



# PORTLAND HOUSING BUREAU

Portland Housing Advisory Commission  
Tuesday, May 3<sup>rd</sup>, 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

## May Meeting Minutes - Draft

**Members Present:** Tom Brenneke, Dike Dame, Sarah Zahn, Amy Anderson, Daniel Steffey, Nate McCoy

**Members Excused:** Cobi Lewis, Elisa Harrigan, Stephen Green, Maxine Fitzpatrick, Betty Dominguez

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

**Guests Present:** Andrea Matthiessen, Antoinette Pietka, Mike Johnson, Javier Mena, Jessica Kinard

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<b>Call to Order, Roll Call, Minutes</b>	Sarah calls meeting to order. At the beginning of the meeting there are not enough members present for quorum so approval of the minutes is pushed until later in the meeting.	
<b>Public Testimony</b>	There is no public testimony.	
<b>PHB Program Performance</b>	<p>Andrea Matthiessen presents PHB program performance for the <a href="#">Down Payment Assistance Loan Program (DPAL) from 2010-2015</a>. The DPAL is funded through Tax Increment Financing (TIF) dollars, so the data in the presentation is limited to DPAL's in the Lents and Interstate Urban Renewal Areas.</p> <p>At the end of the presentation Andrea opens the floor to the Commission for questions. There are no questions.</p> <p>Andrea adds that an additional piece of data they are hoping to get is that if they look at each of the households and appreciation that is being estimated if they paid back their down payment loan as required if they sell the house before 30 years what would they actually pocket</p>	

	<p>Nate asks if there is a reason why DPAL isn't being used in Gateway.</p> <p>Andrea responds that PHB hasn't typically had home ownership or DPAL resources in Gateway because there hasn't been much TIF generated there, also the inventory is very limited.</p> <p>There are no further questions.</p> <p>Before moving on to the next agenda item, Matthew announces that the quorum count for the PHAC needs to be updated to account for the retirement of Wayne Miya. The new quorum requirement is six members and with that update the minutes can be reviewed with attending members.</p> <p>Minutes to be approved are from three PHAC meetings Feb. 2016, Mar. 2016, and Apr. 2016.</p> <p>A motion is made and seconded to approve the February minutes, and passed unanimously. Minutes approved.</p> <p>A motion is made and seconded to approve the March minutes, and passed unanimously. Minutes approved.</p> <p>A motion is made and seconded to approve the April minutes. Dan comments that there was a significant discussion in the April meeting regarding the PDC workforce programs. He hopes at some point the PHAC can circle back to come up with some suggestions on how the PDC workforce programs might be improved, especially around raising the entry wages for participants of those programs. The motion to approve is passed unanimously. Minutes approved.</p>	<p>Dan would like the PHAC to do more work with the PDC workforce programs in the hopes of improving wages for the participants.</p>
<p><b>PHAC Draft Code Changes</b></p>	<p>Matthew opens the topic of PHAC draft code changes and provides the <a href="#">PHAC Charter in City Code with proposed changes</a>.</p> <p>Updates to the PHAC charter are necessary because there have been no updates to bylaws or governing rules since the group's inception in 2010. He is recommending changes to clean up the charter and code. There have also been recent administrative and court rulings around public bodies – the City Attorney's Office has provided guidance to the Bureaus on some necessary adjustments to the code.</p>	

	<p>Matthew goes through each proposed change and gives reasons why each change/update is being made.</p> <p>There are discussions among the members present on quorum questions, email voting, proxies, etc. in reference to section 3.38.050 ---Quorum. Matthew will check with the Attorney's office on answers to these questions. The group as a whole is supportive of some sort of proxy voting mechanism.</p> <p>Since current PHAC membership is so low, PHAC will need to open a recruitment soon to add additional members.</p> <p>Dike steers the discussion toward PHAC's effectiveness. He thinks PHAC's effectiveness is in making recommendations to City Council. He sees the word 'advise' a lot in the charter and even in the name of PHAC but he believes using the word 'recommend' makes more sense and sounds more active than 'advise'. He would rather be a part of an organization that pushes to get things done and he feels the word 'recommends' sets a direction and an attitude of change more powerfully.</p> <p>Dike also doesn't understand PHB's or PHAC's role in impacting homelessness. He doesn't understand what PHB/PHAC does with respect to homelessness, if anything. He thinks if PHAC has some role in impacting homelessness, it should be detailed in the charter/code.</p> <p>Matthew agrees that this is a good point. He also believes language is important. He will go through the document again and look to further strengthen the language where appropriate in regards to advise/recommend. On the homeless services question, there has language in the budget, budgeted dollars, and public discussion around the joint office for homeless services. The IGA between the City and County to create the joint office is still under discussion. The roles around which agencies have which roles and responsibilities, is confusing and not clearly defined at this point, so it seems premature to put something in code. The current language in code is that PHAC will advise the City Council on homelessness – that leads to an open question on whether that is really the job of the PHAC or the job of A Home for Everyone (HFE), etc. Once the IGA is finalized there will be more clarity on PHAC's role. He will commit to getting that clarity so it can be included in the code recommendation.</p> <p>Dike asks under what category the PHAC would send a message on the Construction Excise Tax (CET) or linkage fees. He wonders, since these are sources of funding for affordable housing, should PHAC be taking a position on the CET and/or making recommendations.</p>	<p>Matthew will check with the City Attorney to find out if PHAC Members can assign their votes to a proxy when necessary.</p> <p>Matthew will go through the code recommendations and strengthen language regarding the terms advise/recommend. He will commit to getting clarity on the PHAC's role on homelessness so it can also be included in the code recommendation.</p>
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Matthew says it's under the Policy and Planning and Resource Development functions of the Commission.

Dan asks in regards to section 3.38.030 section F3 what form does advising take. There is a Request for Quotation (RFQ) currently out from Tri-Met for a piece of property in Kenton that they would like to put 200 units on. He wants to know what coordination has taken place between the City and Tri-Met relative to that project site.

Amy adds that the question should be broadened to include alignment on projects in the pipeline regardless of where they originate.

Javier answers that in general there is alignment between Tri-Met, Metro, and the County. Specific to the RFQ Dan mentioned, PHB helped to draft the RFQ. There is a requirement that there are a certain number of affordable units on that site. Some sort of gap funding will have to be provided. It has been very collaborative between Tri-Met and PHB. In the same realm there is a Metro site on 82<sup>nd</sup> and Division that went through a Request for Proposal (RFP) process that was ultimately awarded to Rose CDC and PHB has been part of that process, and will continue to be involved because it's related to affordable housing and will most likely require tax credits and gap financing from PHB. In regards to where activities like this interact with PHAC, he doesn't know.

Dike thinks it would helpful for PHAC to receive a monthly report of items in the pipeline that includes project location, number of units, developer info, status of entitlement process, construction timelines, and delivery date. He thinks something like this will make the PHAC more knowledgeable and more engaged in the process.

The rest of the commission agrees.

Amy asks if maybe the term 'inform' rather than 'advise' may be more accurate in the code.

Matthew will look again at the code and try to create more directive language that can be woven into the code taking Dike's and Amy's suggestions into account. The timeline for completion of these changes will be sometime in summer. The changes have to go to Council to be heard and approved. Currently Council is focused on Budget so it will be sometime after the new fiscal year begins. He hopes we can get changes approved at PHAC's June meeting to go in front of Council in July or August.

Sarah makes a suggestion that there be clarity around the role of the PHAC/PHB on homelessness in the code prior to appointment of any new members.

	<p>Someone asks a question about how the recruiting process works.</p> <p>Matthew answers that the Office of Neighborhood Involvement (ONI) accepts applications year-round. When they are received ONI keeps a copy on file and sends a copy to Cheyenne. PHB will also do some advertising when the Commissioner’s office opens a recruitment. It’s important to line up recruitments with the onboarding process so new members can be effective. To that end, PHB attempts to do recruitments on an annual cycle and appoint new members to all start at the same time.</p> <p>Nate comments on the equity side of things; years back PHB had ongoing reports on MWESB contracting for all the current projects. He requested about 4- months ago that something like that be added into the monthly meetings so the PHAC can stay updated. Procurement creates a report like this and it’s something he would like included in the meeting packets if possible.</p> <p>Sarah ends the topic and introduces the next agenda item.</p>	
<p><b>N/NE Homeownership Application Period</b></p>	<p>Andrea Matthiessen gives a brief overview of the status of the Preference Policy application period. There is no PowerPoint presentation for this.</p> <p>Last fall the Bureau awarded \$5M in homeownership assistance under the N/NE Housing Strategy as part of the \$20M to impact displacement. <a href="#">PCRI</a> was awarded \$1.3M and the <a href="#">AAAH Collaborative</a> was awarded the balance of \$3.3M. Those resources are subject to the Preference Policy. PHB has been working diligently to begin the implementation phase. Outreach has been happening in the community and the open application period has begun.</p> <p>From May 2<sup>nd</sup> to May 13<sup>th</sup> households in the community can submit their applications online or hard copies with various community partners and some library locations. PHB has a dedicated staff person to answer questions and provide support for applicants needing assistance completing the application.</p> <p>PHB is not requiring income information with the initial application in order to avoid applicants self-selecting out of the process in the early stages.</p> <p>Once the application window closes, PHB enter the application information into a database. One hundred of those applicants with the maximum number of points (6 points) will be selected for further consideration at random. The selected applicants will then begin the process of verifying their awarded points. Once verification is complete the households will have the opportunity to meet with community partners to discuss program models that are available for home ownership</p>	

assistance and they will make a selection about which model they would like to work towards.

The options available for home ownership subsidies are:

1. DPAL – a 30 year no interest, no payment loan
2. Shared equity through Proud Ground
3. Sweat equity working with Habitat for Humanity
4. A 12 unit micro-condo project on Jarrett St. and Interstate

They hope to have a list of households with their selections made by mid-September.

Sarah asks due to the lack of current inventory is there anything that can be done to proactively address low inventory. It seems that DPAL is currently underutilized because of low inventory. She wonders if the amount of the DPAL per household is being increased to compensate.

Andrea explains that the Preference Policy is a tool through which eligible households are identified. The partners have been looking for land as well as structures to acquire that can be used for inventory. PCRI was prioritized through the RFP process because they currently own land and structures appropriate for renovation/rehab for transition into inventory for home ownership. 65 households total will be served with the \$5 Million the AAAH Collaborative will rely heavily on new construction to provide affordable homeownership opportunities. The partners will make cash offers on property and transition those assets to eligible homebuyers.

Nate asks how the random selection is done.

Andrea responds that PHB has purchased digital statistical randomizing software to do make the random selections.

Andrea adds that PHB has received 200 applications in the last 24 hours and has had 1,000 online website hits.

Matthew adds that in the past month the website has received over 10,000 hits in the lead-up to the open application window.

Nate asks if this will be the new standard for available program dollars.

Andrea answers that all of the homeownership dollars in N/NE will utilize the Preference Policy.

Sarah closes the topic and moves to the next agenda item.

**Mayor's Proposed PHB Budget**

Before Mike Johnson begins the topic, Matthew thanks Mike and the representatives of the City Budget Office for attending the meeting today. PHB did not see the Mayor's proposed budget until yesterday.

Mike Johnson presents the [Proposed Budget Decisions and PHB Budget Fact Sheet](#)

Someone asks what the Law Enforcement Diversion Program is as those funds were not requested by PHB.

Mike responds that it is a program the Mayor wants to institute.

Jessica Kinard from the City Budget Office (CBO) explains further that the program is an law enforcement tool and pilot program modeled after a similar program that exists in Seattle; whereby for citizens who perform low level crimes or lack of compliance with Safe Sleep guidelines law enforcement has another option in dealing with them rather than taking them to jail. The idea is they would be taken to a central agency, provide a case manager who can help them access job opportunities or other necessary social services. The details are not yet fully defined.

Amy hopes this program will engage with the [Unity Center](#) to better engage with clients. That center has onsite support services for clients especially those with mental illness.

Mike adds that a large portion of the dollars in this budget, specifically the dollars for homeless programs, including this diversion program, will be diverted to the joint office being created. PHB will still track the funds because the mechanism for spending the funds being diverted will be a sub-recipient contract IGA between the City and the County.

On page 2 of the Summary of Budget Decisions ([page 3 of this linked document](#)) there is detail on housing related funding going to other Bureaus in the Mayor's proposed budget.

Jessica Kinard adds that all of the Bureau fact sheets are available on the City Budget Office website at <http://www.portlandoregon.gov/cbo/>.

Matthew adds that next Tuesday Council will have a work session on the proposed budget. On Thursday May 12<sup>th</sup> there will be a public hearing on the budget.

Mike continues, the following week Council votes on the approved budget for PHB and PDC. After that there is a period where the County Tax Supervision Commission reviews the budget. The final approved budget will be adopted on June 9<sup>th</sup>.

	<p>Sarah comments that basically all of the proposed budget asks for homelessness were funded. What didn't get funded was the \$10M for rental housing development and some requests for homeownership/home retention resources in East Portland.</p> <p>Mike agrees. Matthew thinks it's a solid budget for PHB. Hopefully more progress will be made in the next budget cycle.</p> <p>There are no other questions.</p> <p>Sarah moves the to the next agenda item.</p>	
<p><b>PHB 2015 NOFA Announcement</b></p>	<p>Javier Mena presents a summary of the <a href="#">NOFA decisions</a></p> <p>He gives a brief overview of the process – it started back in October of 2015 where it was determined the amount of funding made available; The Notice went out to partners and networks in late-October; proposals were due in January and February; once proposals were received, initial internal review was completed by 22 PHB staff and other staff from the County, PDC, and OMF.</p> <p>Once internal evaluations and ranking were completed, external evaluations were begun. There were 20 external evaluators, four different committees of five evaluators. The external evaluation process concluded in early April.</p> <p>Proposed awards were presented to Kurt Creager and Council and PDC and the County and final awards were announced last week.</p> <p>Since that announcement there has been one key change, finalized only a few hours ago. The King Parks site, a PHB owned property, PHB had selected a California development company. Since that selection was made, the developer withdrew their application. As of today that site has been awarded to PCRI to develop as they were a close second after the evaluations had taken place.</p> <p>In total, with this NOFA, 585 new units will be developed and 255 units will be rehabilitated. PHB is leveraging dollars at about 4:1 – for every dollar PHB is investing, \$3-4 dollars is being leveraged. Per unit resource investment is about \$60K which is slightly lower than the average of \$100K... this difference is because of the rehab units since they are less expensive than new units.</p> <p>Thursday there will be a meeting with the selected developers to introduce the team and the process by which PHB works. Soon after that PHB will begin scheduling individual meetings with each developer to begin the negotiating process on the projects themselves.</p>	



Dan thinks it will be interesting to see how the social equity piece of these projects plays out. He hopes to get that information as time goes on. Secondly, regarding transparency, a public records request to see the applications for the NOFA details a charge of \$1 per page. He knows that applicants submit all of their application materials electronically as well. He thinks that policy should be looked at. If a requestor is looking to be provided with electronic copies, charging \$1 per page seems excessive.

Javier responds that the policy is a City policy but the Bureau has flexibility within the policy to complete a request to provide that information electronically. There could still be a cost associated, even if the request is for electronic files because a staff member still needs to work on culling the information requested. It is a requirement to go through the public records request process, but the requestor can ask that the fees be waived.

Nate wants to know if the NOFA will ever be consistent in the way it rolls out annually.

Javier says there are factors that change the way the NOFA goes out each year as the Bureau learns something each year to make it work more smoothly. Because the NOFA is complicated, PHB will continue to try to make resources available outside the NOFA so that a wider variety of agencies can also compete.

Nate thinks the PHAC should be more involved in the NOFA process to offer opinions and ideas and ensure that the Bureau's stated goals are part of the selection process. The feedback he hears in the community is people who would like to work with PHB can't because of a lack of consistency in the process.

There is more discussion about the NOFA process itself as well as frustrations that members of the PHAC have had as developers going through the NOFA process. Some members of PHAC submitted proposals that were not selected. There are more detailed discussions on the selection and evaluation process.

Tom asks why all the NOFA money was not awarded, there is about \$13M that has yet to be allocated.

Javier answers that there is a tentative project in Gateway that is going to go through a different process. PHB is meeting with the developer and PDC – PDC owns the site so they have a lot of say as to how they want to see that project developed. So far all that has been agreed is there will definitely be affordable housing on that site. The unit count looks to be about 40 and the design is still being worked on. Until there is agreement among all parties on the details it remains under negotiation.

	<p>Dike wants to know what happens to the rejected proposals.</p> <p>Javier answers that some disappear because their proposal was competing directly for the same site. Others may move forward with alternative development plans and/or financing.</p> <p>Dike asks Tom how many person hours he had in his NOFA proposal.</p> <p>Tom responds about 75 hours and \$10K – it's significant. He has concerns about the selection process and thinks they should continue to talk about it offline.</p> <p>Sarah reminds the Commission that they have gone over the meeting time.</p>	
<p><b>Good of the Order</b></p>	<p>Sarah adjourns the meeting. The next meeting is June 7<sup>th</sup>, 2016 at PHB.</p>	