

IMPACT STATEMENT

Legislation title: *Authorize the Portland Housing Bureau to enter into a contractor agreement with CBRE HMF, Inc. for the refinance of the Headwaters Apartments (Ordinance)

Contact name: Javier Mena
Contact phone: 503.823.3377
Presenter name: Kurt Creager

Purpose of proposed legislation and background information:

The Portland Housing Bureau requests City Council's approval to authorize the Portland Housing Bureau enter in a contractor agreement with CBRE HMF, Inc. for the refinance of the Headwaters Apartments (Ordinance). Through a competitive process, PHB identified CBRE HMF, Inc. to assist in the refinance of the Headwaters Apartments. In 2006, the Portland Development Commission (PDC), under the auspices of City Lights program, developed The Headwaters Apartments. The Headwaters opened in 2007 as a 100-unit residential community (with 76 one-bedroom and 24 two-bedroom units) located at 8833 SW 30th Avenue in southwest Portland. It was conveyed to the Portland Housing Bureau (PHB) by PDC when the bureau was created on July 1, 2010. Since then, PHB has taken a limited role in the management of the Headwaters Apartments, primarily monitoring its fiscal performance in order to ensure bond and other requirements were met. Since 2006, the property has been managed by Guardian Real Estate Services under a contract with PDC.

Headwaters Apartments

<u>Total Units</u>	100
<u>No. at or below 30% MFI:</u>	0
<u>No. at or below 60% MFI:</u>	40
<u>Population Specific Units:</u>	N/A
<u>PHB Subsidy:</u>	N/A (PHB-owned)
<u>Leveraged Funds:</u>	N/A (PHB-owned)

Financial and budgetary impacts:

Of the estimated \$350,000 costs to refinance, about \$82,933 will be paid upfront with funds currently included in PHB's FY 16/17, with the remaining fees paid at closing with loan proceeds. Based on current operations, the Headwaters provides an annual income of \$1,474,344. By restricting 40 per cent of the units (40%), the income would decrease by \$177,720 to \$1,296,624. The proposed change can be absorbed within the projects operating budget. This transaction will also free up the City's debt capacity by paying off associated City-issued bonds.

Community impacts and community involvement:

PHB has engaged the community at a variety of locations and events, the consistent feedback from such events is the need to increase the affordable housing stock. This actions does that.

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

SAMPLE: DO NOT EXECUTE

CFDA 14.218
CFDA 14.913
CFDA 14.900

**CITY OF PORTLAND
AGREEMENT FOR PROFESSIONAL, TECHNICAL, OR EXPERT SERVICES**

CONTRACT NUMBER 30005481

**TITLE OF WORK PROJECT
Headwaters Refinance**

This contract is between the City of Portland ("City," or "Bureau") and CBRE HMF, Inc., hereafter called Consultant. The City's Project Manager for this contract is Javier Mena.

Effective Date and Duration

This contract shall become effective on September 19, 2016. This contract shall expire, unless otherwise terminated or extended, on once the Headwaters refinance loan is funded and closed.

Consideration

(a) City agrees to pay Consultant a sum not to exceed \$350,000 for accomplishment of the work, subject to the terms and conditions set forth in the STATEMENT OF THE WORK AND PAYMENT SCHEDULE (the "STATEMENT OF WORK"). All amounts due and payable after the City's execution for a Firm Commitment with HUD, and all amounts due to any party after the closing of the Loan (including, without limitation, the payment of principal and interest under the terms of such Loan) are not part of the payment for services hereunder and are not such to the maximum payment amount set forth herein.

CONSULTANT DATA AND CERTIFICATION

Name (print full legal name): CBRE HMF, Inc.

Address: 101 California St, 22nd Floor, San Francisco, CA 94111

Employer Identification Number (EIN): 83-0495358

[INDEPENDENT CONSULTANTS: DO NOT PROVIDE SOCIAL SECURITY NUMBER (SSN) – LEAVE BLANK IF NO EIN]

City of Portland Business Tax Registration Number: _____

Citizenship: Nonresident alien Yes No

Business Designation (check one): Individual Sole Proprietorship Partnership Corporation

Limited Liability Co (LLC) Estate/Trust Public Service Corp. Government/Nonprofit

Payment information will be reported to the IRS under the name and taxpayer I.D. number provided above. Information must be provided prior to contract approval.

TERMS AND CONDITIONS

1. Standard of Care

Consultant shall perform all services under this contract using that care, skill, and diligence that would ordinarily be used by similar professionals in this community in similar circumstances.

2. Effect of Expiration

Passage of the contract expiration date shall not extinguish, prejudice, or limit either party's right to enforce this Contract with respect to any default or defect in performance that has not been corrected.

3. Order of Precedence

This contract consists of these Terms and Conditions, the Statement of Work and Payment Schedule, and any exhibits that are attached. Any apparent or alleged conflict between these items will be resolved by using the following order of precedence:

a) these Terms and Conditions; b) Statement of Work and Payment Schedule; and c) any exhibits attached to the contract.

4. Early Termination of Contract

- (a) The City may terminate this Contract for convenience at any time for any reason deemed appropriate in its sole discretion prior to Consultant's delivery of a Firm Commitment to lend from HUD to City. Termination is effective immediately upon notice of termination given by the City.
- (b) Either party may terminate this Contract in the event of a material breach by the other party that is not cured. Before termination is permitted, the party seeking termination shall give the other party written notice of the breach, its intent to terminate, and fifteen (15) calendar days to cure the breach. If the breach is not cured within 15 days, the party seeking termination may terminate immediately by giving written notice that the Contract is terminated.

5. Remedies and Payment on Early Termination

- (a) If the City terminates pursuant to 4(a) above, the City shall pay the Consultant for work performed in accordance with the Contract prior to the termination date. No other costs or loss of anticipated profits shall be paid; provided, however, that if the City has executed a rate lock prior to such termination, any related breakage fee will be due and payable.
- (b) If the City terminates pursuant to 4(b) above, the City is entitled all remedies available at law or equity. In addition, Consultant shall pay the City all damages, costs, and sums incurred by the City as a result of the breach.
- (c) If the Consultant justifiably terminates the contract pursuant to subsection 4(b), the Consultant's only remedy is payment for work prior to the termination. No other costs or loss of anticipated profits shall be paid.
- (d) If the City's termination under Section 4(b) was wrongful, the termination shall be automatically converted to one for convenience and the Consultant shall be paid as if the Contract was terminated under Section 4(a).
- (e) In the event of early termination the Consultant's work product before the date of termination becomes property of the City.

6. Assignment

Consultant shall not subcontract, assign, or transfer any of the work scheduled under this agreement, without the prior written consent of the City; provided, however, that Consultant may subcontract work to the third party providers scheduled on the STATEMENT OF WORK. Notwithstanding City approval of a subconsultant, the Consultant shall remain obligated for full performance hereunder, and the City shall incur no obligation other than its obligations to the Consultant hereunder. The Consultant agrees that if subconsultants are employed in the performance of this Agreement, the Consultant and its subconsultants are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation. Furthermore, by execution hereof, City acknowledges that Consultant will be delivering reports and information in connection with the work performed hereunder to HUD.

7. Compliance with Applicable Law

Consultant shall comply with all applicable federal, state, and local laws and regulations. Consultant agrees it currently is in compliance with all tax laws. Consultant shall comply with Title VI of the Civil Rights Act of 1964 and its corresponding regulations. In connection with its activities under this Contract, the Consultant shall comply with all applicable Grant Terms and conditions. This includes all terms and conditions contained in this contract and, for a contract involving a grant, the Grant Terms and Conditions.

8. Indemnification for Property Damage and Personal Injury

Consultant shall indemnify, defend, and hold harmless the City, its officers, agents, and employees, from all claims, losses, damages, and costs (including reasonable attorney fees) for personal injury and property damage arising out of the intentional or negligent acts or omissions of the Consultant, its Subconsultants, suppliers, employees or agents in the performance of its services. Nothing in this paragraph requires the Consultant or its insurer to indemnify the City for claims of personal injury or property damage caused by the negligence of the City. This duty shall survive the expiration or termination of this contract.

9. Insurance

Consultant shall obtain and maintain in full force at Consultant expense, throughout the duration of the Contract and any warranty or extension periods, the required insurance identified below. The City reserves the right to require additional insurance coverage as required by statutory or legal changes to the maximum liability that may be imposed on Oregon cities during the term of the Contract.

- (a) Workers' compensation insurance as required by ORS Chapter 656 and as it may be amended. Unless exempt under ORS Chapter 656, the Consultant and all subconsultants shall maintain coverage for all subject workers.

Required and attached // Proof of exemption (i.e., completion of Workers' Compensation Insurance Statement)

- (b) General commercial liability (CGL) insurance covering bodily injury, personal injury, property damage, including coverage for independent consultant's protection (required if any work will be subcontracted), premises/operations, contractual

liability, products and completed operations, in per occurrence limit of not less than \$1,000,000, and aggregate limit of not less than \$2,000,000.

Required and attached // Waived by Bureau Director or designee // Reduce by Bureau Director or designee

- (c) Automobile liability insurance with coverage of not less than \$1,000,000 each accident, and an umbrella or excess liability coverage of \$2,000,000. The insurance shall include coverage for any auto or all owned, scheduled, hired and non-owned auto. This coverage may be combined with the commercial general liability insurance policy.

Required and attached // Waived by Bureau Director or designee // Reduce by Bureau Director or designee

- (d) Professional Liability and/or Errors & Omissions insurance to cover damages caused by negligent acts, errors or omissions related to the professional services, and performance of duties and responsibilities of the Consultant under this contract in an amount with a combined single limit of not less than \$1,000,000 per occurrence and aggregate of \$3,000,000 for all claims per occurrence. In lieu of an occurrence based policy, Consultant may have claims-made policy in an amount not less than \$1,000,000 per claim and \$3,000,000 annual aggregate, if the Consultant obtains an extended reporting period or tail coverage for not less than three (3) years following the termination or expiration of the Contract.

Required and attached // Waived by Bureau Director or designee // Reduce by Bureau Director or designee

Continuous Coverage; Notice of Cancellation: The Consultant agrees to maintain continuous, uninterrupted coverage for the duration of the Contract. There shall be no termination, cancellation, material change, potential exhaustion of aggregate limits or non renewal of coverage without thirty (30) days written notice from Consultant to the City. If the insurance is canceled or terminated prior to completion of the Contract, Consultant shall immediately notify the City and provide a new policy with the same terms. Any failure to comply with this clause shall constitute a material breach of Contract and shall be grounds for immediate termination of this Contract.

Additional Insured: The liability insurance coverages, except Professional Liability, Errors and Omissions, or Workers' Compensation, shall be without prejudice to coverage otherwise existing, and shall name the City of Portland and its bureaus/divisions, officers, agents and employees as Additional Insureds, with respect to the Consultant's activities to be performed, or products or services to be provided. Coverage shall be primary and non-contributory with any other insurance and self-insurance. Notwithstanding the naming of additional insureds, the insurance shall protect each additional insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured.

Certificate(s) of Insurance: Consultant shall provide proof of insurance through acceptable certificate(s) of insurance, including additional insured endorsement form(s) and all other relevant endorsements, to the City prior to the award of the Contract if required by the procurement documents (e.g., request for proposal), or at execution of Contract and prior to any commencement of work or delivery of goods or services under the Contract. The Certificate(s) will specify all of the parties who are endorsed on the policy as Additional Insureds (or Loss Payees). Insurance coverages required under this Contract shall be obtained from insurance companies acceptable to the City of Portland. The Consultant shall pay for all deductibles and premium. The City reserves the right to require, at any time, complete, certified copies of required insurance policies, including endorsements evidencing the coverage the required.

Subconsultant(s): Consultant shall provide evidence that any subconsultant, if any, performing work or providing goods or service under the Contract has the same types and amounts of coverages as required herein or that the subconsultant is included under Consultant's policy.

Notwithstanding the above, all pre-existing trademarks, services marks, patents, copyrights, trade secrets, and other proprietary rights of Consultant are and will remain the exclusive property of Consultant.

11. EEO Certification

In the event Consultant provides in excess of \$2,500.00 for services to the City in any fiscal year, Consultant shall obtain EEO certification from the City.

12. Equal Benefits

Consultant must comply with the City's Equal Benefits program as prescribed by Chapter 3.100 of the Code of the City of Portland. The required documentation must be filed with Procurement Services, City of Portland, prior to contract execution.

13. Successors in Interest

The provisions of this contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and approved assigns.

14. Severability

The parties agree that if any term or provision of this contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular term or provision held to be invalid.

15. Waiver

The failure of the City to enforce any provision of this contract shall not constitute a waiver by the City of that or any other provision.

16. Errors

The Consultant shall promptly perform such additional services as may be necessary to correct errors in the services required by this contract without undue delays and without additional cost.

17. Governing Law/Venue

The provisions of this contract shall be interpreted, construed and enforced in accordance with, and governed by, the laws of the State of Oregon without reference to its conflict of laws provisions that might otherwise require the application of the law of any other jurisdiction. Any action or suits involving any question arising under this contract must be brought in the appropriate court in Multnomah County Oregon.

18. Amendments

All changes to this contract, including changes to the scope of work and contract amount, must be made by written amendment and approved by the Chief Procurement Officer to be valid. Any amendment that increases the original contract amount by more than 25% must be approved by the City Council to be valid; provided, however, that if the City agrees to a larger loan amount that increases the amount due to Consultant hereunder, the City's acceptance of the larger loan amount (evidenced by its execution of a Commitment Letter or similar document) shall be evidence that all approvals for such increase (and the corresponding increase in amounts due hereunder) have been approved by all appropriate departments.

19. Business Tax Registration

The Consultant shall obtain a City of Portland business tax registration number as required by PCC 7.02 prior to beginning work under this Contract.

20. Prohibited Conduct

The Consultant shall not hire any City employee who evaluated the proposals or authorized the award of this Contract for two years after the date the contract was authorized without the express written permission of the City and provided the hiring is permitted by state law.

21. Payment to Vendors and Subconsultants

The Consultant shall timely pay all subconsultants and suppliers providing services or goods for this Contract.

22. Access to Records

The Consultant shall maintain all records relating to this Contract for three (3) years after final payment. The City may examine, audit and copy the Consultant's books, documents, papers, and records relating to this contract at any time during this period upon reasonable notice. Copies of these records shall be made available upon request. Payment for the reasonable cost of requested copies shall be made by the City.

23. Audits

- (a) The City may conduct financial and performance audits of the billings and services specified in this agreement at any time in the course of the agreement and during the three (3) year period established by paragraph 22. Audits will be conducted in accordance with generally accepted auditing standards as promulgated in Government Auditing Standards by the Comptroller General of the United States Government Accountability Office.
- (b) If an audit discloses that payments to the Consultant exceed the amount to which the Consultant was entitled, the Consultant shall repay the amount of the excess to the City.

24. Electronic Signatures

The City and Consultant may conduct this transaction, including any contract amendments, by electronic means, including the use of electronic signatures.

25. Merger Clause

In addition to that certain Letter Agreement between the parties of even date herewith, this Contract encompasses the entire agreement of the parties, and supersedes all previous understandings and agreements between the parties, whether verbal or written. In the event of a conflict between the terms of this Contract and the letter Agreement, the terms of this Contract shall control.

26. Dispute Resolution/Work Regardless of Disputes

The parties shall participate in mediation to resolve disputes before conducting litigation. The mediation shall occur at a reasonable time after the conclusion of the Contract with a mediator jointly selected by the parties. Notwithstanding any dispute under this Contract, the Consultant shall continue to perform its work pending resolution of a dispute, and the City shall make

payments as required by the Contract for undisputed portions of the work. In the event of litigation no attorney fees are recoverable. No different dispute resolution paragraph(s) in this contract or any attachment hereto shall supersede or take precedence over this provision.

27. Progress Reports: Applicable Not Applicable

If applicable, the Consultant shall provide monthly progress reports to the Project Manager as described in the Statement of the Work and Payment Schedule.

28. Consultant's Personnel: Applicable Not Applicable

If applicable, the Consultant shall assign the personnel listed in the Statement of the Work and Payment Schedule for the work required by the Contract and shall not change personnel without the prior written consent of the City, which shall not be unreasonably withheld.

29. Subconsultants

The Consultant shall use the subconsultants identified in its proposals. The Consultant shall not change subconsultant assignments without the prior written consent of the Chief Procurement Officer. The City will enforce all social equity contracting and Minority, Women and Emerging Small Business (M/W/ESB) subcontracting commitments submitted by the Consultant in its proposals. Failure to use the identified M/W/ESB subconsultants without prior written consent is a material breach of contract.

For contracts valued \$50,000 or more, the Consultant shall submit a Monthly Subconsultant Payment and Utilization Report (MUR), made part of this contract by reference, reporting ALL subconsultants employed in the performance of this agreement. An electronic copy of the MUR may be obtained by contacting the PTE Contract Compliance Specialist.

30. Third Party Beneficiaries

There are no third party beneficiaries to this contract. Enforcement of this contract is reserved to the parties.

31. Conflict of Interest

Consultant hereby certifies that, if applicable, its contract proposal is made in good faith without fraud, collusion or connection of any kind with any other proposer of the same request for proposals or other City procurement solicitation(s), that the Consultant as a proposer has competed solely on its own behalf without connection or obligation to, any undisclosed person or firm. Consultant certifies that it is not a City official/employee or a business with which a City official/employee is associated, and that to the best of its knowledge, Consultant, its employee(s), its officer(s) or its director(s) is not a City official/employee or a relative of any City official/employee who: i) has responsibility in making decisions or ability to influence decision-making on the contract or project to which this contract pertains; ii) has or will participate in evaluation or management of the contract; or iii) has or will have financial benefits in the contract. Consultant understands that should it elect to employ any former City official/employee during the term of the contract then that the former City official/Consultant employee must comply with applicable government ethics and conflicts of interest provisions in ORS Chapter 244, including but not limited to ORS 244.040(5) and ORS 244.047, and the City's Charter, Codes and administrative rules, including lobbying prohibitions under Portland City Code Section 2.12.080.

32. Respectful Workplace Behavior

The City of Portland is committed to a respectful work environment, free of harassment, discrimination and retaliation and other inappropriate conduct. Every individual has a right to work in a professional atmosphere where all individuals are treated with respect and dignity. The City's HR Rule 2.02 covers all employees with the City of Portland as well as consultants, vendors or consultants who provide services to the City of Portland. By signing this Contract/Agreement, the Consultant indicates compliance with all terms and conditions contained in this Contract including HR 2.02.

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**STATEMENT OF THE WORK
AND PAYMENT SCHEDULE**

Facilitate the acquisition of a permanent loan financing (the "Loan") under Section 223(f) of the National Housing Act for the Headwaters Apartments located at 8833 SW 30th, Portland, OR 97219. Provide the most favorable financing terms available with its issuance of a HUD firm commitment (a "Firm Commitment") to insure the mortgage loan, as more fully detailed in that certain letter agreement dated _____, 2016, by and between the parties (the "Letter Agreement").

Payment Schedule:

November 11, 2016 - \$29,000 (Third Party Deposits of \$21,500 (for estimated third-party costs) and a \$7,500 non-refundable application fee to Consultant)

Upon submission of package to HUD – 0.30% of the Loan amount (currently estimated to be \$46,433). This is a pass through to HUD to apply for the Loan

Upon loan closing from Loan proceeds – 0.75% of the Loan amount to CBRE as an origination fee (currently estimated to be \$116,084).

0.23% of the Loan amount to CBRE as a placement fee (currently estimated to be \$35,302 less \$7,500 for the non-refundable fee to CBRE paid on 9/19/2016)

0.35% of the Loan amount for upfront MIP fee (pass through to HUD)

All amounts due to CBRE or any other party (including, without limitation, HUD) after the execution for a Firm Commitment are not part of the fees covered by this Contract, are not subject to the maximum fee set forth herein, and are governed by the terms of such Firm Commitment. Furthermore, all amounts due from the city to CBRE or any party (including, without limitation, principal and interest payments) under any loan documents evidencing any such Loan secured hereunder are governed by the terms of such loan documents, and any limitation on payment of fees shall have no applicability thereto.

SCOPE OF WORK

- a. Process and underwrite the Loan to standards published by HUD
- b. Obtain, review, analyze, and submit specific third party reports and convey those reports and analyses to HUD
- c. Collect and submit all HUD-required fees and expenses
- d. Assist and advice PHB in the collection of project information and any/all exhibits needed to complete the loan application
- e. Act as liaison between PHB and HUD to resolve issues raised by HUD in connection with the application
- f. Serve as a PHB advocate with HUD during all phases of the application processing and closing

CONSULTANT PERSONNEL

The Consultant shall assign the following personnel to do the work in the capacities designated:

NAME	ROLE ON PROJECT
Mollie Means	Loan Production
Leslie Duchene / Underwriter TBD	Underwriter
Mortgage Credit Analyst TBD	Support Underwriting
Production Analyst TBD	Support Underwriting
Carmen Aguilar	Closing
Elena Brovokov	Support Loan Production
Janet B. Groue	In-house legal counsel

SUBCONSULTANTS

The Consultant shall assign the following subconsultants to perform work in the capacities designated:

NAME	ROLE ON PROJECT	SUBCONTRACT AMOUNT
TBD	Appraisal	\$8,000
TBD	Environmental Report	\$4,000
TBD	PCNA	\$6,000
TBD	APPS Consultant	\$1,500
TBD	PZR	\$1,000
TBD	Other – Seismic	\$1,000

The City will enforce all social equity contracting and Minority, Women and Emerging Small Business (M/W/ESB) subcontracting commitments submitted by the Consultant in its Proposal. For contracts valued \$50,000 or more, the Consultant shall submit a Monthly Subconsultant Payment and Utilization Report (MUR), made part of this contract by reference, reporting ALL subconsultants employed in the performance of this agreement. A copy of the Subconsultant Change Request Form can be found on Procurement Services' website under Contractor Resources.

COMPENSATION

The amount payable to the Consultant for the completion of the Scope of Work (the "Work") is an amount not to exceed THREE HUNDRED AND FIFTY THOUSAND DOLLARS (\$350,000) (the "Compensation"). The Compensation includes all payments to be made pursuant to this Contract, including reimbursable expenses, if any. Nothing in this Contract requires the City to pay for Work that does not meet the Standard of Care or other requirements of this Contract. The actual amount to be paid to the Consultant may be less than the Compensation amount. Notwithstanding the foregoing, and for the avoidance of doubt, all amounts due from the City to Consultant (or HUD) from and after the date of the execution of the Firm Commitment shall be subject to the terms of the Firm Commitment, and all amounts due to Consultant (as lender) HUD, or any other person following the execution of the Loan Documents shall not be subject to the terms of this Contract, and in no event shall amounts due under the Firm Commitment or the Loan Documents be subject to the \$350,000 limitation set forth in this Contract.

PAYMENT TERMS: Net 30 Days

The billing rates shall not exceed those set forth below:

NAME	ROLE ON PROJECT	HOURLY RATE

Standard Reimbursable Costs

The following costs will be reimbursed without mark-up and are included in the Compensation:

- HUD Fees
- Legal Fees and Costs
- GNMA Servicing and Guaranty Fees

Progress Payments

The City shall pay all amounts to which no dispute exists within 30 days of receipt of the invoice. Payment of any bill, however, does not preclude the City from later determining that an error in payment was made and from withholding the disputed sum from the next progress payment until the dispute is resolved.

The Consultant shall make full payment to its subconsultants within 10 business days following receipt of any payment made by the City to Consultant.

ACH Payments

It is the City's policy to pay its Consultant invoices via electronic funds transfers through the automated clearing house (ACH) network. To initiate payment of invoices, Consultants shall execute the City's standard ACH Vendor Payment Authorization Agreement.

Upon verification of the data provided, the Payment Authorization Agreement will authorize the City to deposit payment for services rendered directly into Consultant accounts with financial institutions. All payments shall be in United States currency.

WORKERS' COMPENSATION INSURANCE STATEMENT

IF YOUR FIRM HAS CURRENT WORKERS' COMPENSATION INSURANCE, CONSULTANT MUST SIGN HERE:

I, undersigned, am authorized to act on behalf of entity designated below, and I hereby certify that this entity has current Workers' Compensation Insurance.

Consultant Signature: _____ Date: _____ Entity: _____

IF YOUR FIRM DOES NOT HAVE CURRENT WORKERS' COMPENSATION INSURANCE, CONSULTANT MUST COMPLETE THE FOLLOWING INDEPENDENT CONSULTANT CERTIFICATION STATEMENT:

As an independent Consultant, I certify that I meet the following standards:

1. The individual or business entity providing labor or services is registered under ORS Chapter 701, if the individual or business entity provides labor or services for which such registration is required;
2. Federal and state income tax returns in the name of the business or a business Schedule C or form Schedule F as part of the personal income tax return were filed for the previous year if the individual or business entity performed labor or services as an independent Consultant in the previous year; and
3. The individual or business entity represents to the public that the labor or services are to be provided by an independently established business. Except when an individual or business entity files a Schedule F as part of the personal income tax returns and the individual or business entity performs farm labor or services that are reportable on Schedule C, an individual or business entity is considered to be engaged in an independently established business when four or more of the following circumstances exist. Consultant: check four or more of the following:

_____ A. The labor or services are primarily carried out at a location that is separate from the residence of an individual who performs the labor or services, or are primarily carried out in a specific portion of the residence, which portion is set aside as the location of the business;

_____ B. Commercial advertising or business cards as is customary in operating similar businesses are purchased for the business, or the individual or business entity has a trade association membership;

_____ C. Telephone listing and service are used for the business that is separate from the personal residence listing and service used by an individual who performs the labor or services;

_____ D. Labor or services are performed only pursuant to written contracts;

_____ E. Labor or services are performed for two or more different persons within a period of one year; or

_____ F. The individual or business entity assumes financial responsibility for defective workmanship or for service not provided as evidenced by the ownership of performance bonds, warranties, errors and omission insurance or liability insurance relating to the labor or services to be provided.

Consultant Signature

Date

FOR CITY USE ONLY

PROJECT MANAGER-COMplete ONLY IF CONSULTANT DOES NOT HAVE WORKER'S COMPENSATION INSURANCE
ORS 670.600 Independent Consultant standards. As used in various provisions of ORS Chapters 316, 656, 657, and 701, an individual or business entity that performs labor or services for remuneration shall be considered to perform the labor or services as an "independent consultant" if the standards of this section are met. The contracted work meets the following standards:

1. The individual or business entity providing the labor or services is free from direction and control over the means and manner of providing the labor or services, subject only to the right of the person for whom the labor or services are provided to specify the desired results;
2. The individual or business entity providing labor or services is responsible for obtaining all assumed business registrations or professional occupation licenses required by state law or local government ordinances for the individual or business entity to conduct the business;
3. The individual or business entity providing labor or services furnishes the tools or equipment necessary for performance of the contracted labor or services;
4. The individual or business entity providing labor or services has the authority to hire and fire employees to perform the labor or services;
5. Payment for the labor or services is made upon completion of the performance of specific portions of the project or is made on the basis of an annual or periodic retainer.

City Project Manager Signature

Date

CONSULTANT SIGNATURE:

This contract may be signed in two (2) or more counterparts, each of which shall be deemed an original, and which, when taken together, shall constitute one and the same Agreement.

The parties agree the City and Consultant may conduct this transaction, including any contract amendments, by electronic means, including the use of electronic signatures.

I, the undersigned, agree to perform work outlined in this contract in accordance to the STANDARD CONTRACT PROVISIONS, the terms and conditions, made part of this contract by reference, and the STATEMENT OF THE WORK made part of this contract by reference; hereby certify under penalty of perjury that I/my business am not/is not in violation of any Oregon tax laws; hereby certify that my business is certified as an Equal Employment Opportunity Affirmative Action Employer and is in compliance with the Equal Benefits Program as prescribed by Chapter 3.100 of Code of the City of Portland; and hereby certify I am an independent consultant as defined in ORS 670.600.

CBRE HMF, Inc.
101 California Street, 22nd Floor
San Francisco, CA 94111

BY: _____ Date: _____

Name: _____

Title: _____

CONTRACT NUMBER: 30005481 _____

CONTRACT TITLE: Headwaters Refinance _____

SAMPLE DO NOT EXECUTE

CITY OF PORTLAND SIGNATURES:

By: _____ Date: _____
Bureau Director

By: _____ Date: _____
Chief Procurement Officer

By: _____ Date: _____
Elected Official

Approved:
By: _____ Date: _____
Office of City Auditor

Approved as to Form:
By: _____ Date: _____
Office of City Attorney

ORDINANCE NO.

*Authorize a contract with CBRE HMF, Inc. for the refinance of the Headwaters Apartments (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. PHB is charged with developing and implementing housing policies for the City of Portland (the "City") that increase the availability of housing affordable to low and moderate-income households. PHB carries out this mission using a number of tools, including the development of real property and the financing of construction;
2. Portland is experiencing a housing crisis due to very low vacancy rates, leading to a housing shortage. Such shortage has greater impact on low-income household, forcing them to either move or have a greater percentage of their income go to housing;
3. In 2006, the Portland Development Commission (PDC), under the auspices of the City Lights program, acquired The Headwaters Apartments. The Headwaters opened in 2007 as a 100-unit residential community (with 76 one-bedroom and 24 two-bedroom units) located at 8833 SW 30th Avenue in southwest Portland;
4. The Headwaters Apartments were conveyed to the Portland Housing Bureau (PHB) by PDC when the bureau was created on July 1, 2010. Since then, PHB has taken a limited role in the management of the Headwaters Apartments, primarily monitoring its fiscal performance in order to ensure bond and other requirements were met;
5. There is a need to expedite the number of affordable housing units to address the housing crisis, restricting forty percent (40%) of the units would increase the affordable stock by 40 units;
6. Refinancing the Headwaters Apartments allows the City to maximize the project's value by liquidating public equity, while increasing affordable units in the City. The equity materialized out of the refinance will allow PHB to re-invest those resources addressing safety and rehabilitation needs of other City owned affordable housing assets;
7. In addition to the Headwaters Apartments, PHB also owns the Fairfield Apartments, an Un-Reinforced Masonry (URM) 82-unit Single Room Occupancy (SRO) building located at 1117 SW Stark. Because of its URM status, the Fairfield Apartments have been identified as an at-risk property subjective to grave disrepair should there be an earthquake;
8. Proceeds from the refinance will be set-aside for seismic retrofit and rehabilitation of the Fairfield Apartments which house vulnerable, very low-income households;

NOW THEREFORE, the Council directs that:

- a. The PHB Director is hereby authorized to enter into a contract agreement with CBRE HMF, Inc., for the refinance of the Headwaters Apartments.
- b. The PHB Director is further authorized to execute loan documents associated with the refinance of the Headwaters Apartments within the maximum amounts approved under this Ordinance, and subject to the approval as to form of such documents by the City Attorney's Office.

Section 2. The Council declares that an emergency exists because of volatile credit market conditions and the need to increase affordable housing units in the City; therefore, this ordinance shall be in full force and effect from and after its passage by Council.

Passed by the Council:

Mary Hull Caballero
Auditor of the City of Portland
By

Deputy

Commissioner: Dan Saltzman
Prepared by: Javier Mena
Date Prepared: October 20, 2016

1314

Agenda No.
ORDINANCE NO.

a contract with Title

*Authorize the Portland Housing Bureau enter in a contractor agreement with CBRE HMF, Inc. for the refinace of the Headwaters Apartments (Ordinance)

INTRODUCED BY Commissioner/Auditor: Dan Saltzman	CLERK USE: DATE FILED <u>NOV 15 2016</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman <i>Dan Saltzman</i> Position 4/Safety - Novick	Mary Hull Caballero Auditor of the City of Portland By: <i>Aurora Parsons</i> Deputy
BUREAU APPROVAL Bureau: Portland Housing Bureau Bureau Head: Kurt Creager <i>Kurt Creager</i>	ACTION TAKEN: NOV 23 2016 CONTINUED TO NOV 23 2016 2 P.M. NOV 23 2016 <i>Referred to Commissioner of Public Affairs.</i>
Prepared by: Javier Mena Date Prepared: October 25, 2016 Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: <i>bl</i>	
Council Meeting Date Nov. 16 2016	

AGENDA

TIME CERTAIN
 Start time: _____

Total amount of time needed: _____
 (for presentation, testimony and discussion)

CONSENT

REGULAR
Total amount of time needed: 15 minutes
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz	
2. Fish	2. Fish	
3. Saltzman	3. Saltzman	
4. Novick	4. Novick	
Hales	Hales	