As we considered the theme for our 2012 annual report, we kept returning to the word *milestone*. 2012 proved to be a significant year in REACH’s history for many reasons.

We celebrated our 30th anniversary, continuing our tradition of building healthier communities by building affordable housing and supporting families. We opened the largest building in our history, Gray’s Landing. This development is providing 209 critically needed, attractive and safe homes. We moved into our new headquarters at Gray’s Landing, signifying the first time in our history that REACH is a commercial tenant in one of our developments. We became among only one of sixteen organizations nationally to receive the NeighborWorks® America Green Organization designation for our comprehensive commitment to sustainable operations. And we bid a fond farewell to Dee Walsh, who smartly guided REACH’s growth for 22 years and who has moved on to a position of national leadership within the community development industry.

Amidst economic pressures and our country’s slow movement out of recession, REACH has stayed the course and continues to grow in sustainable ways. Given the high need for affordable housing and the positive impact REACH is making on our communities, we’re enhancing our programs, seizing opportunities, and expanding our reach.

These milestones could not have been achieved without the tremendous support of our partners, volunteers, donors and stakeholders. Thank you for your enduring commitment to our mission of creating healthy homes and communities. We share these achievements with you.

Ruth Ann Tsukuda  
REACH Board President

Larry Conrad  
REACH Board Vice President
MILE STONES: n.pl

1. Stones serving as mileposts
2. Significant points in development
3. 30 years of achievements in building healthy communities and affordable homes

From left: 30th anniversary celebrants included Ruth Ann Tsukuda, Dee Walsh and Congressman Earl Blumenauer. Senator Jeff Merkley (fourth from left) joined Commissioner Nick Fish (second from left) and other dignitaries for the ribbon cutting at the Gray’s Landing Grand Opening ceremony.
2012 saw REACH continue to excel in real-estate development opportunities, extending our pledge to create healthy, transit-friendly, affordable communities. This year we

- Completed construction on the largest project in our history, Gray’s Landing. Located in Portland’s emerging South Waterfront district, Gray’s Landing is the first affordable housing in this neighborhood. Gray’s provides 209 new homes with 42 of the units reserved for military veterans. Gray’s offers many innovations, including a new partnership with the Veterans Administration, the Portland metro region’s largest eco-roof, and LEED (Leadership in Energy and Environmental Design) Platinum status.

- Finished renovations on the Maples I and II in Hillsboro, OR. Combined, these two buildings provide 51 affordable apartments for low-income seniors.

- Assumed full ownership of Floyd Light Apartments, providing 51 units of affordable housing in the Gateway District.

- Continued work on Glisan Commons, a project co-owned by REACH and Human Solutions. When complete, Glisan Commons will provide 127 units of workforce and senior housing, and a new headquarters for Ride Connection, a non-profit transit service.

- Continued work on The Orchards at Orenco, a three phase affordable housing community located at the Orenco MAX station in Hillsboro, OR. The Orchards is being built using “Passive House” energy efficient standards, a method of construction that reduces heating bills by up to ninety percent.

- Maintained 98.2% occupancy rate throughout our portfolio with staff completing 5,998 maintenance work orders towards upkeep. Added community gardens at several properties.
MILESTONES:
1. 1982 – REACH incorporated
2. 1992 – 435 housing units owned in the REACH portfolio
3. 2002 – 788 housing units owned in the REACH portfolio
4. 2012 – 1,658 housing units owned in the REACH portfolio

From left: REACH properties include Gray’s Landing; Glisan Commons, (architectural rendering); the renovated Maples and the Floyd Light Apartments.
As in previous years, REACH’s work in 2012 went beyond “bricks and mortar” and focused on providing support designed to help low-income families find and access services they need to become self-sufficient. We demonstrated an on-going commitment to our residents’ well-being, offering tools focused on creating economic independence, supporting residents’ housing success, and building community. Our Economic Stability programs supported a wide range of goals including leadership development, employment skills, increasing personal finances and knowledge, and building long-term financial assets. The IDA Program (Individual Development Account) is a matched savings program available to any REACH resident committed to improving their financial health through rigorous planning and goal attainment. Youth$ave, our financial literary program for young adults living in REACH housing, offers similar benefits.

- Handled 5,965 requests for information and referrals. 141 residents were assisted in accessing public benefits (i.e. Oregon Health Plan, Medicare). 263 residents received referrals to prevent an eviction and eviction notices were kept to less than 2% thanks to early intervention strategies.
- 44 residents graduated from our economic stability programs. 22 kids graduated from Youth$ave. Collectively, they saved $4,818, earned $10,573 in match money and completed 158 hours of community service.
- Offered a Healthy Homes program and hosted a two-day clean up at Station Place Tower. Station Place residents organized an art show at which seventeen artists displayed their work.
- Created partnerships to help supplement our services with Well Arts, Old Library Studios, RideWise, Yellow Shelf Project, Oregon Humanities, and Future Connect.
- Supported our goal of providing superior, culturally appropriate services by offering translations of our resident newsletters and teaching classes in various languages.
MILESTONES:

1. 1999 – YouthSave program launched
2. 2002 – Property and Asset Management Best Practices award from the Community Development Network (Oregon Opportunity)
3. 2008 – Award of Excellence for outstanding Resident Services from Oregon Housing and Community Services for “constantly going beyond the call of duty in providing services.”

From left: Station Place Tower residents show off their artwork; residents proudly display their graduation certificates; a young REACH resident wins the Fair Housing Council’s poster contest.
In 2012 the work of REACH could not have been done without the support of hundreds of volunteers. These caring individuals and organizations provided thousands of hours of labor and service through the Community Builders Program, on-site in our buildings, and as ambassadors who help spread the word about REACH. Our volunteers also teach classes, monitor our computer labs, provide photography services and offer tutoring to our tenants.

The Community Builders Program continued its mission of completing free safety and accessibility repairs for senior citizens, disabled homeowners and working families living on limited incomes.

- Over 370 volunteers donated nearly 5,000 hours of service to our programs.
- The Community Builders Program provided services to 224 households, completing 1,550 repairs.
- The 23rd Annual Paint & Repair-a-thon was held on the first Saturday in August. In honor of our 30th anniversary, we made repairs on 30 homes primarily in North/Northeast Portland.
- Work continued under support from the Portland Housing Bureau and the Multnomah County CAIR Program (Community Asthma Inspection and Referral). These two grants allowed REACH to expand our capacity to serve families whose households are experiencing environmental health hazards.
- Partnered with Affordable Community Environments (ACE), a nonprofit housing development organization serving SW Washington, to celebrate NeighborWorks® Week by making repairs at eleven homes in Washougal, WA.
- Celebrated “Women in Construction” Week by partnering with NAWIC (National Women in Construction) celebrating the visible role women play in Oregon’s construction industry.
MILESTONES:
1. 1996 – Community Builders Program launched
2. 2001 – 100th home painted by volunteers during our annual Paint-a-thon
3. 2003 – 500th home painted by the Community Builders Program
4. 2007 – 530 volunteers contribute 4,436 hours of service

From left: volunteers and homeowners at the 2012 REACH Paint & Repair-a-thon tackled tasks ranging from caulking to painting to constructing wheelchair ramps and performing yard maintenance.
For 30 years, REACH has been a trusted partner and significant developer of affordable housing in Oregon. Innovation and best practices brought accolades in 2012.

- Selected by *Oregon Business* magazine as one of the 100 Best Nonprofits to Work For in Oregon for the fourth year in a row. The rating is based on a review of employment and sustainability practices. REACH also ranked as one of the 100 Best Green Companies in Oregon.

- Received the NeighborWorks® Green organization designation for our comprehensive commitment to sustainable operations. REACH was among one of sixteen organizations nationally to receive this honor.

- Achieved a LEED Platinum rating (Leadership in Energy and Environmental Design) from the U.S. Green Building Council for Gray’s Landing, demonstrating leadership, innovation, and environmental stewardship in building design.

- Ranked tenth in *The Oregonian* sponsored Top Workplace survey (for small companies); over 27,000 employees across Oregon and SW Washington participated.

- Named as one of the Top 50 National Affordable Housing Developers by *Affordable Housing Finance* magazine.

- Staff from the Community Builders Program received the Strides for Equity award from the Oregon Opportunity Network for expansion in the use of Minority/Women/Emerging small business contractors and serving a diverse population. REACH was also honored by NAYA (Native American Youth Family Center) for our work in the native community.

- Three staff graduated from Oregon Opportunity’s LEAD ON Program (Leadership, Excellence, Achievement and Development), modeled after NeighborWorks® America’s “Achieving Excellence.”
MILESTONES:
1. 1993 – President’s Volunteer Action Award from President Clinton
2. 2001 – CDC of the Year from AOCDO (Oregon Opportunity)
3. 2009 – Metlife Foundation Award for Excellence in Affordable Housing for Station Place Tower
4. 2011 – REACH becomes a charter member of NeighborWorks® America
At REACH, we believe the key to creating healthy communities is enabling all community members, especially those who are struggling with basic needs, to create their own triumphs each day. Your gifts directly support people living in REACH housing and help our residents build more prosperous lives. Whether it’s providing financial literacy education, helping a senior citizen find transport, or assisting a resident at risk of eviction, your gift has a direct impact. The generosity of our donors reinforces the power our work has on the entire community.

Thank you to our many supporters, who continue to care, give and invest in our community.

**Government and Foundations**
- Bank of America Foundation
- Collins Foundation
- Combined Federal Campaign
- Enterprise Community Partners, Inc.
- June and Julian Foss Foundation
- King Charitable Foundation
- Lamb Baldwin Foundation
- Metro
- The Mitzvah Foundation
- NeighborWorks America
- OCF Joseph E. Weston Public Foundation
- Portland Women’s Foundation
- R. H. Parker/United Foundation
- Robert Brady Charitable Trust
- Washington Federal Foundation
- Wells Fargo Community Group
- Wells Fargo Community Support Campaign

**Individuals and Organizations**

**Tower Society ($3,500+)**
- Bank of America
- Bank of the West
- Colas Construction
- HSBC Bank USA
- JPMorgan Chase Corporate Giving
- LMC Construction
- McMenamins
- US Bank Community Development
- US Bank National Association
- Walsh Construction Co.

**Pillar Society ($1,000 – $3,499)**
- Advantis Credit Union
- American Heating
- Whitney Baskins
- Brian and Jennifer Bieler
- Judy Bridges
- Coin Meter Co.
- Joan Cook and Jean DeMaster
- John Cunningham
- Susie Cunningham
- Sebastian and Erika Degens
- John DeMaster
- Monika Elgert and Brian Sweeney
- Topaz Faulkner and Larry Conrad
- Grainger Matching Charitable Gifts Program
- Andrew and Gail Hahs
- Hunter-Davison, Inc.
- Kantor Taylor Nelson Boyd & Evatt PC
- Jim Kennett and Britta Diettrich
- Wayne and Joan Kingsley
- Robert and Denise Koury
- Matthew Leeding
- Judith K. Litt
- Freddy and Roger Lunt
- Tim and Kathryn Mahaffy
- Erika Miller
- MWA Architects
- NOAH
- NW Natural
- OnPoint Community Credit Union
- Cecil Reniche-Smith and Greg Smith
- Carol Samuels and David Taylor
- Schwabe Williamson & Wyatt PC
- Michael Steffen
- Julie Sterling
- Bob Walsh
- Dee Walsh and Dave Porter

**Terrace Club ($500 - $999)**
- Deborah and Michael Aiona
- Justin Fallon Dollard
- Betsy Ferguson and John Ryan
- Philip Friesen
- Winthrop Gross and Becki Marsh
- Kay Hutchinson
- Judy Ilg
MILESTONES:
1. 1982 – Annual income is $20,000 and 1 staff member
2. 1992 – Annual income is $2,105,616 and 23 staff members
3. 2002 – Annual income is $3,515,481 and 43 staff members
4. 2012 – Annual income is $12,067,492 and 99 staff members
In 2012, REACH benefited from thousands of dollars of in-kind contributions in the form of labor and materials. Employees from several of the following companies donated considerable time. REACH also benefits from individual volunteers in the community. Due to spacing, we can’t list all of the names, but offer our sincerest thanks to those who have given their time and energy to our efforts.

Affordable Home Remodeling Co.
Joyce Baldwin
CARE Medical & Rehabilitation Equipment
Cloudburst Recycling
Convergint Technologies
Emerick Construction
Freeman Electric
Philip Friesen
Gyroscope Pictures, LLC
Hankins True Value Hardware
Home Depot
Hunter-Davison, Inc.
IBEW Local 48
Interstate Flooring Company
Brita Johnson
Key Bank
Ray Kinney
Lead Solutions
Legend Homes
Lifet ime Windows & Doors
Lift Urban Portland
LMC Construction
Margaret Mahoney and Scott Lieuallan
Marley Brown Lumber Service
Jeanie McHarry
McMenamins

GOLD STAR VOLUNTEERS
This program honors those who give an extraordinary number of hours or times of service in a year. Gold Star volunteers have donated either 25 hours or 10 times over the course of the year. In 2012, our Gold Stars collectively volunteered 2,884 hours.

Aieda “Zoe” Barba
Andy Wadel
Annaice Stevens
August Ben zow
Serenity Banks
Barbara Bushong
Charlotte Cayler
Tara Collins
Dallas Schafer
Deborah Akers
Catherine Doern
Carlos Ensz
Holly Fries
Tim Howell
Jake Koehn
Jennifer Holland
Jerald Kelt
Jerry Frieson

Metro
Hamni and Jim Meyer
Milgard Manufacturing
Miller Paint Co.
Montavilla Sheet Metal
NW Painting Specialists
Wahmeta Ode ll
O’Neill Electric, Inc.
Parr Company
Pipeline Plumbing
Portland Baggage Company
Portland Youth Builders
Precision Images
Race Property Services
The Rebuilding Center
Shamrock Medical, Inc.
Siemens Industry
Cynthia Sulaski
Sun Glow Heating
Peggy and Fred Trachi
Walsh Construction Co.
Julie Wang and Paul Malokas
Jan Whiteman

Every attempt has been made to correctly list the names of our generous donors and volunteers. Please accept our sincere apologies if any errors or omissions occurred. Updates and corrections may be directed to Jan Zingraf by emailing jzingraf@reachcdc.org or by leaving a message at (503) 501-5716.
The provided document is a financial statement for REACH from January 1, 2012, to December 31, 2012. The document includes the consolidated statement of financial position, consolidated statement of activities and changes in net assets, and income and expenses breakdowns.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; short-term investments</td>
<td>$2,380,583</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>303,207</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>159,812</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td>2,843,602</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenant security deposits held in trust</td>
<td>522,064</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted deposits</td>
<td>6,728,552</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>1,014,580</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financing &amp; tax credit fees – net</td>
<td>2,180,725</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>1,606,490</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land &amp; land improvements</td>
<td>13,913,181</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings &amp; improvements</td>
<td>140,910,531</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furnishings &amp; equipment</td>
<td>4,106,456</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction-in-progress</td>
<td>368,832</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>159,299,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(39,663,596)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets – net</td>
<td>119,635,404</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>131,687,815</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$134,531,417</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LIABILITIES AND NET ASSETS**

| Current Liabilities: | | | | |
| Accounts payable & other accrued liabilities | $1,808,961 | | | |
| Construction retainage payable | 1,724,844 | | | |
| Accrued interest | 992,776 | | | |
| Prepaid rents | 70,808 | | | |
| Current portion of mortgages & bonds payable | 1,298,916 | | | |
| Total current liabilities | 5,896,305 | | | |
| Noncurrent Liabilities: | | | | |
| Refundable security deposits | 445,252 | | | |
| Mortgages and bonds payable | 102,361,788 | | | |
| Deferred interest | 1,347,113 | | | |
| Total noncurrent liabilities | 104,154,153 | | | |
| **Total liabilities** | **110,050,458** | | | |
| Net Assets: | | | | |
| Unrestricted | | | | |
| Controlling interests | 3,566,049 | | | |
| Noncontrolling interests | 12,250,979 | | | |
| Total unrestricted | 15,817,028 | | | |
| Temporarily restricted | 8,313,931 | | | |
| Permanently restricted | 350,000 | | | |
| **Net assets** | **24,480,959** | | | |
| **TOTAL** | **$134,531,417** | | | |

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**SUPPORT AND REVENUES**

<table>
<thead>
<tr>
<th>Support</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>$1,644,590</td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>68,929</td>
<td></td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>54,505</td>
<td></td>
</tr>
<tr>
<td>Special events</td>
<td>72,659</td>
<td></td>
</tr>
<tr>
<td><strong>Total support</strong></td>
<td><strong>1,840,683</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net rental revenue</td>
<td>10,109,328</td>
<td></td>
</tr>
<tr>
<td>Laundry &amp; tenant charges</td>
<td>175,132</td>
<td></td>
</tr>
<tr>
<td>Management fees</td>
<td>62,948</td>
<td></td>
</tr>
<tr>
<td>Interest &amp; other income</td>
<td>25,671</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>10,373,079</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total support and revenues</strong></td>
<td><strong>12,213,762</strong></td>
<td></td>
</tr>
</tbody>
</table>

**EXPENSES**

<table>
<thead>
<tr>
<th>Program services:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property operations</td>
<td>$11,561,068</td>
<td></td>
</tr>
<tr>
<td>Housing development**</td>
<td>94,756</td>
<td></td>
</tr>
<tr>
<td>Volunteer services</td>
<td>46,035</td>
<td></td>
</tr>
<tr>
<td>Resident services</td>
<td>553,612</td>
<td></td>
</tr>
<tr>
<td>Community builders</td>
<td>719,110</td>
<td></td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td><strong>12,974,581</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Support services:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management &amp; general</td>
<td>1,307,057</td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>303,288</td>
<td></td>
</tr>
<tr>
<td><strong>Total support services</strong></td>
<td><strong>1,610,345</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>14,584,926</strong></td>
<td></td>
</tr>
</tbody>
</table>

**CHANGE IN NET ASSETS**

| **$ (2,371,164)** | | |

**NET ASSETS: DECEMBER 31, 2011**

| **$26,480,529** | | |

**NET ASSETS: DECEMBER 31, 2012**

| **$24,480,959** | | |

**Income: $12,213,762**

- 84.7% Property Operations
- 0.7% Foundation Grants
- 12.8% Government Grants
- 1.6% Donations/Events
- 0.2% Interest Income

**Expenses: $14,584,926**

- 79.3% Property Operations
- 9.0% Programs
- 0.6% Housing Development**
- 9.0% Management & General
- 2.1% Fundraising

*Expenses before depreciation = $10,877,974
Net income before depreciation = $1,325,788
**Does not include capitalized construction costs of $27,337,406

Audited financial statements are available at the REACH office or by visiting http://reachcdc.org

These consolidated financial statements include the activity of REACH and its affiliated affordable housing projects, organized through various nonprofit entities and limited partnerships/limited liability companies.
MISSION:
A healthy community begins at home. Our mission is to provide quality affordable housing for individuals, families and communities to thrive.

4150 SW Moody Ave.  |  Portland, OR 97239
(503) 231-0682 I  http//reachcdc.org

2012 REACH Board of Directors: Ruth Ann Tsukuda, President, Portland Veterans Administration Medical Center; Brett Sheehan, Vice President, Affordable Housing Executive; Larry Conrad, Secretary-Treasurer, Clackamas County
Gretchen Ansorge, Mercy Corps; Nancy Bond, Portland Public Schools; Loren Clark, US Bank; Betsy Ferguson, Oregon Health & Science University; Paul W. Ip, HSBC Bank; Marvin Kau, American United Development Group; Robert Koury, Lane Powell; Bhavna Kuman, Walsh Construction Co; Marc Tedesco, Architect

Board Committee Members: Kurt Brunn, Susie Cunningham, Juaquetter Jones, Rebecca Maese, Greg Soergel, Michele Torland

Photography: Heath Curry Photography, Jim Garrison, Julie Keefe/Klicker Photography, Al Stern Photography, Victor Sutan and REACH Archives