



Bond SAG Meeting 3 Summary

Participants Present: Oscar Arana, Margaret Bax, Bob Brown, Bev Logan, Dike Dame (E. McNamara), Duncan Hwang, Allan Lazo, Emily Lieb, Bev Logan, Andy Miller, John Mulvey (for F. Christopher), Patricia Rojas, Vivian Satterfield, Felicia Tripp, Jonathan Trutt

Participants Excused: Jerome Brooks, Jes Larson, Maxine Fitzpatrick, Shannon Singleton

PHB Staff Present: Jennifer Chang, Cupid Alexander, Martha Calhoon, Cheyenne Sheehan, Matthew Tschabold, Javier Mena, Karl Dinkelspiel, Antoinette Pietka

Other City Staff Present: Andrea Valderama (Mayor Ted Wheeler’s office)

Guests Present: N/A

Find all Bond SAG meeting materials archived on the Bond webpage at <https://www.portlandoregon.gov/phb/73420> and click “Meeting Materials”.

Responsible Person	Action Items
Antoinette Pietka	Produce map overlays for neighborhoods showing high opportunity areas, URA/non-URA areas, and PHB owned or controlled properties.
Jennifer Chang	Compile draft summary of priorities identified by group discussion, send to SAG prior to meeting 4.

Agenda Item	Topic Summary
Welcome & Introductions	Jennifer welcomed the SAG participants and public, and invited members of the public to sign up for public comment on the meeting agenda topics. <i>For the full list of SAG participants, click here.</i> Jennifer thanked members for attending to focus on this important work, especially as many of us are at different places in processing the tragic weekend events .
Review SAG purpose and Framework Plan Deliverables	Jennifer began by reminding the participants of the Bond SAG Purpose which is the development of the Framework Plan for investment of bond funds. The group is provided with the timeline of the Framework Plan Deliverables (page 1) and a detailed description of each deliverable (page 2). The goal of the group is to develop the draft Framework Plan by August 14 th and a final version of the Framework Plan ready to be heard by City Council by September 15 th .

	<p>A participant asked to hear details on how projects will be selected for bond funds. She wanted to know if the PHB Director will select projects or if the process will be competitive e.g. RFP. She added that if PHB already knows how they will choose projects that they should share that information with the group.</p> <p>Response: Karl Dinkelspiel responded the bureau does not yet have a specified process, but understands elements of it, such as assessing opportunity. The purpose of the group (SAG) is to develop the framework of criteria PHB will use in deciding. Prospective projects will need to meet the criteria set by this group, then go through the City’s procurement process.</p> <p>A participant noted that without a specified procurement process, community equity could be challenging and the SAG has been clear community equity is a value that should be considered throughout the process. Equity includes who has access to PHB, and to the capital dollars to develop a project and should be part of a transparent and clear competitive process.</p> <p>Response: Karl clarified the SAG’s responsibility is to prioritize the important criteria that will guide PHB’s decisions investments. PHB will follow the framework provided by the SAG. Whether or not specific strategies, such as turn-key option, will be used is not determined at this point. Transparency of process and equity are important factors we’ll prioritize in the process.</p> <p>A participant stated strong support of an open, transparent, and competitive process that will afford experienced community service providers (non-profit, for-profit, housing authority, etc.) the opportunities to access public bond dollars.</p> <p>Response: Karl reminded the group, as was communicated in the first meeting of restrictions outlined with bond funding, one key factor is the City of Portland must own bond-funded buildings/assets. How buildings get developed is a separate question. This means there is will be different roles for PHB’s traditional partners. It is very different from the existing public/private partnership model that allows for PHB’s non-profit and for-profit partners to receive funding to develop projects and then end up owning them.</p> <p>A participant added the roles of non-profits are only as limited as the City is willing to explore. Information in the first meeting was that there is ability for organizations to share in the operations of housing units that are developed with bond funds. There is money to be made in managing the assets and properties for non-profits. How creative the City will be in sharing the equity that can be produced within the limitations of the bond is the question.</p> <p>Jennifer concluded the comments and questions have been collected, and will be further discussed at the SAG’s subsequent meetings, which will focus on selection criteria and guidelines for development, operations, programming.</p>
<p>Recap Last Meeting and Adopt Guiding Principles</p>	<p>Jennifer briefly summarized the last meeting, detailed in the Meeting 2 Summary sent to the group and posted on the website last week. Meeting 2 included further discussion around the guiding principles and a presentation on housing needs from OPAL and MACG. There was also discussion on important intersecting factors related to housing. The final version of the Affordable Housing Bond Guiding Principles is in today’s meeting packet. The group assessment (12 participants present) was that 83% indicated they either liked or loved the revised principles, and 16% said they can live with them. The Guiding Principles are finalized and will be used to guide upcoming work to develop the rest of the plan.</p> <p>There were comments, thoughts, and ideas made during the Guiding Principles revision process that were captured in the meeting summary and additional notes. These comments will be used to inform and guide later today’s discussion around priorities and future discussions.</p>

<p>Public Comment</p>	<p>Public testimony:</p> <p>David Gutzler, a participant in the housing work group of A Home for Everyone (AHFE) and a supporter of affordable housing, makes comments that he also provided in writing. Read his full testimony here.</p> <p>Ranfis Villatoro, a community member, testified in support of wage theft standards and protections for workers who will ultimately be the labor on these developments. Historically victims of wage theft are immigrants and people of color. He wants to continue to encourage wage theft standards as part of the principle of stewardship found in the Guiding Principles. As the Guiding principles are finalized he wants to continue to push and encourage the Bond SAG and the City to recognize how important community benefits are. When he thinks of community benefits he thinks about highly displaced communities having access to these jobs, and setting goals and standards, not only for contractors, but for the work force that will work under those contractors. If strong standards are set, contractors will work and make good faith efforts to achieve stated goals.</p>
<p>Housing Displacement and Opportunity Analysis</p>	<p>Karl Dinkelspiel and Matthew Tschabold presented the Housing Displacement and Opportunity Analysis. This is data requested by the SAG to get a better understanding of displacement, gentrification and opportunity studies that have been conducted in past years.</p> <p>Matthew opened by saying at the last meeting it seemed the SAG were recognizing and wrestling with various decisions of the policy framework, the trade-offs with limited resources, and policy parameters which will guide PHB’s use of the funds. Several SAG participants have requested this additional data to help inform and better understand the context. The presentation touches on several points that came up at the last meeting.</p> <p>High points of presentation;</p> <ul style="list-style-type: none"> • The gentrification and displacement vulnerability analysis (slide 3) was done in partnership between BPS and PSU and particularly Dr. Lisa Bates: <ul style="list-style-type: none"> ○ There was an initiative to identify census tracts within the city that were particularly vulnerable to displacement ○ This map is a risk factor map – it assesses stage of gentrification and risk of displacement by market factors that measure the following risk factors; whether renters are more than 44% of the households in the neighborhood, whether communities of color are more than 26% of the population, whether individuals of 25 and above without a bachelor’s degree are more than 50% of the population, and whether 40% of the households are greater than 80% AMI ○ The map shown was done in 2013. The indicators and methodology are currently outdated and will be redone by BPS after some review, but the map will not be updated before the SAG is scheduled to complete its process • The housing growth & opportunity map (slide 4) is based on a series of indicators giving the area an opportunity score <ul style="list-style-type: none"> ○ An updated opportunity map will be available prior to the completion of the SAG’s work ○ The methodological updates include a variety of childhood education indicators, employment indicators, transportation indicators, wage and healthy living/eating indicators ○ The deeper concentration of purple in the map are the areas of higher opportunity on a spectrum of 0-5 ○ Supplemental material can be provided to the group regarding the detail of the methodology ○ Opportunity in this context means that the indicators mentioned are geographically close to the indicated areas meaning there is easy access to transportation, living wage jobs, schools, etc.

- Slide 6 shows the permitting data for Portland neighborhoods and details multi-family and single family permitting by neighborhood from the [2016 State of Housing Report](#)
- Slide 7 shows rental and owner affordability in the city disaggregated by race from the 2016 State of Housing Report

Matthew cited details on the methodology will be distributed, as a follow up to the opportunity map emailed to the SAG on May 23.

Karl took over the presentation from slide 9 with PHB's current regulated units as a percentage of total units.

High points of his presentation are;

- The dark purple on the map represents 21-25% of the total units in that neighborhood being PHB regulated units
 - In the central city 21-25% of units are PHB regulated, but elsewhere in the City the largest concentration is 7-10%
 - The regulated units are concentrated in areas where there is funding – in the case of the central city those concentrations are within URAs
 - The SAG should use this information to inform the process by deciding whether bond funds should be concentrated outside of URAs
 - The map also includes Multi-Unit Limited Tax Exemption (MULTE) properties which incents private developers to include 20% of their units at a 60% or 80% AMI level of affordability for 10 years by offering a 10-year tax exemption, and they are scattered throughout the city
- PHB Rental Housing development pipeline is shown on slide 10
 - The units mapped account for twenty-one direct funded projects (this is PHB cash subsidy, often in the form of URA dollars but also includes CDBG and HOME funds)
 - The 21 projects total 1832 units regulated as affordable
 - There are three new projects that are not shown on the map which brings the total to 24 projects totaling 1920 units affordable for 60 or 99 years depending on the project
 - The green dots show the MULTE properties
 - Total MULTE projects shown are 26 and account for 637 units affordable for 10 years

Questions after the presentation are;

1. In regards to the opportunity analysis, will PHB be looking at updating the methodology for that? The current methodology looks at spatial proximity, but is there an opportunity to expand that to travel times and planned infrastructure developments?
 - a. Antoinette answered that in the short-term the plan is to update the maps with the current methodology and then revisit the methodology in September 2017 and look at possibly adding some additional criteria.
2. The SAG needs to, in a very short time, figure out how to digest this info and make a policy recommendation. What has been PHB's experience and guiding principles for how this information is used to make its decisions?

	<ul style="list-style-type: none"> a. Matthew answered that within existing programming and funding sources there are established frameworks using geography, income level, opportunity scores, etc. PHB, to a large extent takes its affordable housing and anti-displacement policy framework from the 2035 Comprehensive Plan which includes policy statements around siting affordable housing in high opportunity areas and preventing displacement though it does not provide specificity around how best to accomplish these goals. Since the bond funds are new funding for new programming, the SAG has the opportunity to be specific about how best to accomplish these same goals. <p>3. It would be interesting to see the opportunity and displacement maps overlaid outside of URAs and see areas that are either high displacement or high opportunity, but don't have existing resources dedicated for affordable housing development.</p> <ul style="list-style-type: none"> a. Matthew responded the June SAG meetings are where we will be getting into the detail of the framework. That can be done, but it's also important to acknowledge that the time frames for analysis are very different. But the overlay can be done to identify where there are places with either an opportunity lens or an anti-displacement lens could be good locations for either building new housing or preserving existing housing. It can also be overlaid with properties that PHB controls or owns (as suggested by a participant).
<p>Brainstorm Session for Framework Plan Priorities</p>	<p>The participants take a short break.</p> <p>Jennifer called the participants back and introduced the brainstorm session around the Framework Plan to establish priorities round policy, population, and location for bond funds.</p> <p>Martha Calhoun, PHB's Public Information Officer, explained there are five deliverables the SAG is tasked with developing, all of which build upon one another which will lead to a draft and then a final Framework Plan. Now that the Guiding Principles have been established, we'll be using them to guide us in developing a set of policy priorities as they relate specifically to the location of bond projects and the populations served.</p> <p>In past meetings many participants voiced their priorities and recommendations in these areas. Those comments have been compiled and appear in the participant packets. To ensure the final product is widely representative of this group and reflects broad participation the following exercise is an opportunity for each participant to provide input into what will eventually be the framework.</p> <p>Martha directed the SAG to use the Priorities Discussion Worksheet to further develop priorities within the focus areas. The participants are asked to break into small groups to develop broad policy goals related to location and populations, and then more specific objectives within those goals. The associated guiding principle has been provided on the worksheet. The activity is intended as a starting point for further discussion, and a work in progress which will continue to be refined in coming meetings. Consensus within the work groups is not required. Ideas are also not required to be fully formed. The worksheets will be collected at the end of the meeting and compiled to be used as a starting point for the discussion in meeting 4.</p> <p>Cupid called the group back together and asked that a spokesperson for each group share their ideas.</p>

Themes from the small group discussion includes;

- Equity
 - Creating housing stability where it is needed the most and serve people who have not been well served by traditional systems
 - People of color, people who have been chronically homeless, people who have been displaced or are at risk of displacement by private developers, residents with lower than 60% AMI
 - Purchasing real estate that may be considered a good investment for private developers to buy with the intent to displace current tenants
 - There was talk about developing a tool with a scoring system that could be used that could be used in determining project selection
 - Disaggregating racial data is important, especially if considering a scoring tool
 - Regarding scoring mechanism – the preference policy exists in N/NE, could something else be developed that could be used more broadly for bond projects to ensure communities served are those intended
 - Making sure groups that represent specific communities of color are at the table to engage in crucial marketing and outreach when units become available for lease-up
 - Being data driven and receiving data from communities of color is important in order to partner and leverage with existing organizations who are embedded with folks we are looking to house in bond units
 - Housing is one piece of the puzzle in terms of what makes a healthy community and we need to assess the other resources necessary for that community to thrive
- Location
 - Investment in neighborhoods with current opportunity, as well as neighborhoods with potential for future opportunity
 - Create mixed income neighborhoods rather than concentrations of poverty
 - Listening to community voices regarding location
 - Leverage other investments and dollars to stretch bond funds (TIF, URA)
 - Creating housing near public transit or planned transit
 - Avoid language requiring housing to be “evenly distributed” across the City because it waters down the impact of the housing and it feeds the rhetoric and belief that people who live in affordable housing are a burden to neighborhoods

Questions after the sharing include;

- In regards to engaging different communities in this process, where in the process should that happen? It seems like it would have to happen along the same timeline as the SAG development process in order to be educated on how to do that when it comes time to make property selections.
 - Jennifer responded that community outreach will occur both during this current SAG process, as the framework plan is being developed, and will also continue throughout the life of the bond implementation. Staff shared at the last meeting a brief summary of the community outreach at last meeting that is planned parallel to the SAG process, including PHB’s contracted partners, OPAL and MACG, will reach out to their constituents and PHB will also work with ONI and community engagement liaisons to reach specific communities of color and

	<p>immigrant/refugee communities for feedback on the Framework as it is being developed. Jennifer asked if there were other communities that PHB should engage with during this process?</p> <ul style="list-style-type: none"> ▪ A participant specifically mentions the houseless community by incorporating and updating AHFE ○ Jennifer added there are several participants that represent A Home for Everyone (AHFE) on the SAG and the bond framework process was discussed at the last AHFE coordinating board meeting and will be on future agendas. Jennifer added SAG participants should identify additional networks and connected groups to be reached. • Since both target locations and populations will both affect the cost per unit (CPU), will the SAG have an opportunity to look at data regarding CPU by area and population served? <ul style="list-style-type: none"> ○ Karl answered PHB has extensive data on costs to construct but it evolves on a monthly basis based on multiple market factors. Some general information could be provided based on what you want to see and in a format that makes sense to you. <p>Jennifer closed the topic by adding that if participants have further thoughts on the discussion after the meeting, they should still provide them to her, Cupid, or Cheyenne to add to what was produced today. Jennifer will review and compile the information gathered to the next meeting to continue Framework Plan development.</p>
Closing/Next Meeting	Next meeting is scheduled for June 13 th at the Rosewood Initiative from 6:00 – 8:30 pm.