



PORTLAND HOUSING BUREAU

Portland Housing Advisory Commission
Tuesday, September 6, 2016
3:00 p.m. – 5:00pm
Portland Housing Bureau, Ste. 500
421 SW 6th Ave.
Portland, OR 97204

✓ = PHAC public member action item
▶ = PHB staff member action item

September Meeting Minutes - FINAL

Members Present: Amy Anderson, Tom Brenneke, Betty Dominguez, Maxine Fitzpatrick, Stephen Green, Nate McCoy, Sarah Zahn

Members Excused: Dike Dame, Elisa Harrigan, Daniel Steffey, Cobi Lewis

Staff Present: Matthew Tschabold, Cheyenne Sheehan

Guests Present: Dory Van Bockel

As always, find all PHAC meeting materials archived at PHAC's website at <http://www.portlandoregon.gov/phb/phac> and click "Meeting Archives" in the gray block on the left side of the page.

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Call to Order, Roll Call, Minutes	<p>Sarah opens the meeting and asks if there are any comments on August's meeting minutes. There is a motion to approve the minutes, motion is seconded and minutes are unanimously approved by the group.</p> <p>Sarah opens the floor for public testimony and reminds the audience that they will have three minutes to testify.</p>	
Public Testimony	<p>Susan Emmons, Executive Director of NW Pilot Project, testifies on changes needed to the income to rent ratio in PHB owned buildings. She is happy with PHB's work on the issue within the Abigail apartments, but there are continued issues there that Bobby Weinstock will speak about during his testimony.</p> <p>She feels that this is a problem that has been years in the making and there is a disconnect between our public policy, investments, and intentions. Property management firms are critical to housing low income people in regulated buildings. Their professionalism and understanding of who is being served are very important. She feels that with the turnover at PHB and property management firms, the new players such as Bridge Housing, long time property managers like Pinnacle turning over operations of buildings to contractors – all of this brings a lack of consistency</p>	

that negatively affects the clients everyone is trying to house. With this there is a lack of focus regarding community goals and what housing consortiums are trying to accomplish. She believes that these issues are creating discrimination against their clients by screening them out of housing opportunities rather than screening them in. Bobby is going to share a story about one of their clients who is now homeless because they couldn't get into the Abigail due to their screening procedures.

Bobby Weinstock of NW Pilot Project, starts by thanking the PHAC for hearing his testimony. He wants to revisit the income to rent policy that he talked about with the PHAC at the July meeting and provides a [handout](#) describing the problem, history, and possible solutions. He gives an example of the income to rent ratio; if an apartment rents for \$400 and the management company has an income to rent policy of 3:1 the applicant has to have a minimum income of \$1200 per month to qualify for that unit. The income to rent requirement, set by the management company, determines what level of income an applicant must have to live in a unit – this is often an insurmountable barrier for the lowest income people in our community.

He thanks PHB staff for their efforts to change the ratio at the Abigail Apartments from 2.7:1 to 1.5:1 which made it possible for elderly, disabled, and those dependent on Social Security income to qualify for the available tax credit apartments in that building.

He asks that the PHAC in their advisory role to City Council, recommend that the income to rent ratio in the entire PHB portfolio be no greater than 1.5:1 which he says was the adopted policy at PDC, PHB, and Home Forward in the past and somewhere along the line that policy got lost.

Reinstating that policy would make it possible for NWPP to reduce homelessness, and better serve disabled, elderly, and people of color in the community better. He believes this is an equity issue and that it makes sure that the lowest income people can access publicly financed units. He hopes PHAC will make that recommendation to staff.

The new problem that has cropped up at the Abigail Apartments pertains to the way management is implementing the tax credit compliance process. Applicants are finding it incredibly frustrating and sometimes impossible to provide the documentation being required of them by the management company. He is currently working with two clients who have been to the building 8 different times to try to get through the compliance process. He believes documents being required by management that aren't actually required in any other tax credit building. A 61 year old woman that he is working with has been trying since May to qualify for a unit there – now through no fault of her own she has not been able to complete the process. Tomorrow she becomes homeless and NWPP will put her up in a motel but this should never have happened. He would appreciate if this issues come up in a building that PHB finances, there is a protocol and a contact person at the Bureau that they can go to for resolution. PHB has the leverage over building owners and management companies that NWPP doesn't. He would like PHB to have a protocol for intervening on the applicant's/tenant's behalf if the management company is unwilling to be reasonable. He is still hoping someone will intervene in this woman's case so that she is not

homeless for very long. The application process at the Abigail has reduced many applicants to tears – he has never seen anything like it at any tax credit project before.

The PHAC discusses the topic:

- How can a full analysis of management companies for PHB’s portfolio be completed to ensure that applicants/tenants and the most vulnerable populations, are being treated fairly and consistently during the application process and beyond?
 - Matthew will speak with PHB’s Asset Management and Regulatory Compliance team and have them come and present a baseline of info to the PHAC including who the major property management companies are and to what degree PHB imposes a standardized application and screening criteria process. That could help PHAC decide how to move forward on this issue.
- The rent to income ratio was the concern that was brought to the PHAC several months ago, which has since been resolved for the Abigail Apartments. What is PHB’s position on the 1.5:1 minimum at all PHB properties?
 - The question is whether that 1.5:1 is sustainable across the portfolio. Whether that ratio is reasonable depends on the tenant’s income and expenses. While a 1.5:1 may work for a single senior citizen on a fixed income whose monthly expenses may not vary much, it may not work for a family of four because a family’s expenses can vary widely per month e.g. shoes to buy, cars to fix, sick kids, school supplies, etc. If people are overly rent burdened you have a higher possibility that sooner or later, they won’t be able to pay their rent.
 - Betty adds that at Home Forward they see people choosing to rent burden themselves in order to have a comfortable home. She thinks it’s great that Bridge Housing chose to adjust their requirement and she appreciates PHB’s help in making that happen. You have to consider OHCS as well as they are the administrators of the tax credits and the compliance around the tax credits and their requirements aren’t that high. If there is a staff person at the property management company who is inappropriately administering the regulations in the qualifying process, OHCS should be asked to take a look at that.
 - Tom agrees and says OHCS would be most concerned with maximums and not minimums.
 - All the members agree that 1.5:1 may work for some projects, but not necessarily across the board. They need more information before making that recommendation.
- PCRI currently implements the 1.5:1 rent ratio and they find it works well. Tenants that choose to rent burden themselves (particularly with singles and older people) usually

Matthew will ask PHB Asset Management to present at a PHAC meeting and share baseline info on property management and regulatory compliance of PHB properties.

manage that burden well and non-payment of rent hasn't really been a problem at PCRI. Setting the ratio at 1.5:1 has not created a significant loss for them.+

Maxine asks for more detail from Bobby on what kinds of documents his client was being asked to produce. Bobby explains even though the client was divorced 20 years ago, the property manager required her to produce a certified divorce decree, which is expensive and difficult to get. She gave them an uncertified divorce decree, but they wouldn't accept it. Bobby had never heard of the requirement to produce a divorce decree in any other tax credit building. He has another client with outstanding student loans from when she was a student eight years ago and they are requiring various documentation regarding those old student loans. His understanding was that all she had to show to qualify for a tax credit apartment was she isn't currently a full-time student. These kinds of requirements from the manager have applicants running all around until they are exhausted and discouraged enough to stop trying.

Susan of NWPP understands the rigorous compliance requirements for managers of these buildings, but there is no face sheet or checklist being provided to applicants to explain what will be asked of them and there is no way to confirm that these documentation requirement are fair, equitable, and being applied to everyone. This seems disconnected from the City's public policy during this housing and homelessness crisis. She thinks it's important to have RFP's and competitive process for new property management companies in order to determine how they have worked with vulnerable populations in the past and how they plan to work with them in each project.

PHAC members suggest that NWPP brings this up with the State of Oregon OHCS and that PHB's asset management program step in with this property manager to determine if they are overzealous.

Kurt adds that Asset Management definitely has a role. PHB has reorganized internally in some areas and Javier Mena is now supervising Asset Management.

Javier explains that PHB isn't involved in the lease-up process other than receiving and verifying the marketing and lease-up plans ahead of lease-up. Currently PHB is not staffed to follow up on lease up for its whole portfolio. It's just not possible with current staff levels. PHB confirms that the tenants who receive units are qualified to live in them. There has not been any follow up on applicants who applied, but did not get in and the reasons because that is a different conversation and a different focus than what PHB has been focused on. If that were to become the direction, the Bureau would need more staff.

Bobby ends by saying that who gets to live in publicly funded buildings and who doesn't is the biggest equity issue. If there are processes in place in publicly financed buildings that are screening out the exact people that are supposed to be being helped, it should be addressed even if it requires additional staffing.

Jes Larson, of the Welcome Home Coalition speaks in support of the first ballot measure for a General Obligation (GO) Bond to fund affordable housing.

Matthew reminds the group that due to elections law PHB staff is not allowed to work in support of, or against this ballot measure. PHAC members, in their roles as City Representatives also cannot take a position for or against the ballot measure. They may do so as private citizens, if they choose, but may not use their position as PHAC members to endorse or oppose the measure.

Debbie Aiona, of the League of Women Voters of Portland, testifies that she read the progress on setting a value for the affordable housing site for the Zidell site on North Macadam is behind schedule. This is a concern for the League who has been following South Waterfront development from the beginning and have pushed very hard to have affordable housing goals in that district. This has not gone as well as they have hoped. The Zidell project was a bright spot for them. She would like the PHAC to ask for an update at an upcoming meeting.

She also shares that she attended the Oregon Opportunity Network forum on Inclusionary Zoning and wonders once the policy is adopted how it will fit into the fair housing issues that Portland has been struggling with. The last audit showed a considerable amount of housing discrimination in the City. This made her think how there will be new buildings with affordable units in them being built all over the city and it makes her wonder how the City will ensure that everyone has the opportunity to rent those. She hopes this issue is added to the policy discussion.

Kurt responds to Debbie's question regarding the Zidell site. The appraisal is complete. PHB has notified the appraiser of two minor corrections. Zidell is not under PHB's appraisal protocol. They notify PHB of their appraisal results and PHB notifies them of its appraisal results. If there is a divergence of opinion with respect to the appraisal then a third appraisal is completed. Currently the process is ongoing, but PHB's appraisal is complete. Those results cannot be shared at this time. To clarify, the Zidell site is at 3030 SW Moody which is a building currently occupied by OHSU – there is an option to purchase that building in 2020. The duty of ZRZ Realty is to come forward with a master plan – PHB meets monthly with ZRZ on this issue and to make sure that the affordable housing units are in context with the other elements in play. While the press made a big issue of the August 30th deadline, PHB completed their appraisal within seven days of the deadline. It was late because the appraiser PHB selected had a project manager who took a different job which caused them to lose a bit of time. The PHAC should know, in reference to the assets made affordable through the inclusionary housing policy, is a conversation with the Panel of Experts that

	<p>hasn't fully played out yet. There is a goal to have a central database that is open and transparent and available to everyone. The Preference Policy in N/NE is a complicating factor and the decision on whether Preference Policy will apply to all affordable units in that area is an open question.</p> <p>Maxine thinks it's important to prioritize the existing community to have priority for housing opportunities and making sure they are not being forced to run around all over to provide documentation of all types and still not being accepted for the unit. She feels that's discrimination. Discrimination doesn't always have to be racial or cultural. She wants to know what's the motivating factor for not housing people who need housing desperately.</p> <p>Kurt explains that PHB is trying to recreate a platform, similar to Housing Connections (which is no longer available) but with more up to date technology in order to make affordable vacancies available more broadly.</p> <p>Nate asks if the ballot measure for affordable housing passes if the PHAC will be taking a role in determining how those dollars are spent.</p> <p>Matthew responds that should the ballot measure pass it would be a revenue source for the Bureau like any other TIF, CET, General Fund. Like the other revenue sources available to the Bureau that support programming, PHAC will have the opportunity to weigh in on how the dollars are distributed as a part of the general budget process.</p>	
<p>MULTE Hearing</p>	<p>Dory Van Bockel presents the current MULTE applications.</p> <p>The PHAC asks the following questions related to the MULTE presentation.</p> <ul style="list-style-type: none"> • What is the projected unit creation for the MULTE if the entire cap is utilized this year? <ul style="list-style-type: none"> ○ Dory will have to get back to the PHAC on that as she doesn't have the numbers in front of her today. So far in 2016 there are 231 affordable units created. She estimates that another 100 or so may be added to that in 2016 depending on the timing of applications. • Can the cap be forward allocated? <ul style="list-style-type: none"> ○ No – forward allocation is not done but it is possible to time applications in order to take advantage of cap in the following year. • Do you anticipate a larger cap next year? <ul style="list-style-type: none"> ○ That will be determined by how the program changes when inclusionary housing rolls out. • What is the logic behind 60% and 80% MFI affordable units in the MULTE program? 	

	<ul style="list-style-type: none"> o Dory responds that this was under discussion a lot during the revamp of the MULTE program last year. Based on the benefit that the tax exemption provides to a project a lower level of affordability, like 30% units is not attractive to the development community. Lower affordability impacts the developers' income enough the project is no longer feasible for them. She adds that the MULTE doesn't solve for all of Portland's affordability issues, but as part of the continuum of options for affordability. 	
Inclusionary Housing Update	<p>Matthew updates the PHAC on Inclusionary Housing Program Development.</p> <p>Feasibility results are being refined based on feedback from the Panel of Experts and will be published this week. Commissioner Saltzman will look to release his program recommendations next week, after which the legislative process will begin at the Bureau of Planning and Sustainability (BPS) Commission with respect to the zoning code. The Panel of experts will discuss and monitor the compliance process as well as Fair Housing considerations for application and screening during meetings in September, October, and November. He expects City Council to take up the question in December after the BPS Commission has completed their legislative process.</p>	
Good of the Order	End of meeting. Next meeting will be October 4th.	