



To: Portland Affordable Housing Bond Stakeholder Advisory Committee

From: Welcome Home Coalition

Date: September 25, 2017

Subject: Portland Affordable Housing Bond Draft Framework Coalition Member Feedback

The Welcome Home Coalition hosted two Portland Affordable Housing Bond Draft Framework Feedback sessions in person on September 20th and 21st, 2017 and received email feedback during that same week. Members included communities of color, transitional housing service providers, realtors, homeless service providers, and affordable housing developers. Participants reviewed the framework's criteria and priorities for how the 1,300 affordable housing units will be implemented within the City of Portland.

Our goal was to better align the coalition's priorities with the bond framework to increase affordable housing production and preservation and to gain feedback with coalition members. Two categories emerged after feedback was compiled - key concerns that require further explanation under specific content areas with recommendations provided and larger macro level issues related to community voice and racial equity

KEY CONCERNS

Priority Populations:

- Clarify what income requirements will be required of prospective tenants (this is not addressed anywhere in the document). If PHB plans to have less than a 2:1 income requirement (meaning the tenant has income equal to twice the rent), we recommend that the projects have strong resident services.
- Clarify if there are requirements set aside for people over 55 and accessibility for people who are disabled
- Clarify reallocation 400 current vouchers---what are the unintended consequences of "moving a voucher from one person to another" to finance affordability gap?

Recommendations

- Create a pathway for folks with barriers to housing to be able to access bond-funded units. Set aside units for this population that ensure gap financing of those units does not have federal restrictions that promote individualism and prevent barriers to housing to access units
- Ensure resident service funding is set aside for non-PSH units above and beyond operating costs.

Production Goals:

- Clarify how the 650 units set aside for larger-family sized units whether they will be larger because of square footage, or larger because of # of bedroom units.
- Provide financial projections showing potential unit and/or land cost to determine the suite of purchasing options



Location Priorities:

Location priorities currently allow for the Portland Housing Bureau (or the contracted developer) to develop anywhere in the city – either in an area of high opportunity OR in an area where Communities of Color (CofC) are currently living. If we want to ensure that some units get developed in high opportunity areas there should be a target or percentage identified in the framework. It will be easier and cheaper to build in the outskirts of the city, where CofC are currently living and it would be easy to spend all the bond funds in those areas. We know that where people live is the biggest determinant of their health, life expectancy and education so we should be placing low income people in the areas most likely to increase their potential going forward and with access to the best schools for family projects.

Recommendations - Shift the proposal for prioritizing investments.

- Building acquisitions should be prioritized in high opportunity neighborhoods where land is scarce and expensive and construction costs will be increased because of tight sites, type of construction (multiple stories) and traffic.
- Land acquisitions should be prioritized in areas with high risk of gentrification because there is likely more land available, at a lower cost, likely a lower cost of construction and often existing buildings were not built to a high standard initially so that rehab will be expensive and you may not end up with as high a quality product. Strive to get free or reduced land from properties, for example PHB should be looking to invest in areas between East of 122nd to Gresham where communities of color have potential for large opportunity growth.
- Set a % of funds to acquire market rate units where low income people and communities of color are or maybe displaced.
- Provide tenants the first right to purchase building

Due Diligence Process: Add inspections

Recommendations for Development Strategies:

Add requirements that projects be built or rehabbed with materials that will last at least 30 years.

Resident Services:

Remove reference to “part time.” It will depend how many units the RSC has to oversee. If it’s a lot or if there’s a need for more services the project may require a full time RSC. Resident Services, asset management fees and all other operating expenses are paid for out of rental income – not with bond funds directly. The last sentence says, “Costs for RS are incorporated into the ongoing operating costs of the building (*good*) which are derived from net operating income **after repair and resources (*do you mean reserves?*) are capitalized.**” Does this mean that RS will be below the line? I highly recommend for maintaining the assets and being able to get additional bonds passed in the future that RS and asset management fees NOT be below the line.



MACRO ISSUES

Racial Equity

- **Who benefits and is burdened?** Consider weighing specific criteria more than others - weight communities facing displacement over others and maintain geographic diversity by spreading affordable housing throughout the city
- **What are some unintended consequences of the current proposal?** East County is a considered a low-opportunity area with a high vulnerability index. The current location priorities, in essence, can appear to be redlining East Portland.
- **Equitable decision-making.** Clarify who is making decisions within PHB on land acquisition; clarify how community voice can continue to impact the process of selection

Community choice

Everyone should have the choice to determine where they live. Connection with community voice and experience was a key priority for members. Building off of community choices where on-the-ground workers (community health workers, case managers, and social workers) see opportunity for properties and buildings so PHB can purchase units. The data defines specific areas to build or buy, but where are folks saying they want to live? What buildings are potentially available for purchase or sale?

Recommendations:

- Out of the \$258 million, 7% of will be toward administration costs; hire a dedicated PHB team or employee to walk to the streets, stay connected with community health workers and service providers.
- Develop a communication mechanism for these workers to share information on properties and tenants in real time.
- Engage housing advocates and ground workers in the decision-making process for land acquisition would create transparency and racial equity for the community to be involved.

The goal is to have this feedback be incorporated into PHB's finalized framework and for clarifications to be sent to the Coalition. Please contact, Kari Lyons, Director at Welcome Home Coalition for any questions or comments at kari@housingoregon.org or 503.317.7524

