

 **Williams & Russell Project**

# W&R



## Request for Proposals (RFP)

# Williams & Russell

## DEVELOPMENT SITE

**Date: February 11, 2021**

**Responses due by: April 8, 2021**

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# A. Introduction & Overview

The Williams & Russell Community Project Working Group (PWG), Portland Mayor's Office, Prosper Portland, and Legacy Health have come together to support the development of a long-vacant parcel of land adjacent to Legacy Emanuel Medical Center in North Portland.

The property considered in this Request for Proposals was historically known as the Hill Block, located at N. Russell Street and Williams Avenue, and is currently owned by Legacy Health. The site is approximately 1.7 acres or 74,000 square feet of land.

The intention behind the redevelopment of the Property is to benefit, support, and honor Portland's African American community which has had a longstanding history of ownership and occupancy in the area. In the early 1970s, Prosper Portland (then the Portland Development Commission, also known as PDC) and the City of Portland, condemned, purchased, and demolished 188 properties as part of the Emanuel Hospital expansion project. Emanuel Hospital purchased these properties from PDC and acquired additional properties from individual owners in order to grow and expand its campus in North Portland.

Legacy Health, Prosper Portland, and the City of Portland are in collective agreement on the future and are committed to working together to develop the land to honor the history of Portland's African American community and further Legacy's mission of health and wellness for children and families.

In September 2018, Legacy Health, Prosper Portland, the Portland Housing Bureau (PHB), the City of Portland, and the Project Working Group (PWG) entered into a Memorandum of Understanding (MOU) establishing a collaboration with the objective of creating a transparent process and community-driven development of the Williams & Russell site. Attachment A provides a full copy of the MOU with key aspects as follows:

- The **Project Working Group** will define and drive a transparent, community-centered process and select the developer/development team and programming of the project;



- **Legacy Health** will convey the 1.7 acre property for no consideration to the body selected by the Project Working Group to implement the project that supports and honors Portland's African-American community, as described in the MOU and the potential for Legacy owned or leased medical facilities based on the PWG direction;
- The **Office of the Mayor** will act as sponsor and supporter of PWG recommendations to the Portland City Council and facilitate interaction with City agencies and processes related to development and planning;
- The **Portland Housing Bureau** will provide technical information or act as a resource for PWG regarding other financial resources for affordable housing and facilitate consideration/investment of affordable housing set-aside Tax Increment Finance Resources and other affordable housing financial tools within the Interstate Corridor Urban Renewal Area; and,
- **Prosper Portland** will provide technical information or act as a resource for PWG regarding other financial resources for commercial development and facilitate consideration/investment of non-set aside Tax Increment Finance Resources within the Interstate Corridor Urban Renewal Area.



Through a PWG led multi-year community engagement process, four (4) priorities were identified by the community and serve as guideposts for development outcomes. Those outcomes in order of community prioritization are as follows:

1. Housing/Affordable Rental & Home Ownership
2. Education/Workforce Training
3. Community Space
4. Support for Entrepreneurs

Following the community engagement process, in May 2020, the PWG issued a Request for Interest (RFI) with the goal of providing community partners, real estate developers, and interested parties an opportunity to express early interest in working on or being a part of this project. In mid-2020, the PWG tasked a subcommittee to examine and evaluate various structures for the long-term ownership and management of the property and the oversight of the development project in alignment with the values and intent of the PWG. In September 2020, the subcommittee recommended, and the PWG approved, pursuing the formation of a new nonprofit company to own the land and manage the development of the project over the long term.

The purpose of this Request for Proposal (RFP) is to seek (a) development team(s) to partner with the Williams & Russell Project Working Group and affiliated community organizations in the development of the Property in alignment with the PWG and community identified priorities and values. The RFP provides developers along with concerted collaboration(s) with community partners, interested program providers/directors, and development team consultants (such as architects, engineers, and contractors), the opportunity to develop the parcel of land within the parameters of the community needs in order to place (a) physical building(s) on the site that honor the history of Portland's African American community and the community priorities further detailed in this RFP. The PWG will select the development team pursuant to this RFP while forming and appointing the governance structure of the new nonprofit. The nonprofit will negotiate with the development team the specifics of what will be placed on the property, and the land transfer will occur with the approval and support of the PWG.

Proposals are due on April 8, 2021 at 5 pm.





## B. Project Site



The site is located between N. Vancouver and N. Williams Streets at the 2600 and 2700 blocks respectively in Northeast Portland. The 1.70-acre parcel is comprised of Tax Lot 4100 and that portion of Tax Lot 1800 south of the mid-line of the N. Knott Street as shown in the accompanying aerial (Property). North Williams Street, being the official boundary in the city of Portland divides the North and Northeast sections of the city. The site is located at the junction of these “quadrants.”

The site is adjacent to Legacy Health's Legacy Emanuel Medical Center campus to the west. Legacy Emanuel Medical Center was founded in 1912 by two Lutheran congregations and located within N/NE Portland. Legacy Emanuel is a member of Legacy Health, a five-hospital system established in 1989 by the merger of two nonprofit systems in metropolitan Portland Oregon. Included within Legacy Emanuel is the Randall Children's Hospital—one of two Children's hospitals in Oregon and SW Washington. Legacy's mission is — Good health for our people, our patients, our communities, our world.

The property consists of a single block, totaling roughly 1.7 acres, and is vacant except for two trees and two small concrete driveways. The site has a modest 2.5% slope and has previously been used as a parking lot. It enjoys excellent street access from four directions offering roughly 500 feet of street frontage

on Williams and Vancouver, and approximately the same on Knott and Russell Streets. There are no obvious constraints to redevelopment. The project was rezoned to Commercial/Mixed Use 3 (CM3) in the summer of 2020. This type of zoning allows a mix of commercial activities, housing, and employment uses that reflect the different types of centers and corridors and additional information regarding code requirements is available at [www.portlandoregon.gov/bps/article/53297](http://www.portlandoregon.gov/bps/article/53297).



## A. Property Ownership

Legacy Health is prepared to convey the Property for no consideration to the body selected by the PWG to implement a project that supports and honors Portland's African-American community. As part of their work, a subcommittee of the PWG examined and evaluated various entity structures for the long-term ownership and management of the Property and the oversight of the development of the project. The subcommittee looked at several ownership types and evaluated the merits, the potential and the drawbacks of each type.

Of the various models, the ownership subcommittee recommended to the PWG that a new nonprofit company is formed specifically for the work of developing, managing and overseeing the project. After discussion and evaluation of the various options, the PWG ownership subcommittee determined that the formation of a new, purpose-built nonprofit would be the most effective ownership model with the fewest drawbacks. A new nonprofit will still be able to benefit from the knowledge and expertise of City agencies and other nonprofits through the City's funding of the project and a board structure for the nonprofit that will include representation from various N/NE and African American community focused nonprofits, including those that have participated on the PWG. The expertise and staffing of the new nonprofit could also be tailored specifically to doing the work of developing this project. In September 2020, the PWG voted to approve this recommendation and has moved forward with new nonprofit formation discussions.

The new nonprofit will be managed by a Board of Directors, with initial Board members identified by the PWG. The PWG is discussing Board of Directors' membership representation to include members from community organizations whose mission prioritizes the advancement, support, or promotion of local Black individuals or Black-owned businesses; members of the heritage community who represent the interests of persons displaced by the original construction of Emanuel Hospital; and, individual Black-owned businesses. Community Benefits Agreements are typically between multiple community organizations and the developer in order to ensure the community's influence over the project in exchange for not opposing the project. With this project, the new nonprofit will manage the project, incorporate the voices of community organizations, and control the property. In this instance, community benefits could occur with terms of a Community Benefits Agreement built into the development contract with the developer. There could also be a Community Benefits Agreement between community groups, the new nonprofit and the selected development team.

## B. Environmental and Geotechnical Due Diligence; Appraisal

Phase I & II Environmental Site Assessment (ESA) reports were conducted on July 29, 2020 and August 20, 2020 respectively. The Phase I report was conducted by Coles & Betts Environmental Consulting, and the result indicated there was possibility of contaminants on the site due to historical occupants and facilities such as a gas station, paint and pesticide powder manufacturers, heating oil underground storage tanks (UST), and dry cleaning services. The Phase II investigation was also conducted by Coles and Betts and their additional inquiry revealed the potential of contaminants of soil and of soil vapors from the USTs and the historical practices of the manufacturers and the waste produced at the sites.

The ESA report included a geophysical survey to identify any tanks or suspected UST locations, and the extent of fill, if present. The geophysical report was completed as part of the ESA Phase II on August 20, 2020 by Pacific Geophysics of Portland. The geophysical survey included the adjacent sidewalks and the southern half of N Knott Street from the curb to the parking lines north. The geophysicists completed a magnetic survey and a ground penetrating radar (GPR) survey across the Property. Due to magnetic interference from some metallic street signs, bollards, and utility poles, the magnetic survey may have missed a small tank adjacent to these objects. The Property was traversed along survey lines set five feet apart for the GPR.

In May 2020, Romanaggi Valuation Services completed an appraisal of the property. Based on the investigation and applying a Sales Comparison Approach, the "as is" market value of the fee simple interest of the subject property as of May 1, 2020 is \$8,446,000 or \$114 per square foot.

Full copies of the environmental, geotechnical and appraisal reports are available here:

1. [Site Historical Map Overlay](#)
2. [Phase I Environmental Assessment](#)
3. [Phase II Environmental Assessment](#)
4. [Commercial / Mixed Use Zones](#)
5. [Appraisal](#)
6. [ALTA/NSPS Land Title and Location Survey](#)



## C. Interstate TIF District Eligibility

This project is within the Interstate Corridor Tax Increment Finance (TIF) district and may be eligible for tax increment financing to support community priorities, including affordable housing, community space, and support for entrepreneurship. TIF investments in the Interstate Corridor area is guided by two key documents: the [N/NE Neighborhood Housing Strategy](#) and the [N/NE Community Development Initiative](#).

The N/NE Neighborhood Housing Strategy is an initiative led by the Portland Housing Bureau to address a legacy of displacement in North and Northeast Portland through investments in new affordable rental housing, opportunities for first-time homebuyers, and home retention programs for longtime residents. The N/NE Community Development Action Plan is an initiative led by Prosper Portland to foster economic prosperity among African American and People of Color businesses, property owners, and community serving nonprofits that have not fully participated in, or benefited from, economic opportunities in the Interstate Corridor area. Both initiatives are led in partnership with community-based oversight committees.

In March 2020, following multiyear discussions with the N/NE Housing Strategy Committee, N/NE Community Development Initiative Oversight Committee, and the PWG, the Prosper Portland Board of Commissioners took two separate actions. The first action amended the boundaries of the Interstate Corridor TIF District to include the property at N. Williams and Russell in the district. This action made the project eligible for tax increment funding but committed no funding and made no budget decisions. This action followed two years of community discussions regarding the historic impact of urban renewal on the African American community and the role of tax increment financing in supporting community priorities in the city like affordable housing

and small business support in development projects.

A second separate action directed the Prosper Portland staff to initiate a process to consider increasing the maximum indebtedness of the Interstate TIF district. Maximum indebtedness is the amount of debt that the City of Portland can borrow to invest in a TIF district. On January 6, 2021, the Portland City Council voted in support of the proposed amendment to increase the maximum indebtedness of the Interstate Corridor Urban Renewal Plan by \$67 million, of which approximately \$45,000,000 is reserved for Portland Housing Bureau's affordable housing investments and approximately \$19,000,000 reserved for economic development investments in the Interstate TIF district.

PHB has a goal of 350 new affordable units within the Interstate TIF district, and the Williams & Russell project is one of three projects PHB could pursue to deliver on that goal. Prosper Portland's TIF funds are allocated annually across multiple competing projects. Final funding award will be considered and determined at the time the selected development team defines a specific project(s) development program and funding stack. Funding will occur in alignment with PHB and Prosper Portland's respective funding requirements, and any project receiving public funding over \$750,000 would be required comply with Oregon's prevailing wage rate law.

Because TIF money is limited primarily to building and construction costs, many of PHB and Prosper Portland's investments in the Interstate TIF district expand existing City programs and fund affordable housing and community based commercial developments that are in many ways similar to those built throughout the city. However, to have a different impact, the strategies also propose a set of new practices and policies

to address the specific barriers to housing access, security, and economic opportunity unique to N/NE, including:

- **Affordable rental housing relies on a variety of public and private funding sources to finance projects, most of which restrict units to be affordable to households earning at 60% of Area Median Income or below.**  
The typical sources of funding come from Low Income Housing Tax Credits (equity from private investors), bank loans, public lender gap financing, and grant sources. The Portland Housing Bureau provides gap financing for the construction and preservation of affordable housing through both direct financing as well as indirect subsidies, such as tax exemptions and fee waivers. PHB-funded housing is required to remain affordable at targeted incomes for up to 99 years. PHB's gap financing augments additional funding from other public and private sources.
- **Affordable homeownership** has household income restrictions (up to 80% AMI, except on 3-bedroom units and larger which are restricted at 100% AMI), and must be located within the Interstate Corridor URA. **Potential homeowners must participate in Homebuyer Education and Counseling.** PHB partners with several HUD approved nonprofit community organizations, to prepare potential homeowners for the purchase of a home, through one on one assessments, financial counseling, and identifying ways to leverage resources, as borrowers will need to obtain financing from a lending institution in the amount of the mortgage.

Direct gap financing from the Portland Housing Bureau comes with a series of policy, regulatory and compliance requirements including but not limited to:

- **N/NE Preference Policy** - All projects located within the Policy's service boundaries of the Interstate Corridor URA are required to follow the N/NE Preference Policy for unit marketing and lease-up rentals and first opportunity to purchase for homeownership.
- **Ninety-Nine Year Affordability Period** - Units in affordable rental housing projects must be affordable for 99 years. The income and occupancy restrictions will be documented in loan and regulatory agreements. All projects are restricted to 60% AMI and below, and all funded projects will have a portion of units at 30% AMI and below.
- **Annual Compliance Reporting** - PHB requires a series of tenant demographic, project update, compliance monitoring, physical inspection reports and fair housing tracking for all projects on an annual basis.
- **Social Equity Contracting and Employment** - PHB adheres to all policy goals and objectives adopted by the City of Portland, as well as the federal Department of Housing and Urban Development that aim to increase the participation of historically disadvantaged businesses and populations in the expenditure of public funds. PHB's goals for equity in contracting is 30% in construction contracts and 20% in professional services going to certified

Disadvantaged, Minority, Women, Emerging Small Business or Service-Disabled Veteran Owned Firms (DMWESB-SDV). Additionally, teams will be asked to adhere to PHB's Workforce Training and Hiring policies.

- **PHB's Affordable Housing Green Building** - The objective of the PHB Green Building Policy is to ensure that construction of affordable housing advances environmental, social and economic goals to implement the Climate Action Plan of the City of Portland and Multnomah County.

Direct gap financing from Prosper Portland comes with a series of policy, regulatory and compliance requirements including but not limited to:

- **Equity Policy** - Commercial developments within the Interstate Corridor area receiving Prosper Portland financial assistance are required to align with the agency's Equity Policy requiring that Prosper Portland activities that impact the community (e.g., real estate projects, community and economic development programs, lending and grant policies, budgetary/investment prioritization, and the processes that govern such decisions and investments) are evaluated from an equity perspective to (1) answer "who benefits?," (2) ensure that existing disparities are explicitly addressed, (3) identify risks, (4) mitigate unintended negative consequences, and (5) identify outcomes, accomplishments, and progress to date.

- **Business & Workforce Equity Program** - Prosper Portland's construction and contracting business practices are designed to improve the success rate of local small businesses and support the growth of construction and development firms owned by women and people of color. The Business Equity Program is a commitment to creating equitable outcomes by ensuring that Prosper Portland's contracts provide opportunities for minority, women and emerging small businesses. The overarching goal is to reduce obstacles to lasting prosperity by promoting economic growth, building capacity and expanding competition in the marketplace. The program has specific requirements for agency-supported hard-construction projects as well as for real property sold to a private party involving hard-construction costs.
- **Prosper Portland's Green Building Policy** - The Green Building Policy ensures that construction of commercial projects receiving Prosper Portland investment advances environmental, social and economic goals outlined across existing City policies related to development and natural resource conservation including the Stormwater Management Manual, 1 Percent for Green Streets, the Climate Action Plan, the Portland Plan, the Transportation Systems Plan, and the Metro 2040 Framework Plan.



# C. History of the Property

Historically, the Williams & Russell property was once part of a thriving community that housed the majority of African Americans in Portland and Oregon. Institutional racism made it illegal and difficult to own land as a minority, and with few options beyond the least desirable areas of Portland, African Americans primarily settled in the northeast quadrant of the city. The site was previously referred to as the Hill Block, which is the historic name of the building that once occupied the site and served as the center of the African American commercial district from the 1940s to the early 1960s. The Hill Block building's onion-domed cupola is now located in Eliot Neighborhood's Dawson Park.



In 1970, the Williams & Russell site was part of the 55-acre Emanuel Hospital urban renewal project. With the creation of the Emanuel Hospital urban renewal area, Prosper Portland (then the Portland Development Commission/PDC) and the City of Portland condemned, purchased and demolished 188 properties as part of the Emanuel Hospital (now Legacy Health) expansion project. According to a report written by Jeana Woolley, entitled [“Reconciliation Project: The Emanuel Hospital Urban Renewal Project,”](#) of the 188 properties PDC purchased and demolished for the Emanuel Hospital Urban Renewal Project from 1971-1973, 158 were residential and 30 were commercial/business properties. As described in [“The Brief History of Urban Renewal in Portland, Oregon,”](#) under the Federal Relocation Act of 1970, “homes were purchased at fair home market value and moving costs, up to \$15,000 if a comparable home could not be found, and up to \$4,000 to help renters with their rent or towards a new home.”



As a result of displacement, Albina residents, along with a member of the American Friends Service Committee, created the Emanuel Displaced Persons Association (EDPA) in 1970. In March 1971, the Emanuel Replacement Housing Agreement was entered into by Emanuel Displaced Persons Association, Emanuel Hospital, the Housing Authority of Portland, Model Cities Citizens' Planning Board, the City Demonstration Agency, and the Portland Development Commission. In the Agreement, the parties agree to cooperate in the development of approximately 180 to 300 units of federally assisted low and moderate income housing including public housing in an area within the Emanuel Hospital Urban Renewal Project area, together with complementary residential and supportive uses; the units to be furnished by the Housing Authority of Portland.

Emanuel Hospital purchased the Williams & Russell property from PDC on September 29, 1980 for \$396,777. The deed from PDC to Emanuel Hospital as part of this acquisition required that Emanuel would “begin the redevelopment of the Property by the construction of the improvements thereon within a reasonable period of time and, in any event, the development of the Property for hospital and other related uses shall be completed by January 1, 1990.” The deed also stated that this specific requirement was “binding for the benefit [of] the Community and (PDC) and enforceable by PDC against (Emanuel Hospital).”

On Tuesday, August 1, 2017, Prosper Portland, Legacy Health and the City of Portland announced a collaborative effort to develop a 1.7-acre block at North Russell Street and North Williams Avenue to honor the history of Portland's African American community and further the hospital's mission of good health with Legacy Health contributing the land at no cost to a community-based development as defined through the Project Working Group led process.

# D. Community Values & Priorities

In 2017 representatives designated by a number of Portland's African American led community-based organizations nominated and elected representatives from partner organizations and groups connected to the North-North East (N/NE) community to serve as members of the Williams & Russell Project Working Group. The PWG convened in early 2018 and has continued to work to develop and manage the community involvement process to guide the future of the Property. The Williams & Russell PWG members hold strong connections to the geographic area known as the North/Northeast community. Several are second and third generation Portlanders and have personal experience and institutional knowledge about the community, family members who were displaced as a result of urban renewal tied to this area, and extremely strong ties to community-based institutions and organizations. Collectively, they have clear perspective about the needs of Portland's Black/African American community.

That PWG first undertook community engagement in fall 2019 and has met regularly since that time with support from the Portland Housing Bureau, Prosper Portland, the Mayor's Office, and Legacy Health. The PWG hosted monthly meetings on the second Wednesday of each month to discuss and outline community engagement efforts the PWG has participated in and led, to advance project needs, to discuss upcoming events, and to track milestones. The meetings are open to the general public. While the PWG is now unable to host in-person meetings due to COVID-19 health restrictions, the PWG continues to meet virtually to ensure the project moves forward.

During its initial inquiry and discussions, the PWG determined the following values as critical to the community:

- **Culture:** Honor and respect the history of the African American and Black community in N/NE Portland, including recognition of the displacement and gentrification that has occurred on this site and in the larger Albina N/NE neighborhood. Prioritize a development project that is community-desired and benefits, supports, and honors Portland's current and past African American community, specifically the descendants of the displaced.
- **Economic Justice:** Support homeownership and wealth creation opportunities, opportunities for education and workforce training, support for entrepreneurs and economic development, and access to community gathering space for the Black/African American community in Portland.

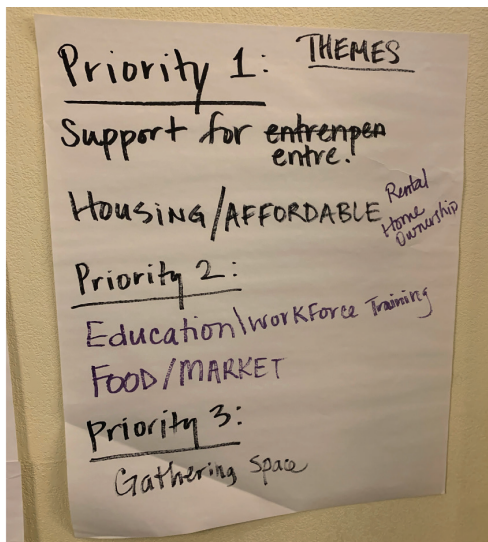


- **Connectivity:** Leverage regional and local assets to strengthen community connections, including between Black/African American neighbors and local organizations that provide supportive services to the N/NE community. Create a centralized location for inviting community members from East Portland who have been displaced to have opportunities to gather and benefit from the development on the Williams Russell site.
- **Equity:** Promote social equity, reduce disparities, and extend community benefits.
- **Accountability:** Implement a robust, proactive and transparent strategy that is a responsible expenditure of public funds, attracts private investment, and delivers targeted and equitable public benefits, with clear and enforceable milestones and metrics.

In addition, the PWG identified seven (7) potential programmatic priorities for the property: Housing/ Affordable Rental & Home Ownership; Education / Workforce Training; Community Space; Childcare / Early Childhood Education; Support for Entrepreneurs; Gathering Space; Healthcare / Social Services; Food / Market; Arts & Entertainment. Based on this framework, a Hill Block Community meeting on March 27, 2018 launched a community engagement process that lasted through early 2020. Mayor Ted Wheeler and representatives from Legacy Health, Prosper Portland and the PWG attended the launch event.

The community, through events, surveys, meetings and discussions, developed the following priorities for the site, listed in order. In all, more than 600 people shared their perspectives and ideas throughout the outreach mechanisms of open houses, social mixers, emails, advertisements, posters and social media. From the original nine (9) priorities identified by the PWG, the community narrowed the selection to the four (4) top priorities for the site. While the priorities guide the request list, the outcome(s) will ultimately be determined by market forces, zoning requirements, financial constraints and other development criteria. The priorities that developed from the ongoing discussions and surveys are:

- i. Housing / Affordable Rental
- ii. Education/Workforce Training
- iii. Home Ownership / Community Space
- iv. Support for Entrepreneurs



A report summarizing the Project Working Group's community engagement activities [is available here](#).

Following the community engagement process, in May 2020, the PWG issued a Request for Interest (RFI) with the goal of providing community partners, real estate developers, and interested parties an opportunity to express early interest in working on or being a part of this project. The RFI and responses received added to the public participation and input from community members in informing how the PWG has prepared this subsequent Request for Proposals (RFP). The RFI respondents shared their interest in the project (as a tenant; service provider; business partner; developer; etc.). The RFI closed in July 2020, and the PWG received responses from the following parties listed in alphabetical order. Teams responding to this RFP are welcome to reach out to one or more RFI parties, but are not obligated or required to do so.

- Bratton Construction and Development
  - » Lead Contact: Sharon Maxwell
  - » Team: Rodney Jones-National Capital Resources; Wrathell, Hunt and Associates
- Bridge Housing
  - » Lead Contact: Kurt Creager, EVP
  - » Team: Kurt Creager - Bridge; Steve Messinette - Habitat for Humanity; Andrew Colas - Colas Construction; Nate McCoy - National Association of Minority Contractors (NAMC) Oregon; Rico Quirindongo - DLR Group; Traci Manning - Traci Manning Consulting
- Carlton Hart Architecture
  - » Lead Contact: Michelle Black, Carlton Hart
  - » Team: Michelle Black, Martin Segura, Carolyn Kruger, Sean Bolden
- Hallovi
  - » Lead Contact: Anyeley Hallova
  - » Team: Anyeley Hallova; Andrew Colas - Colas Construction; Chandra Robinson - Architect
- Hart Development LLC - interest in participation on a team
  - » Lead Contact: Williams Hart, AIA Hart Development LLC
- Professional Business Development Group (PBDG) - interest in providing technical assistance for the project
  - » Lead Contact: Kenechi Onyeagusi, Executive Director
  - » Team: Don Geddes, Sam Kim, Irene Appel
- Related NW
  - » Lead Contact: Stefanie Kondor, Vice President Development
  - » Team: Stefanie Kondor, Julia Mines - Miracles Club; Maleka Taylor - Miracles Club; Dan Snow, Maurice Rahming - O'Neill/Walsh
- William/Kaven - interest in participation on a team
  - » Lead Contact: Daniel Kaven, Partner
  - » Team: Mike Perso, Daniel Kaven, Trevor William Lewis



# E. Submittal Requirements

Proposals should at minimum include the following information.

## Introduction Letter

- Name of the firm/organization or partnership(s)
- Address(es) of participating organizations
- Contact information and designated proposal representative
- Letter of Interest signed by the President/CEO/Manager

## Development Partner(s) Values & Qualifications

- Business's areas of development expertise (by development product type)
- Team capability & experience of similar projects and developments
- Past efforts to maximize opportunities for African-American and Black led businesses and community partners in your projects
- Experience working on community-led or government funded projects with obligated community benefit outcomes
- Knowledge of Portland's history of displacement as well as the local community and real estate market
- Documentation of connection (past projects, programs, collaborations or partnerships) with the Portland African American community currently or in the recent past.

## Vision for the Property

- Type of proposed development(s) earmarked for the property
  - » Including preliminary concepts and development uses/program description that meet the four community priorities (no more than 6 pages).
  - » Inspiration and values of the project described in Section D, including approaches that connect the proposed design or program to the history of the site.
  - » Community identified priorities described in Section D and further in the Community Engagement Report will guide the RFP process with selection also guided by market, zoning, financial and other development feasibility considerations.
  - » Please describe any proposed affordable housing including type of housing, unit count, unit mix and affordability level
- Planned for collaborations and partnerships with African-American and Black led businesses and community partners throughout the duration of the project
- Familiarity with and alignment of proposed project with the City's N/NE Neighborhood Housing Strategy and the N/NE Community Development Initiative, particularly if proposing to include Portland Housing Bureau or Prosper Portland financial resources
- Proposed ownership structure and partnership with PWG partners, including a commitment to ongoing community benefits via a Community Benefits Agreement or a legally binding commitment of similar terms
- Estimated Project Cost/Financials
- Estimated schedule for phases of development and project delivery

All participants are asked to submit their proposal packages electronically. Proposals must be clearly marked and should be addressed in the subject line as “RFP - Williams & Russell Development Site”. The package must be sent via direct email addressed as follows. If too large to transmit via email, the package can be sent via Dropbox to [Abuafl@prosperportland.us](mailto:Abuafl@prosperportland.us).

Prosper Portland  
Attn: MinNefer “Mjayi” Mernahkem  
[MernahkemM@ProsperPortland.us](mailto:MernahkemM@ProsperPortland.us)  
*RFP - Williams & Russell Development Site*  
220 NW Second Avenue, Suite 200  
Portland, OR 97209

With copy to:

Bryson Davis, Project Working Group Co-Chair  
[bdavis@sussmanshank.com](mailto:bdavis@sussmanshank.com)  
*RFP - Williams & Russell Development Site*  
1000 SW Broadway, Suite 1400  
Portland, OR 97205

Submittals for development of the full site should target a limit of 30 pages or less (not including appendices) and cover the following items.

## A. Development Team Organizational Structure

Due to the collaborative efforts and the possibility of multiple use types on the project site, there is a perceived understanding that several teams may combine resources and services to provide the final proposal for the project site. Therefore, in anticipation of joint efforts by multiple firms/service providers/developers etc., we request the following information be also provided in order to understand the roles, responsibilities and partnerships between each entity. Some of the information is detailed below, but is not limited to the following:

- Describe your organization(s)/company(ies) and the following:
  - » Type of service(s),
  - » Management structure(s),
  - » All partnership/team(s) members i.e. private-for profit, non-profit/service providers.
- Indicate how long each entity has been in business.
- Contact information for the organization(s)/development team(s) or firm(s).
- Description of team member(s) connection to N/NE Portland.
- If your plan is to collaborate with other organizations, please belief describe your partnership, their expertise, the roles/responsibilities of each partner, and the type of

partnership model/structure.

- Indicate how your proposed team structure and roles provides opportunities for African American entrepreneurs, especially those with cultural or historic ties to the neighborhood, to create wealth through real estate development, investment, and long-term asset ownership.

## B. Development Team Experience

Please describe your team's capability and experience, including lead developer, project architect, general contractor, lender (s) or any future investment or operating program partners.

- Provide a brief summary of your team capabilities and experience, including lead developer, project architect, general contractor, lender (s) and equity provider(s).
- Provide a brief description of the core team members who would be involved and their area of expertise. Summary qualifications of key project staff, including a description of their roles on this project, a résumé, and relevant experience from past projects
- Implementing projects similar in development scope to the size of the land/development opportunity and types of projects that implement the community priority uses: education/workforce, housing/rental, housing/ownership & community space, support for entrepreneurship, and projects with public/private development partnerships.
- Provide a brief description of your experience delivering Affordable Rental Multifamily Housing or Homeownership for relevant members of the project team. Provide a narrative of experience delivering Affordable Housing for all members of the project team. Each group should demonstrate capacity and/or experience in the role they have within the project team as Owner, Manager, Developer and/or Service Provider.
- Financing comparably scaled and complex projects; and the financial capacity of the development team. Please describe the current size and financial capability of your organization to deliver on the project and community priorities and demonstrated financial capability of the team.
- Description of team approach to including African American and other diverse entrepreneurs in key aspects of the project. Key aspects of the project includes real estate development, design, construction, equity investing, financing, operations, and long-term ownership. Examples may include assigning African American and other diverse personnel to key roles, joint venture partnerships, and mentoring programs intended to diversify the real estate industry and provide opportunities for Minority developers.

- Maintaining a diverse and equitable workforce (race, gender, disability) including a development team that includes African Americans and a history of fair and equitable labor practices. Team's familiarity with public policies, approaches, and demonstrated success in maintaining a diverse and equitable workforce (age, gender, disability) and maximizing diversity in construction business practices on past projects.
- How your organization or individual team members serve the broader African American community of Portland (including qualifications, strategies, etc.), with particular or historic focus in N/NE.
- Describe your team's experience and familiarity with legally binding community benefit obligations via a Community Benefit Agreement or either legal commitment with ongoing community accountability
- This project is within the Interstate Corridor Tax Increment Finance (TIF) district and may be eligible for tax increment financing to support community outcomes. TIF investments in this district are largely guided by two primary strategies. If you are intending to access TIF resources, please describe your organization's experience with TIF in pursuing community priorities in Portland or other markets similar to those outlined in the following two documents:
  - » [N/NE Neighborhood Housing Strategy](#)
  - » [N/NE Community Development Initiative Action Plan](#)
- Prosper Portland and PHB have robust goals related to equity in contracting and creating economic opportunities for a diverse workforce in the development of housing and commercial development receiving TIF funds. Describe your experience and track record on recent projects related to meeting or exceeding the City's goals in the following areas:
  - » Contracting for certified Disadvantaged, Minority, Women, and Emerging Small Business or Service Disabled Veteran-Owned Businesses;
  - » Workforce Training and Hiring Program; and
  - » Professional Services.

## C. Development Concept

Please provide a description of how your proposed development project and approach advances the community values and priorities listed in Section D.

- After your review of the Williams & Russell Community Engagement Report, N/NE Housing Strategy and N/NE Community Development Initiative Action Plan, what is your vision for the site?

- Please provide a preliminary concept for the development program and site plan and how it aligns with the goals of the project.
- What do you foresee as potential community benefit outcomes of the proposed project(s)?
- Discuss the roles and responsibilities of the development team and its members as those relate to the specific housing needs in the community, including who has access to the housing opportunities to be created by this project including approaches to outreach and marketing to Black, Indigenous and People of Color (BIPOC) communities.
- Please provide a high level development schedule including key milestones for negotiations with the land ownership nonprofit; Legacy Health as current land owner/potential funder; and/or the Portland Housing Bureau and Prosper Portland as potential funding partners.

## D. Development Approach

Please describe your proposed development approach, including any partnership with the nonprofit land owner and any public, private or foundation funding sources.

- How would you foresee funding the project and related development program(s) described? This should include information regarding proposed terms for entering into a partnership with the land owners of the Property and a preliminary budget of source and uses.
- Please describe any City of Portland funding you anticipate requiring. Note the following City of Portland and Prosper Portland policy requirements tied to funding:
  - » **Prevailing Wage:** If public investment is over \$750,000, construction work on the site is subject to Oregon Bureau of Labor and Industry (BOLI) prevailing wage rates. (See State of Oregon Prevailing Wage Statutes; Oregon Revised Statutes Chapter 279C.800 - .870).
  - » [N/NE Housing Strategy Preference Policy](#)
  - » **Business and Workforce Equity**
    - [Portland Housing Bureau's Social Equity in Contracting and Employment](#)
    - [Prosper Portland's Business Equity and Workforce Training and Hiring Program and Specifications.](#)
  - » **Green Building**
    - [Portland Housing Bureau's Affordable Housing Green Building Policy](#)
    - [Prosper Portland's Green Building Policy](#)



# F. Evaluation Criteria

All complete and responsive Proposals will be evaluated by the PWG Subcommittee together with Prosper Portland and PHB staff further described in Section G. Selection Process. Responsive proposals are those proposals that substantially comply with all required submittal procedures and requirements described herein. The evaluation will be based on the information submitted as well as any related information that the Project Working Group and its governmental partners may discover or request in analyzing or verifying information submitted in the proposal.

## A. Development Team Capability – 50%

- History of working on projects serving the Black community in the N/NE area.
- Participating in or implementing projects similar in development scope and type to proposed opportunity, including projects with public/private development partnerships and that have involved significant community engagement.
- Participating in a legally binding community benefit commitment.
- Maintaining a diverse and equitable workforce (race, gender, disability) including a development team that includes African Americans and other people of color and a history of fair and equitable labor practices.
- Affordable housing experience in multifamily rental housing and/or homeownership opportunities through a demonstrated track record of owning, managing, developing, and/or providing resident services. Provide a narrative of experience delivering Affordable Housing for all members of the project team. Each group should demonstrate capacity and/or experience in the role they have within the supportive housing project team as follows:
  - » Ownership and Management: Demonstrated track record on sustaining at least two other Affordable Housing projects.
  - » Affordable Housing Development: Demonstrated track record of developing and creating at least two other Affordable Housing projects that have met PHB's Underwriting Guidelines and Green Building Policy at the time of award, if applicable.
  - » Resident Services Delivery: Qualifications and

experience of Resident Services, either directly or in partnership, in at least two Affordable Housing programs. Experience should include a description of population(s) served, and types and level of services offered.

- Proposed team structure, roles, and ownership structure provides significant opportunities for entrepreneurs of color, especially those with cultural or historic ties to the neighborhood, to create wealth through real estate development, investment, and long-term asset ownership.
- Financial capacity of the development team and/or the team's proposed strategies for securing financing.

## B. Proposed Development Approach – 30%

- Participating in, or willingness to participate in, a legally binding commitment to public and community benefits.
- Demonstrated ability to maximize diversity in past projects or business practices and commitment to strive to meet and exceed each partner agency's construction Business & Workforce Equity Policy (or comparable policy).
- Proposed property and ownership approach (e.g. structure/terms/options), including relationship with the land ownership nonprofit.
- The proposed approach demonstrates an ability to provide housing access to Black households. The roles and responsibilities of the development team and its members as those relate to the specific housing needs in the community, including who has access to the housing opportunities to be created by this project:
  - » Approaches to outreach and marketing especially to Black communities.
  - » Approaches to low-barrier screening criteria, appeals processes and lease-up in operations that increase or improve access to targeted communities and those approaches that are adapted to comply with the [Portland Housing Bureau Preference Policy](#).
  - » Track record of recent affordable housing projects that have demonstrated success in reaching Black communities. Include race and ethnicity demographics of all residents, if available.

- The proposed approach demonstrates market awareness and financial feasibility.
- Proposed concept for project financial structure and terms.
- Identify the amount and terms of any requested Portland Housing Bureau and/or Prosper Portland financing in alignment with the proposed project.
- Project schedule – including estimated timing for due diligence and partnership phase; negotiating any property related or financial agreements; project start and project completion.

## **C. Proposed Project – 20%**

- Proposed project uses advance the values of the Project Working Group and community priorities identified through the community engagement process.
- Proposed project concept honors the historic Black community of N/NE and acknowledges historic displacement and import of the site.
- To the extent practical the proposed project provides both community and/or public benefits to the neighborhood and the willingness to establish robust partnerships to provide these benefits.



# G. Selection Process

## A. Virtual Information Session.

A virtual information session will be held March 17, 2021, 4:00 to 5:30 p.m. with participation by Project Working Group members, The City of Portland, Prosper Portland, and Legacy Health. All questions must be submitted in writing one week prior to the March 17th session. Please submit questions to the emails listed below under "Requests for Clarification." All Q&As will be shared and published publicly. Please find a Zoom Link listed below for the Virtual Information Session:

<https://us02web.zoom.us/j/85810927299>

## B. Requests for Clarification.

Any written requests for clarification(s) should be made in writing and sent to the following address:

Email: [mernahkemm@prosperportland.us](mailto:mernahkemm@prosperportland.us)  
and [bdavis@sussmanshank.com](mailto:bdavis@sussmanshank.com)

Prosper Portland  
Attn: MinNefer "Mjayi" Mernahkem  
Subject: Development for Williams & Russell  
220 NW Second Avenue, Suite 200  
Portland, OR 97209

Other technical partners and business collaborators are listed below. Please feel free to review their guiding principles and/ or research their organizations, in order to gain an understanding of their interests.

- **Legacy Health:**  
Vicki Guinn, [vguinn@lhs.org](mailto:vguinn@lhs.org)  
503-890-6216
- **Portland Housing Bureau:**  
Leslie Goodlow,  
[Leslie.Goodlow@portlandoregon.gov](mailto:Leslie.Goodlow@portlandoregon.gov)  
503-823-4160

Any requests that result to changes to the RFP and/ or other RFP amendments will be made in written or thru email and will be posted on Prosper Portland's website. Please ensure that your name, address and email addresses are correct in order to receive timely updates on any changes that may occur.

## C. Site Visit.

Visits to the site will be the responsibility of the interested team(s) and will be conducted in partnership with a PWG member and/or partner agency staff. Legacy Health has made the site available weekdays between 9 a.m. and 5 p.m., March 22 through March 31. You may contact the project manager, MinNefer (Mjayi) Mernahkem via email at [mernahkemm@prosperportland.us](mailto:mernahkemm@prosperportland.us) and Justice Rajee, PWG CoChair at [justice@portlandoic.org](mailto:justice@portlandoic.org) with your requested time.

## D. Review of Responses.

RFP submittals will be reviewed by the PGW along with Prosper Portland/PHB staff, and responses will be made available approximately 45 days after the close of the RFP receipt. The review of RFP submissions will include the following:

1. Review for completeness by members of the PWG RFP Subcommittee and Prosper Portland/ PHB staff.
2. An Evaluation Committee comprised of Project Working Group RFP Subcommittee representatives, together with technical support from Prosper Portland and PHB staff, will forward a short list up to 3 project teams for interview (identified via forced ranking based on the Evaluation Criteria) and will present that list to the full PWG.
3. An opportunity for review of all complete proposals by the full Project Working Group (via consent agenda) and to identify any issues prior to the PWG finalizing a short list.
4. PWG will invite community members to provide questions for team(s) interviews, and the Evaluation Committee will conduct interviews with up to the top 3 projects teams.
5. Teams may be invited to provide briefings with the Legacy Health Board, Prosper Portland Board of Commissioners, or Portland Housing Bureau City Commissioner, as needed.
6. The Evaluation Committee will make a selection recommendation to the full Project Working Group for approval with opportunity for community input as part of a public meeting.

The Project Working Group may request additional information and conduct interviews with responders as part of the evaluation process.

This RFP may lead to one of the following outcomes:

1. Direct partnership negotiations with the Project Working Group through a Memorandum of Understanding (MOU) or legally obligating agreement related to land and/or community benefits.
2. Cancellation of this RFP without selection of a development team

The Project Working Group expects the evaluation of submittals will be completed by May 2021 and anticipates engaging the selected development partner in an MOU or other agreement by Fall of 2021.



# H. Terms of this RFP

- This RFP is not a request for competitive proposals that is subject to the Oregon Public Contracting Code (ORS 279). This RFP in no way obligates the PWG to enter a relationship with any entity that responds to this RFP or limits or restricts. In its sole discretion, the PWG may pursue discussions with one or more entities responding to this RFP or none. PWG further reserves the right, in its sole discretion, to cancel this RFP at any time for any reason. This RFP is not subject to any process except as described herein.
- To the extent that the PWG or related nonprofit elects to enter a relationship with an entity regarding a development proposal that includes either PHB or Prosper Portland funds, such entity shall be required to comply with PHB and Prosper Portland's policies, including their Business and Workforce Equity and Green Building Policies in connection with any work under- taken on such proposal.
- If project relies on funds from the Portland Housing Bureau, any work undertaken will be required to:
  - » Comply with City-required 99-year affordability agreement and annually submit compliance reporting as specified in agreement.
  - » Federal Lead Regulations: All projects proposing rehabilitation of structures built before 1978 will be subject to federal Lead-Based Paint regulations per 24 CFR Part 35.
  - » Other PHB and/or Prosper Portland policies and requirements may apply, depending on the specific project. See Attachment B for additional information and requirements referenced in this RFP.
  - » Existing PHB/Prosper Portland funded projects- Any applicant with previously funded PHB/PDC projects in their portfolio must be current on reporting requirements and required loan payments. PHB, in its sole discretion, may elect not to award project teams that are not current with reporting requirements.
- Information provided to Prosper Portland in response to this RFP will be subject to public inspection in accordance with the Oregon Public Records Law, ORS 192.410, et seq. If an entity responding to this RFP believes that a specific portion of its proposal constitutes a 'trade secret' under Oregon Public Records Law (ORS 192.501.2) and is, therefore, exempt from disclosure, the entity must clearly identify that specific information as a 'trade secret.' Identification of information as a 'trade secret' does not necessarily mean that the information will be exempt from disclosure. Prosper Portland will make that determination based on the nature of the information and the requirements of the Oregon Public Records Law.
- Every effort has been made to include all the information necessary to prepare and submit a responsive proposal; however, in the event additional information is desired, please submit requests as referenced in the Requests for Clarification section. During this RFP process, Proposers must refrain from undertaking any activities or actions to promote or advertise their proposals; or to make any direct or indirect (through others) contact with members of the Project Working Group or other project partners not identified as a contact for specific information, except upon prior consent of the PWG.

The Developer and the nonprofit inheriting the work of the PWG and land transfer will enter a Memorandum of Understanding (MOU) by fall 2021 that describes in general terms the conditions, contingencies, and commitments by the parties separately and/or jointly. The MOU is non-binding and may be terminated by either party in its sole discretion.

# I. Attachments

Attachment A. Memorandum of Understanding between Legacy Health, Prosper Portland, City of Portland, Project Working Group

## MEMORANDUM OF UNDERSTANDING

### Background/Agreement

Legacy Health, Prosper Portland and City of Portland have jointly agreed to support a collaborative effort that will lead to a community-desired project on the 1.7-acre block bordered by North Russell, North Williams, North Vancouver and Knott Streets (the Hill Block).

Legacy Health, Prosper Portland, and the City of Portland agree that the development will benefit, support and honor Portland's African-American community and further Legacy Health's mission of promoting health and wellness for children and families.

A Project Working Group (PWG) will be established through this collaboration with the objective of creating a transparent process and community-driven outcomes.

### Roles/Responsibilities

The **PWG** will:

- Define and drive a transparent, community-centered process;
- Direct the visioning and community engagement processes;
- Select the developer/development team and programming of the project;
- Coordinate efforts with the N/NE CDI Oversight Committee and the N/NE Housing Strategy Committee; and
- Operate according to their signed Charter as attached.

**Legacy Health** will:

- Participate in the community-led process with ex-officio nonvoting representation on the PWG to ensure the Legacy Health Board is involved in assessing the PWG priorities;
- Assist the PWG in making funding requests;
- Solicit input from PWG on Legacy owned or leased medical facilities of up to 35,000 square feet to be included as part of development project;
- Directly fund construction of any Legacy Health-owned medical facility on the site or lease any Legacy Health-occupied medical facility on the site that is developed and owned by a third-party nonprofit or private developer, and, in either instance, pay any market standard of shared operations and maintenance fees; and
- Convey the Hill Block for no consideration to the body selected by the Project Working Group to implement a project that supports and honors Portland's African-American community, a priority of the Legacy Health Board.

The **Office of the Mayor** will:

- Convene and participate in the community-led process with ex-officio non-voting representation on the PWG;
- Secure initial General Fund resources to support its creation;
- Act as sponsor and supporter of PWG recommendations to the Portland City Council;
- Facilitate interaction with City agencies and processes related to permitting and development; and

## MEMORANDUM OF UNDERSTANDING

- Participate in the community-led process in order to ensure the Mayor is apprised of the PWG priorities and to ensure Portland Housing Bureau and Prosper Portland have and are providing sufficient support as defined by PWG.

### **The Portland Housing Bureau will:**

- Participate in the community-led process with ex-officio non-voting representation on the PWG and as technical support on matters of community engagement and affordable housing;
- Coordinate efforts between the N/NE Housing Strategy Committee and the PWG;
- Provide technical information or act as a resource for PWG regarding other financial resources for affordable housing development; and
- Facilitate consideration/investment of affordable housing set-aside Tax Increment Finance Resources and other affordable housing financial tools if the Hill Block is included in the Interstate Corridor Urban Renewal Area.

### **Prosper Portland will:**

- Participate in the community-led process with ex-officio non-voting representation on the PWG and in order to ensure that the community is driving the process and creates desired outcomes;
- Act as the steward of public funds dedicated to the support of the PWG;
- Provide staffing to coordinate the PWG at least through development of the Charter – and then as the PWG determines;
- Support the community-led process to support and honor Portland’s African-American community as technical support on matters of project management, commercial and mixed-use development;
- Coordinate efforts between the N/NE CDI Oversight Committee and the Project Working Group;
- Provide technical information or act as a resource for PWG regarding other financial resources for commercial development; and
- Facilitate consideration/investment of non-set aside Tax Increment Finance Resources if the Hill Block is included in the Interstate Corridor Urban Renewal Area.

### **The Project Working Group Facilitator will:**

- Facilitate PWG meetings;
- Support PWG as defined in the Charter (to be defined & attached).

This Memorandum of Understanding (MOU) outlines elements of the collaboration so that the parties can work productively toward due diligence, documentation, and implementing a collaborative project. This MOU will be effective upon execution by the PWG, PWG Facilitator, Legacy Health, Office of the Mayor, Portland Housing Bureau, and Prosper Portland (the Parties). During the 24-month term of the MOU, Legacy Health will be bound to refrain from negotiating with other parties on the Hill Block (the Exclusivity Period). During the Exclusivity Period, the Parties will commit to implement a collaborative community process and to




## MEMORANDUM OF UNDERSTANDING

negotiate legally binding and definitive agreements regarding the establishment of a Hill Block development project. The Exclusivity Period may be extended by mutual agreement.




Lakeitha Elliott  
PWG Co-Chair




Bryson Davis  
PWG Co-Chair



Dr. Steven Holt  
PWG Facilitator



Kathryn Correia, CEO  
Legacy Health



Ted Wheeler, Mayor  
City of Portland



Shannon Callahan, Executive Director  
Portland Housing Bureau



Kimberly Branam, Executive Director  
Prosper Portland

September 5<sup>th</sup>, 2018  
Date