



COMMUNITY UPDATE

Greeting Grace Commons Community,

The Newsletters have fallen behind their 2 month schedule as the Development Group has been meeting a little less often. That doesn't mean that many things are not taking place behind the scenes! The material we will use to present our "Case" to donors is complete and we have received nothing but compliments on it. Thanks to the Capital Campaign Group and especially to Dianne Alves, our consultant, and her team for putting together a great set of documents. Here is a link to the main Case Document:

https://issuu.com/gracecommonspdx/docs/final_july_12_spreads_case_statement_grace_common

Each of the partner organizations also has a one page document that explains more about their organization. They will be featured in the next Newsletter.

Please keep sending me your questions. As you can see below, we have a robust set of questions this issue.

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FAQs

1. I have heard that we will need to raise 13.5 million dollars for the non-affordable housing portion of Grace Commons. Does that mean each partner needs to raise 4.5 million?

The partners of the Grace Commons Consortium consider themselves all collectively responsible for raising the \$13.5 million dollars needed for the Community and Arts Building. That being said, because certain partners will have more of a footprint in the building than others, we expect the fundraising burden to be somewhat unequal, and based on the proportional usage plans. For example, PHAME will use more of the space for more time than other partners, and therefore expects to raise more. GMEC will have a smaller footprint, and therefore the expectation is that they may raise less. However, none of us can be successful without all of us being successful, and we intend to share much of the space across organizations. Therefore, it is critical that we see ourselves as one organization, the Grace Commons Consortium, equally invested in making this building a success.

2. Please explain again the Consortium? Where are we in this process?

The Grace Commons Consortium (GCC) is the organization that is currently being formed to fundraise for, own and manage the Community and Arts Building, which will be located on the Southeast corner of Grace Commons. GCC will be led equally by GMEC, PHAME and Grace Institute, with equal representation from each organization serving on its board of directors. While our original plan was for GCC to be a non-profit organization, IRS rules may require GCC to be an LCC, with a separate, but related GCC Fund as the fundraising arm of the project. GMEC, PHAME and GI are currently working with legal representation to determine which type of entity (e.g. LLC, 501c3) GCC should form.

3. Where will the money come from to build the Grace/PHAME/GI buildings? Do we know the major sources for Grants/donations, etc.?

The money to build the Community and Arts Building at Grace Commons will come from a variety of sources, including individual donors; private foundations; local, state, and federal government funding, and a lease that Northwest Housing Alternatives will pay to Grace Memorial Episcopal Church. The consortium of organizations working to realize the vision of Grace Commons has put together a full budget with the help of our capital campaign consultants that details the amount of funding that we are attempting to secure from each

source, whether public or private. The consortium has already secured significant pre-development funding from a few private donors and private foundations.

4. Why wasn't a Capital Campaign feasibility study done for Grace Commons? Isn't that commonly done before embarking on such a big project?

A feasibility study is commonly a key component of the early case work for many fundraising initiatives. Feasibility studies can be a solid path toward accomplishing much of the early work of a fundraising campaign—testing the case, soliciting feedback from major donors regarding the health of the organization and enthusiasm for the project, evaluating the attainability of the fundraising goal, etc. However, in many cases, much of this work can be performed independently, and in some cases, some of the work is unnecessary and can even harm the campaign. In the case of Grace Commons, the nonprofit partners coming together to form the consortium had already decided to undertake the building of their vision prior to beginning to work with capital campaign consultants. Much of the donor outreach and other work of a traditional feasibility study had already been done and building the case for the campaign was underway. So, instead of spending money on a complete feasibility study, it was decided that the remaining needed discovery would be completed by consortium partners in consultation with capital campaign consultants and a campaign case review committee, through Individual donor interviews and in consultation with community leaders. By asking questions of organizational viability and putting together a funding plan using the best available knowledge, feasibility for the project has been determined as we've moved forward with the capital case.

5. Do we know how much Grace Memorial will receive for the ground lease from Northwest Housing Authority to build on our land, and do we know roughly how much more, if any, Grace Memorial will have to raise for our part of building the Community and Arts Center? Will the ground lease be paid in one installment or over time? A rough estimates or ranges would be fine. Thank you.

Land Lease:

The ground lease annual payment will be a factor of a third party market appraisal of the land value utilized by the Housing. Grace and NHA are currently discussing the best strategy for lease payments, whether it be a prepayment for a certain number of years, or a regular annual payment, or some combination of the two.

Capital Campaign:

The Capital Campaign is currently being planned for 13.5M. Any prepayment of the Ground Lease could be applied to project needs.

Learn more about our partner Northwest Housing Alternatives

Organization Background

Northwest Housing Alternatives was founded in 1982 and is one of the leading nonprofit affordable housing developers in the state of Oregon. Our mission is to create opportunity through housing. To that end, NHA develops, builds, and manages rental housing designed for Oregonians with extremely limited incomes; most NHA households earn less than \$16,000 per year. Compared to market-rate housing, our residents collectively save nearly \$15 million each year by living in NHA properties.

These homes help families live healthy and stable lives, allow older adults to age in place, and give people with disabilities a safe and affordable residence. Along with providing affordable housing, NHA provides services that connect tenants to critical health and community resources, work to prevent homelessness before it begins, and offer emergency shelter and services for families experiencing homelessness.

“The need for affordable housing in Portland and throughout the state of Oregon continues to grow, especially during the economic fallout of the pandemic. This basic need is especially acute among certain communities such as people with disabilities and communities of color,” said Trell Anderson, NHA’s Executive Director. “That is why we are especially thrilled to be involved in creating up to 100 apartment homes at Grace Commons that will serve this community directly.”

Helping people with disabilities live independent and full lives is at the heart of NHA’s mission. Nearly a third of the residents in NHA’s affordable housing properties identify as people with disabilities, and NHA also offers dozens of group homes for people with physical and intellectual disabilities throughout the state. By building accessible homes paired with supportive services and affordable rents, NHA provides the stability and independence that best serves the disability community.

With a project pipeline that includes almost 1,000 new apartment homes across the state, NHA is a learning and evolving organization focused on racial equity and environmental sustainability. Recently NHA’s new Campus in Downtown Milwaukie won the Best Green Project Award by ENR Northwest in 2020.

Meet our Staff

Destin Ferdun, Director of Real Estate Development

Destin has 30 years of real estate development, architecture, and construction management experience including 15 years of affordable housing and community development work. Destin's work includes many public/private partnerships and complex legal and financial structuring including recently Cornelius Place for the City of Cornelius which included senior housing over a public library. He has also worked on many w transactions including commercial work on the Garlington Center Health Clinic campus for Cascadia Behavioral Health which included LIHTC, New Market Tax Credits, Capital Campaign and COC Health dollars. His work has always included a people first focus including homeless interventions, special needs populations service, sustainability, and social equity.



Trell Anderson, Executive Director

Trell has over 24 years of experience in affordable housing and community development, all in Oregon. He has served as the Executive Director of the Housing Authority of Clackamas County and in various positions at the City of Portland Bureau of Housing and Community Development. Before joining NHA he served as the Executive Director of Caritas Community Housing Development, the affordable housing arm of Catholic Charities. Trell holds a Master's in Urban and Regional Planning from Portland State University and has extensive knowledge in affordable housing development, asset management, resident's services and homelessness intervention services. He recently completed a program at Harvard's Kennedy School in Executive Leadership with Neighborworks America. He currently serves on the Board of Directors of Housing Oregon, the association of nonprofit housing organizations from across the state.



Across the organization, we are excited and grateful for the strong collaborative team among the diverse partners of the project including Grace Memorial Church, Grace Art Camp, PHAME, and NHA.

