking contractor and Lane County). We have proposed a new gravel area on the site to help better accommodate game day parking.

Additionally, it is also important to note that significant thought should be put into the specific management of the building and site on game days. The resident population is under extreme stress on a day to day basis and extra care should be given to ensuring resident safety as well as minimizing any potential conflicts with the people parking on the site.

We believe the aforementioned challenges associated with this site are not insurmountable, however, they will require very careful planning and consideration in order to successfully develop this site as a Housing First project.



# development budget

## Development Budget

The total estimated project costs are currently \$11,708,772. Below we outline broad budget categories and describe our assumptions. It is important to note that at this point in development, our budget numbers are based on the information we have and our expertise. We consider this a 'feasibility budget' to give an understanding of the project costs. As the project moves forward and we obtain more information, all aspects of the budget will need to be refined to accurately reflect line by line breakdowns of the budget are available upon request.

## Uses of Funds

### Land acquisition

Assuming that there is no cost for the land. The land is donated to HACSA and leased for a minimal cost to the limited partnership (owner of the project). There is a small amount in acquisition costs for escrow and closing fees associated with the land transfer (\$7,500).

### Construction Costs

Bergsund DeLaney Architecture and Planning, PC developed conceptual drawings and outline specifications based on the following: review of land use feasibility memo, preliminary codes review, input from development team (HACSA and SVDP), input from service providers (ShelterCare, Lane County, SVDP Lindholm Center staff, Laurel Hill), site visit and discussions with Housing First developer, architect, and property manager in Vancouver, WA as well as their extensive experience in designing affordable housing for a variety of providers and special needs populations.

Meili Construction used the conceptual plans and specifications and bid out the project to subcontractors. It is important to note that because we propose to use Section 8 for rental assistance, the project is subject to Residential Davis Bacon Wage rates. These have been included in the bid. The total bid is \$8,111,244. This number includes a 2% contingency which we commonly use to account for unknowns at this point in the process. Please note the bid was created as if the project is proceeding now—as time goes by, the bid will have to be revisited.

## Project Summary

Project Name	Lane Housing First	Date	6/23/2017																		
Project Type	select X for each applicable	Pro Forma Type:	(A) Original Application																		
	<input type="checkbox"/> Acq/Rehab <input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Rehab <input type="checkbox"/> Preservation	Project Square Feet	<table> <tr> <td></td> <td>total</td> <td>%</td> </tr> <tr> <td>Residential</td> <td>17,500</td> <td>49.9%</td> </tr> <tr> <td>Common Space</td> <td>17,600</td> <td>50.1%</td> </tr> <tr> <td>Commercial</td> <td>0</td> <td>0.0%</td> </tr> <tr> <td>Total Res Sq Ft</td> <td>35,100</td> <td>100.0%</td> </tr> <tr> <td>Total</td> <td>35,100</td> <td>--</td> </tr> </table>		total	%	Residential	17,500	49.9%	Common Space	17,600	50.1%	Commercial	0	0.0%	Total Res Sq Ft	35,100	100.0%	Total	35,100	--
	total	%																			
Residential	17,500	49.9%																			
Common Space	17,600	50.1%																			
Commercial	0	0.0%																			
Total Res Sq Ft	35,100	100.0%																			
Total	35,100	--																			
Number of Units	50																				

figures\* based on: (A) Original Application

\*specified in row 5 "pro forma type":

## Overall Costs

	Total Costs	Cost / Unit	Cost / Res Sq Ft	% of Total Costs
Total	\$11,708,772	\$234,175	\$333.58	-
Acquisition	\$7,500	\$150	\$0.21	0.1%
Construction	\$8,556,806	\$171,136	\$243.78	73.1%
Development	\$3,144,466	\$62,889	\$89.59	26.9%

## Development &amp; Construction Cost / Unit Type

	tot sq ft	tot units	Dev & Const cost/unit
0 bedroom	17,500	50	\$234,025
1 bedroom	0	0	-
2 bedroom	0	0	-
3 bedroom	0	0	-
4 bedroom	0	0	-
5 bedroom	0	0	-

Common Areas:	17,600	\$352
Development & Construction Costs		\$11,701,272
Dev & Const Cost / Res Sq Ft:		\$333

# development budget

## Development Costs

Development costs include permits, fees, and system development charges paid to the city. Due diligence items needed for development and for funders: soils reports, environmental reports, surveys, market study. Other fees include design fees (architectural, engineering, envelope consultant), legal fees and third party accounting fees. We anticipate needing a large construction loan (approximately \$8.7 million) which means we will incur construction loan fees, interest, and special inspection fees. All projects are required to have capitalized operating reserves and construction as well as development contingencies. A developer fee for the developer is also added. Most other development costs were established by reviewing multiple project budgets developed by SVDP and HACSA and making adjustments for project differences. The architect provided a preliminary fee proposal for design and engineering. Soft costs total approximately: \$3,144,446 .

Again, the total project costs are \$11,708,772 or \$234,175 per unit. This is higher than for standard/typical projects but we believe reasonable given the intended population.

## Sources of Funding

The primary available source of funds for the construction of new affordable housing is the Low Income Housing Tax Credit (LITHC). These are federal tax credits which are allocated Oregon Housing and Community Services (OHCS). There are 4% credits and 9% credits. We modeled our numbers using the 9% credits. OHCS typically does an annual Notice of Funding Availability (NOFA) and applicants compete for the 9% credits. Credits are divided into geographic allocations. This project would complete in the Non-Metro HUD HOME Participating Jurisdictions (the cities of Eugene, Springfield, Salem, Keizer, and Corvallis) region. In the last funding round, this region was allocated \$1,479,000 of credits (17% of the total allocation).

This project qualifies is located in a Qualified Census Tract (QCT)—which enables a 30% basis boost (meaning the project can get 'extra' tax credits). With this, the project would apply for \$1,275,000 in credits (allocated annually for ten years) and generate approximately \$10,710,000 in equity for the project. This assumes a price of \$0.84 for the credits which is reasonable in today's market. The tax credit market can change drastically with any change in federal tax policy.

Other sources include \$400,000 from OHCS in GHAP grant funds; \$400,000 HOME funds and \$198,772 in System Development Charge Waivers from the City of Eugene.

**\$10,710,000**

LOW INCOME HOUSING TAX  
CREDITS (LIHTC) EQUITY

**\$400,000**

GENERAL HOUSING ACCOUNT  
PROGRAM (GHAP)

**\$400,000**

HOME

**\$350,000**

LAND DONATION FROM  
LANE COUNTY

**\$198,772**

SDC WAIVERS

# development budget

## Operations Budget

Please note, for purposes of this memo, the operating budget does not contain any of the income or expenses associated with resident services, case management, etc. We chose to discuss those separately from the basic building operating budget.

## Income

HASCA proposes to use project based Section 8 for all of the units. Using this program, the units can generate \$620 per unit per month or \$372,000. Tenants would pay 30% of their adjusted gross income (if any). Please note that underwriting requires a 7% vacancy rate which lowers annual income to \$346,425.

## Expenses

We currently project expenses to be approximately \$403,985 annually (\$8,080 per unit per year). This is significantly higher than standard LIHTC projects. Typical expenses for one bedroom unit buildings are in the range of \$4,000-\$4,500 per unit per year). We have made several assumptions that drive the expenses higher than typical projects:

- Given that many tenants will not initially have income, the project pays all utilities (typically tenants pay their own electric for heating, lighting, appliances, etc).
- Higher repairs and maintenance (we've budgeted double a typical project). Other Housing First providers have indicated that plumbing and flooding issues are more common. There can be more issues with small fires (which trigger alarms and sprinkler systems, causing some water damage).
- Property management staffing—we've included 24/7 front desk staffing, a full time 'Coordinator', and a half time maintenance person.

These three categories drive the higher expenses. The remaining expenses are in line with other LIHTC projects. We believe these are reasonable estimates for a project of this type and would recommend getting more information from other providers to try to get the most accurate information possible. We looked at a few other Housing First project budgets, but most of the information shared was the 'initial application' information—not the actual expenses.

With these anticipated revenues and expenditures, the project has an operating loss of almost \$60,000 in the first year. Again, this does not include and service program income or expenses. This operating gap must be filled before we could apply for any funding from OHCS and before any investor would be willing to invest in the project.

## MLK HOUSING FIRST ANNUAL BUDGET SUPPORTIVE SERVICES

### Revenues

Federal HUD Continuum of Care	400,998
Local Human Services Commission	46,592
State of Oregon Emergency Housing Account	42,553
Oregon Health Plan (Medicaid)	55,432
<b>Total Revenues</b>	<b>545,575</b>

### Expenses

#### FTE Position

3.00	Case Managers QMHA	106,080	\$17 per hr
1.00	CADC Counselor	37,440	\$18 per hr
1.00	Counselor – Licensure required QMHP	47,840	\$23 per hr
1.00	Program Supervisor	52,000	\$25 per hr
3.00	Peer Support	93,600	\$15 per hr 4-5 staff at 10-40 hrs wkly
	Daily per diem	10,000	Estimate on call annual per diem
	Benefit and Fringe	82,368	30% Estimate for full time staff

<b>Personnel and Fringe</b>	<b>429,328</b>
-----------------------------	----------------

Support Services	12,500	Misc. Client Support: 50 @ \$250
Telephone Services	9,600	Desk: 9 at \$50 ea per mth, Cell: 7 at \$50 ea per mth
Technology Services	4,800	Connectivity: \$50 ea per mth
Office Supplies & Expense	2,400	Est: \$200 per mth
Printing & Binding	1,400	Brochures/Forms: \$1K per yr, Business Cards: \$40 Ea
DP Supplies And Access	600	Misc software, toner
Travel/Mileage	803	5 at 300 miles annually at \$0.535
Vehicle	6,880	Fuel and replacement
Administration	70,265	15% Total Budget
Miscellaneous Payments	3,000	Annual estimate at \$3,000
Training	4,000	6 peer support @ \$500, Misc est at \$1,000

<b>Materials and Services</b>	<b>116,247</b>
-------------------------------	----------------

<b>Total Expenditures</b>	<b>545,575</b>
---------------------------	----------------

Equipment Purchases Not Included in Budget (phones, computers, printers, fax etc)

Operating Budget	Annual per Unit	1	2	3	4	5	10	15	20	30
Effective Gross Income:	\$6,929	\$346,425	\$353,354	\$360,421	\$367,629	\$374,982	\$414,010	\$457,100	\$504,676	\$615,197
Total Annual Operating Expenses:	\$8,080	\$403,985	\$415,527	\$427,956	\$440,758	\$453,944	\$526,050	\$609,641	\$693,483	\$931,683
Net Operating Income:	(\$1,151)	(\$57,560)	(\$62,173)	(\$67,535)	(\$73,129)	(\$78,962)	(\$112,040)	(\$152,541)	(\$188,807)	(\$316,486)
Primary Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Per Year Primary:	(\$1,151)	(\$57,560)	(\$62,173)	(\$67,535)	(\$73,129)	(\$78,962)	(\$112,040)	(\$152,541)	(\$188,807)	(\$316,486)
Cash Flow Per Year Total:	(\$1,151)	(\$57,560)	(\$62,173)	(\$67,535)	(\$73,129)	(\$78,962)	(\$112,040)	(\$152,541)	(\$188,807)	(\$316,486)
Primary Debt Coverage Ratio	-	-	-	-	-	-	-	-	-	-
Total Debt Coverage Ratio	-	-	-	-	-	-	-	-	-	-



# next steps

**COMMITMENT OF FUNDING FOR SERVICES FOR 15 YEARS**

**COMMITMENT OF FUNDING TO COVER OPERATING GAP  
FOR 15 YEARS**

**ACKNOWLEDGMENT THAT COUNTY IS WILLING TO  
PARTITION THE LAND AND TRANSFER IT TO THE HOUSING  
FIRST BUILDING LLC**

**FORMAL MEETING WITH CITY OF EUGENE FOR MORE IN-  
DEPTH INFORMATION ON PLANNING AND BUILDING CODE  
ISSUES**

**FORMAL MEETING WITH CITY/HUD FOR FLOODPLAIN  
ISSUES**