



Eugene City Council

101 W 10th Ave., Suite 203
Eugene, OR 97401
541-682-5010 • 541-682-5414 Fax
www.eugene-or.gov

EUGENE CITY COUNCIL AGENDA

October 20, 2021

**12:00 p.m. CITY COUNCIL WORK SESSION and
MEETING OF THE EUGENE URBAN RENEWAL AGENCY**

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**Meeting of October 20, 2021;
Her Honor Mayor Lucy Vinis Presiding**

Councilors

Jennifer Yeh, President
Mike Clark
Randy Groves
Emily Semple

Claire Syrett, Vice President
Greg Evans
Matt Keating
Alan Zelenka

**12:00 p.m. CITY COUNCIL WORK SESSION and
MEETING OF THE EUGENE URBAN RENEWAL AGENCY**

- 1. WORK SESSION: 1059 Willamette Proposed Terms**
- 2. WORK SESSION: Downtown Open Space Improvements**

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EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: 1059 Willamette Proposed Terms

Meeting Date: October 20, 2021
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Amanda D'Souza
Contact Telephone Number: 541-682-5540

ISSUE STATEMENT

In April 2020, the City acquired the property at 1059 Willamette (the former Lane Community College Downtown Center) for mixed-income housing. On June 9, 2021, City Council reviewed the results of the Request for Proposals (RFP) process and directed staff to enter into negotiations with the deChase Miksis/Edlen & Company team. The purpose of this work session is for Council to take action on proposed terms for the disposition and redevelopment of 1059 Willamette (see proposed terms in Attachment A).

BACKGROUND

The building located at 1059 Willamette served as the Lane Community College (LCC) Downtown Center until 2012 and has been vacant since the new Mary Spilde Center opened at 10th Avenue and Olive Street. Council identified the 1059 Willamette property in the 2016 Downtown Urban Renewal Plan amendment as one of four projects eligible for urban renewal resources to assist in the property's redevelopment. In April 2019, the City submitted a letter of interest to LCC for purchase of the site. In May 2019, the LCC Board approved the sale of the site to the City.

At the January 29, 2020 work session, Council discussed the potential redevelopment, including the option to create a mixed-income housing development on the site. At that work session, Council approved the use of \$500,000 of federal Community Development Block Grant (CDBG) funds to acquire the site in order to pilot an innovative, mixed-income, multi-family housing through the Land Acquisition for Affordable Housing Program, also known as the land bank program. The City acquired the site in April 2020.

The direction that Council gave for this project was to pursue an innovative mix of income-qualified units and market-rate units, where 51% of the units are targeted to households earning up to 80% of Area Median Income (AMI) and 49% of the units are market-rate. The income-qualified housing will support an underserved population. There are very few housing options targeting households earning between 60% and 80% AMI, and households in this range typically do not qualify for other affordable housing options (see Attachment B for more information on mixed-income developments, including CDBG income limits based on household size; see Attachment C for Frequently Asked Questions about the project).

At the same work session on January 29, 2020, Council approved the use of an RFP process for disposition of the site and then approved the RFP timeline in Attachment D on July 15, 2020. On September 30, 2020, Council approved the RFP criteria included in Attachment D and approved making \$1.1M of public funds available with the RFP to reduce the anticipated financial gap (see the “*Use of Public Funds*” section below). The City released the RFP in November of 2020, and it was open for three months.

The City received one submission: a proposal from a development team led by deChase Miksis and Edlen & Company (see Attachment E for the full proposal). The development team proposed a new mixed-use, mixed-income building, called the Montgomery. The development team estimated total project costs will be about \$35M.^a The proposed project would have 129 units: 66 of the units would be for households with incomes up to 80% of AMI, and the other 63 units would be rented at market rates without income qualifications. Other project features would include:

- Providing support services to meet needs of all residents;
- Providing 10 set-aside units for survivors of domestic violence (in partnership with the Hope & Safety Alliance, formerly Womenspace);
- Design that builds on the historic main-street character of Willamette Street;
- Ground-floor incubator retail spaces;
- Opportunities for art, including a public gallery in the lobby and a mural wall; and
- Using cost-effective green building measures to be certified under the LEED Multifamily program.

To solicit feedback on the proposal, the City released a community survey in early 2021 and received 327 responses (see Attachment B for more information on the project’s community engagement efforts). An Evaluation Committee also reviewed and scored the proposal. On June 9, 2021, Council considered the proposal and directed staff to enter into negotiations and to return to Council with terms for the disposition and redevelopment of the 1059 Willamette property.

Summary of Terms

The following are key elements of the proposed terms with the development team that are in Attachment A:

- The property will be conveyed to the development team for \$1.
- The development team must meet the federal Environmental Review requirements related to contamination and toxic substances, noise levels, stormwater management, and historic context.
- The income-qualified units will maintain their affordability to 80% AMI households for at least 35 years after project completion. The team will verify at move-in that these units are occupied by households with incomes up to 80% of AMI. The City will monitor the income verification process.
- Closing of the transfer and commencement of construction will occur no later than 15 months after the legal agreement is signed but in no event later than October 1, 2023.
- Completion of construction and the start of occupancy will occur no later than April 30, 2025.
- The development team intends to apply for a Multi-Unit Property Tax Exemption (MUPTE).

^a The development team provided updated cost estimates in August 2021.

Use of Public Funds

On September 30, 2020, Council and the Agency Board approved making \$1.1M of funding available in the RFP for the redevelopment project to reduce the anticipated financial feasibility gap. This consists of \$700K of Downtown Urban Renewal Funds and \$400K of funds from the MUPTE Moderate-Income Housing Fee (see Attachment B for additional information on the funding sources).

Under the proposed terms, the \$1.1M of public funds would be used to pay for system development charges, permits/other fees, the EWEB downtown electric-system connection fee, asbestos abatement, demolition, or other project-related costs. Currently, the system development charges, permit fees, and EWEB downtown fees are estimated to cost about \$1.2M. The development team also stated their intent to apply for a MUPTE should the project move forward, which would entail the standard MUPTE application process including Council action.

The building sale price of \$1 is standard for land bank sites as a contribution to support the below-market rents. The City purchased the site from LCC last year using \$500,000 of CDBG funds. The property was most recently appraised in 2019 for \$680,000, which took into account the future demolition and abatement costs.

Income-Qualified Rents

The affordability requirements for this project are required due to the use of CDBG funds to acquire the building. The City's CDBG land acquisition policy states that at least 51% of the units must have monthly housing costs (including utilities) that are no more than 30% of the HUD-published income limits for households at 80% AMI. This is the threshold of affordability.^b

The Montgomery proposal includes rents that meet the threshold of affordability for households earning 80% of AMI. They were calculated using 2020 CDBG income limits and were reduced by a utility allowance to account for tenant-paid utility costs. This method is different than the HUD Fair Market Rent calculation, which was requested in the RFP, but is acceptable under the City's CDBG land acquisition policy. The developer indicated that using the lower HUD Fair Market Rents, as listed in the RFP, would increase their project financing gap by about \$2M. At the June 9 work session, Council requested additional information on funding options to fill the \$2M gap if the project were to include Fair Market Rents. Staff provided information on additional funding options to Council in July 2021 (Attachment F).

The proposed Montgomery project would provide a housing opportunity that is currently rare in the community, targeted to households earning up to 80% AMI. Households that earn over the 60% AMI limit of subsidized affordable housing face a gap in the local housing continuum with few rental options in the community. In addition, households that live in subsidized affordable housing and increase their incomes to more than 60% AMI have difficulty relocating because market-rate rents are too high. The proposed Montgomery project would provide a housing opportunity that is currently rare in the community, targeted to households earning up to 80% AMI.

^b A household is considered housing cost burdened when more than 30% of its monthly gross income is dedicated to housing. People whose housing costs exceed this threshold of affordability are likely to struggle to pay for other basic needs, forcing difficult trade-offs.

Next Steps

If Council approves the proposed terms, the City and development team will enter into a legal agreement for transfer of the property and begin a due diligence period. The development team would begin raising equity, acquiring financing, and refining their design. The development team's current schedule anticipates the MUPTE application process (including public engagement, the Review Panel, and Council action) would take place in late 2022. Per the proposed terms, the development team would close on the property and start construction no later than 15 months after the real property transfer agreement is signed with the City, and meet the CDBG-imposed deadline to complete construction and start lease-up by April 30, 2025.

PREVIOUS COUNCIL DIRECTION

[June 9, 2021 City Council Work Session](#) - Council discussed the proposal received in response to the 1059 Willamette RFP.

COUNCIL MOTION AND VOTE: Councilor Yeh, seconded by Councilor Syrett moved to direct the City Manager to a) enter into exclusive negotiations with the deChase Miksis/Edlen & Company development team for the disposition and redevelopment of 1059 Willamette and b) return to Council with the proposed terms for action. PASSED 6:1

COUNCIL MOTION AND VOTE: Councilor Syrett, seconded by Councilor Yeh, moved to ask the City Manager to bring back to Council options for filling the proposed \$2M gap in this project in order to set the rents at HUD Fair Market housing value. PASSED 7:0

[September 30, 2020 City Council and Agency Board Work Sessions](#) - Council/Agency Board discussed next steps for the disposition and redevelopment of 1059 Willamette, approved criteria for the RFP, and took action to make an incentives package available in the RFP to close the financial feasibility gap.

COUNCIL MOTION AND VOTE: Councilor Semple, seconded by Councilor Yeh moved to direct the City Manager to release the RFP for disposition of the 1059 Willamette site using the RFP criteria in Attachment C, and direct the City Manager to identify the Gordon Lofts MUPTE Moderate Income Housing fee (an estimated \$400K) as available funding in the RFP to support the 1059 Willamette project. PASSED 8:0

AGENCY BOARD MOTION AND VOTE: Councilor Semple, seconded by Councilor Yeh, moved to direct the Agency Director to identify \$700K of Downtown Urban Renewal tax increment funds as available funding in the City RFP to support the 1059 Willamette project. PASSED 8:0

[September 21, 2020 Public Hearing](#) - The public was invited to comment on a) whether the 1059 Willamette project should move forward, b) if so, how it should be funded, and c) draft criteria to be used in the RFP.

[July 27, 2020 City Council Meeting](#) - The Agency Board directed the Agency Director to commence the Park Blocks & Open Space and Farmers Market projects using Urban Renewal funds to fully fund the Farmers Market pavilion/plaza, fund Park Block improvements (including a free-standing restroom and right of way improvements around the northwest Park Block), and specified that a "minimal"

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amount of the estimated remaining \$1.1M of tax increment funds should be spent on Open Space projects.

[July 15, 2020 Work Session](#) - Council directed staff to move forward with the proposed RFP timeline, including implementing a public engagement plan, and to bring back updated criteria and a financial incentives package for Council consideration. Council also directed staff to schedule a Public Hearing to solicit public comment on whether the project should move forward and the appropriate funding mechanisms for the project.

MOTION AND VOTE: Councilor Semple, seconded by Councilor Yeh moved to direct the City Manager to schedule a Public Hearing on the 1059 Willamette project in order to solicit public feedback on whether the project should move forward, as well as the appropriate funding mechanisms for the project. The City Manager is further directed to implement the proposed public engagement process. PASSED 8:0

[January 29, 2020 Work Session](#) - Council authorized the purchase of the property at 1059 Willamette using CDBG funds. Council also approved the Land Acquisition for Affordable Housing property disposition process for the site's redevelopment.

[May 29, 2018 City Council Meeting](#) - Council approved the *Eugene-Springfield One-Year Action Plan, the One-Year Supplemental Plan for the 2015 Consolidated Plan*. This plan identified a strategy of increasing the supply of affordable housing using land acquisition. The plan identified sources and uses of funding to implement these strategies, including the funds that were used to purchase 1059 Willamette.

[June 13, 2016 City Council Work Session](#) - Council adopted Ordinance 20564 adopting an amended Urban Renewal Plan for the Downtown Urban Renewal District. In this plan, 1059 Willamette (formerly "Old LCC") was identified as a project eligible to receive Urban Renewal funds, with housing as a potential use.

COUNCIL OPTIONS

1. Approve the terms in Attachment A and authorize the City Manager to enter into a real property transfer agreement consistent with the terms in Attachment A.
2. Propose modifications to the terms.
3. Schedule another work session and action on the proposed terms.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends option 1, approval of the proposed terms included in Attachment A and authorization to allow the City Manager to enter into a real property transfer agreement consistent with the terms in Attachment A.

SUGGESTED MOTIONS

Move to approve the terms in Attachment A and to authorize the City Manager to enter into a real property transfer agreement consistent with the terms included in Attachment A.

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ATTACHMENTS

- A. Proposed Terms
- B. Additional Project Background
- C. 1059 Willamette Frequently Asked Questions
- D. Council-Approved 1059 Willamette Disposition Criteria and RFP Process
- E. deChase Miksis/Edlen & Company proposal for the Montgomery
- F. Memorandum on Additional Funding Options for Inclusion of Fair Market Rents

FOR MORE INFORMATION

Staff Contact: Amanda D'Souza
Telephone: 541-682-5540
Staff E-Mail: Adsouza@eugene-or.gov

Proposed Terms for Transfer of 1059 Willamette Property

Buyer: Joint venture led by Edlen & Company and deChase Miksis

Seller: City of Eugene (“City”)

Property: Land (approximately 0.42 acres) located at 1059 Willamette Street (Map No. 17-03-31-14, Tax lot 12800)

Purchase Price: Property will be conveyed to Buyer for \$1.

Agreement: Following the City Council’s approval of terms, Buyer and Seller shall enter into a real property transfer agreement.

Due Diligence Period: Upon execution of the Agreement, Buyer will have a period of 180 days in which to review property information and to conduct on-site tests and studies to determine the condition of the property.

Environmental Condition: During the Due Diligence Period, Buyer will be able to perform environmental investigation to satisfy itself of the environmental condition of the property, the results of which will be provided to the Seller for review.

Federal Environmental Review: Buyer must meet the federal Environmental Review requirements related to contamination and toxic substances, noise levels, stormwater plan, and historic context.

Project Description: Buyer intends to develop a 6-story, 129-unit mixed use project, called the Montgomery. It includes: 66 income-qualified units available to households at 80% of Eugene’s area median income (AMI), which is a federally defined criterion, and 63 market-rate units. 10 of the income-qualified units will be set aside for survivors of domestic violence, in partnership with Hope & Safety Alliance (formerly Womenspace). Cornerstone Community Housing will provide resident services through their Healthy Homes program. The project will include pet amenities such as pet-care areas to exercise and wash dogs. The ground floor, facing Willamette Street and 11th Avenue will include commercial uses, such as low-rent spaces for start-up businesses. The project will also incorporate art through features such as a public gallery in the lobby and an outdoor mural.

Income-Qualified Rents and Affordability Period: For a period of 35 years after completion of the project, Buyer agrees to ensure that 51% of the units bear housing costs (rents and utilities) that are no greater than 30% of the HUD-published income limits for households at 80% AMI. Buyer shall also verify at move-in that these units are occupied by households that qualify as low-income (households with incomes up to 80% AMI). Compliance with this requirement shall be monitored with an annual certification to the City.

Financing: Prior to the closing of the real property transfer, Buyer shall demonstrate that all financing necessary for the project has been secured.

Closing Date: The closing of the transfer shall occur at commencement of construction, which will be no later than 15 months after the Agreement is signed, but in no event later than October 1, 2023.

Completion of Construction: Project will be completed and begin occupancy no later than April 30, 2025.

MUPTe: Buyer has stated their intent to apply for a Multi-Unit Property Tax Exemption. In such a case, the transfer of the property would then be contingent on the Council approval of the MUPTe resolution.

City/Agency Financial Assistance: City and/or Agency will provide \$1.1 million in additional financial assistance for the Project. City and/or Agency, in its sole discretion, shall make such financial assistance available in the form of payments for system development charges (SDCs), building permit and related fees, electric-connection fees for the construction of the Project, demolition costs, asbestos abatement, and/or other project-related costs. The City will also provide facilitated permit review.

Brokerage Commission: Buyer is responsible for all real estate broker fees. No brokers represent either party.

Exclusive Negotiation: While negotiating the terms of the real property transfer agreement with Buyer, City will not enter into negotiations with any other party.

Right of Repurchase: In the event that the Buyer does not meet the construction and completion requirements included in the real property transfer agreement, the City has the right to repurchase the Property for \$1, the Buyer's purchase price.

Additional Project Background

This attachment provides additional information related to the redevelopment of 1059 Willamette Street, including mixed-income housing, public funding support, and Downtown Urban Renewal.

Mixed-Income Housing

The site is ideally suited for redevelopment as housing, given the property's strategic location across from the Lane Transit District (LTD) Eugene Station, and the identified need through Envision Eugene and the Housing Tools and Strategies process for a range of housing options that are affordable across the income spectrum and more compact urban development in the core of downtown. The use of Community Development Block Grant (CDBG) funds requires that the site be used for housing and that at least 51% of the units must be affordable to households earning no more than 80% of Area Median Income (AMI). (See below for information on income requirements.) The City is pursuing redevelopment of the site into an innovative, mixed-income housing project, where 51% of the units would meet the CDBG income requirements, and the other 49% could be rented at market rates.

As part of project scoping, staff interviewed local housing developers to better understand the financial feasibility of this type of mixed-income development and conducted a financial 'pro forma' evaluation. A financial gap is anticipated because:

1. Rents are limited for over half of the units, so they are affordable for households earning no more than 80% AMI. Those rents are substantially lower than market-rate rents for a new housing development.
2. Traditional tools available to support Affordable Housing, such as HOME funds, Low Income Housing Tax Credits (LIHTC), and Low-Income Rental Housing Property Tax Exemptions (LIRHPTE), require rents to be affordable to households earning 60% AMI and below. These traditional resources would not be available for a project targeting households up to 80% of AMI.

The approach is to pilot a new mixed-income residential development. By adding new, more affordable options, housing mobility is encouraged, which can relieve pressure on the stock of lowest income housing options (60% AMI and below) that have the highest demand in our community. Additionally, the project provides a more affordable option for rent-burdened residents paying more than 30% of their income on housing, allowing them to reduce costs, save money, and work towards greater financial stability.

Income Requirements

Households at 80% of AMI are underserved - there are very few options for households earning between 60% and 80% AMI, and in most cases, they would not qualify for other affordable housing options. Table A below shows the CDBG income limits based on household size.¹ The CDBG land acquisition program requires that rents be affordable to households at these income levels. To meet the threshold of affordability,² affordable rents plus utility costs (gross rents) are targeted to be no more than 30% of household income.

¹ This is based on 2020 CDBG income limits, which were the most recently available when the RFP was issued and the proposal was submitted. Actual rents would depend on the income limits published at time of occupancy.

² A household is considered housing cost burdened when more than 30% of its monthly gross income is dedicated to housing. People whose housing costs exceed this threshold of affordability are likely to struggle to pay for other basic needs, forcing difficult trade-offs.

Table A. 2020 CDBG Income Limits, effective July 1, 2020

Persons in Household	1	2	3	4	5	6	7
Low Income - 80% AMI	\$39,200	\$44,800	\$50,400	\$56,000	\$60,500	\$65,000	\$69,450

The 1059 Willamette Request for Proposals (RFP) stated that proposals should use HUD Fair Market Rents (see Attachment F). However, CDBG regulations allow gross rents to be calculated based on affordability to households earning up to 80% AMI. Table B shows the 2020 80% AMI rent limits that meet the requirements of the CDBG land acquisition program, calculated by Oregon Housing and Community Services using HUD 80% AMI income limits for Lane County.

Table B. 2020 Land Acquisition Program 80% AMI Rent Limits

Unit Size	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Rents affordable to 80% AMI Households	\$980	\$1,050	\$1,260	\$1,456	\$1,624

The Montgomery proposal submitted for 1059 Willamette has gross rents that are allowable under CDBG regulations and based on the rents in Table B, but did not achieve Fair Market Rents. The development team estimated that the difference in rent over time of using Fair Market Rents would result in an increased project construction gap cost of \$2M. At the June 9 work session, Council requested additional information on filling the \$2M gap if the project were to include Fair Market Rents. Staff provided the memo, which is in Attachment F, to Council in July.

Potential Uses of Public Funds

Mixed-income housing projects generally face a financial gap due to the limited rental income and inability to access traditional affordable housing resources. During discussions in 2020, the City identified several incentives that would reduce the anticipated financial feasibility gap and support a mixed-income housing development at 1059 Willamette. Staff estimated the cost of these incentives at about \$2.2M. The identified incentives included:

- Provide the property for \$1, which is typical of the land bank program.
- Demolish the building and make the site 'shovel-ready.'
- Cover System Development Charges and other permit fees.
- Cover EWEB's downtown electric-network connection fee.
- Provide a Multi-Unit Property Tax Exemption (MUPTE).

On September 30, 2020, Council and the Agency Board approved making \$1.1M of funding available in the RFP to partially fund these development assistance incentives. This funding package is made up of the following funding sources:

Funding Name/Source	Amount	Notes
Downtown Urban Renewal	\$700,000	Funds must be used in the Downtown Urban Renewal District, in accordance with the Plan.
MUPTE-Moderate Income Housing Fee	\$400,000 (estimated)	Will be paid by Gordon Lofts multi-family development in FY22. City ordinance states that funds are to be used for moderate-income housing. A mixed-income housing project at 1059 Willamette is eligible for these funds.
Total	\$1,100,000	

Under the proposed terms, the \$1.1M of public funds would be used to pay for system development charges (SDCs), permits/other fees, the EWEB downtown electric-system connection fee, asbestos abatement, demolition, or other project-related costs. Currently, the SDCs, permit fees, and EWEB downtown fee are estimated to cost about \$1.2M.

The development team indicated they would intend to apply for a MUPTE. Should Council choose to move forward with this proposal, the project would follow the standard MUPTE application process that includes the MUPTE Review Panel and Council action.

The RFP assumed that the building would be offered for \$1 to the developer, which is standard for land bank sites. The City purchased the site from LCC last year using \$500,000 of CDBG funds. The property was most recently appraised in 2019 for \$680,000, which took into account the future demolition and abatement costs.

Downtown Urban Renewal

In the 2016 Downtown Urban Renewal Plan amendment, Council (as the Agency Board) identified four projects eligible for the use of Downtown Urban Renewal Funds: Downtown Fiber, Farmers Market, Park Blocks & Open Space, and 1059 Willamette.

The Plan outlines a number of community engagement activities that must be completed before the Agency Board can authorize the use of tax increment funds on this project.

- 1) An opportunity for the community to share aspirations and vision for the project.
- 2) A presentation by staff summarizing the public engagement, cost estimates, and funding mechanisms.
- 3) A public hearing on whether the project should move forward and how it should be funded.
- 4) Agency Board deliberation about using Urban Renewal funds for the project and subsequent action.

For the 1059 Willamette redevelopment, public engagement was conducted in January 2020 prior to acquisition (Step #1). Staff presented public engagement summary, cost estimates, and funding mechanisms at the July 15, 2020, work session (Step #2). Council held a public hearing on September 21, 2020 (Step #3). The Agency Board took action on September 30, 2020, to include \$700K of Downtown Urban Renewal funds in the RFP (Step #4). The FY22 Adopted Budget includes this funding (with spending subject to Agency Board approval of a project and deal points).

Evaluation Committee

On March 18, 2021, an Evaluation Committee scored the proposal based on the approved criteria in Attachment D. The Committee included Councilor Semple (Council representative on the Housing Policy Board), Chris Looney (developer representative), Nicole Desch (Friends of Downtown and Onward Eugene/Chamber of Commerce representative), Pete Knox (Downtown Neighborhood Association representative) and 3 members of City staff [Ellen Meyi-Galloway (Housing Finance Analyst), Allie Camp (Development Investment Liaison), and Eric Brown (Downtown Manager)].

Typically, Evaluation Committees for land bank sites score and rank proposals. Because we only received one proposal, only the Committee's scores and comments were collected. Overall, the Committee felt the proposal was strong and would benefit Downtown Eugene. They expressed concerns with the high construction costs, however, they noted that this is a very experienced development team.

Community Survey

To get public feedback on the proposal, the City released a community survey in March 2021. The survey was sent to stakeholder groups, including the Downtown Neighborhood Association, Downtown Eugene, Inc., Downtown Eugene Merchants, Friends of Downtown, and Affordable Housing providers and was also shared via social media. In addition, the survey was promoted by the Register Guard, KEZI, and KLCC. The survey was open for 3 weeks and received 327 responses. The City also received emails from community members. Visit www.eugene-or.gov/1059Willamette to review survey responses.

Previous community engagement on this redevelopment site included outreach with a variety of stakeholders before Council considered the concept of a mixed-income residential development and approved acquisition of the site. This included outreach with Downtown Neighborhood Association, Downtown Eugene, Inc., Downtown Eugene Merchants, Friends of Downtown, housing providers, service providers, and adjacent neighbors. Staff also sought feedback from these groups before Council approved the RFP criteria. Council held a public hearing on September 21, 2020, for the project seeking comments on whether the project should move forward and if so, how it should be funded, and on the RFP criteria.



1059 Willamette Street Redevelopment Frequently Asked Questions

1. What's happening at 1059 Willamette Street?
2. What is the proposed project?
3. What is Affordable Housing?
4. Is this project considered Affordable Housing?
5. What is the City of Eugene contributing to this project?
6. Why isn't this project for households with incomes less than 60% Area Median Income?
7. What are the tools available to support lower-income Affordable Housing?
8. Is the City doing anything else to create Affordable Housing?
9. What are the proposed rents and how were they calculated?
10. How do we know only households at or below 80% of Area Median Income will be able to rent the income-qualified units?
11. How long will these 80% AMI rents be maintained?
12. Who is the team that proposed the Montgomery?
13. Why is Council only considering one proposal for this site?
14. Why is the City pursuing a mixed-income housing project?
15. Is it true that the City is giving \$10 million to this development team?

For additional project information, visit www.eugene-or.gov/1059Willamette

1. What's happening at 1059 Willamette Street?

The building was originally constructed as a Montgomery Ward department store. Lane Community College (LCC) used it as its downtown educational center from 1979 until 2012. LCC vacated the property when it moved to its new building, the Mary Spilde Center, at 10th Avenue and Olive Street.

The City of Eugene bought the building from LCC in April 2020, with the intent to redevelop it into mixed-income housing. The City has identified resources that could be directed to support project and issued a [Request for Proposals](#) (RFP) for mixed-income housing. We received [one proposal](#) in response to the RFP. City Council is scheduled to vote whether they would like to move ahead with that proposal at a June 9, 2021 Work Session.

2. What is the proposed project?

The [proposed project](#) is a new 6-story building, called the Montgomery. It includes the following:

- 66 rental units are 'income-qualified' and available to households at 80% of Eugene's area median income (AMI), a federally defined criteria.
- 63 rental units that are 'market-rate', which means there is no income restriction.
- 10 of the income-qualified units will be set aside for victims of domestic violence, in partnership with [Womenspace](#), a Eugene-based non-profit that provides women-centered services to victims and survivors of domestic and sexual violence.
- Resident services provided by Cornerstone Community Housing through their Healthy Homes program, which supports interventions and services that promote housing access, retention, and stabilization.
- The ground floor, facing Willamette Street and 11th Avenue will include commercial space, offered at low rents and available to start-up businesses.
- A public gallery, with opportunities for community art displays, and an outdoor mural.
- Pet-care areas, to exercise and wash dogs. The building will welcome households with dogs.

The building will also include green building features and will be certified under LEED Multifamily criteria.

3. What is Affordable Housing?

In this FAQ, when we refer to "Affordable Housing" we are referring to income-qualified, subsidized housing for low-income individuals. This FAQ also generally discusses housing affordability. Housing is considered affordable when a household spends no more than 1/3 of their income on housing.

For information on the different kinds of subsidies used to support Affordable Housing, see *Question 7. What are the tools available to support lower-income Affordable Housing?*

4. Is this project considered Affordable Housing?

Just over half of the Montgomery's units (51%) will be affordable to households with incomes at 80% of the Eugene's area median income (AMI). The federal U.S. Department of Housing and Urban Development (HUD) provides annual updates of income levels and allowed rents for different household sizes. The proposed rents meet the federal definition of affordable for households at 80% AMI. HUD's 2020 income definition of 80% of AMI for a single-person household is \$39,200, which is the annual

earnings for a full-time worker earning \$18.84 an hour. The Oregon Employment Department shows that housekeepers, retail clerks, and security guards, and many other job types, typically earn this wage.

This is different from other Affordable Housing projects in Eugene, which are available to households at lower income levels, typically 60% AMI or below. The project at 1059 Willamette targets households with incomes at or below 80% AMI. These households would be ineligible for Eugene's existing Affordable Housing developments, yet many are housing cost burdened, which means a household spends more than 1/3 of their income on housing.

5. What is the City of Eugene contributing to this project?

City Council will make a final decision about the public investment in this proposed project at a future work session. City Council is considering approving the use of these tools:

- **The City would offer the property at no cost to the development team.** The City bought the property from LCC in April 2020, through our [land bank program](#), using federal Community Development Block Grant (CDBG) funds. These federal funds require that the property be used for housing, with at least 51% of the units be available to households with incomes at or below 80% of AMI. CDBG rules also require the property be available for occupancy by 2025, or the City risks having to return the funds. The City paid LCC \$500,000 for the property. The property was appraised at \$680,000 in 2019.
- **The City would offer \$1.1 million to cover pre-development costs.** The City's RFP identified these funds as potential financial tools and asked that proposals explain how they would use the funds. The Montgomery proposal asked to use the funds to pay for system development charges, permit fees, and the EWEB connection fee. The funds would come from two sources:
 - **The Downtown Urban Renewal District would contribute \$700,000.** The [Downtown Urban Renewal Plan](#) identifies 1059 Willamette as a redevelopment project eligible for up to \$3 million. There are limited funds available in the District, and funds have been committed to other projects, limiting what's now available to 1059 Willamette.
 - **The MUPTE Moderate-Income Housing fund would contribute \$400,000.** The City's [Multi-Unit Property Tax Exemption \(MUPTE\) program](#) expects to collect \$400,000 in the fall of 2021. Those funds are to be made available to support the development of moderate-income housing.
- **The project would be eligible for a MUPTE.** The City's MUPTE program offers an exemption on property taxes, up to 10 years, for the assessed value of new residential units in the downtown area. The program's intent is to encourage the development of housing in the downtown, a long-standing goal of the community. The project would be required to go through the standard MUPTE application process before Council could vote on their application, which includes a community Review Panel, neighborhood engagement, and demonstration that the project meets several public benefit criteria. Visit [the MUPTE webpage](#) for more information.

6. Why isn't this project for households with incomes less than 60% Area Median Income?

Most of the financial tools and subsidies we have to support housing development are only available for housing that is affordable to households with incomes at or below 60% of area median income (AMI). Most of these tools are competitive, which means that each proposed housing development is competing for the funds against other housing developments. The financial demand regularly exceeds

the available funds. Additionally, there are few tools available to construct housing for moderate-income households that earn between 60% AMI and 80% AMI—yet those households have difficulty finding housing within their budget.

The 1059 Willamette property is unique in that we had an opportunity to use a resource specific to this location – Downtown Urban Renewal funds. The proposed mixed-income housing project is an innovative use of local resources to create housing for people earning incomes at a level that makes it difficult to find housing that is affordable. This project is not using the limited federal and state resources that are available to lower-income housing, which will allow those resources to fund other housing projects in our community.

See *Question 7. What are the tools available to support lower-income Affordable Housing?* for information on Affordable Housing tools. See *Question 8. Is the City doing anything else to create Affordable Housing?* to learn more about how the City supports development for households with incomes less than 60% AMI.

7. What are the tools available to support lower-income Affordable Housing?

Affordable (rental) Housing is typically available to households with incomes at or below 60% of AMI and receives federal, state, or local development resources or ‘subsidies’ to be able to offer rents at that level. In the Eugene area, some examples of Affordable Housing providers are St. Vincent de Paul, Homes for Good, Cornerstone Community Housing, and DevNW. The developers apply for public resources and leverage private funds to make developments happen. It takes many partnerships and many funding sources to create new Affordable Housing. The City provides specific subsidies to support housing development serving households with incomes at 60% AMI and below. Rents in Affordable Housing are restricted so they are more “affordable” to low-income households, which generally means the household would spend less than 1/3 of its income on housing. The owner of the housing development collects less rent than in a market-rate housing project—however, the cost of construction is the same. In order to make Affordable Housing financially feasible, some financial subsidy must fill the financial gap between the cost of construction and the income generated from rents. If there is a gap, construction is not financially feasible, and the project will not move forward.

There are a variety of tools available to fill the financial gap. There are federal, state, and local programs. Most new Affordable Housing developments typically use multiple tools. A summary of the typical available tools is below:

Program	Description	Eligible Income Level
Low-Income Housing Tax Credits	A federal program that creates a tax incentive to construct or rehabilitate Affordable rental Housing for low-income households. Individual projects compete to receive these funds through Oregon Housing and Community Services (OHCS) and not every proposed project is awarded.	Available to projects targeting households at or below 60% AMI.

Program	Description	Eligible Income Level
HOME Investment Partnership Program	A federal program that is administered through the Eugene-Springfield HOME Consortium, led by City of Eugene. These federal funds can be used for acquisition of existing residential and non-residential building for conversion to Affordable Housing, or for new construction. The Eugene-Springfield Consortium awards funds through an annual Housing Request for Proposals.	Available to projects targeting households at or below 60% AMI.
Housing Development Grant “Trust Fund” Program	A federal program administered by OHCS directly to housing developments. The maximum funding amount for any one project is \$500,000 per funding cycle. Individual projects compete to receive these funds and not every proposed project is awarded.	Supports development for households at or below 30% AMI.
General Housing Account Program (GHAP)	A State program offered to housing developments in partnership with other OHCS administered funding sources.	Supports development for households at or below 80% AMI.
Community Development Block Grant (CDBG) - Land Acquisition (Land Bank) program	A federal program administered by the City, the City uses part of its CDBG allocation to buy land for Affordable Housing developments.	Available to projects targeting households at or below 80% AMI.
CDBG Rental Rehabilitation program	The City uses part of its CDBG allocation to offer low interest loans to rehabilitate affordable rental housing.	Available to developments serving households at or below 80% AMI.
Low-Income Rental Housing Property Tax Exemption (LIRHPTE)	This local program offers a 20-year property-tax exemption for qualified rental properties.	Available to projects targeting households at or below 60% AMI.
City of Eugene Systems Development Charge (SDC) Exemptions	This City program offers exemptions for SDCs for Affordable Housing developments. There is an annual cap on available funds.	Available to rental housing developments targeting households at or below 60% AMI, and homeownership developments targeting households at or below 80% AMI.
Affordable Housing Trust Fund	The City of Eugene established this fund in 2019, funded by a Construction Excise Tax on new residential and commercial construction. The funds for development are awarded through a competitive Request for Proposals process.	Available to projects targeting households at or below 100% AMI.

8. Is the City doing anything else to create Affordable Housing?

While the City does not own, operate, build, or manage housing, we collaborate with nonprofit and other partners to assess the City's housing needs, determine strategies to address priority needs, and identify resources to implement the strategies. The City has worked with Affordable Housing providers to create and maintain Affordable Housing in the Eugene-Springfield metropolitan area. As of April 2021, the City is supporting 9 recently completed or upcoming affordable housing projects with the use of federal HOME funds, SDC exemptions, or LIRHPTEs.

These 9 projects represent the creation of 385 new Affordable Housing units in Eugene in the past year or the near future: 100 units were completed in the last year, 115 units are under construction, and 170 are in the pipeline. Of these 385 Affordable Housing units, 126 are Permanent Supportive Housing (PSH), a model designed to provide housing and supportive services on a long-term basis to people who are experiencing homelessness. Of the 126 PSH Eugene units, 66 have been completed, 15 are under construction, and 45 are in the pipeline. The [TAC report](#) recommended adding 350 PSH units in Lane County (Eugene's prorated share is 263 units) in five years with a focus on single adults.

Affordable Housing Project	Number of Units	Status
Market District Commons (6 th /Oak)	49	Completed
Commons on MLK (2411 MLK Jr. Blvd)	51	Completed
Iris Place (1531 River Rd.)	52	Under construction
Sarang (1604 Taney St.)	48	Under construction
Keystone (13 th /Tyler)	15	Under construction
The Nel (11 th /Charnelton)	45	In the pipeline
Lincoln St. Apartments (11 th /Lincoln)	59	In the pipeline
The Lucy (850 Hunsaker Ln.)	35	In the pipeline
Royal Ave. homeownership project (5220 Royal Ave.)	31	In the pipeline

Information on the City's programs to address Affordable Housing can be found on the [Community Development webpage](#). The City's strategy to address Affordable Housing development using federal funds is guided by the [Eugene-Springfield 2020 Consolidated Plan](#). See *Question 7 What are the tools available to support lower-income Affordable Housing?* for information on the City's tools.

9. What are the proposed rents and how were they calculated?

The proposed Montgomery project is a mix of income-qualified and market-rate units. Because the City used federal CDBG funds to buy the property from LCC, at least 51% of the units must be offered at Housing and Urban Development (HUD) income and rent levels for 80% Area Median Income (AMI) households. HUD identifies income levels for different household sizes and the proposed rents are based on these income levels. The rents for the income-qualified units below are based on 80% AMI incomes for 1- and 2-person households. For example, the 2020 income limit for an 80% AMI 1-person household is \$39,200. For that person to not be cost-burdened, they must pay no more than 1/3 of their income on rent and utilities, which is \$980 per month. The income-qualified rents below reflect the 2020 federal HUD income limits, minus an allowance for utility costs.

The proposal shows estimated rents for the market-rate units. These rents will ultimately be what renters in the market are willing to pay. The rents presented in the proposal are consistent with current rents for comparable properties in and near the downtown, also shown in the table below.

Proposed Units and Rents

Unit Type	Income-qualified units		Market-rate units		Current Rents In and Near Downtown*
	# of Units	Monthly Rent	# of units	Monthly rent	
Studio	65	\$894	0	n/a	\$925-1,570
1 Bedroom	1	\$956	58	\$1,530-\$1,590	\$1,195-1,855
2 Bedroom	0	n/a	5	\$2,300	\$1,575-2,020

*Source: Apartments.com, April 2021

10. How do we know only households at or below 80% of Area Median Income will be able to rent the income-qualified units?

Income qualification is a standard process for Affordable Housing projects. All the households in the income-qualified units would have their incomes verified by the property manager at 80% of AMI or less at the time of moving in to qualify to live there. The development team includes both Cornerstone Community Housing and Affinity Property Management, who both have experience verifying income levels. As with other Affordable Housing developments, the City of Eugene would monitor the process to qualify the residents using the most current CDBG income limits.

11. How long will these 80% AMI rents be maintained?

Because the City used Community Development Block Grant (CDBG) funds to acquire the site, the project is required to maintain 80% AMI income restrictions in at least 51% of the units for at least 20 years. This is called the 'affordability period.' The development team has committed to maintaining the affordability period for 35 years.

12. Who is the team that proposed the Montgomery?

The City received [one proposal](#) to redevelop 1059 Willamette. The team consists of:

- [deChase Miksis](#): Developer based in Eugene, they have recently partnered with both Edlen and Cornerstone on Affordable Housing projects in Eugene and elsewhere in the northwest.
- [Edlen & Company](#): Affordable Housing developer based in Portland with a long history of developing Affordable Housing at various low-income levels, and experience with mixed income housing.
- [Rowell Brokaw](#): Architecture firm based in Eugene.
- [Cornerstone Community Housing](#): Affordable Housing and resident services provider, based in Eugene.
- [Affinity Property Management](#): Property management company based in Portland.

13. Why is Council only considering one proposal for this site?

The City received only [one submission](#) in response to the [Request for Proposals](#). Given the challenges of redeveloping the site and meeting the rent requirements, it is not surprising that the City did not receive multiple proposals. This is a unique, challenging, and complicated project. There are challenges working with a constrained L-shaped site with a vacant, unmaintained building. It is difficult to construct buildings downtown, due to the tight physical space. In addition, the mixed-income housing model is complex. It requires an understanding of both the market-rate and Affordable-Housing development realms, including the knowledge of how to navigate federal Affordable Housing requirements.

Other developers in Eugene expressed interest in the RFP, and we asked why they did not submit a proposal. We learned that some had a lack of capacity to take on additional work. Others reported that they would be interested in the project if it had included the corner lot, but they were unable to acquire that parcel.

14. Why is the City pursuing a mixed-income housing project?

Eugene is facing a housing crisis and there is a need for housing at all income levels. By adding new, more affordable, below-market housing options, housing mobility is encouraged, which can relieve pressure on the stock of lowest-income housing options that have the highest demand in our community. Additionally, the project provides a more affordable option for rent-burdened residents paying more than 1/3 of their income on housing, allowing them to reduce costs, save money, and work towards greater financial stability.

- **Households at 80% of AMI are underserved.** There are very few available housing options for households earning between 60% and 80% AMI. In most cases, they do not qualify for existing Affordable Housing options. It is difficult to find market-rate housing that is affordable, leaving many at this income level housing-cost burdened. The proposed Montgomery project will create 66 new housing units for this income range, expanding the supply of moderate-income housing.
- **We have a flexible financial resource to help meet this under-served need.** Affordable Housing projects, including mixed-income housing projects, face a financial gap due to the below-market rents. It costs more to construct the building than the revenue from rents can support. There are a number of Affordable Housing tools that can help close these gaps, but these tools require rents to be affordable to households earning 60% AMI and below. As described in *Question 6. Why isn't this project for households with incomes less than 60% Area Median Income?*, most financial tools support housing for households at 60% of AMI. This project is using local financial tools that are not limited to closing the financial gap for Affordable Housing that is for households at or below 60% AMI. The City is using an innovative mix of financial tools to support a first-of-its kind housing project in Eugene. See *Question 5. What is the City of Eugene contributing to this project?* for a description of the financial resources proposed to support the project.
- **Downtown Eugene has very little moderate-income housing.** There are Affordable Housing projects in the downtown (Aurora, West Town on 8th, Olive Plaza, and Market District Commons) that serve households at or below 60% of AMI, student housing projects (Titan court and 13th and Olive), and market-rate housing (Broadway Place, High Street Terrace, Gordon Lofts, and the Tate). But there are few opportunities to find housing that is affordable for moderate-income households. This project will create an opportunity to diversify income levels in the downtown. The Montgomery will create an opportunity for individuals who work in downtown restaurants, stores, or hotels to live close to those jobs and have easy access to the transit network.
- **The City does not have financial resources to support the creation of housing with only income-qualified units at 80% AMI.** Just under half of the units will be available at market-rate rents. The development team will use the revenue from the rents to cover the cost of construction. The rent from the moderate-income units will not generate enough revenue to cover the cost and would not be financially feasible.

15. Is it true that the City is giving \$10 million to this development team?

No. The City is contributing public resources to the project, as described in *Question 5. What is the City of Eugene contributing to this project?* If City Council chooses to move forward with this proposal, the City would transfer the land to the development team at no cost and would apply \$1.1 million to cover pre-development costs.

There is some confusion about the value of the property that would be transferred to the development team. The City had the property appraised in 2019 by Duncan and Brown, a real-estate appraisal firm located in Eugene. They estimated the value of the property at \$680,000. That appraisal stated that the structure added negative value to the property—that is, the property would be worth more if it were a vacant lot.

The Lane County Office of Assessment and Taxation shows the property had an estimated real market value in 2020 of about \$6.9 million. It estimates the land at about \$0.9 million and the structure at about \$6.0 million. The Office of Assessment and Taxation reported that they last analyzed the building in 1994. Since that time, the property’s estimated real market value has been pegged to average commercial values across the county. Commercial property values have increased since 1994, and the Office of Assessment and Taxation has applied the average growth rate of all commercial properties to this property. The property has been in public ownership since 1979 and is therefore tax exempt. The Office of Assessment and Taxation has not made it a priority to re-assess the value of a building that does not generate tax revenue. Because the building has not been re-assessed, the County’s real market value does not take into account the current state of the unmaintained building, the asbestos in the building, and the amount of investment needed to re-use the existing building. The Duncan and Brown appraised value is an accurate assessment of the building’s property value.

Approved 1059 Willamette Disposition Criteria and RFP Process

On January 29, 2020, Council approved the use of a Request for Proposals (RFP) process for disposition of the 1059 Willamette property. On September 30, 2020, Council finalized the following RFP criteria which was used to evaluate responses to the 1059 Willamette RFP.

Experience and Qualifications

Preferred applicants or teams will have:

- A proven track record of completing successful, high quality redevelopment projects in urban settings (including information about project costs);
- Demonstrated preference for use of local contractors and/or Minority and Women-owned businesses enterprises;
- Demonstrate use of cost-effective green building measures;
- Demonstrated experience in serving the targeted population(s) and with the proposed form of development.; and
- Evidence of financial capacity.

Project Concept and Design

Required:

- 51% of the units must be affordable to households earning up to 80% AMI. The remaining units may be offered at market-rate rents;
- Present site plans and renderings that show the project is suitable for the target population(s) and project location;
- Must comply with City code for C-3 zoning; and
- Comply with the federal environmental review requirements.

Preferred concepts will:

- Incorporate elements that contribute to an active, inviting, and safe pedestrian environment;
- Demonstrate appropriate integration and relational elements with neighborhood context and existing and future development; and
- Provide a parking assessment and a financeable plan to accommodate the parking and transportation needs of the proposed uses.

Timeliness & Feasibility

Required:

- Development timeline must demonstrate completion and lease up no later than April 30, 2025;
- Demonstrate understanding of market potential for the proposed concept(s); and
- Provide a reasonable project budget that minimizes need for public assistance.

Preferred concepts will:

- Demonstrate completion significantly earlier than April 30, 2025 deadline; and
- Demonstrate leveraging of other resources in project budget.

Additional Public Benefits

Preference will be given to proposals that:

- Integrate art or opportunities for public creativity;
- Demonstrate intention or plan to solicit services from local contractors and/or Minority and Women-owned business enterprises;
- Use cost effective green building measures; and
- Provide services promoting self-sufficiency and independent living that are available to residents in affordable housing units.

Consistency with City Policies and Goals.

The [Downtown Urban Renewal Plan](#) and the [Downtown Plan](#) are the primary policy documents that guide public and private redevelopment in the Downtown Eugene area. Other plans and policy documents also provide guidance including [2020-2025 Consolidated Plan](#), [Envision Eugene](#), and the [Climate Action Plan 2.0](#). Any proposed development concept must be consistent with the policies and goals for Downtown Eugene as reflected in these documents.

RFP Process and Timeline

The timeline below combines the 3 related process required for 1) disposing of the property, 2) utilizing Urban Renewal funds, and 3) Land Banking.

This timeline was approved at the July 15, 2020 work session.

Public Engagement ✓

Council WS ⇒ Approval to buy property ✓

Council ✓

July 15

- Mixed income project scope & funding options
- Present draft incentives package
- Review draft RFP criteria
- Approval of public engagement process

Public Engagement ✓

Aug-Sep

- Re-engage with previous channels
- Input incorporated into RFP criteria

Council PH - Project Scope & Funding Options ✓

Sep 21

Council ✓

Sep 30

- Review public engagement feedback
- Finalize incentives package to offer (including amount of City/UR \$)
- Approval of final RFP criteria & launch

RFP released – 3 months ✓

Nov-Feb

Public Engagement ✓

March-April

Evaluation Committee - Input on proposals ✓

March 18

Council - Proposal selection ✓

June 9

Today

Council - Deal pts action

Fall 2021

Agreement Signed & Due Diligence

Council – MUPT Review (If applicable)

Public Engagement

Both the Council-approved property disposition process and the Downtown Urban Renewal Plan amendment require public engagement opportunities. The public has had several opportunities to participate in the disposition process. Prior to the City Council work session in January 2020 to approve acquisition of the site and the RFP process, staff performed public outreach to propose the concept of a mixed income residential development. A variety of community stakeholders participated in a public meeting to provide input about the proposed development concept, including members of the Downtown Neighborhood Association, Downtown Eugene, Inc., Downtown Eugene Merchants, and Friends of Downtown. Individual outreach was provided to housing providers, service providers, and adjacent neighbors. The overarching comment received prior to acquisition was that mixed-income housing was an appropriate use for the property.

Staff also sought feedback from the above groups on the draft RFP criteria. Council held a public hearing on September 21, 2020 for the project seeking comments on the RFP criteria and on whether the project should move forward and if so, how it should be funded.

The City released a community survey in March seeking comments on the proposal. The survey was open for 3 weeks and received 327 responses. The City also received emails from community members. See www.eugene-or.gov/1059Willamette for more information on public feedback, survey results, and emails.

The development team indicated they intend to apply for a Multi-Unit Property Tax Exemption (MUPTe). The MUPTe application process includes several opportunities for additional public comment on the project.

Evaluation Committee

The Evaluation Committee for land bank sites typically includes the Council representative on the Housing Policy Board, community member representatives with development or housing expertise, and a member of the respective neighborhood association.

On March 18, 2021, an Evaluation Committee scored the proposal based on the approved criteria in Attachment D. The Committee included Councilor Semple (Council representative on the Housing Policy Board), Chris Looney (developer representative), Nicole Desch (a Friends of Downtown and Onward Eugene/Chamber of Commerce representative), Pete Knox (Downtown Neighborhood Association representative) and 3 members of City staff [Ellen Meyi-Galloway (Housing Finance Analyst), Allie Camp (Development Investment Liaison), and Eric Brown (Downtown Manager)].

1059 WILLAMETTE STREET HOUSING INFILL DEVELOPMENT



CHASE MIKSI + **EDLEN & CO.**
EDLEN KRAGE SHERMAN
IMPACT REAL ESTATE

ROWELL BROKAW + **CORNERSTONE COMMUNITY HOUSING** + **AFFINITY PROPERTY MANAGEMENT**

Proposal for Development Services

February 2, 2021

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Appendix A

PROPOSAL REQUIREMENTS FOR 1059 WILLAMETTE RFP

General Instructions

Proposal Components:

Proposals must be composed of **three** parts, all of which must be submitted for the proposal to be reviewed:


1. Narrative Questions (Appendix A)

This WORD document contains the Narrative Questions portion of the application. The Narrative Questions are divided into Sections.

2. Project Pro Forma (Appendix B)

The Project Pro Forma portion of the application is an EXCEL document.

3. Attachments

Required attachments are indicated with this symbol:  A list of required attachments are summarized at the end of each Section.

Submission Assembly:

- Materials should be organized in the following manner:
 - First, insert the responses to the narrative questions in this document.
 - Second, insert pro forma and other forms from Appendix B.
 - Third, insert required attachments labeled with the name of the Attachment.
- Please print double-sided whenever possible.

Submit Your Proposal by 5:00pm (PST) on February 2, 2021.

Submit one (1) original proposal using 8 ½" x 11" size paper (postmarked by the above date) and an electronic copy (submitted by 5:00pm). Responses can be submitted to City of Eugene, Attn: Amanda D'Souza, 99 W. 10th Avenue, Eugene, OR 97401, Adsouza@eugene-or.gov

SECTION 1 Project Concept and Design

Project Title: The Montgomery

Project Narrative

1. Please provide a brief summary of the vision for the proposed project including any unique project characteristics, how it generally meets the RFP criteria, and whether you plan to demolish or rehab the existing building. If rehabbing the existing building, please describe your re-use plan. Please describe any unique project characteristics.

Response:

We are excited to present to the selection committee our team's vision for The Montgomery Building, a new ground up building that will build on many of the recent successes in Eugene's downtown. The team we have assembled brings the best of the local development community in partnership with one of the premiere regional, urban housing developers. Our key concepts are outlined below:

- *We plan a mixed income project targeted to downtown residents with the support services that address the needs of all residents of the building. 51% of the units will be income restricted to 80% of AMI and we plan to maintain the affordability period for a minimum of 35 years.*
- *We have partnered with Womenspace to provide 10 set aside units for victims of domestic violence and will provided targeted support services for these set aside units.*
- *The project building builds on the historic main street character of Willamette Street with a design that responds to scale and character of the adjacent historic buildings.*
- *The ground floor of the building builds on the thriving entrepreneurial community in the downtown core by offering incubator retail spaces with shared common areas at below market rent.*
- *Opportunities for art and community creativity will be generated with a public gallery in the lobby of the building and a mural wall to build on the City's hugely successful mural project.*
- *The project will be designed to be certified under the LEED Multifamily program by employing cost effective green building measures that reduce the environmental impact of the building while maximizing the living and working environment of the tenants and visitors of the building.*
- *The project will build with prevailing wage rates that ensure a quality living wage is provided to all the workers who will help to build this vision.*
- *The proposed timeline will deliver the project well in advance of the April 2025 deadline.*

Affordable Units

2. At least 51% of the project's units must be affordable to households earning up to 80% of Area Median Income (AMI). Respondents may include lower thresholds for the income-qualified units. Describe the make-up of the project's units, including total number of units and number of income-qualified units (including income qualification level). Please also describe whether there will be a unit set aside for an on-site manager.

Response:

The project has a total of 129 units consisting of 65 studios, 59 one bed and 5 two bed units. Of these 129 units 66 units (51%) will be income qualified and 63 will be market rate. We anticipate a full-time manager but do not plan to set aside a unit.

3. The minimum affordability period for this project is 20 years. Additional points will be given to proposals that demonstrate a commitment to an affordability period longer than 20 years. Please indicate below the affordability period for the proposed project:

Response:

We plan to commit to an affordability period of 30 years on the income qualified units.

Project Design



4. Please provide a site plan/first floor plan, at least one perspective rendering and/or rendered elevation of the Willamette Street façade, an elevation of the 11th Street façade, and example floor plans of the proposed project.

Provide a detailed description of the proposed design, construction, rehabilitation, and/or other improvements. Include a description of how the design of the project is suitable for the targeted population(s) and project location: The City will be involved in the design review process and will use the [Community Development Handbook](#) during this process.

Response:

Our design approach is to amplify the historic context and the positive local surroundings. Nearby are some of Eugene's most significant historic buildings, many have been historically renovated, and well maintained. Most contextually significant for 1059 Willamette is the Schaeffer building, at the other end of the block, lovingly renovated by a team led by Architect Ray Dodson a couple of decades ago. The Schaeffer Building shares an intersection with three of our historic downtown jewels, the McDonald Theatre and the Ax Billy building, saved and renovated into the Downtown Athletic Club by the Bennett Family. Willamette Street in this area, and the high representation of historic buildings, feels rich, whole, and embedded in history. Parts of Willamette in these couple of blocks form the model of what we are collectively working to achieve throughout downtown Eugene, safe active sidewalks and streets, buildings at a scale that have facades at less than one quarter block, and a variety and richness of styles, materials, and eras represented.

For this new project, the number one goal for the Willamette façade is to echo the scale, craft, and material weight and quality of the original Montgomery Ward building and create a modern companion to the other historic buildings nearby. Our Willamette façade is proposed to be brick, probably in a lighter color to echo the original building, dark windows to reinforce the deep shadows, and a vertical and horizontal rhythm and fenestration very close in character to the original building. The South façade facing 11th we think should have an entirely different feel. The historic context along 11th is less legible in the fabric of the streetscape and gives us the opportunity to celebrate our own times and that

something “new” is happening in downtown. We also see 11th as a significant automobile, bus, and bicycle street; thus, the building presents itself as fresh, lively, and is meant to be read while moving through the streetscape. The retail and street level of our proposed building address the scale and vitality that we see across the street with the new Civic Winery, Lion and Owl, and Eugene Toy & Hobby.

We believe it is important to break this building into at least two components that are read quite differently. Buildings in the past did not typically create large ‘L’ shapes through a block. Buildings today are necessarily larger, due to economics of construction and development efficiencies, but at a certain size, we need to read them as smaller parts of a greater whole, the city, than just themed as one large monolithic new development, thus our design presents two quite different faces and building masses to each street.

This project is suitable for the population served as the unit mix and amenities focus on the needs of residents in the downtown core. We anticipate many of the residents of this building to be young professionals and seniors, often single, who either work or rely on the services offered by the central location. While there may be residents who will choose the larger 2-bedroom units we anticipate the demand to be primarily for the studio and one-bedroom units to match the smaller household size and match the rent level that is acceptable to this demographic. We will also provide amenity spaces that will serve the anticipated population such as pet services for singles and elderly who may have pets for companionship, a common conference room for young professionals in the work force looking for training/networking opportunities or the club room and patio that will serve as a space for the residents to socialize.

5. Please describe any unique design components or characteristics of the Project.

Response:

Unique Design Components or Characteristics:

Historically resonant new façade along Willamette. In the question above we outlined our approach to the new façade along Willamette. Taking it one step further, we are embracing the challenge of creating a high-quality façade in brick, with the depth, relief, proportions, and material quality that echo the historic character of the neighborhood. We need to do this on a budget that supports cost effective housing, so we will be using materials, detailing, and methods, that are commonly used, but in a way that speaks to past that we have lost in this location. We were faced with a similar goal with the new housing we designed on the University of Oregon campus along Agate Street. The brick is going up as we write this proposal, and we encourage you to look at how it is turning out.

Internal Ground Level Courtyard. We have created an unusual space within the building that is a byproduct of the south and west setback from the adjacent corner property. Because of the post-tensioned slab on the second floor and this setback, we can create a significant private open space that will receive south and west sun, provide shelter from rain, and be a place that people can gather, tenants can visit, and bring their dogs down day or night. We will create a pet area, with a washroom, and place for them to relieve themselves, while the owners can stay within the apartment security

perimeter, especially at night. We are looking forward to developing this unique outdoor space that we have not seen in an urban project like this before.

Incubator Office/Retail along Willamette, 11th Street and alley. Along Willamette Street and the ground floor at the highly visible corner along 11th we have inserted small retail/office suits with large garage doors and a conference room shared with the residents of the building. This space is intended to be incubator space for the thriving retail and office starts-ups in the downtown core. The space will be offered at below market rent with flexible terms and will have shared common spaces to foster collaboration between tenants. This active ground floor will also build on the current retail and restaurant trends that have developed along this stretch of 11th.

Alley art/mural wall. Along the north façade of the building and wrapping the corner along the west alley we propose to commission a mural to tie into the City of Eugene’s highly successful mural project. This mural will enliven the pedestrian alley along the north edge of the building and will catch the eye of the passer by driving or walking west along 11th.

Lobby art Gallery. Building on the tradition of the downtown as a center for the arts we are proposing to place a public art gallery in the main lobby of the building. We have reached out to the Lane Arts Council to assist and partner in curation and management of this gallery. The intent is that this space will be open to the public and host a rotation of local artists. The gallery will be a featured stop on the First Friday Art Walk acting as an anchor for the arts at the south end of downtown.

6. Does the Project meet Section 504 (Rehabilitation Act of 1973) accessibility standards? For new construction and major rehabilitation projects with 5 or more units, 5% of units must be accessible to persons with physical disabilities and 2% must be accessible to persons with sensory disabilities. For small projects or minor rehabilitation, accessibility improvements must be made to the maximum extent feasible. Please make a statement about your plan for accessible units.

Response:

The design will meet the Section 504 requirements. Most of our projects in recent years have exceeded the minimum requirements to meet the actual higher demand for accessible units.

Populations Served and On-Site Amenities

7. Will this project serve Special Needs¹ populations?

Yes No

- If yes, describe Special Needs served:

Response:

Special Needs populations listed in the Eugene-Springfield Consolidated Plan that will be served at this project are Victims of Domestic Violence (referred to in this document as Survivors of Domestic Violence) and Seniors.

¹ Examples of Special Needs populations are: Homeless, Families with children, Seniors, Ex-offenders, People with HIV/AIDS, Victims of Domestic Violence, People with Drug and Alcohol Addictions, People who are Evicted/Foreclosed, People with Physical Disabilities, People with Mental Disabilities, Veterans, Youth

Survivors of Domestic Violence will be served through a partnership with Womenspace, who will refer clients for a targeted goal of 10% of the units and provide onsite case management for each client for up to two years.

Based on the team's experience at WestTown on 8th, there is a great demand for affordable units located near downtown Eugene amongst Seniors. The proximity of 1059 Willamette to public transit and to Lane County Senior & Disability Services (among other downtown amenities) make it an ideal location for seniors aging in place.

8. Please describe any on-site amenities, including any project characteristics that address special needs of the population you intend to serve:

Response:

All tenants referred for units prioritized for survivors of domestic violence will be offered on-going voluntary case management services through Womenspace that includes access to education, resources, and economic empowerment.

Our Resident Services staff has a wealth of experience in supporting the needs of seniors and connecting seniors to supportive services such as Senior and Disability Services, the Social Security Administration, and healthcare partners. The Resident Services team will leverage these existing partnerships to cater to the needs of seniors at this property.

The project will have full time on-site management with a dedicated office that will act the primary contact point for residents about the community events and services in the building. There will be a shared conference/community room that will provide a space for onsite services and community events for residents. The building will also be pet friendly with a dog grooming/washroom and dog run. We believe these amenities will serve well the many single and elderly residents who rely on pets as companions.

9. Will this project provide services for residents? (e.g. Child Care, Case Management, Counseling, Job Training, Transportation etc.) Yes No

- If yes, describe:

Response:

The focus of Resident Services at 1059 Willamette is to increase self-sufficiency by providing opportunities for networking, professional development, education, and asset building. Since this property will serve a range of income levels, Resident Services staff will work to ensure a cohesive community where all residents are encouraged to connect, collaborate, and build on their own strengths.

At 1059 Willamette, Cornerstone will provide services through the Healthy Homes program. This program is designed to support a variety of residents, ranging from young professionals just starting

out to seniors who may be downsizing and “aging in place.” Residents will enjoy easy access to alternative transportation options, services located downtown, and employment opportunities.

Cornerstone has a 29-year history of delivering programs and revitalizing communities. We know safe, quality housing is the bedrock of success and we are uniquely positioned to deliver services at the front doors of income constrained households. In addition to experience developing and managing affordable housing, we are a leader in designing and delivering resident services programs to support household stability and build resiliency. We currently offer services at 16 locations across Oregon, reaching 1,242 households monthly. To reduce barriers, programs and services are offered on-site, at no cost. In 2019, we had an estimated 20,000 visits to programs.

The Healthy Homes program is designed specifically to support a wide range of needs, cultures, and backgrounds. Healthy Homes has five focus areas: Food Security, Youth Development, Health and Wellness, Community Building, and Economic Stability. Services are adapted to meet the specific needs of each community and a Resident Services Coordinator (RSC) is available to plan events and work with key partners. RSC’s also provide referral services for tenants who may need assistance with accessing outside services.

On-site events: To connect neighbors with one another and younger generations to the seniors living at this site, we will host community building events that may include movie nights, sushi making, or art exploration classes throughout the year. Through partnerships as available, flu shot clinics, yoga classes, or dental screenings will promote overall health and wellness. On-site community building will connect tenants to local arts and artists through events like “First Friday Artwalk” or other community-based arts programs and collaboratives available through Lane Arts Council and ArtCity.

Key Partnerships: To connect residents with opportunities for professional development, continuing education, or asset building, the RSC will work with key partners like Lane Workforce Partnership, DevNW, and local colleges and Universities like Lane Community College, UO, and Bushnell University. Letters of support are available from partners upon request.

Cornerstone is also known for our collaborative approach and partnering in the community to reduce barriers and coordinate services with a network of partners. We partner locally with a team of both public and private businesses and non-profit organizations to help coordinate a variety of programs and services throughout the year. In addition to partners mentioned above, we work closely with Food for Lane County, City of Eugene Library and Recreation Services, YMCA, PeaceHealth, United Way of Lane County, Advantage Dental, Capital Dental, Senior and Disability Services, Centro Latino Americano, PacificSource Health Plans, and Trillium Community Partners.

Zoning



10. Is the proposed project consistent with the zoning status of the site?

Yes No

Please provide documentation that the projects meets local zoning and land use laws.

- If current zoning is not consistent, please explain:

Response:

The project we envision in this proposal meets the current Zoning and Land Use requirements as we understand their applicability at this stage of concept design. The property is zoned C-3 with a TD Overlay (Transit Oriented Development). Minimum Floor Area Ratio (FAR) requirement is 2.0. The building exceeds the 2.0 FAR. Housing and retail are allowed subject to development standards in 9.5500, However multi-family standards do not apply within this area. Building height is permitted to be 150'. Our building is designed to top out at less than 70ft. Setbacks are to be no greater than 15 ft at streets, we are well under. The downtown area is parking exempt; however, we are providing some onsite parking. Bike parking will be accommodated on the ground floor, with possible accommodations in other parts of the building as we further develop the design.

- Please outline the steps that will be taken to address zoning issues and include the time frame needed to resolve these issues:

Response:

Any zoning or land use issues that need to be resolved would be addressed early in design and the applications for approval would run concurrent with the design timeframe outlined in the schedule and not impact the overall delivery of the project.

Potential Development Obstacles

11. Are there any known issues or circumstances that may delay the project? Yes No

- If yes, list issues below, including an outline of steps that will be taken and the time frame needed to resolve these issues:

Response:

We have developed a clear plan and built the appropriate timeframes into the schedule to address the typical issues that occur with project of this size and complexity.

- Do you anticipate applying for any Adjustment Reviews through the land use application process? Please outline the adjustments that would potentially be requested, if known.

Response:

We do not anticipate any adjustment reviews at this time.

12. Describe your plan to accommodate parking for the proposed project.

Response:

We are showing approximately 18 spaces on the ground level under the building. The project is located just across the alley from the Overpark parking structure. Other parking structures are just two and three blocks away north and south of the site, including the underutilized garages at 13th and Olive. We plan to work with the city's parking services department to arrange for resident parking in these facilities if parking demand outpaces supply.

In many of our recent urban projects we have found less demand than originally planned for. In this location we expect a significant portion of tenants to be less dependent on cars and rely heavily on biking, walking, and transit. By limiting the high development costs for parking we can reduce rents and invest in other resident amenities.

Environmental Review Issues

13. The federal environmental review identified issues that would need to be mitigated by the redevelopment proposal (see RFP document for more details). Please describe how your proposal will mitigate the following environmental issues:

- Toxic materials

Response:

As with all our projects that have existing structures that are planned for renovation or demolition, we engage a licensed professional to complete a hazardous material survey for the property. Once we have detailed survey a complete abatement plan is generated to ensure the proper measures are followed to protect the workers and the public for the hazard. Proper workplace safety and disposal measures are designed to exceed all EPA requirements for the abatement of hazardous materials.

- Noise/Residential setback from 11th Ave

Response:

The design sets the south building face back a minimum of five feet from the south property line. Rowell Brokaw has worked on several projects in Oregon and California with strict noise requirements and challenges. Crosswood, here in Eugene, a HUD financed project, required that we show how the building can maintain livable and compliant noise levels due to the proximity of the train. We were able to manipulate the glazing, wall assemblies, and use compliant HVAC units to achieve the standards. In Santa Rosa, California we have a project now under construction, Sage Commons, a homeless supportive living project that required special HVAC units, and specialized window and glazing design to mitigate the sound from the nearby commuter rail line. Working with our acoustic engineers, we have a toolbox of approaches to mitigate interior noise levels at our disposal. These include using distance, mass and insulation, special window and glazing systems, acoustic HVAC and venting measures among others, depending on the specific needs.

- Stormwater

Response:

We do have a ground floor garden amenity space that we may be able to use for partial filtration and storage of stormwater. This will take further investigation and design to determine, but most of the stormwater will have to leave the site, since the building occupies nearly all the lot area. On-site mechanical treatment is an option to be investigated further as well, along with the paying fees.

- Historic buildings in the area

Response:

The historic façade and even the historic bones of the existing building are mostly gone, not buried under the façade we see today. Members of our team (Miksis and Brokaw) who investigated this building in previous years determined that there was little to nothing remaining of the façade that we see in the gorgeous historic photographs. As stated earlier our design approach is the amplify the historic context and the positive local surroundings.

Other Federal Regulations

14. For projects using federal HUD funds², developers are required to make a good faith effort to provide employment and/or job training opportunities for low-income individuals in the development of your project, per HUD Section 3 requirements. How would you ensure a good faith effort to hire and/or train low-income individuals or businesses?

Response:

Our development team has extensive experience on prior projects that included HUD funding and Section 3 requirements. We are committed to increasing economic opportunities for low-income individuals and recognize the importance of inclusive hiring and contracting practices in all stages of development. We understand that such practices are key to ensuring that low-income individuals have access to economic opportunities. Through our commitment, Cornerstone has modeled an internal program shared with partners that is based on the Good Faith Efforts (GFE) program utilized by the City of Portland in their contracting practices to ensure adherence to Section 3 requirements.

Federal funding also requires a good faith effort to contract with businesses that are registered with the State of Oregon as Minority Business Enterprises (MBE) or Women's Business Enterprises (WBE) firms. What steps will you take to hire MBE/WBE businesses for your project including subcontractors?

Response:

Collectively our team has extensive experience implementing programs that ensure the equity and diversity within their own companies and in connection to the projects we develop. We have a strong commitment to diversity and hiring equity in both internal practices and with external partnerships in the development and management of affordable housing. Drawing from our teams' experience and with the leadership of Cornerstone Community Housing we plan to implement a program that is based on the Good Faith Efforts (GFE) program utilized by the City of Portland in their contracting practices. Working with our partners, we develop a project specific program that targets a MWESB utilization rate that exceeds the availability rate and track these metrics to determine the success of our strategies.

The goals for the design professionals and construction partners vendors of the project will include:

- *A target MWESB firm utilization rate between 10% and 20%*
- *Including minority and women business, and other diverse groups in all contracting opportunities throughout the design, construction and operations phases of the project*

² The City acquired this property using U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant funds (CDBG).

- *Extensive outreach that ensures all qualified vendors are given equal access to bid on business*
- *Fostering an inclusive work environment that results in both personal and business success.*
- *Supporting our community as responsible corporate citizens*

During design and construction our team will draw on the extensive track record set by Edlen & Co. in achieving meaningful MWESB participation for construction as well as professional services on its projects. The firm has a depth of experience implementing successful programs in its extensive development portfolio as outlined in the experience section of the RFP response.

Once in operations Affinity's Woman Owned, Minority Owned, Small Businesses (WMSEB) and Equity procedures will require that any work performed by a 3rd party vendor in excess of \$1,000 include at least one out of the three bids from a minority-owned, women-owned vendor, and emerging small businesses. In addition, as part of Affinity's on-going equity training the Portfolio Manager along with the site staff will attend regular social equity trainings to ensure all staff are aware of the importance of social equity in the operational practices of the building.

Additional Public Benefits

15. Preference will be given to proposals that:

- Integrate art or opportunities for public creativity;
- Demonstrate intention or plan to solicit services from local contractors and/or Minority and Women-owned business enterprises;
- Use cost effective green building measures; and/or
- Provide services promoting self-sufficiency and independent living that are available to residents in affordable housing units.

Describe whether your proposed project incorporates any of the additional public benefits listed above:

Response:

We plan to integrate art and provide opportunities for public creativity. Refer to the response in Section 1/question 5.

We will implement a vigorous program to solicit services from Minority and Women-owned business enterprises. Our approach and experience is outlined in Section 1 question 14 and Section 3 question 3.

We will seek LEED certification for multi-family. Our approach will include cost effective measures that have a direct impact on the living experience of the residents and visitors to the building. Our approach and experience on green building measures are outlined in Section 3, question 4.

We have outlined a robust program that will serve all residents in the building. We have outlined these services in Section 1, questions 7, 8 and 9.



Section 1 Attachments

- Site plans, architectural renderings, and example floor plans
- Documentation that proposed project meets Zoning and Land Use laws

SECTION 2 Timeliness and Feasibility

Project Schedule



1. *Please attach a project schedule and provide a narrative description below to accompany the attachment. Please be specific about how the timelines were determined for obtaining commitments for leveraged project financing, forming legal ownership entities, property acquisition, design and preparation of plans, construction commencement, construction completion, lease-up, etc. The schedule should provide for development in a logical and expeditious manner and demonstrate completion and lease-up no later than April 30, 2025.*

Response:

Upon award we would begin immediate negotiations with the City of Eugene to establish an Exclusive Negotiation Agreement (ENA). Upon execution of the ENA we anticipate that we would work towards a Development and Disposition Agreement (DDA) outlining the terms of the transaction. We anticipate that we will have this complete within the first six months of award of the RFP.

Once we have a signed DDA we will immediately engage our lender to start securing the HUD 221(D)(4) sponsored loan. The underwriting process for securing this financing is extensive and can take up to 12 months to close on the loan.

Concurrent with the HUD underwriting process we will engage the design team and begin community outreach and schematic design working toward design approval from the City. We anticipate that this process will parallel the HUD preapplication process and lead to design approval and an invitation to Firm Application with HUD by the end of the 4th quarter of 2021.

We will kick off Construction Documentation and HUD Firm Submittal the first quarter of 2022 with the goal of permit approval and HUD loan closing at the end of the 2nd quarter of 2022 allowing construction to start.

We anticipate a 15–16-month construction schedule with pre-leasing starting mid-summer of 2023, construction completion at the end of the 3rd quarter of 2023 and a fully occupied and stabilized building by the end of the 1st quarter of 2024 well ahead of the City's completion goal of April 30, 2025.

Development Budget Narrative



2. Please provide a thorough narrative description regarding the development budget in Attachment B (specifically related to the Sources and Uses of Funds tabs in the pro forma). Please provide justifications of all costs and assumptions. Describe any identified resources the development team will leverage to implement this project. Describe any choices the development team has made related to long-term affordability and cost savings. *Please attach any funding commitment letters and/or a description of the status of investor negotiations, if applicable.*

Response:

Project uses include site costs, hard costs, soft costs and financing costs. For site cost, the land is assumed to be contributed to the project at no cost. The budget includes the cost (based on information provided by the City as well as input from Hyland) for hazardous material abatement and demolition of

the existing building. The hard cost estimate was provided by Hyland based on similar projects they are currently bidding and constructing, escalated for a construction start at the end of the 2nd quarter of 2022. The hard cost estimate includes a premium for Davis Bacon wages as well as a performance and payment bond (both of which are requirements of the HUD loan). Additional hard costs include signage (unit numbers, wayfinding and building identity), FF&E (furniture, fixtures and equipment for the residential lobby and amenity spaces), security equipment (security cameras and access control), \$500 per unit for unit upgrades and a tenant improvement allowance of \$35 per rentable square foot for the retail space.

Soft cost estimates are based on recent experience with similar projects in Eugene as well as input from consultants. Soft costs include site due diligence (geotechnical study, environmental studies and site survey), architecture and engineering fees, permits and systems development charges, marketing, legal, geotechnical and materials testing and inspection during construction, property taxes during construction and builder's risk and general liability insurance. A development fee of 4% of site, hard and soft costs is included. Owner contingency of 5% of all site, hard and soft costs is included.

Financing costs were provided by Greystone and include all costs required for the HUD 221(d)(4) loan program: application and loan fees, HUD inspection fees, market study, appraisal, title insurance and construction and lease up period interest. The assumed interest rate of 3.65% is based on today's interest rate plus a cushion of .25% and a mortgage insurance premium of .25%. The interest rate is fixed at close of financing and the amortization period for the loan is 40 years. Greystone is the country's leading FHA lender and has partnered with DeChase Miksis to successfully close loans on prior projects. A letter of interest from Greystone is included in the appendix.

The sources for funding for the project include debt, equity and public funds. The debt is a construction to permanent loan anticipated to be provided by the HUD 221(d)(4) program. Loan sizing was provided by Greystone. The equity requirement for the project is approximately \$5.2 million. Edlen & Co has a long and successful track record of raising equity from multiple sources including high net worth individuals and institutional investors for projects ranging in size from \$5 million to \$200 million. Should our team be selected, once we are further along in the design process, we will put together an Offering Memorandum to solicit equity commitments for the project. Based on the projected returns, investor risk mitigation provided by below-market rents for half of the units, and relatively modest amount of equity required, we are confident that we will secure the equity required for the project. The \$1.1M in public funds help to bridge the financial gap so that we can achieve a return that will attract the equity required for the project. We have flexibility in the specific uses of these funds.

3. Total Project cost: \$29,045,000

City Incentives

4. The City/Urban Renewal Agency has made \$1.1M of public funds available to support the 1059 Willamette redevelopment. The funds can be used to cover pre-development costs, such as the potential uses below, to reduce the project's anticipated financial gap. Please indicate specifically which project costs you are requesting public funds for and estimated amounts*:

Response:

Potential Uses	Estimated Amount
System Development Charges	\$650,000
Permits & Other Fees	\$350,000
EWEB Downtown Connection Fee	\$100,000
Other* (describe:)	\$0.00
Other* (describe:)	\$0.00
Total	\$1,100,000

*Using public funds to cover other pre-development costs may make this a prevailing wage rate (PWR) project.

5. Do you plan to apply for a Multi-Unit Property Tax Exemption (MUPTE)? Yes No
 (visit www.eugene-or.gov/MUPTE for more information on the MUPTE program)

Response:

Yes.

Unique Financing Circumstances

6. Please describe any unique financing details or structures as they pertain to this project. Discuss the timing of obtaining other funding commitments prior to receiving City/Agency Funds.

While the loan underwriting process takes longer and the fees are higher than typical bank debt, the HUD loan program has a number of advantages which contribute to the financial feasibility of the project. Specifically, the program provides a very attractive long-term fixed interest rate, a maximum loan to eligible costs of 85% and a longer amortization period, all of which contribute to achieving the return required to attract equity investment in the project.

In addition, the site is located in an Opportunity Zone (OZ) and we anticipate that some, if not all, of the investment will be through an OZ fund, allowing the investors to take advantage of significant tax benefits. Edlen & Co and DeChase Miksis have both used OZ investments in prior projects.

We do not anticipate any City funds would be spent prior to obtaining the other funding commitments required to build the project.

Operations Narrative

7. Please provide a narrative description of the long-term operations (specifically related to the Income and Expenses tabs in your pro forma). Please justify all costs and assumptions. Describe how the projected revenue was determined. Please describe why the rents were selected and why they are appropriate to the long term viability of the project.

The below-market rents have been set to be affordable to households that earn 80% of area median income (AMI). For these units, gross rents were calculated using 2020 AMI and reduced by a utility allowance to account for all tenant-paid utilities to determine net rent. For the market-rent units, the rents are based on today's market rents for comparable projects escalated 3% per year to the beginning of lease up. Other income includes utility billbacks (for the market-rate units only), miscellaneous income such as application fees and pet rent (for the market-rate units only). Retail income (1.50 per rentable

square foot per month) is set below retail rents at similar locations to attract small startup tenants. Parking income (\$120 per space per month) is based on what comparable residential properties are currently charging for onsite, covered parking.

With the below-market rents at 80%, we are able to achieve returns required to secure equity for the project without needing additional gap funds from the City (above the property contribution and \$1.1M) Note that if the below-market rents were set at CDBG fair market rent levels instead of 80% AMI, the project gap would increase by approximately \$2M.

Operating expenses were provided by Affinity based on their experience operating similar properties and escalated at 3% annually to the beginning of lease up. A detailed estimated operating budget is included in the proforma attachment.

8. Utility allowances must factor into the affordability of housing for low-income households. HUD defines affordability as 30% of household income, and utility payments are included in that calculation as a part of overall housing costs. The HUD defined rent limits are gross rent limits that include a calculated Utility Allowance. Utility Allowances are calculated annually by the Public Housing Authority (Homes for Good). UA's must be subtracted from gross rent limits to calculate the net rent limits that can be charged for each unit size. Please see Homes for Good's website to calculate UA's by unit size for electricity/gas and water/sewer/trash: <https://www.homesforgood.org/services-for-residents/resident-toolkit/downloads-and-resources>

Please explain how you calculated the UA's used in your pro forma:

Response:

Utility allowances included within the pro forma are calculated using the Homes for Good utility allowance schedule for 2021 specific to Lane County. Utilities that are tenant-paid are as follows: electricity (service charge, heating, cooking, lights/appliances, and water heating), and trash. The allowances for our unit types are \$86, \$94 and \$110 per month for studios, one-bedroom and two-bedroom units respectively. Water and sewer charges are owner-paid.



Section 2 Attachments

- Project schedule
- Pro forma and other forms (Appendix B)
- Funding commitment letters
- Description of status of investor negotiations *(included in narrative above)*

SECTION 3 Experience and Qualifications

Respondent Information

Lead Organization: Joint Venture: deChase Miksis Development and Edlen & Company.

Primary Contact Person: Mark Miksis

Phone: 541-232-2508 Fax: N/A

Email: mark@dechase.com

List the names of principal person(s) of the development team, their contact information, and their organization.

Name	Contact Info (phone number and email)	Organization
Mark Miksis	541-232-2508; mark@dechase.com	deChase Miksis Development
Dean Pape	208-830-7071; dean@dechase.com	deChase Miksis Development
Jill Sherman	503-956-7210; jill.sherman@edlenandco.com	Edlen & Company
Mark Edlen	503-201-2800; mark.edlen@edlenandco.com	Edlen & Company

Lead Development Organization/Applicant Type (*check only one*):

- Corporation
- Nonprofit Community, Neighborhood, State, or Regional Organization
- Public Entity
- Partnership (describe:)
- Other (please specify): Edlen & Company. and deChase Miksis Development are both Oregon

limited liability companies (LLC). The project owner will be a new special purpose entity (LLC) with the deChase Miksis Development and Edlen & Company joint venture as the Manager.

Experience

- Please describe experience, if any, members of the development team have with similar projects, including high quality redevelopment in urban areas and public/private developments. Please include information about project costs. *Please submit examples and images of prior projects (maximum 5) that demonstrate high-quality urban design and use.*



Response:

This project will be a Joint Venture between deChase Miksis Development and Edlen & Company as co-developers of the project. This partnership has successfully completed a recent workforce housing project, Ash & River, in Boise with additional partnership projects in the pipeline in Oregon, Washington, and Idaho. deChase Miksis Development will bring the local knowledge of the entitlement process and construction management expertise to the project while Edlen & Company will coordinate the financing, development structure and bring extensive affordable housing experience to the project.

The design team will be led by Rowell Brokaw Architects. Rowell Brokaw have worked with Mark Miksis of deChase Miksis Development continuously for over 16 years. Significant projects include the Crescent Village Mixed-Use development, Northwest Community Credit Union Headquarters, 1203 Willamette and neighboring 1235 Willamette adaptive reuse. We are currently working with deChase Miksis Development on Crosswood Apartments, a Cross Laminated Timber housing project in Eugene, set to begin construction in June 2021.

The contractor will be Hyland Construction. deChase Miksis and Rowell Brokaw are currently working on the Crosswood Apartments. Rowell Brokaw has partnered with Hyland on several recent public construction projects.

Resident services and our social equity and inclusion programs including the HUD Section 3 requirements and the Good Faith Efforts program will be led by Cornerstone Community Housing. deChase Miksis and Cornerstone have worked together for the last 6 years. Together they completed the renovation of Cornerstone's WestTown on 8th affordable housing project. That renovation was made possible by the successful application and an award of \$1.2 million from Oregon Housing and Community Services GHAP Construction Defects NOFA. Their continued partnership has grown to also include Rowell Brokaw as they have collaborated on phase II of Delta Court, a property owned by Cornerstone. This collaboration is currently in the predevelopment stage and will create 36 additional units of affordable multifamily housing.

Day to day management of the property will be led by Affinity Property Management. Affinity Property management has extensive experience in leasing and management in the Eugene market, including the recently completed Gordon Lofts, and is currently working with deChase Miksis and Rowell Brokaw on the development of the Crosswood Apartments.

5 project examples have been included featuring the strength of the above partnerships in the delivery of high-quality urban housing. These projects serve a range of income levels from affordable, workforce to market rate with many achieving significant sustainability certifications. Additionally, a more comprehensive list of relevant projects of the key development partners has also been included to show the depth of background of the assembled team.

2. Please describe experience, if any, members of the development team have with developing affordable housing and/or serving the targeted population(s).

Response:

Edlen & Company's portfolio includes over 800 units of affordable housing (0-60% of area medium income, AMI) completed, under construction, or in predevelopment. Most of these projects are partnerships with nonprofits and serve low-wage workers as well as populations with special needs, including individuals with persistent mental illness, families in recovery, addiction treatment, formerly homeless households, and individuals with intellectual and developmental disabilities. Typically, these projects were funded with Low-Income Housing Tax Credits, tax-exempt bonds, and local gap funds including urban renewal funds specifically set aside for the production of affordable housing.

Edlen & Company is focused on providing housing for all income levels. In addition to subsidized affordable housing, Edlen & Company serve workforce or middle-income households through their development projects. Workforce housing or middle-income housing generally provides housing for those earning between approximately 80% to 120% of AMI such as our teachers, hourly workers, and many others. Edlen & Company's 38 Davis project includes mixed income housing with 65 units at 80-120% AMI. It integrates office, housing, and higher education in one building and was built to be a central hub for the neighborhood to foster community and creativity. Additionally, The Civic Condos and Morrison Apartments, a 400-unit urban renewal project, combines deeply affordable for-rent housing for the Housing Authority of Portland (HAP) with market rate condos. These two buildings sit above 40,000 sq. ft. of ground retail space and a 400-stall underground parking garage. Finally, The Nick Fish, which is set to be complete in March of 2021, is a 75-unit mixed-use development consisting of mixed income housing, office space, and ground floor commercial retail. The 75 rental apartment units include 52 affordable units for households earning between 30% and 60% AMI, and 23 market rate units. These three examples of mixed-income and mixed-use projects were design and financed thoughtfully and have or are set to achieve LEED Gold Status.

Recently Edlen & Company created a partnership with deChase Miksis to focus on the development of workforce housing in secondary markets throughout the intermountain west. The first of these projects to be completed is the Ash & River project providing 34 units of workforce housing to the Boise downtown core. Additional projects are in the predevelopment stages in Oregon, Washington, Idaho and Utah. These projects are predominantly Public Private Partnerships that leverage public resources and assets to help fill the 'missing middle' housing pipeline that is currently severely underserved.

Cornerstone Community Housing is a leading housing provider in Lane County and best known for building exceptionally high-quality housing and ultimately revitalizing communities. This year we celebrate a 29-year commitment to building affordable housing communities for people on limited incomes and providing support services designed for personal growth and economic independence. Cornerstone has developed 483 affordable homes in Eugene and Springfield and currently own a portfolio of 336 units.

3. Please describe experience, if any, with using local contractors and/or Minority-owned business (MBE) or Women-owned business (WBE) enterprises in previous projects.

Response:

Both Cornerstone and Affinity Property management have existing programs in place that ensure opportunities for MWESB are expanded in all their ongoing operations contracts with vendors and project partners. These programs are the basis for the program that is outlined in Section 1 of the RFP response.

In addition, Edlen & Co has extensive experience and a successful track record in MWESB participation in their development portfolio. Examples of successful program development and metric tracking can be found in the following projects:

- *38 Davis, completed in 2017, (80,000 square feet office, 5,000 square feet retail, 12,000 square feet academic space, 65 middle income units), 26% MWESB participation.*

- *Hill Park Apartments, completed in 2017, (40 units of affordable housing), general contractor and architect both minority-owned, 20% MWESB participation.*
- *The Beatrice Morrow, completed in 2018, general contractor and architect both minority-owned (80 units of affordable housing, ground floor affordable commercial space and community meeting space), 59% MWESB participation.*
- *The South Waterfront redevelopment, a 38-acre sustainable urban community that includes OHSU Center for Health and Healing and four residential towers met participation goals cross multiple projects, with MWESB participation from 16% to 43.2%.*

4. Please describe experience, if any, with incorporating cost-effective green building measures in previous projects.

Response:

Collectively, Edlen & Company and principals have over 147 years of experience in the design, construction, and operation of sustainable, high-performance buildings. Edlen & Company is the nation's leader in developing LEED-certified buildings with 78 projects certified or registered, including 23 Platinum, 50 Gold, and 5 Silver. Edlen & Company has pioneered and implemented various cutting edge sustainable design strategies, from our first project where ice generation storage machines were used for generating building cooling capacity, to solar and wind installations, rainwater harvesting and reuse, and on-site wastewater treatment to full biophilic design and construction. Along the way, some of our ideas have ended up in the recycling bin; however, we continue to challenge ourselves, our designers, our engineers, and our contractors to raise the bar to achieve the most environmentally responsible projects while adhering to budgetary objectives. Much like design excellence, we believe the environmental footprint of our buildings is a lasting legacy to our community.

Edlen & Company is currently developing the PAE Living Building project which is pursuing certification as a Living Building. The Living Building Challenge is the most aspirational green building certification in existence: Living Buildings are net-zero energy, water, and waste. The building is currently under construction and when completed will be the largest Living Building in the world and the first developer led Living Building anywhere. In December Edlen & Company will break ground on the Albertina Kerr Workforce and Accessible Housing project which will be net-zero energy. Features such as improved insulation, triple pane windows, a highly efficient heat pump system for water and space heating, 100% LED lighting with advanced controls, and top-rated Energy Star appliances, result in a building that uses 43% less energy than a typical building. And a large integrated on-site solar array will offset 105% of the electricity used by the building on an annual basis. Quite often what others may view as financially unfeasible, with our 25-plus-year history of leading sustainable development in the US we view it as attainable through innovative engineering and financing techniques along with hard work.

deChase Miksis was an early leader in the Eugene area in the development of highly efficient and sustainable projects. Mark Miksis was one of the original members of the Mayor's Sustainability Commission and sat on the City's Green Building Task force. The principals of deChase Miksis were involved in many of the first LEED projects in the community from The Inkwel Building at Crescent Village (Gold), Arlie & Company's Headquarters (Platinum), Northwest Community Credit Union (Gold) and Kendall Toyota the first Platinum car dealership in the county. In all of these projects tight budget

constraints led to the selection of green building measures that provided economic benefit to the project through reduced operational costs, increased occupant comfort and performance, and implementing passive strategies such as daylighting and natural ventilation. The development approach in these projects was never to buy our way into reaching a specific certification with expensive systems or construction techniques but to instead to have a whole building approach that uses simple low-cost measures that decreased the environmental footprint of development while improving the occupant's environment.

5. Please describe current projects underway and their status. How will you manage additional projects?

Response:

Edlen & Company is currently developing six projects, of which five are set to be complete by the end of 2021. The completion of 80% of our construction portfolio by 2022 generates great capacity among our development management and project management team.

deChase Miksis is in active development of four projects with two set to be complete at the end of 2021 and two set to be complete by the end of 2022 or early 2023. 50% of our active development projects are scheduled to be complete prior to the scheduled construction of this proposed project.

The combined management staff of Edlen & Company and deChase Miksis has adequate capacity to ensure the City of Eugene will be well supported through every step of the development process including design, financing, construction, and budget management.

Financial Capacity



6. Please describe and *provide evidence* of prior ability to finance and complete similar projects.

Response:

Our team specializes in identifying, securing, and integrating both traditional and non-traditional sources of financing. Experience with non-traditional sources includes tax credits (New Markets Tax Credits, Historic Tax Credits, Low-Income Housing Tax Credits, Solar Investment Tax Credit), taxable and tax-exempt bonds, capital campaigns, program-related Investments (PRIs), HOME Funds, and Tax Increment Financing through urban renewal districts. Many of our projects include more than one of these sources, increasing complexity but maximizing the benefit to our nonprofit partner. Our team is also expert at securing traditional debt and equity. Over the years, Edlen & Company and its predecessor firm have successfully capitalized approximately \$5B of real estate projects providing confidence around the ability to deliver an excellent inclusive housing project for the City of Eugene.

7. Identify and describe any relationship the respondent may have with subsidiaries, joint venture partners, or others who are significant to the project.

Response:

As described in Section 1 deChase Miksis and Edlen and Co are joint venture partners in the project.

Ownership Entity

8. What is the legal status of the anticipated Ownership Entity for the project?
 Currently Exists (please describe: Overwrite this text with your answer)
 To Be Formed prior to development: Estimated formation date 6/1/2021
9. If a new entity, indicate the anticipated Ownership Structure: *(check all that apply)*
 Nonprofit or Nonprofit Single Asset Entity
 Limited Liability Corporation (LLC)
 Limited Liability Partnership (LLP)
 Limited Partnership (LP)
 Other Corporation
 Joint Venture
 Cooperative
 Other, Describe:

Property Management

10. Briefly summarize the management plan for this project. Be sure to address facility maintenance, on-site management, and services provided.

Response:

Affinity has the experience and capacity to effectively manage the complexity and diversity of the reporting, financing, and compliance requirements of the ownership. We have managed affordable housing since our inception in 2003. Affinity has extensive experience managing various types of affordable housing. Our affordable portfolio has consisted of LIHTC, HOME financing, PSH units, PHB financed projects, Project-Based Section 8, B2H, HUD, farm worker housing, and low-barrier housing in addition to market rate units.

Affinity management has a Management Agent's Certification from HUD to manage projects with HUD-held mortgages or insured multifamily projects. We have staff members that have extensive experience with HUD compliance documents and our staff continues to receive training on all tax credit certifications including the Spectrum C3P Tax Credit Certification Seminar. This training seminar includes extensive case studies of HUD properties with detailed discussion of IRS regulations, income limits, recapture issues and continuing compliance.

The best practices in managing affordable housing can be broken down into six sections. These individual sections need to be managed separately while at the same time nurturing a symbiotic relationship which makes a successful project. These six areas include financial management, physical plant management, tenant services, compliance, human resources, and communication management.

Financial Management

Affinity has a policy and procedures manual which schedules out the day-to-day operations at a property and sets expectations for all onsite personnel from the appearance of the office to record keeping, and from expense control to identification theft protection. Affinity has some of the most tenured and knowledgeable staff in the industry. Our onsite Community Managers go through continual training to improve their abilities and incorporate the best practices from other Managers throughout our portfolio. Affinity's Portfolio Managers all have extensive experience in multi-family management, tenant

relations, resident services, and direct profit-and-loss responsibilities. Our Portfolio Managers are hands-on trainers, confidants, and mentors for the onsite staff. The onsite teams are supported with an extensive accounting department spearheaded by our Controller who has a CPA background.

Physical Plant Management

Affinity has procedures in place which systematizes daily, monthly, quarterly, and yearly maintenance and capital replacement schedules. Our Portfolio Managers continually audit the property for the completeness of tenant files, record keeping, and maintenance. Open communication between the onsite staff and tenants help Affinity take care of any physical issues as they happen. During any third party physical and file inspections Affinity will make available the necessary personnel to help complete the inspections as quickly and efficiently as possible, including notifying tenants of the upcoming physical inspection at least 24 hours in advance, and earlier if possible. If any follow-up is necessary Affinity will immediately take action and the Community Manager, Maintenance Manager, compliance manager and Portfolio Manager will all verify that the necessary changes, improvements, fixes, and follow-up have occurred. Affinity staff also walk each unit twice a year to look for any outstanding maintenance issues that may not have been reported by the resident.

Tenant Customer Service

Affinity believes that tenant customer service is at the heart of any successful community. We have written systems and procedures for tenant selection, tenant rights and responsibilities, evictions, marketing, and directing residents to tenant supportive services.

Compliance

Affinity uses a system for compliance that leverages the property manager's time and knowledge as well as a double check system to make sure the property remains in compliance at all time.

Human Resources

Affinity uses written job descriptions and reviews an employee's rights and responsibilities with every staff member during their new hire training, 90-day reviews, and yearly performance evaluations. In addition, we have a full time HR department that serves our current employees needs as well as constantly recruits for new positions so that we are ready to grow when opportunity arises.

Communication Management

It is extremely important at Affinity to keep the lines of communications open with the property owner. Affinity sets up a one-point-of contact system which allows owners to contact one person at the corporate office who will answer all questions from operation to maintenance, and from compliance to accounting. However, Affinity also has an "open door" policy which gives the owner direct access to anybody in the company if they wish to communicate directly with any Affinity employee involved in their project.

Affinity takes pride in the longevity and experience of its employees. Many of our Managers have been awarded Manager of the Year awards through the Multi-Family Housing Association and we are event sponsors for many non-profit groups in Oregon. Affinity is a member of the Streamlining Compliance Initiative. We have had no major findings on any of our audits throughout the years. We have had no verifiable fair housing claims or material litigation in the last three years. We continually train our on-site and off-site staff in affordable housing management including the annual Miller-Nash conference in Portland and like conferences in our service area, the Oregon Opportunity Network conferences, Spectrum and Prism conferences, and as many Oregon Affordable Housing Management Association

trainings as we can fit into our schedules. We also go through twice yearly fair housing training with our law firm.

11. Describe your tenant selection process, and how you will market the units to be offered, particularly to those least likely to apply (such as protected classes under the Fair Housing Act), ensuring they are provided information about the housing opportunity. Describe any experience members of your development team have with income verification.

Response:

During the initial lease up period, residents will be placed on an initial waitlist obtained through various marketing and outreach efforts identified in Affinity's Affirmative Fair Housing Marketing Plan. Applicants are selected on a first come first serve basis determined by the time/date stamp from the waitlist application. Upon an applicant coming up on the waitlist, the application will be screened for criteria noted in the Screening Criteria as well as for affordable program requirements which will be outlined in the Tenant Selection Plan and based off Land use Regulatory agreements specific to the property.

Marketing of the affordable units will be based on the Affordable Fair Housing Marketing Plan. Affinity will incorporate Census information for the target area to identify those least likely to apply. Upon identification, the determination is made on agency and marketing sources for outreach and marketing. This process is closely followed to ensure that we are targeting those identified on our marketing plan as least likely to apply. On select projects, Affinity has hired an equity navigator in efforts to ensure we are removing all barriers for our target population.

Cornerstone will work with Affinity to support and supplement marketing efforts. We employ Affirmatively Furthering Fair Housing marketing best practices, including but not limited to the following:

- ***Analysis of neighborhood-level and regional demographics:*** *Analysis of demographics including race/ethnicity, national origin, disability, language spoken at home, literacy, familial status, and occupation type (a protected class in Eugene) for income eligible households helps us characterize the market and determine who is least likely to apply. We assume that people who already live in the neighborhood are more likely to apply than those who do not.*
- ***Selection of appropriate marketing strategies:*** *Cornerstone cultivates relationships with local social service agencies, employers, and culturally specific organizations such as Centro Latino Americano, Downtown Languages, Latino Business Network, NAACP, Eugene/Springfield Asian Council, Eugene 4J School District Natives Program, and Springfield Public Schools Office of Indian Education. At times, input is requested to develop marketing strategies for specific population groups and for support disseminating information.*
- ***Ongoing evaluation of marketing and outreach:*** *Success of marketing is evaluated by comparing resident demographics to regional demographics for households with qualifying incomes. Resident demographics should closely mirror regional demographics. Property management and asset*

management staff consult with community contacts to identify marketing strategies to reach underrepresented groups.

Additionally, 10 units have been set aside for victims of domestic violence. Cornerstone will work with Affinity and Womenspace to manage these set aside to ensure that they are serving the populations they are designated for.

Fair Housing and Cultural Competency

12. Explain how your development team and property management staff stay educated about fair housing issues and are working to broaden staff/board knowledge around cultural competency.

Response:

Diversity, equity, and inclusion (DEI) is a key priority in Cornerstone's 5-year Strategic Plan (2018-2022). Cornerstone is committed to building a multicultural organization and continually challenging ourselves to learn and improve. Cornerstone's DEI Steering Committee will continue to meet bi-monthly in 2021 to discuss and lead the implementation of various DEI initiatives, while staff work to develop and implement changes on the off months.

Some of Cornerstone's current efforts and goals include:

- *Fostering an organizational culture that honors difference. Shifting the organizational culture through DEI training, intentional conversations, and operational changes.*
- *Revamping recruitment practices. Recruiting a diverse staff and board of directors.*
- *Investing in professional development and leadership development for residents and staff at all levels. Providing pathways for individuals with under-represented identities to advance their careers.*
- *Using an equity lens tool to analyze and improve the way that we respond to the needs of populations facing disparities.*

Affinity's Woman Owned, Minority Owned, Small Businesses (WMSEB) and Equity procedures require that any work performed by a 3rd party vendor in excess of \$1,000 include at least one out of the three bids from a minority-owned, women-owned vendor, and emerging small businesses. Additionally, the Portfolio Manager along with the Affordable site staff have attended several social equity trainings. Continued social equity training is key to understanding and overcoming all factors which create barriers of any kind to individuals of a specific society or isolated group.

Affinity has a proven track record of working with and housing resident populations who face many social and economic challenges. We take pride in our history and rapport working with multiple program partners throughout the area. To maintain these working relationships, we attend housing partnership workgroups as well as regular meetings with property specific programs in effort to ensure we have the most up to date contact list and that we can work together to overcome any challenges in effort to benefit the program, the clients, and the properties.

Trainings include but not limited to:

- *Fair Housing Training*
- *Landlord Tenant Training*
- *Low Income Housing Tax Credit (LIHTC) Compliance Training*

- *Housing Credit Certified Professional (HCCP) Training*
- *LIHTC Seminars offered by OHCS*
- *Public Housing Agency waitlist trainings*
- *Various AHMA multi-family continuing education trainings throughout the year*

Affinity has managed lease-up of three tax credit buildings; a 51-unit community in Woodland, Washington which consisted of farm-worker tax credits, and a 240-unit community in Eugene, Oregon and a 50-unit mixed SE project in Rockwood, Gresham, Oregon. All three completed the lease up on time and within budget. This experience gives Affinity the background needed to work collaboratively to successfully lease up and manage 1059 Willamette.

We usually start building the marketing material and strategic plan which includes outreach to local program partners for purposes to build waitlists up to six months in advance of opening a new lease up. As we get closer to the 90-day period, Affinity would start to identify and approve prospective residents who have been identified through waitlists and PBVs. This will ensure that we will be able to open the building with as many residents as possible. We will continue this process as efficiently and effectively as possible to ensure that we meet the required lease up occupancy goal.

13. Describe how you will ensure property management staff will provide culturally competent services in working with protected classes.

Response:

Since 2018, Cornerstone has hosted semi-annual cross training events with property management and resident services staff. Training topics have included crisis de-escalation, self-awareness and self-care, bed bugs / pest management, and cultural humility. Training and team building efforts support more collaborative, effective, and equitable frontline service for residents. Providing ongoing professional development opportunities related to cultural competency and inclusion are of the highest priority for Cornerstone. Cornerstone will work with Affinity to provide this ongoing professional development for property management staff.

Third Party Support Experience

Affinity and its managers have a well-versed history working with program partners in our local industry such as Rent Well and Fresh Start programs. We understand that many of our diverse clientele have barriers that will often prevent them from obtaining stable housing. Our policy allows for the acceptance of the above-mentioned certificates of completion in effort to overturn denials and offer permanent stable housing. In addition, Affinity is accustomed to developing tailored screening criteria for each specific property which allows specific target populations to be housed in coordination with agency referrals and supportive services.

Community Outreach

Affinity uses many approaches for outreach and marketing which depends on the specific property, its location, and target demographic. Aside from our standard marketing approaches, Affinity relies greatly on leveraging our connections with our community service providers and partner agencies for outreach purposes. Most of Affinity's Affordable portfolio utilizes specific program referrals to build waitlists and house our target populations. Affinity utilizes both digital and print marketing in demographic specific publications to reach a diverse group of prospective tenants.

On/Off Site Resident Services Personnel

It is Affinity's policy to have site managers work directly with resident service personnel. This can be through weekly in person interaction, email communication, or phone calls. Site managers discuss all facets of lease compliance with the resident service personnel prior to issuing any notices as well as any concerns for the resident. When notices are issued, resident services is copied in on that notice and the details. This practice is used in efforts to help our residents remain successful in their housing.

While the overall U.S economy is in an economic expansion, poverty remains a daily reality for many. The need for affordable housing has grown significantly and requires community-minded individuals and institutions to face the challenge head-on. Affinity wants to be part of helping the community by operating the 1059 Willamette to its fullest potential. We are well equipped to successfully operate the 1059 Willamette and serve its residential clients. By putting in place effective systems and investing in on-site staff, the property will continue to operate successfully.



Section 3 Attachments

- Examples/images of prior projects that demonstrate high-quality urban design and use
- Evidence of financial capacity (*included in Section 2 and 3 narratives*)

Appendix B. Pro Forma Instructions

This excel workbook is an independent, stand-alone series of worksheets.
Do not link this workbook to any other workbooks!

This workbook was created by the City of Eugene in Excel **2010**; though efforts have been made to ensure compatibility with previous versions, it is not guaranteed.

Each worksheet has identified cells that need to be completed; identified in green.

Individual worksheet notes and directions are listed to the right of the primary tables.

To Start: Begin on the Summary Worksheet, and fill in the Project Name, Date, type of project, and Pro Forma type. These selections will carry over to all of the other worksheets; if you have any changes to make to these criteria you will need to make them here.

After these elements are completed, you should proceed through all of the remaining green worksheet tabs and complete the needed information in green cells.

Calculations won't work until all of the needed information has been entered in the workbook.

All worksheets are locked, in order to preserve the integrity of the internal calculations. To unlock a sheet, right click on the tab and select "unprotect"; there is no password on these sheets though it is important to note that any adjustments made improperly may result in errors throughout the workbook.

cell colors indicate:
Worksheet guidance
to complete by applicant
calculated in worksheet
value imported from other worksheet
white cells are fixed fields and can not be over-written

Project Summary

Project Name: The Montgomery

Date: 2/2/2021

Project Square Feet

	Total	% of Total
Residential (leasable)	64,107	68.5%
Common Space	25,976	27.8%
Commercial	3,438	3.7%
Total Res Sq Ft	90,083	96.3%
Total	93,521	--

Number of Housing Units

	Income Qualified	Market Rate	Total
Studio	65	0	65
1 bedroom	1	58	59
2 bedroom	0	5	5
3 bedroom	0	0	0
4 bedroom	0	0	0
5 bedroom	0	0	0
Total	66	63	129

Overall Costs

	Total	Acquisition	Construction	Development
Total Costs	\$29,045,132	-	\$22,246,137	\$6,758,995
% of Total Costs	100%	0%	77%	23%
Total Cost / Res. Unit	\$225,156	\$0	\$172,451	\$52,395
Total Cost / Res. SF	\$322	\$0	\$247	\$75
Residential Only Costs	\$27,803,231	\$0	\$21,430,392	\$6,372,839
Res. Only Cost / Unit	\$215,529	\$0	\$166,127	\$49,402
Res. Only Cost / Res. SF	\$309	\$0	\$238	\$71

Financial Factors

Developer Fee Percent	5%
Contractor Profit, Overhead & GC as % of	0%

Debt Coverage Ratio

	Year 1	Year 3
Primary Debt	1.29	1.33
Total Debt	1.29	1.33

SOURCES OF FUNDING

Project Name: The Montgomery

Date: 2/2/2021

Funding Source	
Cash	\$5,184,632
Permanent Bank Loan-primary	\$22,710,500
Permanent Bank Loan-secondary	\$0
City of Eugene-Urban Renewal	\$1,100,000
Utility Efficiency Incentive	\$50,000
TOTAL FUND SOURCES	\$29,045,132

Surplus or Gap \$0

USES OF FUNDS

Project Name: **The Montgomery**

Date: **2/2/2021**

Number of Units:	129
Square Footage Summary:	
Residential Unit Square Footage:	64,107
Residential Common Areas:	25,976
Commercial/other	3,438
Total Residential Square Footage:	90,083
Total Square Footage:	93,521

Summary of Costs				
	Total	Acquisition	Construction	Development
Total Costs	\$29,045,132	\$40,000	\$22,246,137	\$6,758,995
% of Total Costs	100%	0%	77%	23%
Total Cost / Res. Unit	\$225,156	\$310	\$172,451	\$52,395
Total Cost / Res. Sq Ft	\$322	\$0	\$247	\$75
Residential Only Costs	\$27,803,231	\$0	\$21,430,392	\$6,372,839
Res. Only Cost / Unit	\$215,529	\$0	\$166,127	\$49,402

Costs	Total Costs (Residential + Commercial)	Residential	Commercial	Total Cost per Unit
Acquisition Costs				
Purchase Price:				
Land	\$0			-
Improvements	\$0			-
Liens and Other Taxes	\$0			-
Closing/Recording	\$40,000			\$310
Extension Fees	\$0	\$0	\$0	-
Other (list below):				
	\$0			-
	\$0			-
	\$0			-
Acquisition Costs Subtotal:	\$40,000	\$0	\$0	\$310

worksheet guidance
cell colors indicate:
to complete by applicant
calculated in worksheet
value imported from other worksheet

Construction Costs				
Off-site Work	\$0			-
On-site Work	\$0			-
Hazardous Materials Abatement	\$300,000	\$288,900	\$11,100	\$2,326
Demolition	\$375,000	\$361,125	\$13,875	\$2,907
Residential Building	\$19,498,147	\$19,498,147		\$151,148
Commercial Space/Building	\$749,150		\$749,150	\$5,807
Common Use Facilities	\$0			-
FF&E (Common Area Furnishings)	\$125,000	\$125,000		\$969
Internet Wiring & Equipment	\$0			-
Landscaping	\$0			-
Elevator	\$0			-
Laundry Facilities	\$0			-
Storage/Garages	\$0			-
Builder's Risk Insurance	\$0			-
Performance Bond	\$0			-
3rd Party Const. Management	\$0			-
Contingency	\$1,059,340	\$1,020,495	\$38,845	\$8,212
General Conditions	\$0			-
Contractor Overhead	\$0			-
Contractor Profit	\$0			-
Other (list below):				
Unit Upgrades	\$64,500	\$64,500		\$500
Signage, Security & Access Control	\$75,000	\$72,225	\$2,775	\$581
	\$0			-
Construction Costs Subtotal:	\$22,246,137	\$21,430,392	\$815,745	\$172,451

USES OF FUNDS

Project Name:

The Montgomery

Date:

2/2/2021

Development Costs

Land Use Approvals	\$0				-
Building Permits/Fees	\$417,736	\$402,280	\$15,456		\$3,238
System Development Charges	\$731,038	\$703,990	\$27,048		\$5,667
Market Study	\$12,500	\$12,500			\$97
Environmental Report	\$20,000	\$19,260	\$740		\$155
Lead Based Paint Report	\$0				-
Asbestos Report	\$0				-
Soils Report (Geotechnical)	\$20,000	\$19,260	\$740		\$155
Survey	\$15,000	\$14,445	\$555		\$116
Capital Needs Assessment	\$0				-
Marketing/Advertising	\$100,000	\$100,000			\$775
Insurance	\$150,000	\$144,450	\$5,550		\$1,163
Other (list below):					
Utilities	\$225,750	\$217,397	\$8,353		\$1,750
Tenant Improvement Allowance	\$120,330		\$120,330		\$933
	\$0				-
General Fees					
Architectural	\$1,535,180	\$1,478,378	\$56,802		\$11,901
Engineering	\$0				-
Legal/Accounting	\$50,000	\$48,150	\$1,850		\$388
Cost Certification	\$12,000	\$11,556	\$444		\$93
Appraisals	\$10,000	\$9,630	\$370		\$78
Special Inspections/Testing	\$65,000	\$62,595	\$2,405		\$504
Developer Fee	\$1,073,946	\$1,034,210	\$39,736		\$8,325
Consultant Fee	\$252,000	\$242,676	\$9,324		\$1,953
Rate Lock Fee	\$0				-
Other (list below):					
LEED	\$80,000	\$77,040	\$2,960		\$620
Retail Leasing Commission	\$18,565		\$18,565		\$144
	\$0				-
Construction Loan Costs/Fees					
Lender Inspection Fees	\$113,553	\$109,352	\$4,201		\$880
Lender Title Insurance	\$60,000	\$57,780	\$2,220		\$465
Lender Legal Fees	\$100,000	\$96,300	\$3,700		\$775
Loan Fees	\$329,303	\$317,119	\$12,184		\$2,553
Loan Closing Fees	\$32,350	\$31,153	\$1,197		\$251
Property Taxes (Constr Period)	\$25,000	\$24,075	\$925		\$194
Insurance	\$0				-
Bridge Loan Fees					
Bridge Loan Legal	\$0				-
Bridge Loan Trustee	\$0				-
Bridge Loan Underwriting	\$0				-
Permanent Loan Fees					
Perm. Loan Fee	\$0				-
Perm. Loan Closing Fees	\$0				-

USES OF FUNDS

Project Name:

The Montgomery

Date:

2/2/2021

Bond Issuance Fees				
Cost of Bond Issuance	\$0			-
Negative Arbitrage (1.50%)	\$0			-
Bond Cost Certification	\$0			-
Other (list below):				
	\$0			-
Interest				
Construction Period	\$580,253	\$558,784	\$21,469	\$4,498
Construction Bridge Loan	\$0			-
Other (list below):				
	\$0			-
	\$0			-
Development Contingency				
Development Contingency	\$191,755	\$178,180	\$13,575	\$1,486
Contingency Escrow Account (3%)	\$0			-
Lease Up / Tenant Relocation				
Lease Up	\$0			-
Tenant Relocation	\$0			-
Reserves/Cash Accounts				
Operating Reserve	\$0			-
Deposit to Replacement Reserves	\$0			-
Other (list below):				
Lease Up Reserve	\$417,736	\$402,280	\$15,456	\$3,238
	\$0			-
	\$0			-
	\$0			-
Development Costs Subtotal:	\$6,758,995	\$6,372,839	\$386,156	\$52,395
TOTAL PROJECT COST	\$29,045,132	\$27,803,231	\$1,201,901	\$225,156
Surplus or Gap	\$0			

Summary of Fees and Contingencies		Preferred Rates
Developer Fee Percent	4.9%	No more than 15% of total project costs net of developer fee, reserves and cash accounts.
Project Development Percentage	23.3%	No more than 30% of total project costs.
Development Contingency	2.9%	No more than 5%.
Construction Contingency	5.0%	No more than 5% for new construction, 10% for rehabilitation.
Contractor Profit, Overhead & GC	0.0%	Contractor Profit (8%), Overhead (2%) and General Conditions (6%), with combined no more than 14% of construction costs.
Construction less Contractor P & O & GC	\$22,246,137	
Project costs net of developer fee, reserves and cash accounts	\$26,883,713.8	
Development and Construction Costs, total	\$29,005,131.8	

HOUSING OPERATING BUDGET - INCOME

Project Name: **The Montgomery** Date: **2/2/2021**
 Income Inflation Rate: **2.00%**

Type	Unit Size	Unit Type (BDR /MGR)	# of Baths	Square Feet / Unit	Median Income %	Gross Monthly Rent /Unit	Tenant Paid Utility Allow	Net Monthly Rent / Unit	# of Units	Year										
										1	2	3	4	5	10	15	20	30		
Income Qualified	Studio		1.0	477	80%	\$980	- \$86	= 894	X 12	15	=	\$160,920	\$164,138	\$167,421	\$170,770	\$174,185	\$192,314	\$212,331	\$234,430	\$285,769
Income Qualified	Studio		1.0	369	80%	\$980	- \$86	= 894	X 12	15	=	\$160,920	\$164,138	\$167,421	\$170,770	\$174,185	\$192,314	\$212,331	\$234,430	\$285,769
Income Qualified	Studio		1.0	391	80%	\$980	- \$86	= 894	X 12	30	=	\$321,840	\$328,277	\$334,842	\$341,539	\$348,370	\$384,629	\$424,661	\$468,860	\$571,538
Income Qualified	Studio		1.0	352	80%	\$980	- \$86	= 894	X 12	5	=	\$53,640	\$54,713	\$55,807	\$56,923	\$58,062	\$64,105	\$70,777	\$78,143	\$95,256
Income Qualified	1 bedroom		1.0	568	80%	\$1,050	- \$94	= 956	X 12	1	=	\$11,472	\$11,701	\$11,935	\$12,174	\$12,418	\$13,710	\$15,137	\$16,713	\$20,372
Market Rate	1 bedroom		1.0	491		\$1,530	- \$0	= 1,530	X 12	5	=	\$91,800	\$93,636	\$95,509	\$97,419	\$99,367	\$109,709	\$121,128	\$133,735	\$163,023
Market Rate	1 bedroom		1.0	576		\$1,530	- \$0	= 1,530	X 12	5	=	\$91,800	\$93,636	\$95,509	\$97,419	\$99,367	\$109,709	\$121,128	\$133,735	\$163,023
Market Rate	1 bedroom		1.0	581		\$1,565	- \$0	= 1,565	X 12	20	=	\$375,600	\$383,112	\$390,774	\$398,590	\$406,562	\$448,877	\$495,596	\$547,178	\$667,007
Market Rate	1 bedroom		1.0	666		\$1,590	- \$0	= 1,590	X 12	5	=	\$95,400	\$97,308	\$99,254	\$101,239	\$103,264	\$114,012	\$125,878	\$138,980	\$169,416
Market Rate	1 bedroom		1.0	568		\$1,530	- \$0	= 1,530	X 12	23	=	\$422,280	\$430,726	\$439,340	\$448,127	\$457,089	\$504,664	\$557,189	\$615,182	\$749,904
Market Rate	2 bedroom		2.0	802		\$2,300	- \$0	= 2,300	X 12	5	=	\$138,000	\$140,760	\$143,575	\$146,447	\$149,376	\$164,923	\$182,088	\$201,040	\$245,067
							-	= 0	X 12		=	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
							-	= 0	X 12		=	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
							-	= 0	X 12		=	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Residential Leasable Square Feet
64,107

SUB-TOTALS	129	=	\$1,923,672	\$1,962,145	\$2,001,388	\$2,041,416	\$2,082,244	\$2,298,966	\$2,538,244	\$2,802,427	\$3,416,143
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Total Annual Income

Site-based rental assistance:											
Site-based rental assistance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Revenue:											
Laundry			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Garage/Parking	\$25,920		\$26,438	\$26,967	\$27,507	\$28,057	\$30,977	\$34,201	\$37,761	\$46,030	
Deposits on Turnover			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cable TV			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Interest Income			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Application Fees			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Internet Access Fees			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
RUBS	\$26,460		\$26,989	\$27,529	\$28,080	\$28,641	\$31,622	\$34,913	\$38,547	\$46,989	
Other Income	\$32,250		\$32,895	\$33,553	\$34,224	\$34,908	\$38,542	\$42,553	\$46,982	\$57,271	

SUB-TOTAL OTHER REVENUE	\$84,630	\$86,323	\$88,049	\$89,810	\$91,606	\$101,141	\$111,667	\$123,290	\$150,290
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Gross Residential Income:	\$2,008,302	\$2,048,468	\$2,089,437	\$2,131,226	\$2,173,851	\$2,400,107	\$2,649,912	\$2,925,717	\$3,566,432
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Annual Vacancy Rate (stable at Yr 3)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
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Less Vacancy	(\$100,415)	(\$102,423)	(\$104,472)	(\$106,561)	(\$108,693)	(\$120,005)	(\$132,496)	(\$146,286)	(\$178,322)
Effective Res. Gross Income:	\$1,907,887	\$1,946,045	\$1,984,966	\$2,024,665	\$2,065,158	\$2,280,101	\$2,517,416	\$2,779,431	\$3,388,111

See Appendix C of RFP for allowed rents in income-qualified units

HOUSING OPERATING BUDGET - INCOME

Project Name: **The Montgomery** Date: **2/2/2021**
 Income Inflation Rate: **2.00%**

Type	Unit Size	Unit Type (BDR /MGR)	# of Baths	Square Feet / Unit	Median Income %	Gross Monthly Rent /Unit	Tenant Paid Utility Allow	Net Monthly Rent / Unit	# of Units	Year									
										1	2	3	4	5	10	15	20	30	
										years	1	2	3	4	5	10	15	20	30
Commercial Income:							Retail	=	\$61,884	\$63,122	\$64,384	\$65,672	\$66,985	\$73,957	\$81,655	\$90,153	\$109,896		
Other:								=	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Other:								=	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Other:								=	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Other:								=	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Other:								=	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Other:								=	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
										\$61,884	\$63,122	\$64,384	\$65,672	\$66,985	\$73,957	\$81,655	\$90,153	\$109,896	
Annual Vacancy Rate (stable at Yr 3)										5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Less Vacancy										(\$3,094)	(\$3,156)	(\$3,219)	(\$3,284)	(\$3,349)	(\$3,698)	(\$4,083)	(\$4,508)	(\$5,495)	
Effective Comm. Gross Income:										\$58,790	\$59,966	\$61,165	\$62,388	\$63,636	\$70,259	\$77,572	\$85,646	\$104,402	
Effective Total Gross Income:										\$1,966,677	\$2,006,010	\$2,046,130	\$2,087,053	\$2,128,794	\$2,350,361	\$2,594,988	\$2,865,077	\$3,492,512	

HOUSING OPERATING BUDGET - EXPENSES

Project Name: The Montgomery **Date:** 2/2/2021

Expense Inflation Rate: 3.00% if you change this expense inflation rate from it's default (3%) you must support it in your narrative

Enter annual expense for ALL units below

Year

Annual Operating Expenses	Annual per Unit	1	2	3	4	5	10	20	30
Insurance	\$179	\$23,145	\$23,839	\$24,555	\$25,291	\$26,050	\$30,199	\$40,585	\$54,543
Utilities:(common areas)									
Gas/Oil	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric	\$191	\$24,665	\$25,405	\$26,167	\$26,952	\$27,761	\$32,182	\$43,250	\$58,125
Water & Sewer	\$226	\$29,210	\$30,086	\$30,989	\$31,919	\$32,876	\$38,112	\$51,220	\$68,835
Garbage Removal	\$121	\$15,600	\$16,068	\$16,550	\$17,047	\$17,558	\$20,354	\$27,355	\$36,762
Cable TV	\$17	\$2,165	\$2,230	\$2,297	\$2,366	\$2,437	\$2,825	\$3,796	\$5,102
Repairs & Maintenance	\$785	\$101,210	\$104,246	\$107,374	\$110,595	\$113,913	\$132,056	\$177,472	\$238,508
Landscape Maintenance	\$54	\$6,910	\$7,117	\$7,331	\$7,551	\$7,777	\$9,016	\$12,117	\$16,284
Replacement Reserve	\$250	\$32,250	\$33,218	\$34,214	\$35,240	\$36,298	\$42,079	\$56,551	\$75,999
Property Management:									
On-site	\$633	\$81,690	\$84,141	\$86,665	\$89,265	\$91,943	\$106,587	\$143,244	\$192,508
Contracted (Off-Site)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services:									
Resident Services	\$47	\$6,050	\$6,232	\$6,418	\$6,611	\$6,809	\$7,894	\$10,609	\$14,257
Case Management	\$50	\$6,470	\$6,664	\$6,864	\$7,070	\$7,282	\$8,442	\$11,345	\$15,247
Legal	\$8	\$1,060	\$1,092	\$1,125	\$1,158	\$1,193	\$1,383	\$1,859	\$2,498
Accounting	\$16	\$2,120	\$2,184	\$2,249	\$2,317	\$2,386	\$2,766	\$3,717	\$4,996
Compliance Monitoring Fees	\$89	\$11,495	\$11,840	\$12,195	\$12,561	\$12,938	\$14,998	\$20,157	\$27,089
Office & Administration	\$773	\$99,730	\$102,722	\$105,804	\$108,978	\$112,247	\$130,125	\$174,877	\$235,020
Advertising/Marketing & Promotion	\$164	\$21,220	\$21,857	\$22,512	\$23,188	\$23,883	\$27,687	\$37,209	\$50,006
Unit Turnover	\$79	\$10,190	\$10,496	\$10,811	\$11,135	\$11,469	\$13,296	\$17,868	\$24,013
Taxes(non-real estate)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Taxes	\$1,284	\$165,615	\$170,583	\$175,701	\$180,972	\$186,401	\$216,090	\$290,407	\$390,283
MUPTC Exemption: Yr 1 - Yr 10	(\$1,155)	(\$149,055)	(\$153,527)	(\$158,132)	(\$162,876)	(\$167,763)	(\$194,483)	\$0	\$0
Payroll Taxes	\$50	\$6,435	\$6,628	\$6,827	\$7,032	\$7,243	\$8,396	\$11,284	\$15,164
Downtown Service District Fee	\$109	\$14,056	\$14,478	\$14,913	\$15,360	\$15,821	\$18,341	\$24,648	\$33,125
Occupied Square Feet		87,853							
Internet Connection Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other: (list below)									
Asset Management Fee	\$414	\$53,350	\$54,951	\$56,599	\$58,297	\$60,046	\$69,610	\$93,550	\$125,723
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Annual Operating Expenses:	\$4,384	\$565,581	\$582,549	\$600,025	\$618,026	\$636,567	\$737,956	\$1,253,119	\$1,684,088

HOUSING OPERATING BUDGET - EXPENSES

Project Name: The Montgomery **Date:** 2/2/2021

Expense Inflation Rate: 3.00% if you change this expense inflation rate from it's default (3%) you must support it in your narrative

Enter annual expense for ALL units below

Annual Operating Expenses	Annual per Unit	Year							
		1	2	3	4	5	10	20	30
Less Debt Service:									

Permanent Bank Loan-primary	Annual per Unit	Year									
		1	2	3	4	5	10	20	30		
Amortization											
Rate (Years)	Loan Amount										
3.65% 40	\$22,710,500	\$90,696	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349

Permanent Bank Loan-secondary											
Amortization											
Rate (Years)	Loan Amount										
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Loans / Deferred Fee											
Deferred Developer Fee											
Amortization											
Rate (Years)	Loan Amount										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Loans											
Amortization											
Rate (Years)	Loan Amount										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$90,696	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349

HOUSING OPERATING BUDGET - EXPENSES

Project Name: The Montgomery **Date:** 2/2/2021

Expense Inflation Rate: 3.00% if you change this expense inflation rate from it's default (3%) you must support it in your narrative

Enter annual expense for ALL units below

Year

Annual Operating Expenses	Annual per Unit	1	2	3	4	5	10	20	30
	Annual per Unit	1	2	3	4	5	10	20	30
<i>Effective Gross Income:</i>	\$15,246	\$1,966,677	\$2,006,010	\$2,046,130	\$2,087,053	\$2,128,794	\$2,350,361	\$2,865,077	\$3,492,512
<i>Total Annual Operating Expenses:</i>	\$4,384	\$565,581	\$582,549	\$600,025	\$618,026	\$636,567	\$737,956	\$1,253,119	\$1,684,088
<i>Net Operating Income:</i>	\$10,861	\$1,401,095	\$1,423,461	\$1,446,105	\$1,469,027	\$1,492,227	\$1,612,405	\$1,611,957	\$1,808,425
<i>Primary Debt Service</i>	\$90,696	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349
<i>Total Debt Service</i>	\$90,696	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349	\$1,088,349
Cash Flow Per Year Primary:	(\$79,835)	\$312,747	\$335,113	\$357,756	\$380,678	\$403,878	\$524,056	\$523,609	\$720,076
Cash Flow Per Year Total:	(\$79,835)	\$312,747	\$335,113	\$357,756	\$380,678	\$403,878	\$524,056	\$523,609	\$720,076
<i>Primary Debt Coverage Ratio</i>		1.29	1.31	1.33	1.35	1.37	1.48	1.48	1.66
<i>Total Debt Coverage Ratio</i>		1.29	1.31	1.33	1.35	1.37	1.48	1.48	1.66

Utility Allowance

Project Name:

The Montgomery

Date:

2/2/2021

Utilities	Specify Type of Utility (Gas, elec., Oil, etc.)	choose from drop down menu Owner or Tenant Paid	fill in the dollar amounts in cells below					
			0 BDRM	1 BDRM	2 BDRM	3 BDRM	4 BDRM	5 BDRM
Heating	Electric	Tenant Paid	\$34	\$37	\$42			
Lighting	Electric	Tenant Paid	\$14	\$17	\$23			
Air Conditioning								
Cooking	Electric	Tenant Paid	\$4	\$4	\$6			
Hot Water	Electric	Tenant Paid	\$9	\$11	\$14			
Water		Owner Paid						
Sewer		Owner Paid						
Trash Removal		Tenant Paid	\$25	\$25	\$25			
Total Utility Allowance			\$86	\$94	\$110	\$0	\$0	\$0

If allowances are calculated by other methods, attach the appropriate schedule and include unit rents, number of bedrooms, and allowances



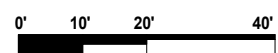
View of Proposed Willamette Street Facade



View of Proposed Corner on 11th Avenue and Oak Alley



Aerial Composite with Proposed Building Massing

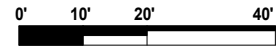
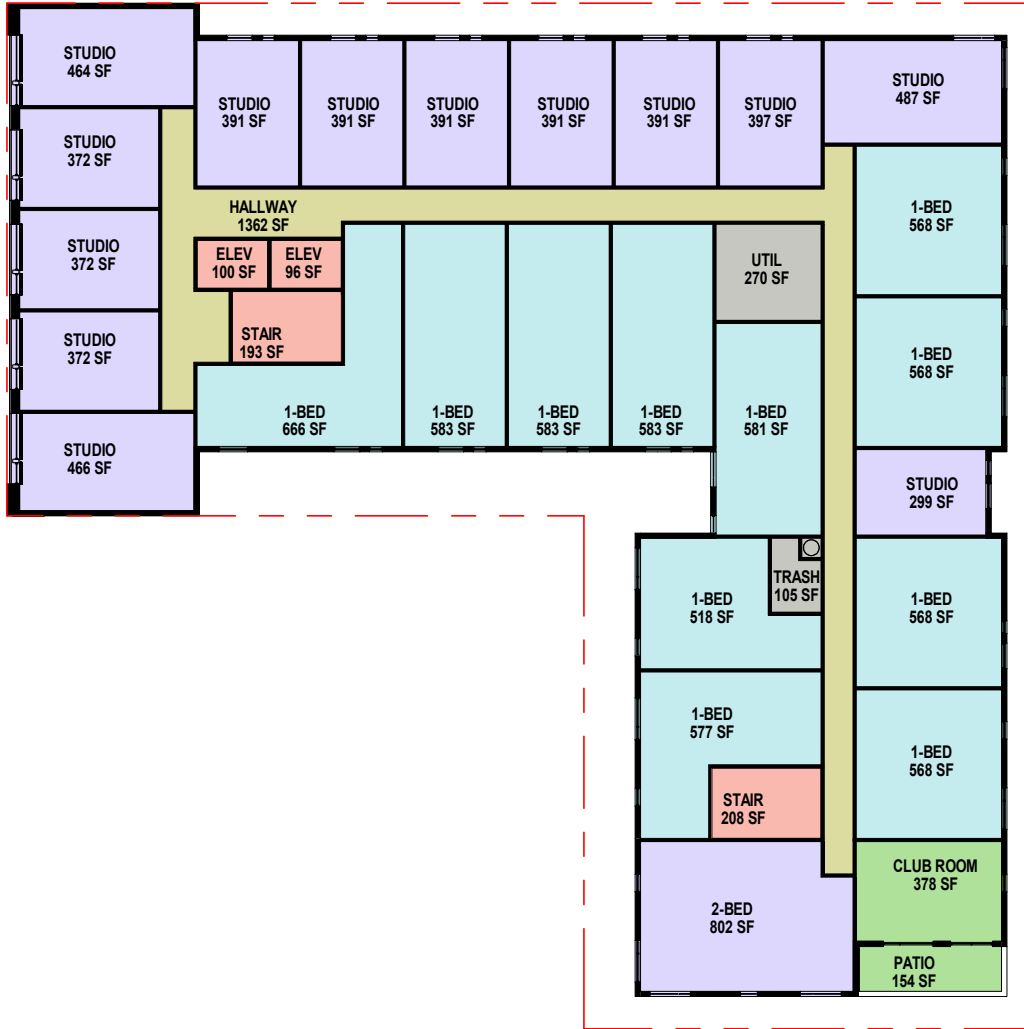


1

TYPICAL FLOOR PLAN (2-5)

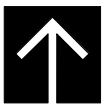
1" = 30'-0"





1 6TH FLOOR PLAN
1" = 30'-0"





1 1ST FLOOR
1" = 30'-0"



2 February 2021

City of Eugene

1059 Willamette Street Project

RE: Request for Proposals – Zoning and Land Use Documentation

Dear Reviewer,

The project we envision in this proposal meets the current Zoning and Land Use requirements as we understand their applicability at this stage of concept design. The property is zoned C-3 with a TD Overlay (Transit Oriented Development). Minimum Floor Area Ratio (FAR) requirement is 2.0. The building exceeds the 2.0 FAR. Housing and retail are allowed subject to development standards in 9.5500, However multi-family standards do not apply within this area. Building height is permitted to be 150'. Our building is designed to top out at less than 70ft. Setbacks are to be no greater than 15 ft at streets, we are well under. The downtown area is parking exempt; however, we are providing some onsite parking. Bike parking will be accommodated on the ground floor, with possible accommodations in other parts of the building as we further develop the design.

Any zoning or land use issues that need to be resolved would be addressed early in design and the applications for approval would run concurrent with the design timeframe outlined in the schedule and not impact the overall delivery of the project.

Sincerely,



Gregory Brokaw, Architect

Rowell Brokaw Architects, PC

Section 2 attachment: Funding commitment

Greystone & Co., Inc.
111 Rockville Pike Suite 1150
Rockville, MD 20850
<https://www.greystone.com/>

GREYSTONE

January 27, 2021

Mr. Mark Miksis
DeChase Miksis Development
PO Box 11943
Eugene OR 97440

RE: MAP 221(D)(4) NEW CONSTRUCTION LOAN FOR 1059 WILLAMETE

Dear Mr. Miksis,

I'm writing to express my support for the proposed multifamily project located at 1059 Willamete Street, Eugene OR 9740. Upon receiving your loan inquiry, my team at Greystone has conducted an initial loan screening, which produced an estimated loan amount of \$22,710,500. This loan will be insured under Section 221(d)(4) new construction program of the National Housing Act. The estimated interest rate of the loan is 3.25% plus 0.25% for Mortgage Insurance Premium, which will be fixed during construction and for 40 years thereafter.

The proposed project is located in an opportunity zone with 51% of the unit designated to workforce housing with tenants earning 80% of Area Median Income. The US Housing and Urban Development (HUD) will find both features attractive to their mission during their review of the loan application.

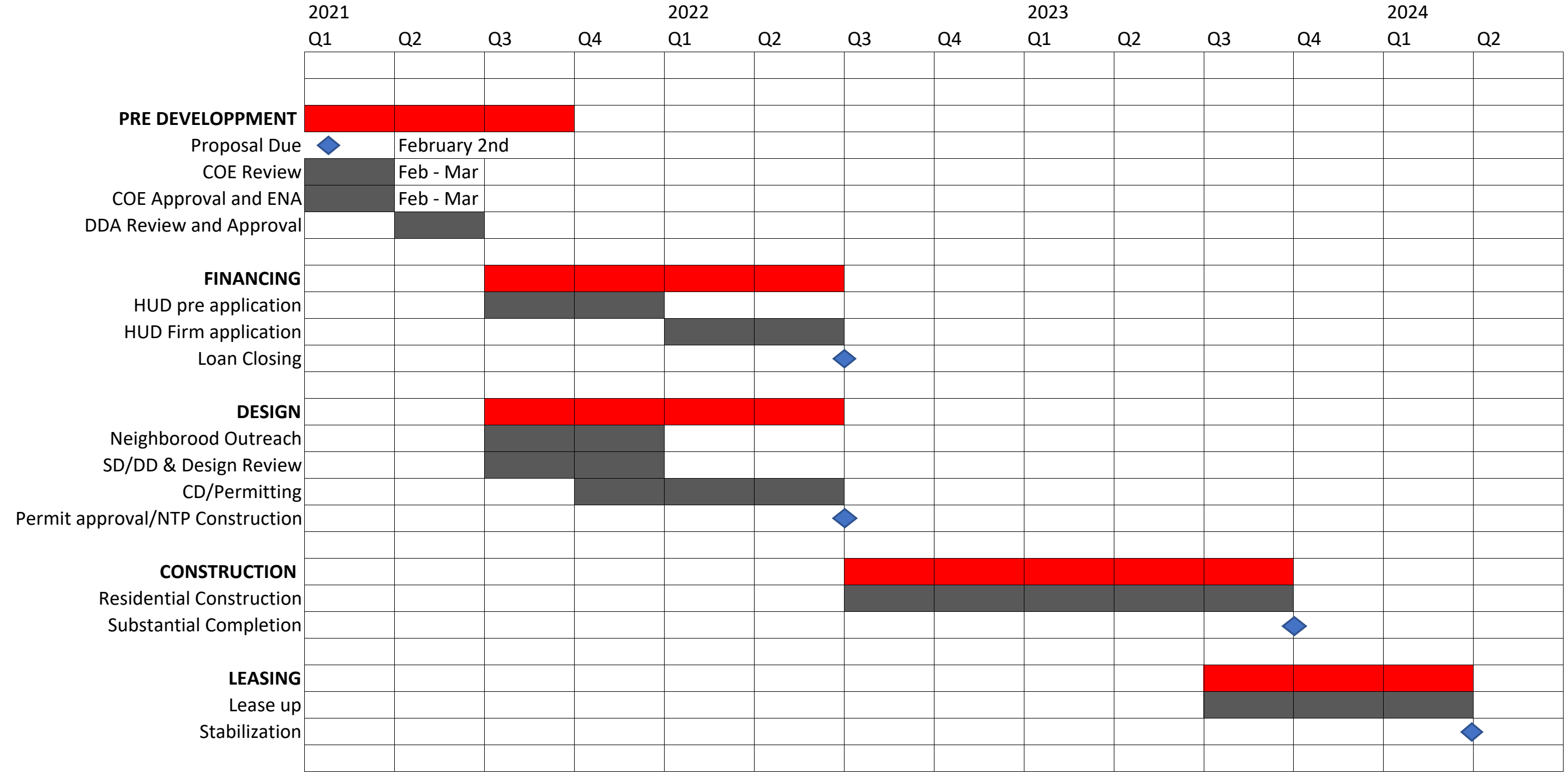
Greystone is the #1 Lender in the HUD loans business with roughly 15% of the market share. Upon our initial research and underwriting of the proposed project, we believe this is a viable project and would like to have the opportunity to work with you on this project in the near future. Please let me know if you have any questions.

Sincerely,



Phiet Nguyen
Managing Director – FHA Finance

The Montgomery Project Timeline



PROJECT EXPERIENCE



ASH + RIVER WORKFORCE HOUSING

BOISE, IDAHO

DETAILS: 34-Unit Mixed-Use Workforce Housing
 47,000 Gross Sq Ft
 500 Sq Ft Retail
 Project Cost: \$9.9MM
 Covered Parking
 Public-Private Partnership
 Urban Renewal
 Catalyst Project
 LEED Gold Certified
 Completion: 2019

Ash + River Workforce Housing was a collaboration between CCDC and the Development Team. A catalyst for the emerging neighborhood, the project fronts on the Pioneer Pathway, nestled in between a City Park and the Historic Hayman House.

In response to its context, townhomes front the street and park frontages, with parking tucked between the two bays of buildings and under a small structure. Views from the public realm are of a locally inspired landscape, warm overhead soffits and quality building materials.

An incubator retail space holds the corner, fronting the Pioneer Pathway and drawing pedestrians and cyclists through the project and down toward the Boise River.





38 DAVIS

PORTLAND, OREGON

DETAILS: 65-Unit Mixed-Use Middle-Income Housing
 124,000 Gross Sq Ft
 5,400 Sq Ft Retail
 80,000 Sq Ft Office Space
 Project Cost: \$45.3MM
 Public-Private Partnership
 Urban Renewal
 LEED Gold Certified
 Completion: 2016



Located in Portland's Old Town/Chinatown neighborhood, 38 Davis was the area's first new construction project in 10 years as of 2016. This critical development contains dynamic office space, market-rate and middle-income housing, and higher education classrooms for the University of Oregon's Executive MBA program. The L shape structure is designed to create a harmony between the old and the new. The historical façade integrates well into the neighborhood while the warehouse-like interior compliments modern demands for flexible and open office space featuring exposed wood beams. 38 Davis was completely new construction but the commitment to historical authenticity gives tenants the true feel of a repurposed historic building.

Retail and the University of Oregon's classrooms sit on the first floor, followed by 3 floors of office, and finished off with 2 floors of apartments, more than half of which are affordable at 80% to 100% of area median income. Financed through a combination of debt and equity, Edlen & Co. (formerly Gerding Edlen) acquired the right to develop the site from a competitive Request for Intent process with Prosper Portland. The building was able to achieve below-market rents through a 10-year property tax abatement on residential improvements,

SDC waivers on 2/3 of the units, and no structured parking. The property tax abatement required a minimum of 20% of the units to be at 80% AMI, the SDC waivers require units to stay at 100% AMI for 10 years and then 120% AMI for another 5 years.

Finally, to supplement the lack of structured parking, access was granted to a city-owned garage across the street. To pay tribute to the neighborhood's historic roots, the building features a cast iron grove constructed out of iron columns from eight demolished Old Town Buildings. A greywater reclamation system is used to recycle shower water from upper residential units to flush the toilets in the office space. To preserve energy on heating and cooling, the office space utilizes large fans, operable windows, and software to measure optimal times to open windows to decrease the use of HVAC. 38 Davis achieved the LEED Gold certification through sustainability elements such as a greywater treatment system, green roof, solar hot water system, and photovoltaic solar array. 38 Davis focused on marrying thoughtful design and creative financing to deliver much-needed housing and economic stimulus to the area.



CROSSWOOD

EUGENE, OREGON

DETAILS: 127-Unit Market-Rate Housing
112,554 Gross Sq Ft
Project Cost: \$37.5MM
Urban Renewal
Earth-Advantage Certification Anticipated
Anticipated Completion: 2021

This contemporary apartment building will be adjacent to the University of Oregon's Riverfront Research Park and the Willamette River. This sophisticated project will be built with cross-laminated timber and will provide the ideal living space for professionals. Close to everything and yet a step off the beaten path, it will be at the nexus of innovation and inquiry, conveniently located near the Phil and Penny Knight Campus for Accelerating Scientific Impact and the University of Oregon.

Crosswood will feature dynamic living spaces including large windows providing ample natural light, a community room for residents, desirable amenities, and a rooftop patio that provides views to the north. Units will be a mix of studios, one-bedrooms, and two-bedrooms, offering the finest amenities and features of modern living.

The project will be financed using federally backed HUD financing through the 221(d)(4) program for market rate housing. This program required extensive federal environmental review along with complicated underwriting and prevailing wage requirements.





WESTTOWN ON 8TH

EUGENE, OREGON

DETAILS: 102-Unit Mixed-Use, Affordable Housing
127,342 Gross Sq Ft
1,340 Sq Ft Retail
Project Cost: \$22.9MM
Public-Private Partnership
Low-Income Housing Tax Credits
Completion: 2008

WestTown on 8th is a mixed-use project consisting of 102 Affordable Housing units marketed to residents making 60% area median income or less. This development showcases the addition of 8 live/work retail spaces and commercial office space.

The intentional design resembled the established streetscape resulting in the appearance of a 2-story development on 8th Avenue with the bulk of the 6-story build placed on the backside alley. Residential amenities include a rooftop terrace between the north and south towers that provide outdoor seating and community space. There is an additional 1,326 square feet of interior community space with a full kitchen offered to residents for various uses. The 57 parking spaces are secured and include 8 double spaces and 9 garages.





AMAZON CORNER

EUGENE, OREGON

DETAILS: Mixed-Use Housing
125,600 Gross Sq Ft
8,810 Retail Sq Ft
Project Cost: \$24.5MM
Completion: 2019

Amazon Corner is a 125,000 sf mixed-use apartment building at 32nd Avenue and Hilyard Street in South Eugene. The building is wood framed over a concrete framed first floor and basement. The ground floor contains a mix of housing units, retail, and services, including Provisions South Café and Restaurant. Housing units range from studios to two-bedroom units. The developer is Mike Coughlin, whose Burley bike trailer company is a well-known local business, is a long-term Eugene resident.

An important goal of the project is to create a durable building with high-quality materials. The exterior of the building uses brick, metal panels, a drained exterior insulation finish system, and wood cladding for accents. A southwest-facing plaza with ground-floor retail invites the larger community of Eugene to intermingle with residents and enjoy a lively outdoor space.



The retail focus in the plaza is toward food and beverage providers anchored by Provisions Cafe. Public spaces ancillary to food and beverage retailers include a mix of covered and uncovered outdoor dining areas. Private balconies are provided for most residents and the building exterior form attempts to maximize available views and stimulate urban vibrancy. From the upper floors, there are views of Spencer Butte.

Amazon Corner fits in with community goals of smart growth along transit corridors. Particular attention is given to creating convenient access and welcoming spaces for pedestrians and cyclists, as well as motorists.

COMPLETED PROJECTS	Project Type	Location	deChase Millets			Edlén & Co.			Rowell Brokaw Architects			New Market Tax Credits		Historic Tax Credits		Low Income Housing Tax Credit		Public-Private Partnership		Sustainability Certification		Mixed-Use		Urban Renewal		Affordable Housing		Workforce Housing		
Ash + River Townhomes	Mixed-Use Workforce Housing	Boise, ID	✓	✓																								✓		
The Gibson	Mixed-Use Market-Rate Housing	Boise, ID	✓																										✓	
6th & Front Parking Garage	Parking Garage	Boise, ID	✓																											
The Hixon	Mixed-Use Market-Rate Housing	Bend, OR	✓																											
1203 Willamette	Mixed-Use Retail/Office	Eugene, OR	✓		✓																									
The Andy	Student Housing	Eugene, OR	✓																											
Northwest Community Credit Union	Financial Institution	Eugene, OR	✓		✓																									
K-14	Student Housing	Eugene, OR	✓																											
Crescent Village *	Mixed-Use Residential/Retail	Eugene, OR	✓		✓																									
Courtside	Student Housing	Eugene, OR	✓																											
The Janey *	Mixed-Use Residential/Retail	Portland, OR	✓																											
Brewery Blocks	Mixed-Use	Portland, OR		✓				✓	✓																					
BB1: Whole Foods	Mixed-Use Retail/Office	Portland, OR		✓																										
BB2: Brewhouse and Cellar	Mixed-Use Retail/Office	Portland, OR		✓																										
BB3: The Gerding Theater	Performing Arts Center	Portland, OR		✓				✓	✓																					
BB3: The Henry	Mixed-Use Condos/Retail	Portland, OR		✓																										
BB4: M Financial	Mixed-Use Retail/Office	Portland, OR		✓																										
BB5: The Louisa	Apartments & Retail	Portland, OR		✓																										
South Waterfront	Mixed-Use	Portland, OR		✓																										
OHSU Center for Health and Healing	Medical	Portland, OR		✓																										
The Meriwether	Mixed-Use Condos/Retail	Portland, OR		✓																										
The John Ross	Mixed-Use Condos/Retail	Portland, OR		✓																										
Atwater Place	Mixed-Use Condos/Retail	Portland, OR		✓																										
The Ardea	Mixed-Use Affordable Housing	Portland, OR		✓																										
The Civic	Condos	Portland, OR		✓				✓	✓																				✓	
Indigo @ 12 West	Apartments	Portland, OR		✓				✓	✓																					
38 Davis	Mixed-Use	Portland, OR		✓																										
Life Works NW	Medical & Apartments	Portland, OR		✓				✓	✓																				✓	
Beatrice Morrow	Mixed-Use Affordable Housing	Portland, OR		✓																										
City of Beaverton City Hall	Office	Portland, OR		✓																										
Old Town Recovery Clinic	Medical	Portland, OR		✓				✓	✓																					
Hill Park Apartments	Apartments	Portland, OR		✓																										
Meier & Frank Delivery Depot	Office	Portland, OR		✓					✓																					
Lane Community College Titan Court & Downtown Campus	Student Housing & Academic	Eugene, OR		✓																										
PNCA Ariene & Harold Schnitzer Center for Art and Design	Academic	Portland, OR		✓																										
Amazon Corner Apartments	Mixed-Use	Eugene, OR			✓																									
UO Hamilton Walton Student Housing	Mixed-Use Student Housing	Eugene, OR			✓																									
Bayview Heights Veterans and Homeless Housing	Apartments	Eureka, CA			✓																									
O Town Student Housing	Apartments	Eugene, OR			✓																									
Woodmansee Supportive Housing	Apartments	Eugene, OR			✓																								✓	
Edwards Center and Supportive Housing	Community Center and Housing	Aloha, OR			✓																									
First on Broadway Mixed-Use	Apartments and Retail	Eugene, OR			✓																									
PROJECTS UNDER DEVELOPMENT																														
The Lucy (Eugene - Delta Court)	Affordable Housing	Eugene, OR	✓		✓																								✓	
The Lucy (Boise - 5th & Grove)	Mixed-Use Market-Rate Housing	Boise, ID	✓																											
Thomas Logan	Mixed-Use Affordable Housing	Boise, ID	✓																											
Murray Master Plan	Mixed-Use Market-Rate Housing	Murry, UT	✓	✓																										
Eugene YMCA	Recreation Center	Eugene, OR	✓																											
Crosswood (Garden Avenue)	Market-Rate Housing	Eugene, OR	✓		✓					✓																				
5th & Grove Office Building	Office Building	Boise, ID	✓																											
Steam Plant Adaptive Reuse	Mixed-Use Office/Retail	Eugene, OR	✓		✓																									
De Paul Treatment Center	Mixed-Use	Portland, OR		✓						✓																				
The Nick Fish	Mixed-Use Housing/Retail/Office	Portland, OR		✓						✓																				
Patricia Reser Center for the Arts (PRCA)	Civic & Cultural	Portland, OR		✓																										
Beaverton Central Parking Garage	Mixed-Use Parking/Retail	Beaverton, OR		✓																										
PAE Living Building	Mixed-Use Retail/Office	Portland, OR		✓																										
Sage Commons Supportive Housing	Apartments	Santa Rosa, CA			✓																									
Meridian Corona Station	Apartments and Services	Petaluma, CA			✓																									

* Project completed while lead developer was at another firm

1059 Willamette Request for Proposal – Additional Questions

This document includes questions the City sent to the development team in response to their submitted proposal. The Developer's responses are in ***italic Bold***.

General Questions

1. In Section 1, #1, you say the affordability period will be 35 years. In #3, you say it will be 30 years. Could you clarify the intended affordability period?

The affordability period will be 35 years.

2. Section 1, #5 - You say you have reached out to Lane Arts Council but we don't see any commitment or interest from LAC. Could you please elaborate on any conversations you've had with LAC?

Please find attached letters of support from both Lane Workforce Partnership and Lane Arts Council.

3. Section 3, #11 - The proposal describes how you will market the affordable units, but it doesn't provide information on the marketing of market rate units. Can the team provide a summary of that marketing effort?

Our marketing team will provide a comprehensive action plan outlining strategies and tactics to achieve occupancy goals. This property specific plan will use various digital, social, print and traditional marketing to achieve occupancy results.

4. Section 3, #11 - The proposal describes the Fair Housing marketing best practices that it employs. One item is 'analysis of neighborhood-level' demographics. Can you describe what geographic area will comprise the 'neighborhood'?

We would utilize the Census Tract 16 for the geographic area in which this project is located. The housing and expanded housing market area utilized would be Eugene and Springfield.

Financials

5. Section 2, Assumed interest rate on loan – The narrative says the assumed interest rate is 3.65%, based on today's rate, plus a mortgage insurance premium of 0.25%, and a cushion of 0.25%. The letter from Greystone quotes 3.25%. Adding the mortgage insurance premium and cushion to that, brings the rate to 3.75% (3.25+0.25+0.25 = 3.75) compared to the assumed rate of 3.65% in the pro forma. Does the proposed project pencil if the interest rate increases to 3.75%?

The 10 basis points will not have a significant impact on the proforma. The actual interest rate will be locked in at the time of closing the loan.

6. *Section 2, Budget narrative* - The narrative says there is a 4% development fee and 5% owner contingency. Could you point these figures out in the provided pro forma?

Under "General Fees, Developer Fee," 1,073,946 (4% of hard and soft costs) is included. We have also included under "General Fees, Consultant Fee" 252,000 that covers Cornerstone's program management for resident services as well as construction management. Together, the developer fee and consultant fee are 4.9% of total project cost less reserves and cash accounts. Under "Construction Costs, Contingency," 1,059,340 (5% of hard costs) is included; under "Development Contingency, Development Contingency" 191,755 (5% of soft costs) is included.

7. In Section 3, we asked for evidence of financial capacity, which you briefly addressed in the narrative. Our goal with this requirement was to see evidence that shows your team has capital available, so that the project will continue to progress if unexpected problems arise. Some examples of the documents we've asked for in other RFPs are: a most recent audited financial statement and current operating budget OR two years of tax returns and an annual operating budget. Could you either a) provide documents similar to the above to demonstrate financial capacity OR b) submit a statement explaining your contingency plan or risk plan?

Both deChase Miksis and Edlen and Co have a strong balance sheet with adequate liquidity to support the predevelopment phase of this project. In addition, we have a broad group of equity investors that can provide additional capital to fund the project until the debt is put in place. We understand the risks that are inherent in development projects and we are willing to put our funds at risk as we scope the early stages of the project. During development we partner with strong equity partners that provide the necessary capital to execute projects of this size and scope. We also build into our project budget the necessary contingencies to ensure that adequate capital is on hand to bring the project to a successful completion.

8. From our understanding, Edlen & Company is a different company than Gerding and Edlen. Can the team explain how the new company will access equity investors, and how it is different from the previous company?

Edlen & Company is one of two successor companies to Gerding Edlen. Edlen & Company retained Gerding Edlen's 25+ year development business along with its long standing mission-based business focusing on public-private partnerships along with middle income and affordable housing projects. Mark Edlen, Roger Krage and Jill Sherman are all founding partners of Edlen & Company. Mark Edlen co-founded and Roger Krage and Jill Sherman were partners in Gerding Edlen. Roger Krage was responsible for raising equity (for projects not funded with Green Cities Funds I, II and III) and debt at Gerding Edlen and continues that function for Edlen and Company. Since its formation, Elden & Company has capitalized \$136 million of development (\$51 million of equity and \$85 million of debt).

9. *Pro Forma, Sources of Funding* - Please explain what is the "utility efficiency incentive".

We have assumed that the project will receive a EWEB utility incentive based on its energy performance.

10. *Uses of Funds* - Is hazardous abatement costs part of the overall demo costs?

\$300,000 is included for abatement and \$375,000 is included for demolition as separate line items.

11. *Engineering* - You show \$0 for engineering. Can you explain?

Engineering is included under Architectural. We have estimated 7% of the construction cost plus reimbursable expenses which would be sufficient to cover architecture and engineering as well as other specialty design consultants.

12. *Income* - Your mix of units in the pro forma does not equal the mix of units in your drawings. Which is the correct mix?

Floors 2, 3, 4 and 5 include 13 studios, 12 1-bedrooms, and 1 2-bedroom. Floor 6 includes 13 studios, 11 1-bedrooms, and 1 2-bedroom for a total of 65 studios, 59 1-bedrooms, and 5 2-bedrooms.

13. *Income* - The drawing shows 20 parking spaces but the pro forma includes revenue for 18 spaces. Is there a reason for the discrepancy?

This is an oversight on our part. The proforma should include revenue for 20 parking spaces.

14. *Income* - You show a 5% vacancy rate for the residential and commercial portions in Year 1. That seems optimistic (especially for the commercial). What are your plans to manage a higher vacancy rate?

We assumed that Year 1 in the City proforma was the first stabilized year. We would assume an approximately seven month lease up period (20 units per month) for residential and that the retail would be leased by six months after construction completion.

15. *Expenses* - Is Oregon's CAT tax included in the costs?

CAT Tax is included in the overall construction cost of the project.

16. *Expenses* - Do you plan to connect to the Downtown fiber network (EUGNet)? It has a \$10k connection fee.

Yes, we plan to connect to EUGNet. We have assumed this in our budget.

17. *Miscellaneous* - What return do you expect to provide your equity investors?

We are targeting a year 10 IRR (internal rate of return) of 12%.

Urban Design

Our Urban Design team will be preparing a memo summarizing their review of the project. They had a couple of follow-up questions based on your proposal. You aren't required to answer these, but if you did, they could speak to them in their memo:

- The development team is not required to indicate a ground floor height but as the Urban Design team we have interest in a generous ground floor height in the Downtown Core for flexibility of use and harmony within the context. Could you provide information on any consideration you've given to the ground floor height? If they are willing to answer this question we can highlight it in the memo.

The Concepts Design currently assumes 14-foot floor-to-floor for the ground floor, which is typical for retail/commercial ground floors in generously proportioned mixed-use projects. With open ceilings and tall windows along the streets, this will convey a tall ground floor presence to the street.

- Are there any historic interior features or fixtures that they plan to utilize or salvage? It sounds like everything is gone although I do seem to remember some remnants of a "grand" stairway and cornice mouldings but I haven't been inside the building for years.

Several years ago, members of our team did investigative work to determine if any of the original historic character of the exterior of the building was preserved. Unfortunately, it was not. If there are some artifacts in the interior of the building that are worth preserving, we will consider how to incorporate them into the new design.



Lane Arts Council
1590 Willamette Street, Suite 200, Eugene, OR 97401
541.485.2278 | lanearts.org

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February 2, 2021

To Whom It May Concern,

I am writing to express Lane Arts Council's support of the proposal submitted by Cornerstone Community Housing to the City of Eugene for the mixed-use housing project to be located at 1059 Willamette Street.

Cornerstone Community Housing has a rich history of building quality affordable housing and a deep understanding surrounding the need for workforce housing in our community. They partner with multiple agencies that promote personal improvement and economic independence for the residents they serve. We appreciate the benefits they bring to our community and their vision to integrate affordable and market-rate housing, space for small businesses, opportunities for local artists, and pathways for personal growth and economic independence for residents.

Lane Arts Council's mission is to cultivate strong and creative arts communities through arts education, arts experiences, supporting artists, and building community partnerships. We understand the need for affordable housing and space for artists and creative entrepreneurs to share their work and build their businesses.

Lane Arts Council is excited to support Cornerstone Community Housing's desire to promote financial stability, economic wellbeing, career growth, and opportunities for artists that creates upward mobility in our community. Thank you for considering their proposal.

Sincerely,

Stacey Ray
Executive Director



January 20, 2021

To Whom it May Concern:

This letter is to express Lane Workforce Partnership's support of Cornerstone Community Housing's proposal to the City of Eugene for the mixed-use housing project to be located at 1059 Willamette Street.

The work that Cornerstone Community Housing is engaged in to develop the property at 1059 Willamette Street in Eugene, Oregon presents an important benefit to the community. This site will integrate workforce housing with market rate housing and create a place to spark opportunities for people at all stages of their lives.

Cornerstone Community Housing has a rich history of building quality affordable housing and a deep understanding surrounding the need for workforce housing in our community. They are partnering with DE Chase Miksis and Elden & Company, which rounds out the team to ensure expertise for a successful project that promotes personal growth and economic independence for the residents of this community.

Lane Workforce Partnership, the designated local Workforce Development Board for Lane County, Oregon, funds and delivers programs that empower job seekers to meet the current and future workforce needs of employers in Lane County. Programs and services are delivered through a network of local partners including employers, labor groups, government, community colleges, high schools, community-based organizations, and economic development.

Lane Workforce Partnership is pleased to support the vision of this project at 1059 Willamette and the development team's desire to promote financial stability, economic wellbeing, and career growth designed to create upward mobility for those this project will serve over the years.

Sincerely,

A handwritten signature in cursive script that reads "Kristina Payne".

Kristina Payne
Executive Director

Memorandum

Date: July 7, 2021
To: Mayor and City Council
From: Amanda D'Souza, Business Development Analyst
Subject: 1059 Willamette – Additional Funding Options for Inclusion of Fair Market Rents

At the June 9 work session to discuss the redevelopment of the property at 1059 Willamette Street, City Council requested additional information on filling an anticipated gap of \$2 million if the selected project were to include Fair Market Rents, as defined by the Department of Housing and Urban Development (HUD). This memorandum provides information in response to Council's request.

Background

In November 2020, the City released a Request for Proposals (RFP) for the redevelopment of the property located at 1059 Willamette Street (the former Lane Community College Downtown Center) into mixed-income housing. The City received one proposal for a project called the Montgomery, from a development team led by deChase Miksis and Edlen & Company. On June 9, City Council reviewed the proposal and directed the City Manager to enter into negotiations with the development team and bring back proposed terms for Council action.

Income-Qualified Rents

Also at the June 9 work session, Council discussed the proposed rents in the income-qualified units. The affordability requirements for this project are required, because the City used Community Development Block Grant (CDBG) funds to acquire the property. In accordance with HUD requirements, the City's CDBG land-acquisition policy states that at least 51% of the units must have monthly housing costs (including utilities) that are no more than 30% of the HUD-published income limits for households at 80% of area median income (AMI). This is the threshold of affordability.

The RFP stated that proposals should use HUD Fair Market Rents. Fair Market Rents are determined through a complex methodology, based on data collected through the U.S. Census and surveys, and adjusted based on the actual gross rents of housing that has been occupied by "recent movers" in the local market, excluding certain types of housing. The Fair Market Rents are calculated to be at the 40th percentile of the rents determined through this process and can be more or less than rents determined by income, depending on household size. Fair Market Rents are used for several types of HUD-subsidized projects, such as the Housing Choice Voucher program and the City's CDBG-funded Rental Rehabilitation program.

The Montgomery proposal includes rents that are affordable to households earning 80% of AMI using CDBG income limits reduced by a utility allowance to account for tenant-paid utility costs. This method is acceptable under the City's CDBG land acquisition policies.

As an example, 80% AMI for a 1-person household is \$39,200.¹ In order to meet the threshold of affordability, the rent *and* utilities should be no more than \$980 per month. This is the gross monthly rent proposed for the Montgomery studio apartments. After subtracting a utility allowance of \$86, the maximum net rents for the income-qualified studio apartments in the proposed project are \$894. The 2020 HUD Fair Market Rent for a studio, minus a utility allowance, would be \$687, a difference of \$207 per month from the 80% AMI. The difference between 80% AMI rent and Fair Market Rent for a 1-bedroom would be \$157 per month (based on 2020 figures).

Project Impacts

The developer indicated that using the lower HUD Fair Market Rents over their proposed 35-year affordability period would create a financial gap of about \$2 million.² At their work session, Council directed the City Manager to bring back options to explore filling this estimated \$2 million gap in order for the rents in the proposed project's income-qualified units to be set at HUD Fair Market Rents instead of at the 80% AMI threshold. The table at the end of this memo provides a summary of potential funding sources and considerations for each.

It is important to note that the use of Fair Market Rents for the proposed units would lower the rents in the income-qualified units, but would not lower the income limits that would stay at the RFP requested level of 80% AMI. This means that the project would still not be eligible for other typical affordable housing tools, which are available for housing that is affordable to households with incomes at or below 60% of AMI.³

If Council were to want to provide the additional \$2 million to the project for the income-qualified units to be at the HUD Fair Market Rent level, consideration should be given to how the various funding sources could impact the project timeline. Due to the use of CDBG funds to acquire the site, the redevelopment must be complete and available for occupancy by 2025. The Montgomery proposal indicates a target completion date of 2024. While the proposed timing allows for flexibility, attention should be given to how each funding source for the \$2 million gap may impact the Montgomery team's ability to meet the CDBG required 2025 deadline.

Next Steps

As directed, staff will negotiate with the Montgomery team and return to Council with proposed terms for the sale and redevelopment of 1059 Willamette for action this fall. At that work session, Council will have an opportunity to discuss the funding options provided in this memo and decide whether or not to require HUD Fair Market rents and include the additional \$2 million to the project as one of the terms.⁴

¹ This is based on 2020 CDBG income limits, which were the most recently available when the RFP was issued and the proposal was submitted. Actual rents would depend on the CDBG income limits published at time of occupancy.

² As part of the RFP, Council and the Urban Renewal Agency Board approved making \$1.1 million of funding available to reduce the anticipated financial feasibility gap. The Montgomery team requests using the \$1.1 million for system development charges, permits/other fees, and the EWEB downtown electric-system connection fee.

³ The Montgomery team estimates that lowering the income limits to 60% of AMI for the income-qualified units would create an additional financial gap of \$2.5-3 million (compared to staying at 80% of AMI). However, in such a case the project would have access to other traditional affordable housing tools, such as 4% tax credits, to help close the gap.

⁴ If Council were to choose to move forward with requiring HUD Fair Market rents, Council would then have until the end of the due diligence period to finalize whatever approvals and budgetary action would be needed for the \$2 million additional funding.

Summary of Funding Options for Filling the \$2M to Set the Income-Qualified Rents at the HUD Fair Market Rents Threshold

The table below provides categories of potential funding sources and a preliminary assessment of each funding source’s considerations, all of which was created in collaboration with Central Finance staff. Finance recommended not including General Fund as a viable option, given its own financial challenges, including pandemic-related revenue losses, distressed fund support, and the recent court ruling regarding Comcast right-of-way fees for non-cable services.

Funding Type	Description	Other Considerations
Downtown Urban Renewal / Tax Increment Financing	Funds must be used in the Downtown Urban Renewal District, in accordance with the Downtown Urban Renewal Plan. City Council identified 1059 Willamette redevelopment as one of four projects eligible for tax increment funds in the 2016 Plan Amendment. While the project specific cap is \$6M, the remaining available estimated tax increment not already identified for other Plan projects was less than \$1.1M. On September 30, 2020, the Agency Board directed the City Manager to make \$700k in tax increment available in the 1059 Willamette RFP.	<p>It would be possible to make an additional \$2 million available for this project by increasing the District’s spending limit. Increasing the spending limit would require a Plan amendment, which involves mailing a postcard to the general public; notifying the taxing districts; concurrence from School District 4J; Planning Commission review/recommendation; and Council public hearing, work session to review comments, and action. It takes approximately six months. There is a risk that the Plan amendment ordinance would not be supported by the overlapping taxing districts or would be referred by voters.</p> <p>In order to align with the Montgomery team’s proposed timeline and their ability to meet the CDBG required 2025 construction deadline, a Plan amendment would need to be initiated this fall and completed prior to the end of due diligence (no later than spring 2022).</p> <p>An additional factor to consider would be whether additional urban renewal funds should be contributed to this project or used to incentivize another mixed-income redevelopment within the Plan Area.</p>

<p>Affordable Housing Trust Fund / Construction Excise Tax (CET)</p>	<p>The funds can be used for housing programs and services serving households with incomes up to 100% AMI. Funds can be used throughout Eugene. Funding is collected annually.</p> <p>The estimated AHTF for distribution in FY22 is \$1,331,000. City Council is scheduled to discuss the proposed allocation at the July 12 work session that includes \$998,000 for affordable housing development projects that would be awarded through a Request for Proposals process and \$333,000 for direct assistance to renters and homeowners.</p>	<p>While using AHTF on the 1059 Willamette redevelopment is eligible, there are many competing priorities for use of the AHTF to support a variety of affordable housing developments. Using the funding for this project would mean other projects would not have the opportunity to benefit from this resource.</p>
<p>MUPTE funds / HUB on Broadway's payment 'in lieu of affordable housing'</p>	<p>Per the MUPTE approval resolution for the HUB project, a total of \$1.03 million will be remitted to the City in annual increments from FY22 to FY26. The MUPTE approval resolution states the intent at the time (2014) that at least a portion must be spent on an emergency or temporary shelter. Funds can be used throughout Eugene.</p>	<p>The full amount will not be available until FY26, which is past the required construction completion date of 2025 for the 1059 Willamette redevelopment. The \$1.03 million is also not enough to fill the anticipated \$2 million gap.</p>

<p>State or Federal Grants / Legislative Requests</p>	<p>Staff does not currently know of specific State or Federal grants this project would be eligible for. The proposed project is not eligible for other State low-income housing programs (which are typically available to projects with units affordable to households at or below 60% of AMI).</p> <p>The City could consider making a request to the State legislature to support the project.</p>	<p>Grants can be uncertain in terms of timing and amount.</p> <p>Pursuing a legislative ask for this project would mean it is competing with other local needs, and given that the Montgomery rent limits are 80% AMI already could reduce the appeal given other priorities for State funding.</p> <p>The timing of these pathways could have significant impacts on the Montgomery team’s proposed timeline and their ability to meet the CDBG required 2025 construction deadline.</p>
<p>Private Grants or Donations</p>	<p>The City could consider partnering with the Montgomery team to a) establish a capital campaign that community members could contribute to or b) pursue private and philanthropic funding or grants.</p>	<p>A private apartment complex would be unlikely to attract private philanthropic contributions. Developing a capital campaign would require substantial effort to develop, which would compete with other philanthropic campaigns, most of which are tax-deductible for donors. The City was able to raise \$500k in private donations for parks improvements, but those contributions supported a public space that would be freely enjoyed by all in the community.</p> <p>City staff are not aware of any grant opportunities that support housing of this nature.</p> <p>The timing of this could have significant impacts on the Montgomery team’s proposed timeline and their ability to meet the CDBG required 2025 construction deadline.</p>

EUGENE URBAN RENEWAL AGENCY BOARD

AGENDA ITEM SUMMARY



Work Session: Downtown Open Space Improvements

Meeting Date: October 20, 2021
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Will Dowdy
Contact Telephone Number: 541-682-5340

ISSUE STATEMENT

The Agency Board will consider comments from the public hearing and possibly take action on a) the Willamette Connection project and other downtown Open Space improvements and b) whether Urban Renewal funds should be used.

BACKGROUND

On October 18, 2021, the Agency Board will hold a public hearing to hear from community members about whether the Willamette Connection project and other downtown Open Space improvements should move forward, and if so, how they should be funded. The AIS for this work session was produced prior to the public hearing. See the Agency Board's October 18, 2021 Public Hearing Agenda Item Summary on the downtown Open Space improvements (Attachment A) for more information.

AGENCY BOARD OPTIONS

1. Approve the use of \$400,000 of Downtown Urban Renewal tax increment funds for the Willamette Connection project and other downtown Open Space improvements.
2. Approve a different amount of Downtown Urban Renewal tax increment funds for the Willamette Connection project and other downtown Open Space improvements.
3. Decline to approve the use of Downtown Urban Renewal funds for downtown Open Space improvements at this time.

AGENCY DIRECTOR'S RECOMMENDATION

The Agency Director recommends Option 1: approve the use of \$400,000 of Downtown Urban Renewal tax increment funds for the Willamette Connection project and other downtown Open Space improvements.

SUGGESTED MOTION

Move to approve the use of \$400,000 of Downtown Urban Renewal tax increment funds for the Willamette Connection project and other downtown Open Space improvements.

ATTACHMENTS

A. AIS for October 18, 2021 Public Hearing

FOR MORE INFORMATION

Staff Contact: Will Dowdy
Telephone: 541-682-5340
Staff E-Mail: wdowdy@eugene-or.gov

EUGENE URBAN RENEWAL AGENCY BOARD

AGENDA ITEM SUMMARY



Public Hearing: Downtown Open Space Improvements

Meeting Date: October 18, 2021
 Department: Planning and Development
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Agenda Item Number: 2
 Staff Contact: Will Dowdy
 Contact Telephone Number: 541-682-5340

ISSUE STATEMENT

The public is invited to comment on a) whether the Downtown Open Space Improvements should move forward, and b) if so, how they should be funded. Following the public hearing, the Agency Board has a work scheduled for October 20 to consider the specific improvements to be constructed and whether Urban Renewal funds will be utilized.

BACKGROUND

In 2016-17, Project for Public Spaces (PPS), a non-profit based in New York City, conducted a study of four public spaces in downtown Eugene: Kesey Square, the Park Blocks, the intersection at 10th and Olive, and the Hult Center Plaza. Through public engagement, conversations with stakeholders, and observation of existing uses of the space, the study recognized the important role the Hult Center Plaza could play in connecting the north end of downtown with the traditional downtown core while supporting adjacent uses.

The Willamette Connection, as the project to improve the Hult Center Plaza has come to be known, embraces the findings from the 2017 [PPS Final Report](#), grounding itself in the following design principles:

- Support adjacent destinations
- Connect with the urban fabric
- Improve real and perceived public safety

In order to ensure the design of this space supports adjacent uses, an Advisory Committee has been involved throughout the design process. The Advisory Committee includes representatives from across the city organization, including staff from the Hult Center. It also includes the General Manager of the Graduate Hotel. Management staff at both the Hult Center and the Graduate are supportive of this project, particularly if the first phase of work can be completed to coincide with the Hult Center's 40th anniversary and the World Athletics Championships (summer 2022). Additionally, a letter of support for the project was submitted on behalf of the Eugene Japanese American Memorial Committee. This is an important vote of confidence as the proposed improvements are adjacent to the garden and plaque that constitute the Memorial.

As this project has evolved, so too has the urban fabric surrounding the site. The Downtown Riverfront development, the Fifth Street Public Market expansion, the Market District Commons and the Farmers Market Pavilion all underscore the need to connect the north end of downtown with the traditional downtown core. Community members identify unappealing pedestrian environments, such as crossing 6th and 7th Avenues, as barriers that discourage people from moving from one section of downtown to another. This results in downtown feeling larger and less convenient to traverse than it actually is. The Willamette Connection project helps to address those barriers and supports economic, social, and cultural activity across the greater downtown area.

Crime prevention through environmental design (CPTED) principles have been applied throughout the design process to date. A major thrust in this design work has been improving the lines of sight from one end of the space to another, encouraging people to connect through the space and increasing public safety. By encouraging more people to use the space to travel through downtown, we will increase 'eyes on the street' and discourage criminal behavior.

On July 27, 2020, the Agency Board passed a motion to fully fund the Farmers Market pavilion/plaza and fund Park Blocks improvements (restroom and right of way). On September 30, 2020, the Agency Board passed a motion to make \$700,000 in Urban Renewal funding available in the Request for Proposals for the redevelopment of 1059 Willamette for a mixed-income housing development. Together, these two actions leave \$400K of tax increment available for Open Space projects.

Proposed Scope, Budget, and Funding Sources

The design process to date produced a conceptual design for the entire space between the Graduate Hotel and Conference Center and the Hult Center for the Performing Arts (see Attachment A). In order to bring this item forward to the Agency Board for consideration, basic cost estimates were also produced. The cost of implementing the conceptual design for the entire Willamette Connection is estimated at \$2.6M.

Given the limited funding available, a phased approach is proposed that prioritizes elements that will create a welcoming and accessible space without impeding full implementation of the conceptual design at a future date. The proposed scope of Phase 1 focuses on creating welcoming north and south entries to the space (off of 6th and 7th Avenues, respectively), including improvements to the lines of sight, improved sidewalk and crosswalk connections, and improved accessibility for people using wheels for mobility. Attachment A includes additional details about the improvements and their location within the larger space. The estimated cost of implementing Phase 1 is between \$460,000 and \$500,000. The cost estimate and budget will be further defined through future stages of the design and construction process.

Public Works has \$70,000 available to improve pedestrian connections and accessibility for Phase 1 of the Willamette Connection, bringing the funding needed for this project down to an estimated range of \$390,000 – \$430,000. The Agency Board could direct the Agency Director to use the identified Urban Renewal funds for Open Space improvements, or consider other options, such as the General Fund, a future bond initiative, grants or other fundraising activities. If the Agency

finds, after bidding, the project budget exceeds the funding identified, either the project scope would be reduced or additional funds sought.

Other Downtown Open Space Improvements

If the Agency Board decides to use Urban Renewal funds for the first phase of the Willamette Connection, there may be some amount of Urban Renewal funding remaining to invest in other downtown open space projects. Staff proposes using any remaining funds to enhance connections between the Willamette Connection and other open spaces downtown, starting with alley lighting and sidewalk repair. These projects are scalable based on available funding. The Agency Board is asked to consider including these improvements as part of the larger decision about Open Space investment, subject to funding availability.

Urban Renewal

The Downtown Urban Renewal Plan outlines four steps that must be completed before the Agency Board can authorize the use of tax increment funds on these projects, including a public hearing. The public engagement conducted by Project for Public Spaces in 2017 as well as the recommendation provided by the Advisory Committee fulfilled step #1 of the process outlined in the Plan. The work session held on September 8, 2021 completed #2 of the process (staff presentation of information collected through community engagement activities as well as cost estimates and possible funding mechanisms for the project). Potential funding sources for the Open Space improvements are listed above.

Tonight's public hearing will be step #3. After the public hearing, the Board will have the opportunity to deliberate and take action on whether or not to invest Urban Renewal funds (step #4).

Proposed Next Steps

After the Public Hearing, the Agency Board is scheduled to deliberate on October 20 about whether to move forward with the Open Space improvements and whether Urban Renewal funds will be utilized. If the Agency Board decides to advance this project with Urban Renewal funds, next steps include:

- Contract for design services to produce a schematic design and construction documents for Phase 1 of the Willamette Connection
- Issue an RFP and award construction contract for Phase 1 of the Willamette Connection
- Complete construction of Phase 1 of the Willamette Connection by the end of June 2022
- Staff will assess remaining Urban Renewal funds and proceed with the other open space improvements

PREVIOUS COUNCIL / AGENCY BOARD DIRECTION

[June 13, 2016 Council Work Session](#)

The Eugene City Council passed two motions and approved Ordinance 20564 to amend the Downtown Urban Renewal Plan to increase the spending limit and to make the Park Blocks and other Downtown Open Spaces eligible for up to \$5.2 million of urban renewal funding for improvements.

[July 27, 2020 Agency Board Meeting](#)

The Agency Board passed a motion directing the Agency Director to commence the Park Blocks & Open Space and Farmers Market projects. The Board authorized the use of Urban Renewal funds to fully fund the Farmers Market pavilion/plaza, and to fund Park Block improvements (including a free-standing restroom and right of way improvements around the northwest Park Block). The Board also specified that a “minimal” amount of the estimated remaining \$1.1M of tax increment funds should be spent on Open Space projects.

[September 30, 2020 Agency Board Work Session](#)

The Agency Board passed a motion to direct the Agency Director to identify \$700K of Downtown Urban Renewal funds as available in the City RFP to support the 1059 Willamette redevelopment.

[September 8, 2021 Agency Board Work Session](#)

The Agency Board directed the Agency Director to schedule a public hearing to solicit public comment on whether the proposed open space projects should move forward and on the appropriate funding mechanisms for the projects; and further directed the Agency Director to schedule a work session for the Agency Board to deliberate on the projects.

ATTACHMENTS

A. Willamette Connection: Conceptual Design and Phase 1 Scope

FOR MORE INFORMATION

Staff Contact: Will Dowdy
Telephone: 541-682-5340
Staff E-Mail: wdowdy@eugene-or.gov