



# PORTLAND HOUSING BUREAU

Portland Housing Advisory Commission

Tuesday, November 3, 2015

3:00 p.m. – 5:00pm

Portland Housing Bureau, Ste. 500

421 SW 6<sup>th</sup> Ave.

Portland, OR 97204

✓ = PHAC public member action item

▶ = PHB staff member action item

## November Meeting Minutes - FINAL

**Members Present:** Amy Anderson, Betty Dominguez, Daniel Steffey, Dike Dame, Maxine Fitzpatrick, Nate McCoy, Sarah Zahn, Stephen Green, Thomas Brenneke, Wayne Miya

**Members Excused:** Cobi Lewis, Elisa Harrigan, Jean DeMaster (LOA)

**Staff Present:** Matthew Tschabold, Cheyenne Sheehan

**Guests Present:** Andrea Matthiessen, Sally Erickson, Karl Dinkelspiel, Stella Martinez (BAC), Kim McCarty (BAC)

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<b>Call to Order, Roll Call, and Review of October minutes.</b>	Sarah calls meeting to order. Cheyenne reads roll call. Two changes are proposed to October minutes and minutes are unanimously approved by the members. See <a href="#">final revised October</a> minutes.	
<b>Public Testimony</b>	<p>Ruth Adkins of the Oregon Opportunity Network and the Welcome Home Coalition testifies. The following is a summary of her statement: She thanks the PHAC for their leadership in increasing the TIF. She believes it would not have happened without the PHAC's leadership and call to action. Initially the housing advocacy community did not believe it could be done and they are very pleased with the outcome. She believes the PHAC has made a huge difference in housing opportunity in Portland and she is grateful and supportive of the work being done. She also thanks the PHB staff for their work in support of the TIF increase.</p> <p>Pam Long a resident of 333 SW Oak testifies. The following is a summary of her verbal and written statements: She is very concerned about the property where she lives, some of those issues include; fire risk, lead based paint, poor air circulation, shoddy electrical, non-compliance of disability rights. It's confusing to live there because there are competing messages. There are a lot of evictions. She speaks with the homeless in her neighborhood, some are veterans. She is concerned they are being given the run around. One veteran in</p>	

particular has been out on the streets for years now. Pam says he was kicked out of the building for hip issues and alcoholism. Veterans are not the only ones who need housing, especially now since winter is close. Violence in the area is bad as well.

Betty reads an email dated October 6<sup>th</sup>, from Home Forward's Director of Rent Assistance stating that 333 Oak is not one of Home Forward's project based buildings. He is fairly certain the building is a HUD project based building. Betty goes on to say that Home Forward does not own, operate, or manage this project.

Tom adds this is a HUD Section 8 project managed/owned by NW Housing Alternatives.

Sarah suggests that Pam reach out to the management group. Pam says she has sent letters but they get sent back to her and her issues are not addressed. End

Betty suggests Pam reach out to the local HUD office. Pam says she has but the person she talked with was threatening to her on the phone.

Sarah offers that one of the members would be happy to have more conversation with her on her options at the close of the meeting if she would like.

J. Veronica Bernier, an LVN for the past 20 years, a public health volunteer, and a PSU graduate testifies. The following is a summary of her verbal statement: She volunteers at MLC and Friendly house and she is concerned about public health and safety in the neighborhoods. She is concerned about the safety hazards related to rainy weather, like slip and falls. She wants to bring up the levels of safety in the city. Flooding sometimes occurs because of blocked drains. Kids' feet get wet walking to school. She is also concerned about affordable housing, her non-profit is Women's Affordable Housing Forum which focuses on housing women and families first. She states that a new emergency shelter has opened up at the Methodist Church on Yamhill through March. They need volunteers. She thanks the PHAC for their work.

Allan Owens makes the following summarized statement: He has been going to every housing meeting that there is and looking up every website he can find – he is studying the subject of housing. He thought he was coming to a different meeting today. He wants to know who to speak with to obtain access to City owned lots that are vacant land with no buildings. He would like use of those spaces.

	<p>Matthew offers that depending on the Bureau there are different leasing options available for programming purposes. He offers to connect with Allan after the meeting to discuss because he doesn't have details on hand.</p> <p>End of public testimony.</p>	
<p><b>Adopt Work Plan</b></p>	<p>The packet includes the <a href="#">revised PHAC work plan</a> for the next two years.</p> <p>Sarah asks if there are any other discussions needed before adoption takes place.</p> <p>Dike wants to spend a little more time in the meetings (5-10 minutes per meeting) to identify projects that have PHB funding or involvement that are in the pipeline or under discussion to get an idea of where they are in the design/entitlement process, the anticipated construction start date, the status of financing, and the estimated completion date. He thinks it would benefit the whole group to have a better idea of the work being done to create additional units.</p> <p>Betty suggests a written status report with the meeting materials.</p> <p>Wayne makes a motion to accept the work plan. Motion is seconded and carried unanimously.</p>	<p>Matthew will work at putting together a status report of PHB pipeline projects and timelines to share with PHAC.</p>
<p><b>October City Council Action</b></p>	<p>Sarah opens the topic by saying that PHAC has expressed interest in being more involved in these discussions and being proactive.</p> <p>Matthew details the council actions from October.</p> <ul style="list-style-type: none"> <li>• <a href="#">Set Aside Policy</a> - PHAC was instrumental in the process to increase TIF dollars to a 45% city wide aggregate across all URAs. After many meetings and discussions with stakeholders, including PDC, Commissioner Saltzman, Commissioner Fish, and Mayor Hales co-sponsored legislation to move this policy forward and City Council approved the change in October. The increase is effective as of July 1, 2015 and forecast through June 30, 2025. There is one significant difference to the current policy – in the River District there is a cash/ownership share component. With the redevelopment of the USPS acquisition and redevelopment, PHB would get an ownership share in that property. The details of that ownership share are still to be worked out but could include 1) an ownership share of up to \$20M or 2) cash or debt proceeds up to \$20M or 3) some combination of the two. <ul style="list-style-type: none"> <li>○ Exhibit B (page 4) of the document shows the Summary of Impact of Implementation Plan for the URAs pre and post TIF increase.</li> </ul> </li> </ul>	

- The River District \$20M is included in the 31% (see Exhibit B) and there is an affordable housing commitment for that \$20M – PHB will be making the determination of how those dollars will be spent and PHAC will weigh in, as those decisions are yet to be made.
- The timeline for USPS site acquisition is not yet determined, but elements of the framework are moving through Council currently. There is a clause in the policy stating that if the USPS site has not been acquired by 2020, PHB can exercise its cash option.
- PHB will utilize a public process to prioritize programming for the additional resources. Staff are working on a strategy to involve the communities affected.
- There is no budget adjustment for additional TIF revenue in the current fiscal year budget.
- There are three URAs, Downtown Waterfront, Oregon Convention Center, and South Park Blocks, that have run out and no new debt will be issued – PHB does have some resources in these areas from debt that was already issued.
- There is an annual IGA between the Housing Bureau and PDC and the TIF component will be incorporated into that agreement at some point. The new IGA is negotiated before the start of a new fiscal year. PHAC will have an opportunity to view that sometime next spring for the 16-17 fiscal year.
- [Linkage Fee Nexus Study](#) – this resolution went through Council around the same time as the TIF Set Aside Review. The idea behind the linkage fee is that commercial, industrial, and residential development creates job opportunities. A portion of those jobs are on the lower end of the wage spectrum and by facilitating economic development demand for housing is created. These lower income jobs create more demand for affordable housing since low income earners cannot pay market rental rates. The linkage fee is designed to support the provision of regulated affordable housing to meet the demand created by new development.
  - The Nexus Study is a market analysis of the development and business sectors in particular jurisdictions and forecasting future growth as well as

determining the proportion of jobs that would be low/moderate income to attempt to assess the demand for affordable housing.

- Economic modeling will help determine what kind of linkage fee can be assessed without negatively impacting economic development.
- PHB has committed to running a very public process and the Bureau is working internally to put together a process and scope for this project. PHAC has expressed interest in being involved in this process and more information will be shared as it becomes available.
- The study will be funded by PHB, through cost savings on their office lease renegotiation, up to about \$130K. These kinds of studies range in cost from about \$15K to \$150K depending on scope and number of sectors studied. PHB will be looking at multiple sectors so expects to pay a higher amount to complete the study.
- The goal, written into the resolution, is to go back to Council by the end of April with some recommendations and a completed study. Looking to get the RFP out in December and have a firm committed by January to complete the study.
- [Renter Protections](#) – Commissioner Saltzman’s office was the driving force behind this ordinance. The ordinance expands on the State law which was previously either a 30 or 60 day requirement for a no-cause eviction or rent increase, increasing the minimum notice to 90 days for a no-cause eviction and 90 days for rent increases over 5% in a 12 month period. A landlord who fails to comply is liable to the tenant for up to three month’s rent, damages, attorney fees, and costs. The effective date for this legislation is Nov. 13<sup>th</sup>, 2015.
  - Betty is concerned that for many tenants receiving no-cause eviction this is not enough time to save enough money to move. She wonders if there is anything else we can do to assist low income tenants with moving expenses – a pot of money for no or low interest loans or emergency relocation expenses.
    - Matthew thinks this is something that can be discussed as an option in the BAC meeting when reviewing decision packages.

	<ul style="list-style-type: none"> <li>○ Amy would like help locating the statute in State law pertaining to no-cause evictions, she hasn't been able to find it. Matthew says he will show her.</li> <li>○ There is no enforcement body in Portland for this ordinance within the City, it just gives the tenant the ability to take the landlord to court to collect damages.</li> <li>● <a href="#">Housing Emergency</a> – this is an initiative out of the Mayor's office. There are two significant pieces of legislation related to this initiative. 1) The first legislative step was to provide a definition of a "Housing Emergency" in the municipal code and give the City Council the authority to declare the emergency. 2) Declaring the housing emergency. <ul style="list-style-type: none"> <li>○ The Housing Emergency in Portland has been declared for one year with an option to extend or terminate by City Council.</li> <li>○ Provides the City the opportunity to request the Governor to declare a state of emergency in Portland.</li> <li>○ Waives title 33 of the zoning code for the duration of the State of Emergency.</li> <li>○ Declaring the State of Emergency gives the Council and Mayor the authority to; <ul style="list-style-type: none"> <li>▪ Waive code</li> <li>▪ Reallocate Resources</li> <li>▪ Draws attention to the issue</li> </ul> </li> <li>○ PHB's Housing Access &amp; Retention Team (HART) is in conversations with a Home for Everyone (HFE) to increase shelter capacity.</li> </ul> </li> </ul> <p>Matthew will keep the PHAC informed through November as several elements move forward:</p> <ul style="list-style-type: none"> <li>● The mayor has declared his intention to bring the demolition tax back to Council in an updated form. Matthew will distribute the latest version to members when it becomes available.</li> <li>● There has been some discussion from the Mayor's Office regarding implementation of a short term rental tax – this will come to Council in November.</li> </ul>	<p>Matthew will point Amy to the no-cause eviction statute.</p> <p>Matthew will keep the PHAC informed of the status various items going to Council in</p>
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	<ul style="list-style-type: none"> <li>○ Both of these ideas, if implemented may put additional revenue toward the creation of affordable housing</li> <li>• Incentive zoning – inclusion of affordable units based on a density bonus incentive in the central city as well as outside the central city.</li> <li>• Special PHAC Hearing for the Multi Unit Limited Tax Exemption (MULTE) in November</li> <li>• City Council Hearing on 11/4/15 on the Fall Budget Supplemental. Some elements that PHB submitted include; fair housing, market rent study, additional resources for homeless services.</li> </ul> <p>Dan congratulates staff on all of the work being done.</p> <p>Dike asks if the demolition tax had been implemented in 2014 how many dollars would it have generated by now. Matthew isn't certain, the original tax structure suggested was \$25K per house with some exemptions built into the program. In 2014 the number of demolitions was around 450 total, but many of those may have been exempted for various reasons.</p> <p>Dike would like to understand more about the demolition tax especially if PHAC is going to be asked to support it.</p> <p>Betty asks if demo tax dollars will be put toward home ownership programs or multi-family programs.</p> <p>At the retreat Jillian Detweiller said at the time the dollars would be going to support home ownership initiatives, but there is some question as to whether that will change in the upcoming version.</p>	<p>November and December.</p> <p>Matthew will put together some numbers on the demo tax when the updated resolution/ordinance comes out.</p>
<p><b>MULTE Program and PHAC</b></p>	<p>Sarah introduces Andrea and explains that the PHAC is not being asked to make any decisions on the MULTE today, this is an opportunity for framing and discussion. The PHAC will attend a hearing on November 18<sup>th</sup> dedicated to the projects currently applying for the MULTE.</p> <p>Andrea spoke to the PHAC in July regarding upcoming changes to the MULTE program. Those changes were approved by Council in August and this is an opportunity to confirm the changes made to the program.</p> <p>Andrea presents the <a href="#">Multiple unit Limited Tax Exemption (MULTE) Program Update presentation</a>.</p>	

	<p>PHAC questions the MWESB technical assistance requirements and a discussion ensues about why this is important and what the Bureau is attempting to accomplish with this requirement. The hope is that not only will MWESB participation grow with this requirement, but that companies that are successful reaching or surpassing the minimum goal will report their strategies in a way that can be shared with other developers.</p> <p>Monetary penalties for projects that don't provide full affordability will be monitored on an annual basis through required reporting to PHB.</p> <p>Unallocated cap cannot be carried forward into a new year so PHB is working closely with applicants to determine their project's timelines to maximize and fully consume the yearly cap.</p> <p>Betty asks if common spaces are reviewed for accessibility as 5% of units are required to be adaptable, but that adaptability is moot if the common spaces i.e. doorways, hallways etc. are not built with accessibility in mind. Andrea will have to follow up with her on an answer to that question.</p> <p>PHB will closely track the anticipated lease up schedule for each project and work very closely with developers and property management entities to track and refine their outreach strategy, wait list establishment and tracking for lease up of affordable units to ensure these units are going to populations that need them based on the preference policy and other factors.</p> <p>Parking considerations are not proscribed by this program – that happens at a higher level with BPS and zoning considerations.</p> <p>Sarah comments that she is happy to see the changes to the MULTE enticing more applications and that the entire \$3M cap is on track to be spent for 2015. This shows that developers are responding positively to the thoughtful and responsive changes made to the MULTE by the Commissioner's Office, PHB and PHAC, as the original MULTE regulations resulted in low participation and incomplete spending of the \$1M cap. The success of this program results in creating more affordable units.</p>	<p>Andrea will respond to Betty regarding accessibility in project common spaces</p>
<p><b>Convene as the Housing Budget Advisory Committee</b></p>	<p>Sarah convenes the PHB BAC and explains that the program managers will be discussing their decision package concepts. PHAC will hear from each of the managers at a high level about what they are proposing for their 2016 -2017 budgets and will have the opportunity to discuss and ask questions ahead of final budget decisions.</p>	



**Program Budget Development**

Stella Martinez and Kim McCarty (both PHB staff) join the meeting as members of the BAC.

Sally Erickson, Karl Dinkelspiel and Andrea Matthiessen present a PowerPoint [PHAC Decision Package Concepts Presentation](#).

Sally Erickson of manager of the Housing and Access Retention Team discusses homelessness (slide 3).

In addition to these concepts there is an additional \$30M being made available through the City and County. These proposed investment matrix for this additional funding includes;

- \$10M toward development of \$250 units at 0-30% MFI
- \$9M toward housing placement and retention
- \$5M toward safety off the streets options (emergency shelters, safe camping, etc)
- \$2.5M toward addiction prevention/homelessness prevention
- \$1.75M toward income acquisition
- \$1.75M toward aligning healthcare and housing

Dan asks if CHIERS is still operating to alleviate the suffering of unhoused and severely intoxicated individuals. Sally says the program still exists but PHB is not currently funding it, she can find out more info if needed.

**ADMIN NOTE:** Info on the CHIERS Program can be found at <http://www.centralcityconcern.org/services/health-recovery/sobering-station-chiers/>

Wayne asks if the Cascadia partnership is a version of Project Respond. Sally answers that it's similar but it's from a different part of Cascadia. They have separated their homeless services under one manager and Project Respond is separate and they primarily do crisis response.

**ADMIN NOTE:** Info on Project Respond can be found at <http://cascadiabhc.org/2014/project-respond/>

Discussion turns to the City's current policy on camping in right of ways.

- The current policy is that camping is still illegal in most communities, but if there is no housing or shelter space available, enforcement of camping bans is lax

Discussion turns to supportive services for homeless individuals who need it.

- Supportive service programs vary depending on the provider and there are long waiting lists at many providers.

- There are many programs available, but people don't often know how to find them

Stella asks why PHB is spending \$2M of CDBG money to fund PDC economic initiatives that develop workforce and microenterprises when this doesn't seem to fit into the mission of PHB. If those dollars were used to fund \$60K units over the last 5 years that is 165 units that could have been created for individuals making \$13 p/hr.

- Discussion points;
  - Units can be built or money can be invested in helping individuals increase their income. Both strategies affect housing.
  - Maybe other agencies are more suited to funding economic development strategies, and PHB should focus on unit creation.

Discussion of who is funding homeless resources for families;

- PHB generally funds services for adults
- The County funds services to families
- PHB funds rental assistance through HomeForward and funds Human Solutions programs to families living outside

Andrea, manager of the Neighborhood Housing Program, discusses home ownership programs (slides 4, 5, 6, and 7)

Karl Dinkelspiel, manager of the Housing Investment and Portfolio Preservation (HIPP) team did not present a slide with this presentation because they are not asking for additional funding for the multi-family rental program because they are currently fully funded. He notes that PHB has recently released a Notice of Funding Availability (NOFA) for \$61,600,000 which will eventually produce between 600 – 800 units of affordable housing. There are currently 234 units under construction with another 700 - 800 in predevelopment. Between now and 2018 he expects about 2000 units to be constructed.

Discussion on the pros and cons of developing condominiums for single family housing;

- Condos are economically efficient to build
- Construction liability is a barrier from a development standpoint
- Difficult to finance due to construction liability
- Many people don't buy condos because of construction liability concerns
- Habitat for Humanity has begun building condos and absorb the construct defect liability themselves and control the HOA
- They are a resource that could lead to affordable home ownership

	<p>Next Steps:</p> <ul style="list-style-type: none"> <li>• Internal vetting will occur on add packages</li> <li>• Input from PHAC on today's concepts and any other budget concepts they might suggest to PHB</li> <li>• For the December meeting a more finalized budget decision package discussion will be had</li> <li>• Expected outcomes</li> <li>• General ongoing info</li> </ul> <p>More information on the homeownership programs is requested by Tom – he is concerned about the effectiveness of those programs and whether they have value. He is interested in dollars spent compared to the number of households impacted with those dollars. There was something presented at the retreat on this that he would be interested at taking another look at.</p> <p>More information on culturally specific issues is requested by Wayne in regards to homeownership and rentals and what specific populations are being served.</p> <p>More information on goals for community outreach on the MULTE are requested by Dan. He would like to know the more specifics about the standards being set and the criteria used to evaluate those goals. He is discouraged by a 20% aspirational goal for minority contracting. He'd like to see the goal raised and have good solid goals for outreach being done.</p> <p>The next meeting the PHAC will get a first look at what PHB is considering for the overall budget in FY 2016-2017 as well as a final list and more information on decision packages plus reasons why and why not certain concepts were kept or dropped.</p> <p>BAC is adjourned.</p>	<p>Andrea will either bring homeownership info back at the next meeting or follow up with Tom.</p>
<p><b>Good of the Order</b></p>	<p>PHAC Reconvenes.</p> <p>Amy would like to do an evaluation of organizations' effectiveness in short/long term rental assistance and wonders if that's on a future agenda. Matthew explains that program evaluations are built into the work plan in the Spring once the budget cycle is complete.</p> <p>Sarah adjourns the meeting.</p>	