

RAC

The Resource
Access Center
Development

Monthly Report June 2008



Community Design Workshop –
Saturday, May 19, 2008



The Resource Access Center Development

Preface

The Portland City Council adopted Resolution No. 36367 on December 21, 2005 thereby adopting “Home Again: A Ten Year Plan to End Homelessness” (the Plan). The Plan contemplated a Resource Access Center (“RAC”) which would provide homeless people with quick and direct access to programs that move them directly into permanent housing. The RAC is critical to the implementation of the City’s next phase in its 10-Year Plan to End Homelessness. The 10-year Plan envisioned a facility that would address the three guiding principles of the Plan;

- ❖ Focus on the most chronically homeless populations;
- ❖ Streamline access to existing services in order to prevent and reduce other homelessness; and
- ❖ Concentrate resources on programs that offer measurable results. This project is meant to address those goals, as well as to provide not only shelter housing but a continuum of low income housing options.

In the Fall of 2007, the City of Portland approached the Housing Authority of Portland with a request that HAP serve as the owner and master developer of the facility. The City also requested that Transition Projects Inc. serve as the operator of the RAC.

It is our joint hope and goal to develop what will be a signature undertaking in Portland, recognized within the region, the State and nationally as a model for a sustainable and compassionate approach to the work of ending homelessness.



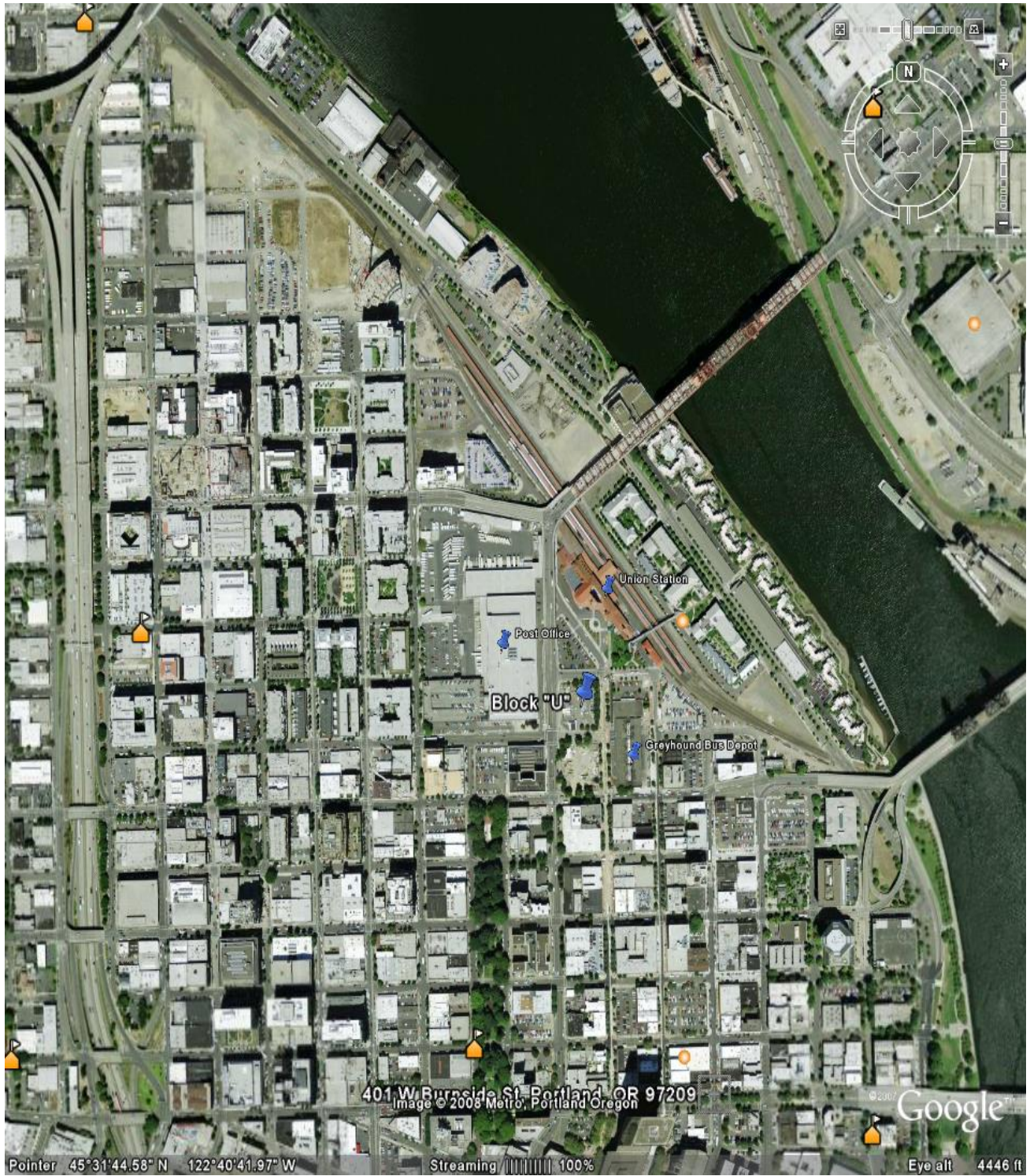
What is the RAC Development

The Resource Access Center Development is comprised of the following elements:

- The Day Center - A central intake and information sharing area with services that will include a day area for 60-70 people at a time (up to 200 a day), resource information, ID assistance, birth certificate assistance, TriMet tickets, food boxes, hygiene items, long distance calls, access to case management and shelter waitlists, lockers, showers, clothing rooms, laundry facilities, mail and message service, telephones, internet/computer stations, bicycle parking, and a pet area. Additionally, physical and mental health services along with medication assistance will be available.
- The Shelter - A 90-bed men's transitional shelter that provides sleeping, living and dining areas, as well as food storage, restrooms, and laundry facilities.
- Housing - Approximately 150-200 units of housing in a mix of studios, one bedrooms and two bedrooms are proposed. Income ranges are anticipated to be between 30% AMI and 60% AM and will include some Public Housing Units.
- Retail - Street -level retail space will enable the development of micro-enterprise and other businesses that will benefit both neighbors and RAC clients.

Where is the RAC Development

- The Resource Access Center will be located in North Old Town, on a site currently owned by the Portland Development Commission, and known as Block "U". The block is bounded by Hoyt and Irving Streets to the south and north respectively, and Sixth and Broadway Avenues to the east and west respectively. The site is at the cross roads of two neighborhoods, Old Town/Chinatown and the Pearl District. The RAC site will serve as a gateway into the City's downtown as people traverse Broadway Avenue.
- Neighboring uses include Amtrack's Union Station, the Greyhound Bus Depot and the U.S. Postal Service's Main office across Broadway. The Pacific Northwest College of Art will soon take up residence in a nearby building and light rail is immediately contiguous to the site, along Sixth Avenue. The City is currently in negotiations with the Postal Service to acquire their location and redevelopment plans call for a mix of commercial, retail, office and housing uses.



Executive Summary

- ❖ PDC Negotiations - HAP remains engaged with the Portland Development Commission in negotiating the Intergovernmental Agreement and Development & Disposition Agreement, documents necessary for defining the terms and conditions of land transfer, financial obligations, development parameters, and project schedule. We remain focused on achieving approval of the Development and Disposition Agreement by July 25, 2008.

- ❖ Community Advisory Committee (CAC) - A wide range of neighbors and community stakeholders were assembled, co-chaired by TPI board member Bud Clark and HAP board member Harriet Cormack, for the purpose of sharing information and providing input on the RAC Development. By the end of June 2008, the CAC had met four times, including two well-attended community design workshops. At the conclusion of the design workshops, the CAC recommended to HAP and TPI, what is known as the “Mid-Rise” scheme as the preferred design option. Portland Office of Neighborhood Involvement’s “Good Neighbor Agreement” process will begin approximately 3-6 months prior to the opening of the new facility.

- ❖ LIHTC Investor Strategy - HAP has been in conversations with a number of Low Income Housing Tax Credit equity investors regarding the current market conditions and how the RAC Development will be impacted by them. HAP normally secures the investor early in the development process for inclusion in required HUD documents relative to the public housing units. However in the current market, investors are not willing to hold pricing for more than 60 days, which consequently may necessitate a shift in securing the HUD Mixed Finance approval to post financial closing. HAP is initiating conversations with HUD on this approach.

Planning & Design

Past 30 Days

- Conceptual design package issued. Peer review completed on June 24, 2008. Mid-Rise option with 160 units selected by boards of HAP and TPI.
- Geotechnical engineering services contract executed with PBS Environmental & Engineering.
- Proposals solicited from Consulting Arborists.

Next 60 Days

- Complete Development & Disposition Agreement supporting transfer of Block U from PDC to HAP.
- Begin schematic design.
- Select Consulting Arborist.
- Procure environmental review consultant.

Community Relations

Past 30 Days

- A Community Advisory Committee was assembled and met four times, including two community design workshops, for the purpose of providing input on the RAC Development, ultimately selecting a preferred design option known as the “Mid-Rise.”

Next 60 Days

- The website will continue to provide updates on design and program options. The Design Team anticipates meetings with neighborhood groups during the summer to provide additional updates.

Construction

Past 30 Days

- Pre-Construction services contract executed with Walsh Construction Company.
- Preliminary cost estimates were received.

Next 60 Days

- Continue hazardous material remediation process on site (work by PDC consultants).
- Develop schedule for pre-construction phase deliverables.

Finance

Past 30 Days

- The development costs were refined for 4 design schemes. A peer review of these design schemes, associated development costs and development sources was completed. The preferred scheme was the mid-rise. Work continues to refine design elements, related development costs, and potential sources.
- The financial structure continues to be refined with stakeholder partners.

Next 60 Days

- Hold kick-off meeting with selected legal teams for legal services for RAC Housing and RAC Commercial
- Set-up corporation for RAC Commercial and start drafting application for 501(c)(3) non-profit status.
- Continue refining the financial structure including development budget and proforma and identifying funding sources.
- Meet with interested financial partners (lenders or investors) to provide an orientation on the real estate development, financial structures and anticipated operations.

Budget

Resource Access Center Summary Sources and Uses

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Source Of Funds	Permanent Period	Construction Period	Amount Drawn	% Drawn	Balance To Draw	Notes
Overall RAC Development						
Tax-Exempt Bond Debt	-	22,321,700	-	0.00%	22,321,700	
HAP Lot Sale Proceeds - Omnibus Loan A	3,500,000	3,500,000	-	0.00%	3,500,000	
HAP Reinv Dev Fee - Omnibus Loan B	3,000,000	567,708	-	0.00%	567,708	
HAP PDC TIF Contribution - Omnibus Loan C	28,000,000	16,760,203	-	0.00%	16,760,203	
HAP BETC/ETO/Green - Omnibus Loan D	500,000	125,000	-	0.00%	125,000	
HAP Additional PDC Funding - Omnibus Loan E	2,500,000	625,000	-	0.00%	625,000	
HAP Deferred Developer Fee	-	-	-	-	-	
LIHTC LP Equity	12,804,408	1,280,441	-	0.00%	1,280,441	
HAP Equity	100	100	-	0.00%	100	
NMTC Equity Loan	2,457,000	2,457,000	-	0.00%	2,457,000	
Total Project Sources	52,761,508	47,637,152	-	-	47,637,152	

Use Of Funds	Permanent Period	Construction Period	Amount Incurred	% Incurred	Remaining Budget	Notes
Overall RAC Development						
Acquisition Costs	-	-	-	-	-	
Construction, Sitework, FF & E	33,581,819	33,581,819	-	0.00%	33,581,819	
Development Costs, Studies, Reports & Permits	1,363,349	1,363,349	-	0.00%	1,363,349	
General Fees, Contracted Services & Fees	9,331,381	4,971,153	-	0.00%	4,971,153	
Financing and Interest Charges	6,657,024	6,657,024	-	0.00%	6,657,024	
Reserves, Organizational Costs & Start-up	1,819,868	1,063,807	-	0.00%	1,063,807	
Total Project Uses	52,753,441	47,637,152	-	0%	47,637,152	

Financing Surplus or (Deficit) (8,067) - - -

