



PORTLAND HOUSING BUREAU

Portland Housing Advisory Commission

Tuesday, June 6, 2017

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

June Meeting Minutes - FINAL

Members Present: Amy Anderson, Betty Dominguez, Dike Dame, Maxine Fitzpatrick, Nate McCoy, Sarah Zahn

Members Excused: Stephen Green, Elisa Harrigan, Shannon Singleton, Dan Steffey

Staff Present: Cupid Alexander, Cheyenne Sheehan

Guests Present: Andrea Matthiessen (Program), Karl Dinkelspiel (Production Pipeline) Victoria James (Mandatory Relocation), Michelle DePass (Community Engagement), Jennifer Chang (Bond Planning), Nan Stark (Pathway 1000)

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	Sarah opens the meeting – the meeting minutes for March and April cannot be finalized because quorum is not met. Sarah asks for public testimony.	
Public Testimony	There is no public testimony.	
Director’s Update	Kurt Creager had a conflicting meeting and could not attend PHAC today. Javier Mena, PHB’s assistant director makes comments later in the meeting.	
Program Updates and Production Pipeline	Andrea Matthiessen updates the PHAC on the 5-Year Budget Detail for Homeownership Programs as well as the Current 5-Year Projects Commitments (page 2). <ul style="list-style-type: none"> The shading on the first six projects under the Current 5-Year Projects indicates that those are homeownership opportunities that will be created in the ICURA and will utilize the Preference Policy to prioritize households receiving funding 	

- Geographically the resources for home ownership are generally limited to URAs and not much is available city-wide
- The first round of applications for 65 rental/homeownership opportunities using the preference policy has been completed. One homebuyer has completed a home purchase and a couple of others are shopping
- PCRI is looking to build housing on land that they own and Habitat for Humanity is looking to acquire property for new construction
- A challenge for PHB in N/NE Portland is the high cost of real estate. Budgetarily multi-family homeownership makes the most sense but people in the community would strongly prefer detached single-family homeownership
 - Finding resources and land to develop attached townhouse or row houses is even challenging due to high land prices and limited stock
- Historically PHB has provided homeownership assistance in the form of Down Payment Assistance Loan (DPAL). This strategy is proving to be less effective city-wide due to:
 - high down payments
 - competition with buyers offering cash and/or over-list price offers
 - TIF dollars make it complicated to purchase a newly built unit because it requires 20% go toward home improvement
- PHB is looking to be more effective and strategic with the resources available and concentrate on full utilization of the dollars budgeted with the help of organizational partners and PHB staff
- Programs like HOLTE, SDC Exemptions, MCC Program help to reach full utilization of allocated budget resources for home ownership
- [House Bill 2964](#) which passed in the Senate this week will allow PHB, once approved by the County and City Council, to provide a 10-year tax exemption to BOTH existing units and new construction units to income qualified home buyers
- A home ownership component to Inclusionary Housing is being developed and will be brought before PHAC when complete

Questions and Comments from the PHAC;

Dike says he doesn't think there is a for-profit develop in Portland that would develop a condo-style apartment complex using wood construction due to the Oregon's construction defect laws and climate. On NW 11th and Johnson there is a project that was built in 1999 and is currently going through its third exterior rebuild.

Betty asked about the condo projects from the last NOFA. Andrea responds that two projects were selected one on N. Interstate and another in North Portland. The projects are being developed by Proud Ground and Habitat for Humanity.

Dike thinks that given the level of high rise construction projects being built and a slowing of the market, it is reasonable that some of these apartment buildings will convert to condos. He thinks this could be an opportunity for homeownership that PHB should consider. Andrea agrees and adds that the challenge would be connecting these units with low and moderate income homebuyers recognizing the challenges of condo conversion and financing.

Andrea goes over the [PHB Accessory Dwelling Unit Pilot Program](#) which was designed as a homeowner retention strategy.

- The rental revenue the ADU generates for the homeowner would act as an additional income stream helping them retain their homes as costs rise
- Resources would come from PHB and Prosper Portland (formerly PDC) to build 40 ADUs in the ICURA
- Eligible homeowners are under 120% AMI and have owned their home for at least 30 years
- ADUs created must be used for long-term rental use (no short term like Airbnb)
- ADUs are not detached, but in-home e.g. basement, attic – because it costs less to create an in-home ADU (approx. \$80K) while detached fully permitted ADUs are more expensive (approx. \$160K)
- The rents for the ADUs are unregulated
- The loan to develop the ADU must be repaid over 15 years or upon sale of property
- The preference is to create fully accessible units with separate entrances
- The preference policy is not associated with this program but PHB is looking at other ways to prioritize households and is considering multiple strategies including limiting access to the program to people who have owned their homes for +30 years, but options are still being discussed

Next steps, the program will be presented to the Prosper Portland N/NE Economic Development Initiative (EDI) Oversight Committee and to the PHB N/NE Oversight Committee for input by mid-July. If all goes well, it will be presented to City Council at the end of July. If approved, broad community outreach will begin.

The PHAC is interested in hearing updates on this program as it rolls out.

Karl Dinkelspiel, manager of the PHB's Housing Investment and Portfolio Investment team, presents on the current PHB production pipeline but does not provide materials.

He highlights the following;

- There are 23 active multi-family rental projects being developed by PHB at this time, totaling 1904 units

- These units are in various stages of development, from pre-development to completion
- The Beatrice Morrow (formerly known as Grant Warehouse) project, being led by PCRI has officially broken ground
- The project at NW 14th and Raleigh should begin construction in June or July at latest
- The St. Francis Park Apartments, developed in partnership between Home Forward and Catholic Charities - Caritas Housing, had their grand opening in May. It contains 106 apartments serving people earning 60% AMI and below with 20 apartments dedicated to women transitioning from homelessness and five apartments dedicated to women escaping domestic violence. For more info view their [fact sheet](#).
- There are 26 Multi-Unit Limited Tax Exemption (MULTE) projects in the pipeline adding a total of 637 units of units affordable for 10 years
- Inclusionary Housing is up and running – there multiple projects that have filed for permits and will include approximately 40 required inclusionary units at 80% AMI and below and 60% AMI and below. See detail on these projects [here](#).
- The GO Bond Stakeholder Advisory Group (Bond SAG) process has begun. Bond funds can't be spent to develop or acquire property with bond funds until the Bond SAG has completed the spending framework. Jennifer Chang will give an update on that process later in this meeting

Betty asks if Karl can provide dates for when affordable developments with project based vouchers are coming on line so Home Forward can plan voucher releases. Karl will work with her on that.

Nate would like to have MWESB numbers for current construction projects presented at the next meeting and ongoing.

Betty asks if PHB is land banking right now to prepare for unit commitments made to MPAC and the Southwest Corridor. Karl responds PHB has committed to a memorandum of understanding (MOU) in the Powell/Division neighborhood for 4-5 projects equally 100-200 units. There are sites that PHB is looking to negotiate and possibly acquire with bond funds pending the outcome of the Framework Plan being developed by the Bond SAG. The Framework Plan could include restrictions that would make it impossible to use bond funds in certain areas of the city or other limitations. It's not possible to answer clearly on how properties will be purchased before the Framework Plan is complete.

Betty asks if any of the projects Karl just spoke of will be developed using the Fast Start program. Karl says there are aren't currently plans to use Fast Start for these, but it is possible. PHB and BPS are working together on the Southwest Corridor and setting goals around anti-displacement.

Identifying specific sites for development is in early stages and is ongoing. Acquisition decisions have not yet been made. Karl thinks that the detailed and thoughtful process they are going through now in working with BPS will be a model for connecting affordable housing and planned transit.

Maxine refers back to the [Current 5-year Projects/Commitments graph](#) on page 2 and asks about the N/NE Allocation between PCRI and AAAH in the project column – she can't tell what it is specifically for whereas in most of the other projects it says specifically. Cupid Alexander answers that the \$5 Million was awarded to AAAH and PCRI for DPAL assistance related to the Preference Policy.

Javier Mena, PHB's Assistant Director, makes updates PHAC on the following items:

- PHB is working with Prosper Portland on the [Broadway Corridor](#) process. Prosper Portland has hired consultants to help identify best options for procurement during the Post Office redevelopment. PHB is partners with Prosper Portland on this project and Javier hopes to share more at the next meeting about how they plan to achieve 30% of the planned units as affordable which represents about 700
 - The City took a short term loan to be able to purchase the Post Office property and it needs to be paid back soon. It is important that the city not negatively impact the value of the land with the planned affordable housing in order to repay that loan. He anticipates PHB will need to acquire a second site to be able to balance affordability between 60% AMI units and 30% AMI units
 - Most inclusionary units in the Broadway Corridor will most likely be set at 60% AMI which allows developers the full tax exemption
 - 0-30% units will be included in PHB owned buildings but private devotes are not required to provide Inclusionary units at that level of affordability
 - Javier will go into more detail and offer more tangible information at the next PHAC meeting. He thinks by then Prosper Portland will release an RFP for the procurement process
- A broad partnership is working together on the [Southwest Corridor](#) and is developing strategies to include affordable housing with other investments being made by the partnered cities and agencies
 - PHB has identified a few properties of interest and is moving through negotiations
 - It will probably be another year until a full city-wide plan is complete
 - The internal City process in regards to the Southwest Corridor only began about a month ago
 - He plans to share information with PHAC as it becomes available

- PHB owns multiple affordable properties including the Ellington, the Joyce, the Headwaters, and the Fairfield. Three of these properties are fully occupied and have property management contracts that will soon expire
 - An RFP process has been completed - only three proposals were submitted by
 - 1) Guardian Property Management
 - 2) Income Property Management (IPM)
 - 3) Affinity Property Management
 - The Ellington and Headwaters are currently being managed by Guardian and the Fairfield and the Joyce are managed by IPM
 - At completion of the RFP process, Affinity was chosen to take over management of the Ellington when Guardian's contract expires 6/30/17. Guardian will continue to manage the Headwaters, and IPM will continue to manage the Fairfield and the Joyce while it is occupied and contracts are being negotiated
 - As PHB expands its ownership portfolio templates for internal processes are being created to be used going forward to assist in managing PHB's responsibilities
- PHB has been working diligently to relocate the remaining tenants in the Joyce Hotel
 - There are about 8 high-needs tenants remaining in the Joyce
 - PHB has partnered with Impact NW to work with the residents and assist in finding them alternative housing
 - The goal is to empty the building by the end of June or July at the latest
- The refinance of the Headwaters using a HUD loan is continuing forward. An RFP process was completed and CBRE was selected to help with the refinance
 - The City of Portland (COP) cannot establish a single asset entity as required by HUD but it was discussed that COP would be given an exemption from that requirement
 - After the election there was a change in administration and leadership at HUD which created some challenges getting the exemption
 - Paperwork requesting the exemption has been submitted and HUD has continuing questions about processes and the reasons for the exemption request – the work continues to try to get the funding needed to complete the refinance
 - The Headwaters is 100-units of mostly workforce housing currently without rent restrictions. Most tenants are at about 100% AMI. Once the refinance is complete, the plan is to restrict 40-units at 60% or below and the others continue to be unrestricted

Questions from the PHAC:

Sarah wants to know the timeline of the renovation of the Joyce and whether or not the relocation of tenants is temporary or permanent. Javier responds that the relocation of current tenants of the

	<p>Joyce is considered permanent. The goal with the Joyce is to use it as a staging site during the rehabs of other properties. For example, the Henry is scheduled for a retrofit and those tenants will be relocated to the Joyce while the rehab is in process, and return to the Henry when it is complete. There are several other properties that will go through similar renovations and the Joyce will be used to accommodate the tenants while that work is underway. When all that work is done, the Joyce will provide 60 units of continuing affordable housing for tenants.</p> <p>Maxine refers back to the Current 5-year Projects/Commitments graph on page 2 and wants to know why the allocations for Proud Ground and Habitat, equaling \$6.5 Million are expected to produce only 60 units, while PCR/AAAH are expected to produce 65 units with only \$5 Million – doing more with less funding. Karl thinks this question should be directed to Andrea, but she is no longer at the meeting. It is suggested among the group that the Proud Ground and Habitat projects are new construction while the \$5 Million for PCR and AAAH was allocated for Down Payment Assistance (DPAL). The level of per unit subsidy required for new construction is higher. Maxine responds that PCR is also doing new construction, so that doesn't make sense. She said it's not important that she gets an answer today, but she wants to make sure she gets an answer. Javier will work on getting her an answer.</p>	<p>Javier will get an answer to Maxine's question about the disparity between funding and expected unit for PCR/AAAH</p>
<p>Policy Updates</p>	<p>Cupid Alexander shares with the group that PHB is following the progress of HB 2004 relating to residential prohibiting landlords from terminating month-to-month tenancy within sixty days of receiving a tenant request for repairs to correct building, health, or housing code violations or inhabitable conditions and also prohibiting month-to-month tenancy termination without cause after the first 9 months of occupancy except under certain conditions with 90 days' written notice. See the summary of the bill here.</p> <p>He adds that Andrea Matthiessen, Manager of PHB's Neighborhood Housing Programs, drafted House Bill 2964 which passed in the Senate this week will allow PHB, once approved by the County and City Council, to provide a 10-year tax exemption to BOTH existing units and new construction units to income qualified home buyers.</p>	
<p>Mandatory Relocation Assistance</p>	<p>Victoria James of the PHB Policy Team, presents information on the Mandatory Relocation Technical Advisory Group (TAG).</p> <p>After the passage of Portland's mandatory rental relocation assistance policy in February 2017, PHB staff were tasked with facilitating a technical advisory committee to work technical fixes to the policy. In May, PHB went to City Council with suggested changes to amend City Code 30.01.085 Portland Renter Additional Protections.</p>	

	<p>Two major changes were recommended to Council by the TAG;</p> <ol style="list-style-type: none"> 1. Currently the tenant has 14 days to request relocation assistance from their landlord in the event of a 10% or more rent increase. The landlord has a corresponding 14 day to pay relocation assistance to the tenant. The recommended change was to lengthen this time period for both the tenant and the landlord to 31 days. <ol style="list-style-type: none"> a. City Council asked the TAG to shorten this time frame on the landlord side; they felt 31 days was too long. 2. The TAG recommended to Council that definitive language be added to the code requiring that tenants who accept relocation assistance must then vacate the unit per their notice. <ol style="list-style-type: none"> a. Council felt that inclusion of that language was gratuitous and placed an undue burden on tenants and asked the TAG to consider changing their recommendation. <p>Council asked that the TAG return to Council within 30 days with consensus recommendations on these two items. PHB staff has been working with the TAG to gain that consensus with the understanding that this is a contentious policy and the TAG is comprised of landlord and tenant advocates who often don't agree on how these issues should be addressed.</p> <p>Victoria adds that Dan Saltzman requested that the PHAC be updated on this work and encouraged to share any additional feedback. PHAC members, Shannon Singleton and Elisa Harrigan are on the TAG.</p> <p>The next meeting of the TAG is on Friday June 9th from 2:30 – 5:00 p.m. and the second reading before Council is next week. As for the future of the group, they have been mandated to take up tenant protections on an ongoing basis.</p> <p>Amy thinks the tenants should have 45 days to request assistance.</p> <p>Sarah asks what the ultimate goal is with this work since the relocation ordinance expires in October 2017. Victoria answers that the Housing Commissioner will decide whether or not request an ordinance extension from Council. The goal at this time is to make the ordinance as robust and clear as possible for the time it remains in force. At this point, it remains unclear whether it will continue past the planned sunset of October 6th, 2017.</p>	
<p>Community Liaison Engagement Structure</p>	<p>Michelle DePass, PHB's Community Engagement Coordinator, presents on PHB's District Liaison Model for Community Engagement related to the Affordable Housing Bond.</p> <p>This model divides the city into six quadrants and assigns a member of PHB staff to each quadrant to improve outreach to renters, communities of color, immigrant and refugee</p>	

	<p>communities, senior citizens, and low to moderate income community members. This gives community members a direct person to contact at PHB with concerns and information, as well as providing a feedback loop between PHB and the organizations that serve these populations. The idea is this will create opportunities for the community to offer feedback, information, involvement, and collaboration with PHB and vice versa. PHB’s district liaisons will attend standing community and neighborhood association meetings in order to provide information on PHB’s programs and actions directly to community members.</p> <p>Michelle continues by saying that a stakeholder advisory group has been tasked with creating a draft policy Framework Plan for the spending of bond funds. She details the Affordable Housing Bond Community Engagement Strategy on slide 7.</p> <p>PHB has contracted with OPAL and MACG to share the draft Framework Plan with their constituencies through community forums. PHB is holding several Bond SAG community meetings in different neighborhoods to invite public input and process transparency. ONI’s Community Engagement Liaisons (CELS) will share information with immigrant and refugee communities.</p> <p>Nate thinks this community engagement process is much more robust than usual for PHB which he appreciates. He is concerned about hearing from community members who aren’t being represented by OPAL, MACG, neighborhood associations etc. and if there is a plan to reach those people. He thinks a large population of folks won’t read mass email. Michelle responds that it is challenging and she is open to hearing his, or anyone’s best ideas on reaching those communities.</p> <p>Suggestions by Nate and others to reach additional community members at alternative meeting spaces are;</p> <ul style="list-style-type: none"> • Neighborhood church services • Community centers • Barbershops • Foodbanks • EPAP • Smaller community based organizations • Multi-cultural newspapers 	
<p>Housing Bond Stakeholder Process Update</p>	<p>Jennifer Chang, of PHB Policy Team, updates the PHAC on the Affordable Housing Bond Stakeholder Group (Bond SAG). In March PHB and the Mayor convened the Bond SAG to advise PHB in developing the policy Framework Plan for the Affordable Housing Bond. There are a total of seven meetings</p>	

scheduled from April through July. The ongoing meeting schedule can be viewed [here](#) in multiple languages. The Framework Plan is the set of goals, priorities, and guidelines PHB will use to guide us in making decisions related to bond funds and investments.

Jennifer shares the [Framework Plan Timeline for Bond SAG Deliverables](#) page 1 and the Description of Framework Plan Deliverables on page 2.

At the May 30th Bond SAG meeting, the guiding principles were finalized and they reflect the importance of community benefits, collaboration, and equity among others.

Key themes that have been coming up at the Bond SAG around population and location are;

- Increasing housing opportunities for families, and communities of color (disaggregated)
- Focus on families exiting homelessness including those with chronic homelessness and disability
- Households facing imminent displacement
- Focus on high opportunity areas, areas at high risk of displacement, and promoting housing in mixed income neighborhoods and avoiding concentrating poverty

There is a deliverable date for finalizing the draft Framework Plan by August 14th. After community feedback the final Framework Plan deadline is September 15th. Once the plan is finalized it will go to City Council for review and adoption.

Sarah imagines based on the timeline shared by Jennifer that by mid-October PHB will be in a position to deploy resources. She asks if there has been any thinking about a parallel process for developing opportunities so resources can be deployed to the community as quickly as possible once the Framework is adopted.

Jennifer responds that yes, there is planning around that. Javier adds that while PHB cannot spend bond resources until the Framework Plan is complete, it has continued to look for opportunities that may be available for acquisition. Whether or not these properties align with the requirements of the Framework Plan remains to be seen. If they are not in alignment, PHB will continue to look for property that does align. PHB is also in continual talks with other bureaus to put systems in place that will be necessary to help PHB move into the investment phase of the bond funding. The goal is that once Council approves the framework, everything else in place to move forward.

ADMIN NOTE: Additional information on the Bond SAG, its participants, its purpose, meeting schedules, and materials can be found [here](#).

<p>Pathway 1000</p>	<p>Maxine Fitzpatrick, Executive Director of PCRI and PHAC member, brings a team to present on Pathway 1000. The team includes: Andrea Debnam, Manager of Resident Service at PCRI Kate Allen, Consultant with PCRI Tony Jones, Executive Director of MCIP Nate McCoy, Executive Director of NAMC-OR Julia Metz, Housing Development Team at PCRI Travis Philips, Housing Development Team at PCRI John Washington, Editor in Chief at Flossin Media Fawn Alberson, Flossin Media. Communications Plan for PCRI</p> <p>Nan Stark, NE District Liaison for BPS, Project Manager on the CET grant awarded by Metro that enabled PCRI to develop the implementation plan for Pathway 1000. They are required by the grant to present to PHAC for feedback and recommendations before going to City Council for a resolution of support.</p> <p>Maxine introduces Pathway 1000 as PCRI’s displacement mitigation initiative born out of the severe displacement that took place between 2000 and 2016 in North and Northeast Portland. This displacement continues through today. Pathway 1000 is a 1000-unit development strategy and plan that includes 800 homeownership and 200 rental units. Various members of the team present on sections in the full presentation of Pathway 1000.</p> <p>Unfortunately the meeting time has been exceeded and there is no time for questions or discussion.</p> <p>Sarah thanks the group for coming in and presenting. She adds that if any of the PHAC members have specific questions or feedback, to address those with Maxine after the meeting, in person or by phone or email. Questions can also be sent to Cheyenne or Cupid and they will be passed along to PCRI.</p>	
<p>Good of the Order</p>	<p>Cheyenne encourages all present to attend the next meeting which is the 2017 Annual Action Plan hearing.</p> <p>The next meeting of the PHAC is on Thursday July 6th – it was moved to accommodate the July 4th holiday.</p> <p>Sarah closes the meeting. .</p>	