



PORTLAND HOUSING BUREAU

Portland Housing Advisory Commission

Tuesday, October 10, 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

October Meeting Minutes - Draft

Members Present: Amy Anderson, Dike Dame, Maxine Fitzpatrick, Sarah Zahn

Members Excused: Elisa Harrigan, Shannon Singleton, Dan Steffey, Betty Dominguez,

Staff Present: Matthew Tschabold, Shannon Callahan

Guests Present:

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

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Meeting Transcript	<p>Sarah: Let's go ahead and get started. Welcome everyone to the October Portland Housing Advisory Commission meeting. I want to welcome our two new members who are here today. I understand we are going to have our full group sworn in attendance in November, but since we have two new folks here today I thought we can go around and do a quick round of introductions. So I'll start, I'm Sarah Zahn. I work for ZRZ Realty and I am the chair of the Portland Housing Advisory Commission, I've been on the commission for five years so –</p> <p>Matthew: I'm Matthew Tschabold, the Policy Manager for the Housing Bureau.</p> <p>Shannon: I'm Shannon Callahan. I'm the Assistant Director for Policy and Strategy at the Housing Bureau.</p> <p>Amy: Hi, I'm Amy Anderson, a consumer member.</p> <p>Dike: Dike Dame, Williams & Dame.</p>	

Nate: Nate McCoy, Executive Director of the National Association of Minority Contractors and once upon a time used to be a construction manager for the Portland Housing Bureau.

Hannah: Hi everyone, my name is Hannah Holloway. I work for the Urban League of Portland as a Policy Specialist in part focusing on housing policy. I've only been there for a year.

Ramsey: Ramsey White, another newbie, [Indiscernible] [0:01:23] I was a legal aid lawyer for about 15 years representing low income people and I worked for local elects in the city and the county, and the last 13 years I ran a housing trust fund in Washington County helping finance affordable housing.

Dan: Hi, I'm Dan [Inaudible] [0:01:42] I'm a free agent, been doing housing for a couple of decades. I served with the mayor [Indiscernible] [0:01:54]. I served the bureau committee as well, so been around for a while.

Sarah: [0:02:00] Okay, welcome. It is exciting to have you join us and we look forward to having a full [Indiscernible] [0:02:06] of members with us at the November meeting. Matthew tells me that Director Creager is held up right now, so we are going to skip ahead to the program updates. And actually we can go back in I guess for the minutes because it looks like we do have quorum. Okay, so sorry to the newbies but a little bit of business we need to take care of. So we have two sets of meeting minutes to approve, August and September and if you want to take a minute and review that is great, and I'll entertain a motion for August approvals first.

[Audio Silence]

Sarah: Don't rush.

[Audio Silence]

Sarah: Okay so I'm going to have a motion to accept the August meetings.

Male Speaker: I make a motion to sit the August meeting since I spoke a lot in that meeting.

Sarah: Okay, second.

Female Speaker: I'll second.

Sarah: Okay all those in favor, aye.

Male Speaker: Aye.

Sarah: Okay. And for September; looking for a motion [0:04:00]. Okay who wants to step up?

Female Speaker: I'm happy to make a motion to accept the September meeting minutes.

Female Speaker: I'll move to approve September's minutes.

Sarah: Again, okay all those in favor?

Male Speaker: Aye.

Sarah: Aye, thank you. Okay, September meeting minutes also approved. Okay let's move on to program updates and production – oh public testimony I'm sorry, I apologize. Do we have any focus in the audience wishing to make public testimony this afternoon? No? Okay we'll move on to program updates. So Andrea, Carl and Javier, looks like we have Carl, alright.

Carl: Hello I'm Carl Dinkelspiel. I manage the Multifamily Rental Housing Program for those of you – I think I know pretty much everybody here but welcome, congratulations for being in this August body. So why don't I give you program updates on the program that I manage directly which is the Rental Housing Finance and Development Program and I'm also going to talk about the Inclusionary Housing Program. So you have before you, which I have managed in the past I guess sort of my managing now. So you have before you I think a list that says "Housing Investment Portfolio Preservation," that's the name of my team, finance and development projects status updates. You guys all have copies of that?

Sarah: Yeah.

Carl: Cool, alright. So I'm just going to highlight a couple of things. I think the most fun one on this list is the page two which is the Oliver station topping our party on Thursday [0:06:00] and so you are invited to that. I don't have the time, I think it's in the afternoon some time. If you would like to attend, you are all welcome to come to that and I can give you details about the time. Hopefully you know the place, beautiful [Inaudible] [0:06:14] the former Copper Penny, new Copper Penny site, so that is very exciting. Back to page 1, #3000 Southeast Powell. I hope that you all know that we got that project purchased for the approval. City council approved the purchase of that last month, and we are in the process of early design for it. It will be the first bond that is to come, general obligation bond project, so very, very early stages but that is really exciting for us. Moving on down the list, project name Block 45, here that you see is HF/LRS means Home Forward and LRS is the architect [Inaudible] [0:07:02] general contractors.

So we will be approving our loan and the loan structure for that next week, the 19th I think, so that is exciting for us. We are making progress on the next project down which is the Gateway Project. That is a Human Solutions, 40 units of affordable and roughly 40 units of marketed rated units as well here. As well as new office base for Human Solutions and some other commercial space, so that is exciting. Other things happening, Eastside Clinic was – there is a typo here, it says “Financial closing 10.30.2018.” It’s actually 10.30.2017. So we approved that recently and just working up the paperwork there, that is a really cool project from central city concern that is not just these 52 units you see you here but actually more like more like 150. I don't have the actual count but includes [0:08:00] regular affordable housing, transitional housing and a lot other stuff from various healthcare providers, lots of money that came from the hospital systems, so that is pretty cool.

Anything else from the list I want to make note of. Joy's Hotel, I don't think that we – that the Housing Bureau bought. We are starting our early conceptual work on that which would be transforming it into what it used to be, a glorious hotel, short term stays and commercial space that would be in keeping with the neighborhood. So my staff is starting to work on the initial contracting for that. Parcel 3, I know Dike was interested in that, we are nearing in on that final there. I'm not quite sure what we are going to go and invest my committee on that, but it should be within next month or so. So the last pieces are getting nailed down and should be construction in probably earlier. We're optimistic construction starts 2017. I think that is too optimistic, probably going to be more like January of 2018. So that's that, other – anybody else have specific questions on anything on that list?

Male Speaker: Two quick ones, one is methodology, number of units that is affordable over total?

Carl: Yes. So the thing before the slash, when there is a slash, are the number of affordable units and the thing after the slash is the total. So if you subtract it for example 17 from 54 that would give you the number of market-ready units.

Male Speaker: The other one was could you talk a little bit about 30th in Powell?

Carl: Sure.

Male Speaker: I have a number 300 somewhere and now I see here 200, so is that kind of floating around a little bit?

Carl: Yeah. So we actually took a deeper dive on the site itself once we acquired it, my staff did a little bit of early massing. We also have a deal with [0:10:00] the planning bureau to change the zoning there so we've had some kind of back and forth around the zoning. So between all of those

things we feel a little more comfortable with that 200 number, based on our initial assessment. Obviously it is just very early, we'll have more details later. Nate?

Nate: Yes, my quick question Carl because you know me, this status feels a little vague in terms of just where we are construction wise. So I'm wondering can you beef that up that list gives folks around this table an opportunity to know when there might be some construction opportunities because some of this is –

Carl: So it just a little better dates in terms of construction starts, is that what you are thinking?

Nate: Yeah, like permits or GC has some potential big dates you know available. We just want to make sure that we get the word out and they're reaching back to us.

Carl: Yeah. I think we are a little bit, probably not consistent on that list in terms of status so we can make that work.

Nate: Yeah.

Carl: It sounds good. Alright anything else? Yeah, Dike.

Dike: Just out of curiosity, to Powell and [Inaudible] [0:11:06] to the south, are they also included?

Carl: What we purchased – so you may be familiar with the Terry Emert on site, the piece is to the south. That was sold by the previous owners, those parcels were sold by the previous owners to Terry. We did not – Terry didn't really offer them for sale to us. I understand from the previous owners that there was some sort of big negotiation but it was never anything we got involved in. So we bought the stuff that Barbra Rice and Peter [Inaudible] [0:11:40] owned and Terry Emert continues to own the parcels at the south.

Dike: I'm just curious about how Terry works.

Carl: I think we will find out some more going forward, being that he is our neighbor. Alright, so I'm not sure you've got handouts for the indirect that is the inclusion and housing program [0:12:00] okay.

[Audio Silence]

Carl: Alright so one thing, I think I want to start by way of introduction is that the Housing Investment Portfolio Preservation team is working on at least the 25 projects that you sort of see in

this list or most of them on the list, the previous list. Dory, Marco and Cassie Graves are working on IH projects, there is a lot to keep but it is probably you know 40 projects here so you know forgive me for not knowing sort of all the details of all the projects but there is a lot to know here. I think when you are looking at the list the top five projects are projects that are on the previous list, the one that is currently on the screen there. So these are all PHB projects which are subject to IH but of course would you know automatically so to speak, meet the IH program requirements. Starting on your list the project with the address of 123 Southeast 13th Avenue Coast development and on down there I believe all the rest of those are non PHB projects.

So they are all private for profit projects all of which have either come in since the February 1st 2017 program initiation date or voluntarily showed up afterwards. I think the important statistics are probably just the fact [0:14:00] that there are about 10 projects or so that are either required to be part of the program or voluntarily hopped into that program. Of those, if you look on the column that says 'Total number of IH units,' I think that is probably the key things that folks are really looking at. The first four projects, so that is 123 Southeast 13th, 5401 Southeast Woodstock and 612, 6012 Southeast and were all approved by city council last time. So we talked to you about those but those account for, as you see, about 23 units. The next project down which is 7210 North Burlington, that was a voluntarily hopped in project also approved. So those first four non PHB projects have been approved, so there are 24 units that will be built, 24 IH units that will be built, non PHB projects built within the next year. So below 7210 North Burlington, all the projects below that are in you know various stages of review.

So in total what you are looking at is 24 projects that have been approved that could be in construction shortly plus an additional 52 units that are in some stages of review by Cassie and Dory. So I think that is the good news. Again I think I said this previously, that contrary to popular belief the IH program does not completely kill development. There are projects coming, and we continue to get more probably monthly, maybe on weekly basis, so you can see that there is like a sense of 76, I guess 76 units on the pipeline for IH units. Any questions on that, or I can answer them all if you don't know. Okay, one other thing I want to mention, I think Suzanne Zuniga was here last meeting [0:16:00] maybe. I just wanted to mention that the city, the housing bureau's new Green Building Policy will be going to city council next week; next Wednesday. So we are excited that we will finally have a fully adopted version of Green Building for us here at PHB. That is exciting.

Male Speaker: Can you send that around to the group?

Carl: Yeah, sure. I don't think that is a problem, you know it's going to be circulated to city council so no problem there, happy to send that. Are there questions about any of these, my program, anything else you want to know about?

Ramsey: So a little on IH question, I got an email from –

Male Speaker: Can you use the mic?

Ramsey: Sorry. This is Ramsey. I got an email from the activist guy, the day he was talking about IH and actually making the same point you did, that people are applying and it is working. He raised the question which I was talking to Nate about, I think I know the answer but if the people on the South Waterfront come in for you know that huge modification and they ask for a higher percentage or they offer a higher percentage, there is nothing that prohibits us from doing that, right?

Carl: Yeah, you referring to this [Inaudible] [0:17:10] project?

Female Speaker: No, the RiverPlace.

Ramsey: No, the South Waterfront 400 feet, with towers everywhere.

Female Speaker: RiverPlace.

Ramsey: RiverPlace.

Carl: RiverPlace, parcel three?

Ramsey: Yeah, it is a major – I don't even know how far you went on your radar?

Female Speaker: I don't know the answer he is talking about –

Carl: So I don't know the detail of their proposal, but it is several buildings over several sites, building much higher than as would be currently allowable – they were proposing through the press. But in exchange they are willing to do more than the requirements in inclusionary housing in terms of the percentage of units.

Female Speaker: In exchange for getting more FAR.

Carl: More height allowance, yeah. And so there is nothing that would prevent them in our code, in the housing bureau's code from providing more affordable units. But then they would need to [0:18:00] make that change through a legislative process on the FAR through city council or the PSC. And they would probably be added as a requirement, as a rider.

Male Speaker: I would concur, yeah not knowing what that project is. Just so you know, I have met with the two principals in the company, Lauren [Inaudible] [0:18:24] Robert and her brother Spencer [Inaudible] [0:18:26]. They are both San Fransisco investors with some German capital behind them. So they bought the Stanford's at RiverPlace then they bought the parking garage next to it so they are planning on a redevelopment of their holdings at RiverPlace. They've done some things in the Northeast, very high quality, very businesslike. She is at capital markets and he is Uber Project Manager. I have no doubt that they will succeed in their efforts. Council gets to decide which venture cap if any because they are looking for some high [Indiscernible] [0:19:07]. The last time that the bureau got involved with a measure similar to that was the Broadway Hotel, Broadway Tower Where Wall Bowen received a design commission approval for a height increase and a FAR transfer and as part of that he agreed to provide 60 affordable units on the South park blocks, Colombia, 20 of which are permanently affordable to hotel service workers. So that is a quick protocol that was a pain in that particular incidence that could be something similar for the longer vision.

Carl: Thanks Luke.

Luke: Sorry I'm late by the way, I had a couple of press calls I had to take.

Carl: So one other thing I just wanted to mention that the bureau ran a couple of solicitations in the last year so it was a first start [0:20:00] to members that are applying for preservation projects. We've wrapped up the initial screening of those applications and I think there are decisions to be made at the executive level about which, if any, other projects are going to go forward but in terms of the staff work on those, those are also complete.

Sarah: Thank you Carl. Is Adriana going to come up and give us an update? Looks like she is, welcome.

Andrea: Hello, Andrea Matthiessen, Portland Housing Bureau. I manage the bureau's home ownership and home retention programs. A while back we presented to PHAC information on the rental rehab program so I just wanted to kind of provide a status update on that. As a reminder, the bureau had about \$550000 in the '17 '18 fiscal year to provide rehab loans to owners of private multi rental stock with a maximum loan amount of \$25000 per unit in an exchange of a 10 year affordability period. We are currently in conversations with three property owners for about 64 units, assessing those physical conditions of the property and doing the required tenant eligibility screening to determine income eligibility of the tenants. And so the next PHAC meeting, I am hoping to come back to you with more detail about what the addresses are, what the tenant makeup is and kind of what the rehab needs and what those properties might be.

Again this was the first year of a pilot program so part of this work has been to you know glean some lessons learned in terms of the community appetite for this program engaging with the city in terms of that tenure affordability period and restricting those rates [0:22:00] to be affordable to households at 60% MI or below. Any questions on that update really quick? No? I also wanted to provide a status update on the accessory dwelling in our pilot program, we brought that to you a month or two ago. We presented that concept to the north or east oversight committee, they had a few questions when we presented to them mid September so we will be bringing that back to them at their November meeting and hopefully answering all their questions so that can be brought forward for council review. And then lastly, also we refer to North and North East, the housing bureau has been looking at the households that are on the current preference policy list and evaluating both their incomes and the historical home ownership subsidy levels. That we have been allocating for home ownership and have been preparing a presentation to the northeast oversight committee recommending a subsidy increase. And so when we have that conversation with them this Thursday and have a little bit more clarity on where that may end up, we will also bring that back to the PHAC for additional dialogue.

Male Speaker: Home repair?

Andrea: And home repair is cooking, in fact I have got budget for about 100 home repair loans this year. We are about 40% through allocating those loans which provide up to \$40,000 to low income households to address critical home repair needs and hopefully – one of the barriers that we experience getting those resources out the door is contractor capacity in the current environment, is something that – well it's our ability to get those dollars out the door quickly. And so it needs help for helping to identify some additional NWSP contractors to work with the program to address that issue. Thanks for that.

Female Speaker: Your recommendations [0:24:00] that are going to north, northeast regarding the additional subsidy, are you recommending amount of additional subsidy or just recommending the general increase?

Andrea: We are recommending that the amount of home ownership subsidy for down payment systems well because during the two there will be an increase in the inner state you are in from \$80000 to \$100000 and that the development subsidy be increased up to \$125000 per units, as can be verified compared in terms of need by a financial evaluation. And that really goes to some of the low incomes that we are seeing as well as some of the kind of high debt that households were out of preference policy list, packs everything.

Sarah: Thanks Adriana.

Andrea: Thank you.

Sarah: Alright welcome to director Krieger we will turn to you for a director's update.

Krieger: Thank you. And as I said, I'm sorry I'm late. [Inaudible] [0:25:04] interest through the bond framework plan and the various other sort of activities in the bureau. I think the pipeline in this report that Carl provided you is significant. I am not sure if everything is on there. You know we regard the pipeline to be much everything towards their site control. So we all report on bond projects because there isn't site control per se but there are some things that sort of are in process. I am not sure that the **Agile** [Phonetic] [0:25:46] project is struggling with [Inaudible] [0:25:49] gap. I think that they have a minimum number of 198 units all over, reporting 215 on the pipeline report, it might be somewhat less. Maybe they have a pending application for [0:26:00] the state and that discussion will get made early next year. So you know we continue to work with each of the development partners and we have got two big closings this year remaining, block 45 and RiverPlace, parcel three which were driving towards completion.

Both of those projects are very significant in terms of scale. The other thing I would like to mention is the housing bureau forces an equity investor in the US coastal service property and the reason the housing bureau is even mentioning the context of the broad way court order is we have equity in the project. We have an interest in 700 to affordable housing units in that location. And the city has incurred \$88 million worth of debt but our money is the only pure equity in the project and so Proctor, Portland and HB we are going closely on procuring a master developer in that site, that will occur sometimes this winter. And there is a rather large chairing committee of about 45 people that are helping construct the necessary sort of side boards around women minority on business participation and project labor for that project. There will likely also be another Eco District depending on the final program but I think there is reason for that, just given in scale to be considered. So we are on track for doing a procurement for a master developer this winter. In the meantime Amazon is looking for its second headquarters and great report on [Inaudible] [0:27:45] the proposal that goes in from Portland and it will include that site.

So the initial conceptualization was for 2 million square feet of office and 2 million square feet of housing, maybe [00:28:00] more office and less housing at the end of the day, we'll see. The housing bureau recognized that we would have two opportunities to achieved affordability, one is what I would call Ambia affordable housing under the inclusion of housing structure that any mockery developer procure would have to provide 20% affordable and 80% minimum or 10 % at 60. Since we have money in the project we said that the standard will be 60 for everything and that we would have a deep dive of approximately 260 units of deeply affordable housing on the site, given the money that we've invested in that site. Whether or not we get all 700 is an open

question depending on how the Amazon HQ two bit works out but we will still have very affordable in any event and that is one of the reasons why we are vocal about it. So we want to make sure that our interest is established in the offset, not trade away.

So I think that's – though we have obviously a very paying process and Amazon will make some sort of announcement next year as to who they want to do business to who do they want to do business with. They made it clear that we are not going to get into any bidding war with the State of Texas or some other place that has perhaps more financial percentage or inducement to put on the table. We think that is exactly right, we have a vision for this site with or without Amazon. If they want to be part of it, great; they are welcome to buy into it. There was an interesting Seattle Time story column this week by a columnist named Danny Westneat. He evaluated the last proffer of the State of Washington made for Boeing which was \$8 billion, and Boeing actually reduced the workforce, and did not increase the workforce. So for an \$8 billion investment [0:30:00] immediately could have gone to South Carolina, could have gone some place elsewhere where they also have a bad plan but the Return On Investment wasn't great.

We can't compete at that level in the State of Oregon and it's pretty good business. So I think that the ultimate question is whether or not this is a labor market that works with them. Some folks believe that proximity is a good thing. Proximity is the criteria in Bellevue will actually receive very favorable consideration because they have five transit villages between Microsoft headquarters in Redmond in downtown Bellevue, they can accommodate the entire headquarters with one transit ride from Seattle. So I am not sure that [Inaudible] [0:30:53] they might look for something that's walkable and urban, they have euphuistic statement in their procurement that says they want a business friendly community that's somewhat a reflection on Seattle itself which has been somewhat enabling about corporate subsidies and somewhat divided over the effect that Amazon has had on the local housing market.

At the end of the day it is 50000 jobs with a minimum salary of \$100000 so it is significant and it will have major effect on our housing market. I will ask Matthew to work with me a little bit on estimating what that will be, knowing that by the time it comes back to council they are going to want to know what effect will it have on our housing market. And I hope to be more clear about that in the future. What occurred in Seattle was that new employees were getting \$125000 to start with a signing bonus. So they were using the signing bonus essentially to get housing. Many were coming right out of collage so they could qualify for a mortgage. So they went into what are called apartments in Seattle and these are seven bedrooms with one kitchen, and one bathroom. In a nutshell, two years ago there was no minimum square footage on the apartment. The city now requires 188 square feet. So a lot of the housing stock around Lake Union, South Capitol Hill and Lower Queen Anne were configured in this manner. We can't – under our current code I don't

think you can actually deliver that product, so there will be a broader effect on the housing market as people compete for housing. So one more policy –

Male Speaker: Are those what people used to do in companies?

Krieger: Yes and it's –

Male Speaker: But they don't even do that anymore because students don't like it either.

Krieger: Yes I mean student are more selective now compared how they used to be.

Male Speaker: Their parents have more money.

Krieger: And for some of the – the Amazon workforce, because they were hired right out of college, they hadn't yet changed our student housing model so it is still acceptable proposition.

Male Speaker: A quick question because [Inaudible] [0:33:13] is also invited in [Inaudible] [0:33:15]

Krieger: The steering committee.

Male Speaker: The steering committee which actually seems more than 25 but you know who is counting? I heard you say something and I know it was discussed in a prior meeting. So I thought I heard you say something that we are looking at the deeper affordability and maybe most of them are bankrupt but their – but I guess what I am concerned is hoping that we enter some flexibility because it is nothing new. We have the working poor that are also out there and it seems like that side could be prime to make income levels of up to 80% maybe even higher because I know some folks who make \$19, \$20 an hour and can't live on anything that 60% and below, [0:34:00] can't find anywhere like anybody else to live. So I am wondering with a .project like that, at least where it was before Amazon came in, seems like it lend itself to have a little bit more of that flexibility so is that a difference now, opinion?

Krieger: No I think it is still part of the package. We are going to describe what it is that we were proposing in the first place because the way South Lake Unions involved in Seattle there was no affordable housing plan in South Lake Union, it is pretty dated you know inclusionary housing for Seattle. So Paul Allen spoke in real estate group essentially built Margery housing and Margery office buildings and they sold 11 of those buildings to Amazon which formed their corporate headquarters. Now Amazon is actually retrofitting some of their building s to include actual emergency shelter, they are setting aside some floors in the buildings for that purpose. They are mindful of the effect that they having and I talked with their director of community engagement in

Amazon. He was a colleague that used to work for the Dave's Family Foundation. And so I think the idea of a campus infused with mixed in kind of housing can be a very interesting proposition for that because it's not imposing something on the community out of scale, it's the same with the community but it's more integrated into the community. So I think that is exactly the right message forward.

Male Speaker: I have a question. You said the master developer procurement will be this winter. Does that mean that the side boards of the projects would be roughly in place by that time?

Krieger: Yes, I think they were driving towards sort of agreement by the end of this year. It's kind of a track that we have been on with steering committee. And even its – even [0:36:00] before Amazon was part of the reckoning of this vision, the fact that you had some four million square feet, a couple of billion dollars worth of development was starting to attract some national developers. We wanted to make sure that they have experience in mixed income and affordable housing, not necessarily just affiliated with someone that will take care of it for them. And I think the steering committee has been very clear that this – affiliating with some of the contractors won't be sufficient. You really have to have a corporate commitment to the social equity inclusion.

Male Speaker: And the other question I guess is are you feeling pretty – your statement about your negotiating strength when you say your investor towards these 700 units or at least 260, I mean do you have a sense that you can –?

Krieger: Well maybe on a great day I can be saying going to bed, I am cautiously optimistic, Prosper and the PHB are joined together in a way that probably hasn't always been commonly seen. I think Kimberly is interested in the synergy of the two entities working together. We all report to the mayor so that is convenient I think and I think those decisions are largely being made in the mayor's office. I will be there to voice support for the housing piece of it.

Male Speaker: In some sense by the winter?

Krieger: Right.

Male Speaker: Some sense of 300, 600?

Krieger: Correct. And just to put a final point on this, the 50 million is just the land. We are going to need to come up with another \$50million or so to make the development affordable which we've not ignored. I mean that is part [0:38:00] of the larger construct, and the CET portion of it, i.e. especially the office, the amount of value created through the commercial exercise tax can be used to essentially create a self sustaining sort of revenue so that the offices are supporting the

housing in the immediate area be positive. We might have to bond against it to generate that kind of money however. I wanted to make sure you knew about that because it is due in about 12 days. We will all be meeting here before it goes in.

Female Speaker: Thank you for the update. I have one separate question for you just as we have seen a lot of discussion lately in the press about the mayor's sort of pivot from sort of creating shelter beds towards more affordable permanently affordable housing and just wanted to kind of tire that back into the work that we are doing here on whether it's a bond or other development and you know to a degree that that changes or influences some of the work that you are doing moving forward, whether it is through the framework here or otherwise, just have you talk really quickly about that.

Krieger: Well just so you know some of these shelters, the Hanson shelter the Shylver Furniture Store I can't pronounce that.

Male Speaker: Shylver

Krieger: Shylver, sorry. Both of these are temporary so when the mayor talks about a pivot, that pivot also assumes that e have to replace that capacity.

Female Speaker: Yeah, sure.

Krieger: So it is still a huge effort, even if we add 200 more over and above what we have already, assumes that we have to replace Hanson and Shylver. So you know, so every week we are working on the shelter with the mayor's office and enjoying from all the services [0:40:00]. And attending to that is some side issues like the Unity Centre and permanent support housing for folks coming out the Unity Centre so you don't have people discharged from psychiatric emergency care into camps or onto the street or into a mass shelter which they won't succeed in. So we continue to press forward on those issues. And then I think the mayor will join Commissioner Fish in cosponsoring the supported housing resolution for dedication of 300 supported housing units before the bond. We will have a period of some review with the county about where the service is coming from because we want to make sure that they attach and we're not committing capital for projects that don't have the ongoing service support. That will be quite a lot work over the winter.

Sarah: Thank you, any other questions?

Krieger: And thank you for the new members for joining this group, it's a very honest group and the mayor really appreciates your time and the returning numbers as well.

Sarah: Thank you. Okay, it looks like we have sometime on the agenda for Shannon, welcome Shannon.

Shannon: Thank you Sarah. So this is your official policy of Portland. I think you know that there's been a new PHAC members. I'm sorry, thank you. I'm pretty loud. I assume I was loud enough but I will use the microphone. We are all instructed to do so and we do miss Dianne because she would tell us to be doing that every moment. I think you – I don't know if you all know but Dianne went over to the development side of the shop so we're excited for her. Yeah, so there will be three other members of [0:42:00] PHAC joining I believe at the next meeting, Diane Linn, Cameron Herrington, and Ed McNamara. The mayor appointed a rental services commission, also known as landlord-tenant commission, other terminology and there are 13 members.

I'd be happy to read those members to you but I assume that I can send those out to you. And then so the housing emergency was extended last week, as was the mandatory relocation assistance policy, on a temporary basis. It's only been extended for six months but we believe that Mathew and the other members of his policy team will be bringing back a permanent policy before the end of the year in coordination with the existing city mandatory relocation assistance group. But for the majority of our time today, I wanted to preview for you what city council will see tomorrow on the stakeholder advisory group framework for Portland housing bonds and Dike actually sat on that group with Ed McNamara as his alternate, and I'm sure he will take credit for everything in this report. So we'll be able to respond to everything in the report.

Sarah: We'd like to haze our members here, just so you know/

Male Speaker: Is everything good with this, I mean are there any sharks in the water that you know of?

Shannon: You know, not that I'm aware of. As we – let me go through the first slide so we can talk just a little bit about it. So I think everyone knows voters approved that \$258 million bond for last November. The mayor convened a [0:44:00] 18% stakeholder group in March of 2017 and did this I think to make sure that we were getting this right. This is the first affordable housing measure supported by voters and the state, it's a quarter of a billion dollars and I wanted to make sure that we have the highest and best use of these funds going forward. So the group started in April and convened all the way through August. They met a total of nine times, three hour sessions. So about 27 hours of work together as a group on this. They had eight initial meetings and they put a draft framework out for public comments and we brought the group back together at the end of September and you'll see the report that you have before you today.

So the policy framework addresses guiding principles, production goals, priority communities, location priorities, guidelines for development operation services, reporting metrics and community engagement. Just of note, this is the framework that will be used by the bond oversight committee. This is not intended to put all the parameters on the bond funds as they go forward, things will – we'll be doing more work with the bond oversight committee on developing for instance reporting matrix. They have that ability to ask for more, ask for less, change that as their role as an oversight committee.

Male Speaker: The graphic, does that represent the –? I think consensus on the importance of the topic by top slides

Shannon: I'm sorry, on the topic by what?

Male Speaker: On bond size.

Shannon: Yes, it's like one of those word clouds. So I think the key theme here is [0:46:00] collaboration, those were the guiding principles for the group as a whole going forward. So as for the production goals, the committee or group – I'm sorry we reaffirmed. I call them SAG but a lot of the members don't like me to call them SAG. So the Stakeholder Advisory Group, which is their acronym, an unfortunate acronym, reaffirmed the commitment for 1300 new units of housing out of below 60% of the medium family income. 600 of those would be deeply affordable units and 650 would be sized for families but those were the original goals that were put forward in the council documents, but they voted to refer the measure last year. And note though the new target is their target for 300 units of supportive housing and I will also note that Home Forward is a partner in this effort as they're big committing, they have committed the equivalent of 400 vouchers to help subsidize those 600 units.

The committee also spends a significant amount of time working on priority communities. As you can imagine when you prioritize one community, you may – you are emphasizing one over another and that was I think the three meetings that went over the priority communities. I think it was a very difficult discussion. The list sometimes would grow but they decided to remain their – keep their focus on preventing displacement, advancing ratio equity and making a visible difference on ending homelessness. And therefore and focused [0:48:00] on these priority communities, communities of color, families including with children, immigrant refugees and inter-generational households, households experiencing homelessness or at the eminent risk of homelessness and households facing displacement. This slide though is as much text as you can fit on the slide, will still be readable. It would be remorse if I did not point to the fact that they have quite a bit of a more emphasis on – and it's on page nine of the full report which you have in front of you. It's not easy to put groups or categories in small bullets, so I did want to draw your attention to that.

Location priorities, this was also an area that I think the group spent a significant amount of meetings and I believe maybe all of them and we – and they spend a lot of time actually at their final meeting working on location priorities. I think again we're trying to decide whether we invest in completely just in high opportunity areas, whether we just try to look at preventing displacement, whether we try to build as much as we can, wherever we can. I mean these are different issues that I think everybody feel slightly differently about but they came away with some principles and I would say these are actually location priority preferences for the group, so not invest rules. So using an equity lands for all acquisitions, investing with their little or no existing affordable housing resources. They are places on the maps of the city that you will see that have very limited affordable housing [0:50:00] at least that are regulated by the Portland housing. A lot of that is a function of where we've had urban renewal areas in the past. So there are large chunks of for instance in the south East Portland that have very, very few regulated units.

And some of those areas also are just single families homes, so that ability to get a multi family building will not be something we've been able to do. Balancing investments throughout the city was an important concept for the group. I think making sure that each quadrant see some kind of investment from the affordable housing bond. One of the things that I think it's really interesting is people are using the term infrastructure now for affordable housing. I think that people are realizing that the direct connection of their tax dollars to this bond and wanting to make sure they get their portion of tax payer resources in the area which is a different discussion that I think we may have heard just a few years ago, of course when you come to sighting the building it may be a different response. So this is kind of us trying to explain a little bit about taking their preferences and overlaying it to where we'll be – where their first preferences would be to acquire buildings or to do new constructions.

So in higher opportunity areas over to the right we'd be looking at both building acquisition and new construction and we – our priority would also be to prioritize areas of high vulnerability for displacement in the city. There was some discussion about lower opportunities, lower vulnerability areas, though it's not a complete bar, that would not be the committee's first preference to us seeking land or buildings. The feedback, the draft feedback of this report [0:52:00] was sent out for community feedback for a week period of time. We contracted with both metropolitan lands for common good and open environment justice to help us with specific outreach. We also used neighbor involvements, community engagement liaisons and then conducted stakeholder agency meetings and networks. We had asked – we went to many meeting but not everybody was able to talk with us in the time period and we also conducted a community survey. So these are the linguistically specific communities that we conducted outreach through on this community engagement process. These are the stakeholder groups that we actually were able to meet with

and these are the key themes that we had. Did you guys want me to go back? Did you have enough time to look at that slide?

Male Speaker: Can you tell me what kind of stakeholders you assembled or is it just people who like were on these working housing areas, is that the only segment of the stakeholders that you're referring?

Shannon: No it's depends on the meeting types, so for instance we presented at the coordinating board A Home for Everyone. We presented at the East Portland action plan, both housing committee and then we actually followed it up with full East Portland action plan committee. Some of these would have been smaller meetings, I think people who were interested from the organizations. We did meet with the two meetings with the Welcome Home Coalition, any partners that they could bring together. So some of them were smaller meetings and interested parties and some of them were a really good fit in that four week time period. Where we could fit into a larger meeting, we went to those as well, represented as those and we did offer to go to the North and North East oversight committee during their time period but they [0:54:00] had a very full packed schedule for instance, though the report was shared and drafted in the survey. And so some of the key themes we heard from our survey and outreach were that they wanted to spread housing across the city and next income environments.

There was a clear preference for housing close to amenities, transportation, schools and parks. We asked a very specific survey question about whether we should build as much housing as possible, no matter the location or whether we should actually focus on high opportunity areas and we had high opportunity areas. So that's good because that's what we've been focusing so it's nice to know we are validated. And then I think that the main thing is really people want to know how they're going to get in this housing, what are the criteria, what are the barriers to housing? How can we remove those barriers? How can we be transparent in the process and how do they get those units? I mean that's really I think what the community at large was interested in, is how can they have a shot of getting in and how do they know when and where these units are going to available? And then [Inaudible] [0:55:19] team. So with that, that's the formal part of my presentation. I'd like to open it up to questions. I see Dike is going to have a comment.

Dike: Well, first off, I think you guys did a great job in putting this together, it's certainly well written and easy to understand. A couple of comments I'd like to make really which I think I've made several times during the various meetings. So as I look through my business lens, there are several things that I consider [0:56:00] hot buttons, if you will. A burden to me is to get more than 1300 units, how do you that thing? So if you look at for example the introduction on page three, it uses the words flexibility, creativity that is not necessarily a strong point of government. So it's something that you guys are going to have to focus on. If we look at page five, paragraph one, I can

understand the theme of the meetings, just talk about how do you use leverage on these projects? Do you do that by buying the land and leasing it to other people or how do you – again how do you get more units?

If you go to page 11, again creative strategies, are you going to reach out to people beyond your own bureau that maybe do a little bit more of this for a living and you have done this kind of stuff in the past, that would be interesting. And then I think I'm really pleased that you put on page 12 the reference to the Oregon constitution, and we all recall Harvey being here at our first meeting and I asked Harvey to talk about the Oregon constitution and lending of credit which was created in about 1860 when every little town in Oregon wanted a rail road, was ready to [Inaudible] [0:57:28] so the rail road goes to their town. And we still have that on the books, but as he described it, it was a little hanging through. It didn't do too well this last session but I really think and I hope you guys really get behind that to try to change it because that's how you're going to get more than 1300 units. So thanks for the opportunity to participate and make these comments.

Nate: I have a quick one. [0:58:00] Leave it up to Dike to steal the thunder a little bit but I'll try to pick back up. I agree completely with Dike this at least starts to get some flexibility talk. The thing that I guess goes back to government not being so flexible that I've seen here is about us having to stay constrained within some of the Oregon statutes around public improvement projects, which is very clear, do all the data that shows that participation of communities and minorities and women on projects, on the books today probably those results that Dike is talking about. And so I think the flexibility for sure will have to be looked out closely to ensure that whatever route we go to complete these projects that groups aren't excluded and that they are very much included from the beginning early on. So right now the public projects that are being led out by the city, there's not a lot of that happening. So I'm hoping through this we can bring in the key stakeholders that might work in those arenas to, like Dike said, ensure that we can hit these outcomes.

And then I guess lastly on that same topic and it gets back to leveraging that I think sometimes we often miss. In this state there are maybe one or two coast specific property management groups and I don't know why in the world we don't have more, knowing how many affordable housing units we have on mind. And I'm hoping with some of the stakeholders at the table including Urban League and others, that maybe out of some of these projects we create something that's not there today, to maybe stabilize those same people that live in the units, maybe maintenance the units as well, or have some kind of property management division associated with the actual project itself so that there's something that sustains well more than just the housing. That people might get a job or might create some new sectors of opportunities that don't exist today. So I want to be mindful of that and I've worked with [Inaudible] [1:00:13] and others who kind of assemble all those property management groups and we're talking about how do we set up some of these new

business line for the folks that live in it. And we can see a triple down effect of you know setting up the economic advantages of these projects. So my little two cents.

[Off Topic Conversation]

Male Speaker: Thank you for saying that Nate. That's something that I am -- in our bureau. We have lots of jobs and property management maintenance and we don't have a priority for the minority contractor to fill those jobs, so thank you very much.

Female Speaker: I have a question actually. I see that -- want to create family units and energy generational household are of priority, but if I'm understanding it correctly two bedroom units are considered family size units?

Female Speaker: Two-bedroom...

Female Speaker: [indiscernible] [1:01:13].

Female Speaker: Two-bedroom and a bath, yes.

Female Speaker: Okay, yeah okay. So I guess I'm wondering if that--if its two-bedroom units that would qualify as--and I know it's just a framework but I'll put the question [Inaudible] [1:01:25]. If its two-bedroom units that are considered house or family size units -- is there going to be some sort of rule around those two-bedroom units actually have to be larger square footage wise or is it just...?

Female Speaker: I'm looking at Mr. [Inaudible] [1:01:42]

Male Speaker: So, is your question around square footages--is that the...?

Female Speaker: I was just making sure, this two bedroom units qualify that they are actually family sized units.

Male Speaker: Yes so, I'm not planning on having us have a sort of a [1:02:00] square footage minimum. We would have -- and we do partner -- as you saw we have you know 30, 40, 50 projects going on at any time. I think we have a sense for -- first of all what the market is providing in terms of sizes. I think we know from our experience what's a sort of reasonable size for a bedroom as well as sort of total unit. We would go by our experience as well as the folks that we hire to design and build our buildings.

In terms of occupancy standards was maybe part of your question, We'll have a minimum number of people that could live in that household right; so we wouldn't want to rent a three bedroom apartment to a single person right. So there'll be rules around that kind of a thing. And you know typically we would use the HUD's standard for the federal department of Housing Urban Development standard, in terms of occupancy so it says for a two bedroom unit you have at least three people on it, right?

We could also use certain number of bedrooms types, two plus one person standard, which would be for two bedroom units two plus two plus one, so it will be five people. So, those will be decisions we make, but you know just in terms of trying to squeeze as many, you know people into as little square footage as possible that's not going to be something that the bureau has an interest in, right? Yeah.

Female Speaker: Well, I think the other thing about that number is we'll be both acquiring buildings that are -- that we would be concerned about displacing residents. You know buildings that go on the private market but for us would be elevating rent likely or already had elevated rent. So, I think that it would be hard -- there's not a lot that we don't help support that's larger than two bedrooms out in the private market. So, likely we would be buying units for instance the Ellington which we purchased. I know [indiscernible] [1:03:57] bond purchase today is approximately [1:04:00] I think 90%, two bedroom units.

But when we are looking to build in terms of new construction I think we will also be looking to include three and four bedrooms. I mean not something where the market is definitely not, generally providing. So, and that's something we heard quite a bit in our outreach as well. So thank you for bringing it up.

Male Speaker: Question, it's a nice piece of work, and it's very expansive I guess on the plus and the minus side in terms of a lot of criteria. And I was struck by the language which says will be used by the bond oversight committee as one basis to evaluate expenditures. So I guess the question to anticipate for me a little bit is in terms of expectations. What's next? So this framework goes to this other committee -- I mean, I know more than that but I mean this going to this other committee is so are they going to refine these? Or will we get another set of criteria in a couple of months or is this the operative guidebook or that may be a question you get I guess it's just what's next?

Female Speaker: So I think that this is the operative guide book for now and the stakeholder advisory group realized that there may be opportunities -- that there may be a need to revise or change this criteria. Going forward I would not --You know I don't want to speak for the bond oversight committee but they've been briefed on this all the way throughout. I don't anticipate it will be a monthly type thing as much as it would be where are we doing in terms of progress? They

are very explicit that the reporting matrix was just a starting place. That the bond oversight committee really does and need to be able to ask whatever information they think is relevant, to being able to have a proper oversight and meet that fiduciary responsibilities.

But at the same time [1:06:00] we have advocated for the constitutional amendment already in conjunction with the legislative days earlier last month. If that moves forward a lot of this document would be become potentially obsolete in terms of city ownership requirement. We'd start probably like will be subject to public contracting code. That our goals with -- change if we are able to bring in other funds of leverage. So I would imagine that would be a major opportunity. I'm not sure that, you know I can't say exactly what the bond oversight committee would do instantaneously with it. But you know they can recommend changes to council and they would report once a year.

Male Speaker: But we are hopeful they wouldn't come up with their own set of criteria for example three months from now?

Female Speaker: No, I don't think so, I don't believe so. We had two representatives on the bond oversight committee sitting on the stakeholder advisory group and they've been briefed throughout. So I would hope not.

Male Speaker: So just [Inaudible] [1:07:03] what's next. Presumably the council will accept the report of the stakeholder advisory group. On Monday the 23th we will publish a request for information and it's where we euphoniously call the transaction window will open. So will basically have the criteria and the preferences for selection of projects available at that time. And it's an open window so we've -- we're notifying folks ahead of time. There have been projects profit to us that we've put in a state of suspension until this framework plan was done. So I think some of those will come forward and the new ones that we don't already know about will likely come forward.

Male Speaker: Open ended.

Male Speaker: One other thing about getting a [1:08:00] just to sort of set a little bit of additional framework is that expect sort of 10 to 20 projects right. And we have-- sort of some sense for what those projects might be we already know. And we have 219 units at the Ellington apartments. So we'd figure about 200 units of [Inaudible] [1:08:18] and will acquire obviously in keeping with the themes here we'll acquire a number of units or a number of projects where people are being threatened with displacement. So you they'll be some, some parameters already that will guide a little bit of what the bond oversight will do anyway, yeah.

Female Speaker: [indiscernible] [1:08:36] I just note that property was purchased at 30 [Inaudible] [1:08:40] with short term rental revenue funds, not necessary Portland, the affordable housing bond funds. It appears that that project will fit within the location criteria should council accept the report. But we will be doing further work with the bond oversight committee, as we would with any new development project. But for that's actually selected -- the property is selected for to pair with the bond. Otherwise we would be looking at acquiring without necessarily involving the bond oversight committee as we have this framework and as you know we need to move quickly in the market when something becomes available. But we will be working with the bond oversight committee to identify how we would develop it -- if we were to develop on 30th [Inaudible] [1:09:28.3] So I just wanted to clarify that. Thank you.

Female Speaker: Well congratulation on a six or seven month process that I know was painful for many. So, it's exciting to be at the end and to see us actually moving to the period of developing some affordable housing using the bond proceeds. So congratulations. Okay! Onto the super fun part of the meeting where we get to could be in is the budget [1:10:00.0] oversight committee. You little did you know new members, they're coming on at a fun time of year. Anyway I'll turn over to Matthew.

[Off Topic Conversation]

Matthew: Okay so for folks who are new, PHAC also serves the bureau's budget advisory committee. And as a part of that we actually have two members of staff. We've agreement that a non management, non representative staff and a non management representative staff sit on the budget advisory committee so I'd like invite up Jacob [Inaudible] [1:10:43] here today to join us as we convene as the budget advisory committee and they will join us every month as we work through the budget process.

Female Speaker: Welcome.

Male Speaker: Thanks. Okay, and so just a quick primer on what we are going to talking about today so this is a new from previous years. We actually have our budget analyst from the city budget office who's going to walk us through the overall city budget, city budget process and this is a prelude into our November, December, and January meetings where we will start then to focus on the bureau specific budget -- and analysis of the budget. The current budget overall, the current programs overall. The discussion of any decision package concepts we're thinking about moving forward. And then again feedback from this body, suggestions from this body until formally the bureau puts together recommended budget and this body drafts a letter either in support or opposition or highlight [indiscernible] [1:11:50] in the budget. So with that for -- we turn it over to Jeanmarie, Jeanmarie is here. I just wanted housekeeping item because it is [1:12:00] getting

closer to five. Are any members in need of getting a reimbursed for parking because they parked in the staff park. [Inaudible] [1:12:08] So I'll get that taken care of. But I'm going ahead to turn it over to Jeanmarie from the city budget office.

Male Speaker: [Inaudible] [1:12:23]

Male Speaker: Okay, that sounds good. Oh, yes and can we have CAJ to just do a quick introduction about where they work at the bureau.

Male Speaker: Hi, everybody. My name is Jacob Shannon [phonetic] [1:12:33] I work on [Inaudible] [1:12:33] team, the neighborhood housing programs and they are spending significant [indiscernible] [1:12:38] lifetime, working there in the [indiscernible] [1:12:41] neighborhood.

Female Speaker: And I'm [Inaudible] [1:12:46] and I work on the [Inaudible] [1:12:46]

Female Speaker: Welcome we're waiting for you.

Jeanmarie: For the record my name is Jeanmarie [indiscernible] [1:12:58] the city budget office. Thanks for letting me be here today. We will try and keep this snappy because we are talking about budgets and its Tuesday afternoon. And so pretty informal, I know people have a variety of experience with budgets. So I'll try and kind of hit middle of the road. If you have questions please feel free to so speak up while I'm presenting. And my goal today is just to make sure that you get certain overview of the budget and that you get to know me a little bit and know sort of what resources I can provide as your budget analyst. And just to show some pictures I found so, here we go.

Male Speaker: Is that you in the fence?

Jeanmarie: Yeah. So I took this photo and I don't know if you can tell but I Photoshop myself into it. Because I am [Inaudible] [1:13:41] I Photoshop. I had to sugar about [Phonetic] [1:13:44] I really love these quotes that we have about the city budget office. You can pick which one -- [Inaudible] [1:12:59] called us the office of [Inaudible] [1:13:50]. I don't know Mike is that how you describe us?

Mike: No comment.

Jeanmarie: We also [Inaudible] [1:14:00] Fitch once said that we were all flare and no drama which I don't get but I like it so. So we are about to celebrate our fifth birthday at the independent bureau. We used to be part of the office management in finance. And that was the case when

Mike was in our shop and we are now independent. We still fall within the marriage portfolio. I feel like I may be keeping you further and further away. Is that how I am going?

Female Speaker: And I'm wondering, maybe we just had to use that one instead.

Male Speaker: [Inaudible] [1:14:30]

Jeanmarie: I don't know really need it, my dad always told me, I had too much of the stage [Inaudible] [1:14:34]

Female Speaker: It just turned out that I can't...

Jeanmarie: So we're in the marriage portfolio and we play a specific role -- with specific appointment budget process with the mayor but we respond to our council and to bureaus and the public to provide timely, accurate and unfiltered information and analysis regarding budgeting, forecasting your fiscal policy issues feedback. So, just a little bit of citywide context in that budget last year, creeping up to 4 billion, comes from a variety of sources. I put a little context for PHB, the budget last year was 214 or this year adopted budget is \$214 million Just 2 years ago it was less than a \$100 million. So some big changes Mike's going to talk more about where your funding comes from but you got some funding from a variety of sources here. A lot of this session you hear about comes from the general fund, because that is the flexible funding source that can be used for pretty much anything. So that's where a lot of fights happen [Inaudible] [1:15:41] all the requests comes in. For, context, well it looks a bit funny out here. All right, so the PHB budget this year had almost 30 million in general fund. Most of that going to the Joint Office of Homeless Services. Any question about that, more details you want to know? [1:16:00]

So our role in budget development, we kind of falls into three major categories. During the requested budget phase -- I will also give you the timeline a little bit. Our goal was really to identify tradeoffs to council. We provide analysis on your estimated budgets. We make our recommendations. Our role is to -- we review each [Inaudible] [1:16:22] where we are trying to have that citywide perspectives. We are keeping in mind all the different competing interests and a limited funding [indiscernible] [1:16:28]. We have to recommend a balanced budget. We also use an equity lines, there's the budget equity tool that the Office of Equity and Human rights develops. That we work with them together to analyze requests not only the base budget, how are bureaus prioritizing equity and their base ongoing funding allocations. But how will these new investments improve service and for who and how will we know? We also coordinate council work sessions on the requested budget. It's really the chance we at that point our recommendations are out but it's a chance for bureaus to make their pitch to council and for council to ask questions and

flag issues for follow up. And then we take off our recommendation, our analyst notepad and we work with the [Inaudible] [1:17:12] proposed budget.

So the mayor does take a look of our recommendations, these others and asks for additional analysis. And so we work bureaus to make adjustments and provide that follow up information to get the Mayor to where they want to be. We also do community engagement around the budget. We hold two community public budget forums – and we'll all have the timelines in couple of slides. There's also a public budget hearing on the approved budget. We have an online comment form that is available at any time, even now. My favorite suggestion from last year, if someone was travelling in London and they saw these ballot boxes where you can put your cigarette buds and vote on things. And it was like "which is your favorite Justin, Bieber or Trudeau. And they're like they actually took that picture and send it to us and said "Can we--I don't know how much is this but [1:18:00] can we fund this for the city?"

I tried to get back in there but no one else agreed with that. We also are on twitter @PSbudgetoffice we are really close to 400 followers so if you have anyone you know who might want to hang with us on Twitter please, please let me know.

So I can provide this looks very tiny up on the screen. I can provide if you're interested this handout as a full page that essentially gets to kind of the criteria that we are looking out when we are assessing.

Male Speaker: [indiscernible] [1:18:33]

Jeanmarie: Oh, so you can see. Oh it's a full page. Okay so you can see that. So this is the criteria we are looking at when we are assessing budget request. It really gets to the logic model of what is the problem you are trying to solve, what are the outputs and outcomes and then how will we know that we were successful? And so in a nutshell, you know it's really about identifying tradeoffs and asking questions that's pretty much what we do [indiscernible] [1:18:57]. In two activities what do we do? We ask questions and identify trade-offs. Do you want to talk more about this or you want to follow up later, I don't want to get into too many details but you can see like this is why all the bureaus love working with us, and really appreciate when we send them 3 pages of questions about their request.

But to the extent that you are, we are doing the budget and making recommendations as--the advisory committee this is something you keep in mind. That this is what I as the analyst is looking for to extent we can have this conversation ahead of time or you can fly that in your own submissions that that's really helpful to have that information so I'm not asking in February but asking in November

Female Speaker: So maybe you could just quickly explain a decision package for those who have not worked on a budget process before.

Jeanmarie: Thank you. Yes, absolutely. So, PHB you have your base budget, that's your ongoing funding allocation that is there every year, absent any changes that might be made. In the requested budget, PHB will include decision packages which are individual work class for generally from new funding but could also be [1:20:00] for a cut or some other adjustment. So that's the basis, that's what we are giving those individual packages but as the – in the broader context of the budget.

Male Speaker: [indiscernible] [1:20:13]

Jeanmarie: That's true. I'm about to get to that so budget development timeline, we are almost to November somehow and that is the budget kickoff where preliminary guidance is issued. And that's where, -- it will lay down the marker and this is what we think we are going to have in terms of funding available and hear all the commitments we've already made. So in the last couple of years we've had record funding levels but council has already committed the money to various -- a lot of it came actually came to housing bureau as well as for contracts with the police bureau and fire bureaus [indiscernible] [1:20:52] this year.

So we've had cut years and its mostly again focusing on the general fund and so the last couple of years it's been to 5% cuts which is very painful. It's a very painful exercise even though some would say, it's a physically responsible exercise to every year be thinking about where could you find efficiencies. But I don't know what's going to happen this year but that will be coming soon. And then December we have a general fund forecast. [indiscernible] [1:21:21]

Male Speaker: So, if I just remember so when we do get the budget guidance from the Mayor's office and the city budget office, we then will convey it to you if it does arrive before the next meeting and if not, we will convey it after the next meeting, after the November meeting. And then to the extent we have to reconcile that based on our process, we can -- we may need to have additional meetings. So it's kind of a heads up I know members have gotten used to this in the past particularly, cut years, there tend to be a lot more meetings so just as a heads up with that November guidance will also really drive or [1:22:00] the budget advisory committees kind of work plan in November, December and January.

Jeanmarie: So it seems like a lot of time but it's amazing how much always gets up the last minute. So budgets are due January 29th, exactly my birthday is February 6th so I'm always doing lots of analysis on my birthday which is a great thing if you're a budget analyst. So all of February we are

doing analysis and writing reviews. I think we might be the only jurisdiction. I found when we actually publish these reviews so you can find out on the website, you can tell me how much you love it or hate it, give me any feedback, we are always trying to make these documents more accessible and interesting to people.

It emerges when the council budget work sessions happens and during this time the Mayor is developing the proposed budget. In April we have an updated general fund forecast. We forecast conservatively in December, the City Commerce and Center Office does this work, updates it in April with more information, so sometimes there is generally should be more funding available rather than less. So sometimes there is more money to play with. That is when the mayor's proposed budget incidentally comes out, usually right after the forecast. The council then approves the budget in May, there is a hearing by this regional body and just to ensure that everything is in accordance with budget law and then council adopts the budget by June 30th.

I've also put on here some of the community timelines. So you all as the bureau of budget advisory committee, you are meeting, start now, other bureaus wait, some bureau start earlier, meeting all the way through that process. And we also have a citywide budget advisory committee that attends the budget work sessions and sets up a table for the hearings and that kind of thing to people to ask questions from that community perspective. Any questions? So there are three times during the fiscal year when bureaus can make [1:24:00] adjustments. I'm going to go pretty quickly though this sections but stop me if you have questions when I hear more about this. So we have the [indiscernible] [1:24:06] budget that's where we are at right now, this brings a little budget and the over expenditure ordinance.

These are theoretically [Inaudible] [1:24:14] things that are unforeseen, urgent and unable to be absorbed by existing resources. So we do -- we had focus on updates and requests in budget monitoring so in the fall right now we are looking at prior your prior your budget to actuals. We are looking at updates on decision packages and budget notes which is kind of like a to do list for council and we are also looking at performance measures and capital project updates. In the spring, we are looking to let the current year to make sure that everyone is set to end the year within budget. Again but you know updates decision package updates and performance measures estimates of where folks are going to end the year with their performance data which we'll talk more about in a minute.

The request that can be -- new requests like I said, that's typically for things that are -- we have one time contingency available that's general fund that was not set in the last year that's available just for this one time in the current year. There is always tension, CBO tries to put money away and reserve or [indiscernible] [1:25:17] there is a policy requires that half of the money that's unspent goes toward, goes for capital projects but there is still money available that goes for a variety of

different purposes. And in the spring we do mostly looking at technical adjustments to make sure that the bureau is ending here within [indiscernible] [1:25:36]. It's probably like the most boring thing that we do obviously but – if there questions on that over here?

Male Speaker: According to your office there is actually a really big deal for [indiscernible] [1:25:48] folks who are actually in the housing developing business known, the project sponsors all kinds of excitement and optimism and then reality of funding on the financing and [1:26:00] construction costs and delays and things like that come in so we end up having make a lot of adjustments in the budget monitoring periods to make sure we are getting the project budget online [indiscernible] [1:26:12]. And so in that way we are feeling a lot like the capital bureaus like the water Bureaus and DBS across the street from us now. And how we do that even though we just get on financing the project because we are still dealing with the kind of construction and the other financing works and now we going to move on in borrowing our own projects being more involved in construction and [indiscernible] [1:26:39] the projects that's going to get more critical. So...

Jeanmarie: It's actually very important from explaining it to the public and the reviews that we write, those are our points, I should clear when I say boring and that's what we write is not interesting. But it's a very important process.

Male speaker: And for, our new members that's Mike Johnson, he is the finance and accounting manager for the bureau.

Male speaker: I'd just like the furniture [Inaudible] [1:27:04]

Male Speaker: So coming to this performing -- coming to this performance management but you are not scrutinizing within the categories in the old days [indiscernible] [1:27:14] within the category we move money around it was not, there is no issue. But are you looking even the particular deals within categories now to see whether you are meeting the target?

Female Speaker: We poke around a lot. Yeah, so bureaus have the authority within those major object categories to make adjustments. So if they make those adjustments and they don't work past any changes, we may or may not see that. But we do actually regular projections and so we go into the accounting system and look at actual expenditures. It's not really, we are not auditors it's not our intended function but it's more to understand trends and needs and to be able to identify potential issues and to support any sort of analysis that we are doing. [1:28:00]

Male Speaker: I'll add something. So I think a tangible example of that is one of, in the current physical year budget one of the new allocations that the Mayor made was to -- the bureau to establish a mandatory rental unit registration program which requires us to either acquire

software, build off someone else's software, build our own software. And not making any budget adjustments per se but the city budget office is checking in with us so that they can give an update on where that initiative is and include that in their presentation to city council during the budget monitoring process, the full process.

Male Speaker: It's a decision package that probably has more of that impact?

Male Speaker: Correct. Any decision packages major initiatives, special areas of interest with council, budget notes then there often be just, it could be just a general update even if there's not an adjustments of funds.

Jeanmarie: So one of the things that our bureau does is performance management, for a city wide program. So we provide council and city leaders with critical information for decision making ensuring that bureau missions, strategic direction and programs are in line with city priorities and intended results. I found this, I'm really not a [Inaudible] [1:29:29] apparently someone in financial planning that was Mike actually included [Inaudible] [1:29:34] index as a key performance measure for several years before it was caught.

Female Speaker: Oh, my god.

[Off Topic Conversation]

Jenmarie: So generally, they are more in line with like actual programs. [1:30:00] But it's been a process so it's something that the city has actually done for several decades but have been working more intentional in the last couple of years with Bureaus to develop program measures that really provided snapshot of how we are doing.

So we have their program measures, there are efficiency measures effectiveness measures and the key performance measures which are really supposed to be a handful of measures that are reliable and timely and really can communicate to decision makers and to the public what's going on. This is something that we are looking at right now, we are bringing together this performance report and it's really challenging because it is hard to come up with measures that really provides a snapshot of everything that you are doing and all of the quality of the pieces. So it's something that I as an analyst, I'm really trying to work with my bureau to understand how -- like what are the pain points and using it as a chance not to make a significant conclusions about their overall performance just based on that one snapshot. But what is this snapshot, what's the data behind it telling us about what resources you need, or what's working, what's not working. So that's kind of how I approach it.

If you want to see more, we have this, our new and improved performance dashboard is on the city budget office website. So you can look at performance for the housing bureau as well as all the rest of the bureaus and look at trends and we're hoping to provide more narratives so that there is a little bit more context but this is where we are at for now.

Male Speaker: So you may have said this and I missed it, are these criteria jointly developed with the bureau or these are your ideas?

Jeanmarie: These are jointly developed with the bureaus.

Male Speaker: Okay.

Male Speaker: So then, that will also be part of the November meeting, we'll have hopefully [indiscernible] [1:31:45] or data team manager to come and be able to speak to what the bureau's current performance and targets are. And performance metrics, so they will be a part of where we are just talking about the overall budget as well as the current [1:32:00] performance metrics, so go and make sure that you as a body have the whole picture about what are we funding? What are our expected performance targets and how we are performing on the base budget? And then as a separate conversation on any decision packages we put through with our app packages, what performance metrics are appropriate there?

Male Speaker: Did you usually find common ground pretty well on the use of [Inaudible] [1:32:22]

Male Speaker: Always, we are very well together.

Jeanmarie: [Inaudible] [1:32:28] intention and the roles we play but this is I'm going into my third budget cycle for the housing bureau. And I feel very lucky to have worked with – to work with such talented people. I feel like our relationship has evolved where we can -- I know I call like pretty much every day. It's where we can have this kind of frank conversations and it lasts about, there is less defensive technique on both ends, and it's more about how do we like, we have shared goals so I think it's been positive, but they can tell you after I leave.

So last, just wanted to share sort of a summary of what I can do as your budget analyst. You can use me as a resource, I'm happy to answer budget questions. I would not recommend that you read the budget document because it's I think almost a thousand pages with all of the fund information. So if you have questions, you should let me know. I can provide physical analysis on a variety of issues. This is more geared toward the bureaus but we also work with performance and process improvement data, PHB has a very strong data team so I mostly call them with questions but with some bureaus it's not always the case so we work together.

We also do a couple of different initiatives with Tableau, it is data visualization software, so we use to make the dashboard, we have a user group. We have a process improvement champion cycle and some other community building activities. And then you are as experts in the field, please invite me to come to your place of work to any kind of community events that you think would be interesting for me to come see [1:34:00] the work on the ground is actually happening that's incredibly valuable for me to understand what these budget dollars actually translate to and the means that you are seeing that may or may not be communicated well through just the hard numbers. But I do love numbers, if you have any data, please share it out with me. That is always very exciting to see that. And we'll have you also do analysis and then finally you are going to see more toward the bureau but sharing requests early is always helpful so that we can have the back and forth early on. And Michael has said that there are no surprises when recommendations come out.

It may not always agree but hopefully we understand how each side got to the decision that they are on.

So thanks for letting me be here. Do you have any questions at the moment?

I'm sure that will follow up with my email and phone number you are welcome to contact me, I'm also happy to give them if you want to talk more.

Male Speaker: So as I mentioned, we just wanted a feel to provide a very good overview of the process as we start to move into November, December and January. I think one issue I want to throw out there was, there was, I think there's just some general confusion and probably not the best coordination last year when it came to, again for our new members, our big budget areas are really multifamily development all of our multifamily rental development, home ownership and home repair and home stabilization programs is the second area.

We've got increasingly in kind of landlord tenant services, rental services, fair housing services as well as just administrative support around either finance accounting, loan servicing policy and data analysis or regulatory compliance staff. But the other big one that's in our budget is the home loan services and we [1:36:00] have an intergovernmental agreement with the joint office of the home loan services. And so while the bulk of the federal funds and city general fund that is allocated runs through the bureau, they have their own process for developing their priorities in their budget editions and budget reductions and we recognize that last year the coordination wasn't great, which creates some chaos in January. And so we've started some early meetings to try and improve that so that what we want to honor that that is the process city council and the board of

county commissioners has determined will be the process by which the joint office develops their budget.

Then we need to be able to have a picture of it as in the context of it would be part of the bureau's overall submission. So like I said we are, looks like we are ending a little bit early but that's all we really have but be looking toward November for an overview of kind of our existing budget, existing program areas and our existing performance metrics and then kind of setting the foundation for any decision packages that we may want to submit to the process.

Female Speaker: Have you guys got a sense yet of any decision packages?

Male Speaker: So the last time we were told you're going to use your own base budgeting. How's that going?

Female Speaker: That's for the bonding.

Male Speaker: I think I would defer the current but I'll have him address that in the director's comments in the next meeting on that one because I think you also was talking about that at the last meeting

Female Speaker: I had a question Mathew, and that's to do with the decision packages. Have you guys got any ideas or have you started thinking about what those might look like this year?

Male Speaker: So we have been doing a few processes to try and get a sense of what decision packages might look like. We've had informal conversations with the mayor's office, we've had -- internally staff had the opportunity to [1:38:00] develop proposals, we've had some conversations with some of our members of our North/Northeast Oversight Committee, there's been some conversations that have taken place amongst other advisory bodies just as they've been doing their normal work.

What might be valuable decision packages to put forward, I think the [Inaudible] [1:38:19] as well as there is a number of planning efforts that we are a part of whether it's the division corridor or the southwest corridor, light rail of the Broadway Corridor Redevelopment. So I think to, Mike and I have been talking about this, Mike, myself and Antoinette, based on what we are hearing from staff, and hearing from partners. I think the two themes we are starting to hear emerge are kind of anti displacement and stabilization services. So less capital in terms of development but more general fund asks for potential anti-displacement and stabilization services to supplement a lot of the new capital we have for development as well as, open question of whether or not we want to maintain the increased service level in landlord tenant services, some of the fair housing or legal

assistance, the tenant assistance resources that were allocated a lot of it, and I don't know the split. And I am not going to put Mike on the spot but the Mayor in this year's budget had increased funding for services, I'm not sure, I don't believe all of it is ongoing so some of it is one time.

Male Speaker: 5000 one time.

Male Speaker: So it is all one time so we will have to revisit that as to our perspective on, should we continue that increased service level by asking for more one time or by asking for ongoing and/or should we increase that service level based on council's new focus on landlord tenant both regulation and services. So those are kind of the two bucket of things we are seeing emerge given that in past fiscal years we've seen a lot more capital dollars now in our budget and have been put into projects but [1:40:00] that's not to say that's all. Again we are looking for guidance from this body as well, and this is just the start of that process.

Female Speaker: Thank you.

Male speaker: But we will have-- we do have to address that one time funds for services because, that will be something the mayor's office will be looking for feedback on whether to keep that scaled up service level.

Male speaker: And one thing you'll see, those of you who were here the last two years, you'll see is, the decision package information gear is going to be way more robust than we thought in the past. It's kind of in a few sales on a spreadsheet in the past and trying to get a, as close to two at least a two page document describing what's going on. Shout out to Jessie Connor back there who did a lot of development work in that process. So of the document process [indiscernible] [1:40:51] so it's hopeful that will give you guys a better information in early November [indiscernible] [1:40:56].

Female Speaker: Great.

Male Speaker: You mentioned the joint office for home assistant and the comment earlier about, kind of show me the money on the county side for the social services, I think is a big piece of that for me is that. How will that inter-jurisdictional dialogue not just about the home loan services but about the 300 units and if we put a decision package up for 300 units of CSH then, is there a commitment on the other side for those services to make that successful. And I guess that -- that dynamic is always a little sketchy but the more the merrier on that open dialogue. I think it would be something I would be looking for.

	<p>Male Speaker: No, absolutely-- and we are there. So we are with both the bond framework and the bond report going to council as well as this the permanent support of housing resolution will be like -- we're well aware that there will need to be a joint effort of staff from joint office and the housing bureau in determining how will this actualize, so absolutely. [1:42:00]</p> <p>Male Speaker: Yeah go through all of those tugs of wars like last year when who puts up on their five million or something.</p> <p>Male Speaker: No comment.</p> <p>Female Speaker: Okay any other questions? Alright thank you all for attending. And we are going to settle a little early, and see you next month.</p> <p>Male Speaker: Thanks</p>	
Good of the Order	The next meeting of the PHAC is on Tuesday November 7 th .	