



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
<p>Meeting Transcript</p>	<p>Sarah: We are going to go ahead and get started.</p> <p>[Off Topic Conversation]</p> <p>Sarah: Okay welcome everyone, so exciting to see so many new members around the table welcome to all of you. My thought before we get started if we could go around and quickly introduce ourselves because I don't think everyone knows each other yet and I know we are doing the official swearing in later. But if you could just say your name and your organization and if you've been on PHAC maybe how long you've been on PHAC and if are new just state you are new. So I'm Sarah Zahn, I'm the chair and this is my fifth year serving I work at Zidell and it is an honor to be here today.</p> <p>Elisa: Hello –</p> <p>[Off Topic Conversation]</p>	

Elisa: Hello -- Elisa Harrigan I work with Meyer Memorial Trust I've been on PHAC somewhere between five to six years so a long time, looking forward to rolling off at some point.

Sarah: That's a strong endorsement to the new people.

Elisa: But I'm here to support, yeah that is what leadership has always been.

Ramsey: Right so as Elisa rolls off I'm rolling in, I'm Ramsey White. I don't work in an organization, I'm a retired policy [Inaudible] [0:01:33]. Most recently I ran a loan fund in -- a loan fund in Washington County to finance portable holding projects and a little bit of policy work around what work we were through so.

Hannah: Hi I'm Hannah Holloway I work for the Urban League of Portland and I'm a new PHAC member.

Betty: I'm Betty Dominguez, Director of Policy and Equity at Home Forward where I have been for almost 11 years [0:02:00] and for 10 years before that I was the Regional advisor of the Director of Oregon Housing and Equity and any services. How long is the first term of PHAC?

Sarah: Two to three years.

Betty: I don't know I've been here three years or four or something like that. Welcome to all the new members.

Cupid: I'm not a member of PHAC, my name is Cupid Alexander I'm with the mayor's office. I was formerly with the Portland Housing Bureau so to see.

Shannon: I'm Shannon Singleton I'm the Executive Director at JOIN and I also believe [Inaudible] [0:02:33] for everyone have at the PHAC table. I sit on a lot of housing and homelessness bodies so also sometimes I'm representing one from one coalition at this table as well. So I've been back for not even a year, back on PHAC I used to sit on when I was with Cascadia Behavioral Healthcare.

Amy: [0:03:00] Hello everyone I'm Amy Anderson, I'm your resident consumer, I represent Cascadia Housing Board I'm on that I'm also a chair of the Multnomah County of Mental Health and Addictions Advisory committee and a bunch of other work going on for people in the community. I think I've been here now about two years.

Mark: Mark Maunder, Internal Island Development, not currently developing anything and I'm new to PHAC but I probably 30 years ago served along the one of the Four Rivers at the Housing Advisory Commission Footbridge before.

Diane: Good afternoon everyone I'm Diane Lynn, Executive Director Programs. I'm also chairing the public policy committee for Housing Oregon just formally Oregon On. So I kind of pulling that fight too, former elected for Multnomah County many years ago now and I'm glad to be back here at the city working on these issues with you all. [0:04:00]

Cameron: Hi I'm Cameron Harrington I work for Living Cully and also represent Living Cully at the Anti-Displacement PDX Coalition.

Diane: We are both new by the way.

Nate: Good afternoon my name is Nate McCoy; I'm the Executive Director of the Oregon Chapter of the National Association of Minority Contractors. I think I kind of almost know everybody at the table including some of the new folks but I've been here and actually I should say I was a former Portland Housing Bureau employee before becoming the director of this organization, running a lot of construction management projects. And I've been on now the PHAC two years so it seems like time is flowing but I wouldn't change it for the world because we actually get to help encourage and continue the housing and continuing [0:05:00] so very fortunate.

Jessica: Jessica Connor just staff in the committee, I'm here at the Housing Bureau.

Matthew: Matthew Tschabold with the Housing Bureau.

Sarah: All right thanks everyone for indulging me on that.

Male Speaker: We are offering the IDs back at some point we want to make sure nobody leaves early.

Sarah: A little sketchy now. Next up is public testimony; do we have anyone who signed up for public testimonies today?

Veronica: I do.

Sarah: All right come on up Veronica we will put you three minutes please.

Veronica: [0:06:00] Hi again it is good to be here as is good to be anywhere at my age. Obviously 61 but I'm not the same now as I was before Veronica from Portland State University department of public health and safety, school of house and safety and recreation and [Inaudible] [0:06:20]. I just wanted to bring to the table, well I'm glad everybody is here as we can see here that's you know CP call in the summer. I wanted to ask some questions on the directions of the board regarding some of the key issues that come up but also I want to make a general statement that it is a squeaky world against grace. And I seem to be in the forefront of a lot amazing interventions and things like that but and our role as public health people, they just go in whenever we hear something. And if it is a place like the Bride Apartments which I just visited [0:07:00], I walked right in on the entire episode and part of our training for nursing is to just kind of give them 200 yards like they say Wells Fargo Security you just back off 200 yards and say hi is this not the right time to look for an apartment and now you just say "F no get out of here" right something. But that's happening a lot all around the cities that there are things people moving around it is the pressure of political times, up and down and people goodness of it is important but we are working really hard those of us aside social really or public health to get in but the Bride Apartments needs help.

Direct health part now you can almost give them – I don't know how much city help, I'm highlighting it because it is out on West Park and Boulevard. It is near another development where I know a guy named -- I can't say his name. But I do know him I looked at the apartment over there too, his apartment is much more up to standards but Bride was really falling down [0:08:00] on the secure issues there. And as a female myself, I ran right into it and the loan eagle said I need help so I'm reflecting back to the board if she says, "Can you get me some help" I not a cop. I'm just public health sheriff you know person that goes in and looks at stuff, we look -- but when I saw it was kind of remarkable and the [Inaudible] [0:08:21] nearby needs some more help too so I'm called a real park at a places that need help nearby St. Andrews really would like some help with their staff. They have some summer electricians some people moved away and there is a big area there that just seems like a lot of people vanished. So that would be in your head and I hope we can address as a group and I know I always support everything you do but if we can bring some helps from the city then I'd really appreciate that because we are really concerned, we want to support the women, children and babies and the very elderly people too. Thank you.

Sarah: Thanks for your time Veronica. Matthew [0:09:00] just whispered to my ear that the director is in a meeting but he will be available later so we'll move his item -- oh sorry minutes. So we do need to approve the minutes from last month, so skipping back to that. For those of you who were in attendance at the October meeting minutes if you can just take a few minutes and I'll entertain a motion.

Female Speaker: So I actually read the minutes although I was not in the October meeting because of the date change and down in the minutes as having being here so I don't want to take credit when I wasn't because I got [Inaudible] [0:09:35] I was absent that day. [0:10:00]

Sarah: Okay.
[Audio Science]

Sarah: I think the only other thing I notice is that Carl's name is misspelled, it is Carl Dickens. Otherwise --

[Off Topic Conversation]

Sarah: Does anyone want to make a motion to approve?

Female Speaker: I move to approve the minutes with a memo from Betty.

Sarah: Second?

Nate: Second.

Sarah: Thank you Nate all those in favor, I, minutes approved. Okay next up is Cupid, welcome today Cupid.

Cupid: Thank you. Greetings everyone for those who weren't here earlier my name is Cupid Alexander I'm coming from the mayor's office and I just wanted to share a couple of points that the mayor wanted me to bring up [0:11:00] to PHAC. He wanted to thank you for your continued support and observations and contributions to the Halloween bond, that's one of his number one priorities. So we are looking at develops to hear what you have to say in regards to that. Additionally he wanted to inform you that we are working with Commissioner Eudaly office with Matthew Tschabold from this office, PHBB in the week on mandatory rental relocations so that has been making a lot of progress. We are excited to hear about some of the housing developments that are going to be happening, I know there was a major one announced today. So we are excited about that the presser's leak was released about that. And additionally the mayor is holding a press conference with Chair Kafoury about emergency housing and about winter shelters so that's one of his top priorities as far as with the winter coming along. So we know that there will be continued conversation about that and we know some of our partners are around this table [0:12:00] who are going to be addressing those needs and we hope to bring a lot of big issues that are going to be happening as far as housing affordability and manufacture planning parts and

things like that also to PHAC. So we wanted to thank you for your continued support and we look forward to working with all of you as we move forward. Thank you.

Sarah: Does anyone have questions for Cupid?

Male Speaker: I do, could you build up the teaser a little bit about what that this project is, those of us who don't get the pressers more or is that?

Cupid: It will be -- it is on the agenda. So that's why I'm here because I saw the press release and I was like "How am I going to get this information". They don't tell me anything around here, yeah I work for Shannon.

Amy: Okay Cupid I wanted to just send you back with this just because I am a senior. And that is this year's housing bond measure cost me \$1,000 in increased taxation. So I just [0:13:00] want to let you know that I don't know how many, if any were promised an amount that wouldn't have hurt us but I got to tell you \$1,000 right off the top is going to kill me. So if that is a side effect of the bond measure cost overall because the taxes definitely jumped so --

Female Speaker: So Amy that's interesting because it was not anywhere understandings of the per household increase would be that high. And so you are sure that it's when you looked at your bill it is just it is attributable directly to --

Amy: I don't know what it is attributed to but last year it was definitely not this high. So it might be validation of new taxes I don't know but I'm just putting it out there is a huge increase in a way.

Shannon: May I respond to that?

Female Speaker: Yes please. [0:14:00]

Shannon: Well yes Shannon Callahan, Assistant Director for Policy and Strategy at the Department of Housing Bureau. So the affordable housing bonds, we only issue those bonds when we actually have had a development project. So we haven't actually initiated putting those bonds onto anybody's taxes yet and so whatever you are seeing in terms of an increase in taxation is not directly related to the department of housing bonds

Female Speaker: I thought I'd ask here just so you might get a tip off [Inaudible] [0:14:39] for you.

Shannon: But Amy, if there is maybe some other help we can talk about at some point and looking at your particular situation with your tax effect sounds some kind of anomaly that we may be able

to help you, get in the way out of you through Multnomah County Assistant office so I just wanted to clarify that initially.

Amy: That would be great.

Sarah: Anyone else? [0:15:00]. Okay thanks for coming today Cupid, next up is I think Javier.

[Off Topic Conversation]

Javier: Good afternoon. Thank you, sorry about that I just realized I didn't bring the memo that I was going to share with this and as soon as I am done I will bring copies of the memo. But my update is regarding Fast Starts, some of you -- probably half of you have not been part of this process so I'll just give you a quick review. Last year around the summer time we issued a notice for potential [0:16:00] developers to send in 30 units for a Fast Start program or pilot that -- with the idea that whoever subscribes to this program is able to develop projects with their own resources and without having to get predevelopment resources from the city and they would have projects ready to move. But for city funding the projects gets ready to go. We received about 28 developers that submitted their names, we engaged in clarifying information with these developers and finally early this year we issue -- in the summer, this year we issued a call out for projects within these group of developers for specific projects. Now we did not have any funding identified for these types of projects, we wanted to see what was available and depending on the type of project [0:17:00] whether it was qualified within the First Start idea. And if there was value then we would proceed with identifying resources. We received nine proposals one of which was actually a rehab on existing restrictive project which we then took out from the evaluation process and put over to a different bucket to be reviewed. And we had internal and external committees evaluating the remaining eight proposals.

After the evaluation process basically one project really rose to the top and that was kind of what Cupid alluded to is framework which is a project sponsored by Home Forward and a project that is or the developer. And that project has permits where you have already issued permits; they have final bids on the contracts and really needed the resources [0:18:00] that were requested in order to break ground later this year or next year. So really met the Fast Start spirit of what we were trying to in getting you know sell the brand quicker. The other proposals were not there at all, some of them still required you know tax credit allocation or there were no final bids so they were still, the gap that was requested was not a final gap it could have been more. And so at this point the staff's recommendation is to not -- to close out this first round as a pilot and should resources be available next round we would definitely be a little more prescriptive as to what is available in terms of resources and in terms of the programs that we are looking for. So the staff met with the mayor's office and everything was agreed upon and so today the announcement came out that the

city will be funding framework [0:19:00] and we will be closing out this first pilot project week that is Fast Starts, any questions?

Female Speaker: And on the learning curve, I'm all in with others I just want to be careful to ask questions too soon but I'm a bit generally familiar with this process. We talked about it a lot with the Housing Committee of Oregon and we would love to invite you to come talk to the non-profit groups that were confused about how best to use their time and effort, energy and resources to respond to Fast Start. And what could be on the horizon and maybe just, because now we have a pilot where we can pull up the lessons learned, we can maybe adapt to look forward to -- there was a lot of confusion around it and a lot of concern and a lot of investment they have been at heart with these conversations too. So you need to come to talk to us about maybe what the next round looks like that would be awesome.

Javier: Most definitely and I [0:20:00] can understand that the confusion and there was -- and I will tell you the first offering of Fast Start and the RFI it was deliberately that we were vague because we were not sure in terms of resources what kind of request we were going to get and if those requests were within an area that we had resources available. It just so happened that with framework we have resources available in River District so therefore we were able to fund a request in \$6 million. The other requests were mostly in either urban [Inaudible] [0:20:36] we don't have resources or general city funds are very, very limited.

Maxine: Hi Javier of course you know I was going to have something to say today, right? The first thing I want to say, Javier, is that projects don't have spirits. [0:21:00] And so, considering whether a project should be funded based upon the spirit or the intent seems unwise. Particularly for those of us who invest our resources, our time as well as our hard cash to apply for these projects. And none of the reasons that our project or I would imagine some of the other projects were not selected or for reasons that was unstated because no one would spend time and energy going through a process and knowing that that was a deal killer that somehow another was in -- going to be in our proposal. And so the other issue that -- and think about the Fast Start it had some criteria that we were to face [0:22:00] and I thought about after we finished that conversation, Fast Start. As I suppose we were having try outs for Fast Start runners. And then I go like, "Oh yeah, I can run fast so I got a Fast Start so I'm going to go for it." And then I go for it and then I'm not selected. And then I wasn't selected because I was five feet three and a half. And in order to qualify you had to be six feet. And so you can't come after the information is distributed and after we go through the process of applying then tell us about criteria that we didn't know in advance.

The other point I want to make is how insensitive and how -- in the lack of equity that exists in the processes that the city is currently using. You have an organization come forward previously the Housing Authority of Portland who has actually developed [0:23:00] millions and millions of dollars

in development, hundreds of millions have come from the city of Portland to support during development. And how do you compare the capacity of an organization like PCRI even though we qualified as, based on a criteria that was exhibited. How do you qualified? How do you compare? And how do you equitably analyze and judge and award city and public resources to an organization which doesn't even have a chance because of the criteria that is being used? And one of the things that the City of Portland continues to talk about and is more lip service to an actual reality in modifying the program so that they are equitable. And I felt like the Fast Start program just was not a good initiative for the city to take on. And I'm even more disappointed with the outcome of it. And [0:24:00] that's about it for me right now and I just think its -- I think really when we're dealing with public resources that we have to be fair and we have to be considerate of the public and I don't get that.

Javier: So the only thing I can say, I understand your concern and I think they're very legitimate. The only thing I could say in terms of Fast Start it was that it was a piloted -- there was a lot of lessons learned from this process. We have been -- there have been complaints with regard to the bureau to -- we have an awful process and that it's very rigid and we need to provide alternative ways in which we can get development especially for housing the public sooner rather than later and this was an attempt to do that. Can there be improvements to the program? Most definitely, and again, this is -- we did not know [0:25:00] completely different than the [Inaudible] [0:25:03] on the fast Start we were not as prescriptive, we were not aware as to what kind of projects that would be available. And so, if there was a second round, you can be rest assured it will be a lot more prescriptive in terms of what is expected and a little more on the evaluation criteria as well.

Betty: Well and I would like just to say that we applied in the same that you did or several of the other non-profits under the same [Inaudible] [0:25:29] criteria. And we didn't know anything more than any of the other non-profits knew. And I think the project just rose to the top because it was in search a high degree of readiness come forward invested a million dollars cash into it and we still have a gap. So this was an excellent opportunity through this program for us to fill the gap and deliver [Inaudible] [0:25:51] through a very innovative construction process. And also I could like to remind folks that, yes, we were recipients of funding [0:26:00] from the bureau but we have also spent millions of dollars in project based sectioning realtors for all of your properties.

Sarah: Thanks Betty.

Female Speaker: But that is what the resources are supposed to do.

Sarah: And so I look forward to seeing kind of what the next round looks like and kind of the lessons being applied to that. I will say that the part that I think was really successful is the fact that we are able to get to an application process that actually had a much faster timeline to be able to

review and be able to make a decision. So we would have loved to see more projects receive funding but I'm glad that frameworks actually got funding. There's a number of great reasons why that one just the location, the readiness is fantastic but just the -- there's been a lot of [0:27:00], I think we've had a lot of comments and critiques around the process. So I do appreciate with the challenges that the main point of being able to review those applications in a quick manner and to be able to get the resources out the door to get some units on the ground that are very needed is great. I look forward to seeing to the press release on that because I think it is a really unique project that I think will help Portland in a variety of ways but one way is getting these resources out. So thank you and I really look forward to the changes.

Javier: And you will see -- really to do a second round of [Inaudible] [0:27:42] we'll definitely get a preview as to what that looks like and then get you feedback on that.

Cameron: Javier, what was the total dollar amount that was available under this program?

Javier: We did not make any -- and that's kind of the vagueness and this -- our file we did not put any resources in terms of amounts [0:28:00] that were available because we were not sure as to what we were going to get. We left a very, very vague most of it like I've mentioned most of it resources that were requested were from either [Inaudible] [0:28:13] areas, gateway and Interstate that did not have resources. The only one obviously was River district that had those resources available as some federal citywide funds. And we are very limited in those resources we also are looking at in [Inaudible] [0:28:31]. We are looking at preservation, funding option that based on projects that we have funded and now we need to make sure that they are preserved that will be coming back to be held and talk about options regarding that. The pressure on the federal resources is pretty high and again if you look at the memo a lot of the projects were not ready for this, the concept of Fast Starts. At least that is what we had perceived it to be.

Female Speaker: But [0:29:00] Cameron I would add when we were members -- Fast Start was designed to do something that facilitate, put the units on the ground like now. As opposed to the normal [Inaudible] [0:29:10] process which takes a long time to review then you have to apply for other funding sources and then you have to actually go through development and it's three years before you have a project on the ground. So it may seem a little unusual but this was sort of designed so that whatever came up quickly could be funded where those funds were available. So it's not as structured as you would expect to see in a regular notebook.

Male Speaker: Apologize, I wasn't involved in this one but mostly through the conversation it sounds like these are opportunistic dollars and it pretty much depends on where your project is, the resources are actually available. This is why you can't say to me that \$20 million -- so maybe

part of it is if I'm applying in a certain [Inaudible] [0:29:56] district and probably a good candidate [0:30:00]. But if I'm outside and you're then [Inaudible] [0:30:04] so well.

Javier: I wouldn't go that far. What I would say is, if there was a project and again this is a balance of things. If there was a project that needed city wide resources and it was this the framework concept. It was ready to go as per meds and there was a lot of leverage. There was a cost per unit that made sense, the city may have looked at investing on that project because it is getting units off the ground now.

Male Speaker: On somewhere. We don't know --

Javier: So but -- the fact is on the proposals, the only one that rose that level was framework.

Male Speaker: Javier, so I guess going back to because you know I'm speaking to the equity stuff pretty hard. So can you tease out -- what commitments were made around contracting opportunities. And I see 20% on there but I've met with the team since this project has gotten awarded and [0:31:00] we were hearing that there were some concerns about meeting these goals. And I feel like, I hear this all the time, like we tried but we couldn't because the market was busy or nobody returned calls so are there any accountability or any kind of mechanisms that in place for you guys to kind of go back to the project and make sure or at least stay associated with the project so that at the end of the day when the project is build we don't very few NWA speed on the project?

Javier: We are -- have you very explicit in terms of the equity with the developers as to what the expectations are? And that they may have told us they have made certain changes in order to be able to get to that goal, unless, we will be tracking those outcomes. At this point that is what we have and we have [0:32:00] one of the components in charge of the real was the fact that they had done those changes and they had the expense just that they wont be able to meet those goals. We will be tracking them and then will go from there but our expectation and hope forward is a great partner that they have equal expectations in terms of that type of participation.

Female Speaker: Yeah I would say we're not into the goal developer. You know we are going to go above and beyond and even to the point that we employ section that concept on standards lower income folks working on our properties. So we will do everything we can as we always have to hit that target. In fact we just had an annual report of our NWA speed goals results from this last year that I could share if you guys are interested but rest assured we are going to get there.

Female Speaker: And so I just wanted to say that I think it's really important so not only hear the feedback that I'm hearing from Maxine but I've actually heard from other folks [0:33:00] on this list

that weren't selected that they didn't feel like there was a lot of transparency. There wasn't a lot of explanation around why they were chosen and to really incorporate that feedback into a process that is in a way that's apparent to us sitting around this table because honestly outside of Fast Start this isn't the first time I've heard you say something very similar. And I don't know what's happening with it once it's stated if it's going to be coming back here and saying, "We hear you and we're not going to do it." That would be more helpful than I think continuing for folks to have to keep saying the same thing. And that's not specifically, it's a bureau wide piece of feedback.

Javier: So we do meet with the developers after the decision has been made to debrief us in the process and then we will have these conversations.

Female Speaker: But Shannon I'll say that when Fast Start was first announced to the PHAC several of us had a lot of concerns because of the lack of transparency and I was one of the more golden [0:34:00] who had. I think that the bureau's working hard to change that I think [Inaudible] [0:34:07] being on board is going to help that a little bit.

Sarah: Thanks Javier. We have program updates on the agenda from Andrea, Clara and Dory as I understand. We are going to ask the three of you to come up together if you don't mind. If you could all fit at the table, I'm just trying to move us along.

[Off Topic Conversation]

Sarah: Dory you want to go first?

Male Speaker: So first I want to say is --

[Off Topic Conversation]

Dory: So as the manager of the risk analysis compliance team which also includes our inclusionary rate housing program I wanted to give you an update on the projects in the cue and those that have gone through for many now since the program went into effect February first of this year. There are a lot of details, we're trying to make this as big as we could but I apologize. In general you can see that we've separated it out by projects that have PHP financing versus those that don't. Also describing the type of projects and where they are and which plan because there are six different options as well a voluntary [Inaudible] [0:35:59]. So there's a lot of different [0:36:00] categories that projects could fall into. And at the end of the day what it results in is new affordable units being built within the city. So to boil that down in the boxes below, we've also broken it out by the different [Inaudible] [0:36:17] types that have resulted from the new units that will be built. So you have 17 total permit applications including five PHP projects and 12 from

private developers. Two of these projects in the cue are actually the ones that have been approved and another still pending are ones where the builder has actually voluntarily offered them. It wouldn't otherwise have been subject to inclusionary housing. And there's an additional three where developers projects would have been subject had they been in line after February first but they decided to change their permit vesting in order to take advantage of the [0:37:00] both plan using financial options available to them.

And so they actually have a first in the Q2 per project to pay the fee in lieu. So that's another milestone and we actually have one other project who's used the reconfiguration option that is there to encourage family sized units. So all of the -- many of the different things that came through as the policy when the premium developed we are seeing happening. Are there any questions that you'd like to ask about the program?

Female Speaker: Dory I was just curious because I saw that Alberto project is opting in as a fee in lieu, I was just curious like how much is the fee? In lieu during the units.

Dory: We haven't calculated it yet but it is unfairly substantial in that it is based on the square footage of the building and -- Cassie come up [Inaudible] [0:37:59]

Cassie: And for this particular one I got an email back from the planner a few minutes ago so it's -- let's see.

Dory: Hot off the press.

Cassie: The bonus would be 2,135 square feet times \$24 per square foot.

Dory: So they're paying for the bonus that they will benefit from. [Inaudible] [0:38:25] Pay in order to get the floor area ratio addition to the project.

Female Speaker: They won't charge that back to the project higher grounds or something like that, trying to recapture it somehow.

Female Speaker: They'll also get property tax exceptions.

Dory: Not in this unit, they're paying the fee in lieu and there's --

Female Speaker: I stand corrected.

Dory: For property requirements well that is then income that goes into our inclusionary housing fund everything is to generate affordable housing sponsored by the bureau or [0:39:00] developed by the bureau.

Male Speaker: This project is not subject to mandatory age they're choosing to purchase additional development testing.

Female Speaker: Are you trying a little bit -- having worked hard on the legislation [Inaudible] [0:39:15] and wonderful to see it how projects on the ground together well I took a part on that. And we know it's not easy but if the developer is taking an aim to that, it is because it works out for them.

[Crosstalk]

Female Speaker: So I just want to say that I'm really looking forward to the prospect of seeing home ownership projects, condos. Come online with this too for permanent affordability on --and we can start counting the number of units. Probably the policy question that --

Dory: We have been actually very active working on those guidelines so you'll see those forthcoming in a couple of weeks [0:40:00].

Female Speaker: We're anxious to see them. I mean can we -- will we see them before they are finalized?

Dory: Yes, absolutely so we are doing some proposed administrative rules to the total inclusionary housing program including the pull out of the home ownership details. And so as they get rolled out we are better informed than what we had listed I mean over a 60 day period of review and also then also a public hearing. So there will be plenty of opportunity to get me back and make changes.

Sarah: Elisa.

Elisa: I'm not sure if this is working anymore.

[Off Topic Conversation]

Elisa: I just have a quick question to are these all 80% like for the ones that are inclusionary housing?

Dory: No so that is based on the option selected so the most of the units will either be [0:41:00] 60% or 80% of medium family income in the offsite option. We may see up or down to 30% even. So if you look at option one listed anywhere that is 80%, option two is 60% and you may remember the program was designed to more financially weigh out for 60% units and we have seen a pretty good mix of both 80% and 60% units selected.

Maxine: There is a – I assume we are going to keep getting this kind of I like this. The only suggestion I have and I'm not sure if it's helpful for other folks but just as a quick glance if like this bottom box over here which is total number of inclusionary housing units. If there is something that can help just break out the number it doesn't have to be broken out per unit just you could provide a total number of 60% total number of 80% that would just be helpful for us to know kind of. I'm not going to remember the option one [0:42:00] and two and – so that's --

Dory: I believe if it's not a total but I could actually like it by different size.

Maxine: Do you think that piece feels important for homelessness work at least?

Dory: I'm happy for more but I don't know – you can I just know I'm not going to remember option one two and three every month we are going to ask the same question.

Ramsey: Yes I was going to pile on that one too and let somebody else raise it

Male Speaker: Ramsey can you hit the button.

Ramsey: Anyway it would be nice to have a little bit of a prima on the options at least for some newbies like me don't know that already. And the other thing as I read think in Home for Everyone there was a report on September either of these interested in seeing that I guess that they know in February is that right? Around IH

Dory: Okay so there was a six months report that was done and we will do another one in another six months yes that was lead by the Bureau of Planning and Sustainability. [0:43:00] And well if you look at the permit activity as well the results and outcomes.

Ramsey: So those are available from BPS it is available in BPS?

Dory: We can certainly get it to the group to be distributed that has been published as well.

Male Speaker: Thanks.

Dory: I think only so many can be on at one time.

Male Speaker: Okay and so yes there is a lot on. Just sorry really quick Maxine, Ramsey to your question we send it out but it before the new members were appointed. So we will resend that and we will resend kind of the general program options because that was all sent out this summer so obviously you didn't get it yes.

Dory: If you have follow up questions certainly I would be happy to talk about the program with more detail or Cassie Graves is the staff person running the day to day very sufficiently and excellently

Maxine: Yes just a couple of simple questions Dory is there a minimum percentage [0:44:00] of units in the development that the developer has to include and an order to have the tenure of property tax abatement?

Dory: Yes and that the tax exception is related to what option they chose through the inclusionary housing program so there are a number of tiny options the way that the program was set up. So the minimum is eight percent of the units at 60% all the way up to 20% of the units at 80% depending on the were the properties are located either within or outside of the central city or in gateway plan district.

Maxine: And the exception is for the 10 years and it's for the entire project right?

Dory: Not necessarily it is for 10 years but then again dependant on whether properties outside or inside the central city plan district and or gateway plan district. Where there is a higher cost of construction the full tax exception is provided outside of the plan districts [0:45:00] only the exemption apply to the only to the portable units.

Maxine: Have you ever done a cost comparative analysis in terms of how much those units cost compared to how much just in average unit say PCRI may develop?

Dory: So part of the calibration of inclusionary housing program in general was based on the cost of development and that was part of the calibration of the percentage of units that were required as well as the amount of sub subsidize and incentives that would be offered to it. So that was part of that long process.

Maxine: So what does that average at?

Dory: Average for what?

Maxine: With the total development cost for those units that allow the developer to evade property taxes for 10 years what does that equate to per unit?

Dory: I don't have that information but I can certainly work with Matt [0:46:00] to provide it to you based on the calibration study that was done in spots of living have it on my finger tips though you want to add anything now?

Male Speaker: Quick clarification Maxine you are looking for a total development cost by --

Maxine: Unit.

Male Speaker: Per unit by building type based on incentive.

Maxine: On the only exempted units right?

Male Speaker: Okay yes. With the flag it kind of to curvy out I really did say this there will be prototype that are not going to match the exact cost of these buildings moving through the process but there are proto types based on market data sorry Sarah.

Sarah: No that is okay anyone else have questions for Dory or we will move on to?

Male Speaker: I have a couple of questions.

Sarah: Okay

Male Speaker: So if a developer came to the city with a ownership project would they not be able to do it right now?

Dory: Currently we have [0:47:00] certainly a project could use the family option and depending on their timeline we very soon will have that program available. So the -- as a permanent building it's subject to the inclusionary housing either way regardless of tenure. So we do have some minimum guidelines within the administrative roles currently that at least detail very high level how a building could -- the sales of the unit would have to be based on what's affordable for a household of 80% of their immediate income. So we actually have a lot more detail that will be forthcoming pretty soon so they could cause a delay for it for right now if they weren't wanting to select the family option.

Male Speaker: And then another question I'm wondering if PHB could work with EPS [0:48:00] to provide some numbers on how many projects are being applied for and at either let's say 17, 18 or 19 units?

Dory: Actually that is part of the six month review of the permanent data that will be sent out to you and in summary. There were not to be increased year to year comparison number of units down that size and those that were reviewed except for maybe an exception of one I believe it was were typical for the size of the property that they were being built on. So we haven't seen that you know maybe the people are moving forward with those sites rather than other sites but you know we haven't seen specific data so as results at least not this far. Can I do a quick one over here?

Sarah: Quickly.

Dory: If we do see that and I believe that we can see the target [0:49:00] if we go back to the legislature you can see they have this three unit threshold. If we find in real life that does cause people to come just underneath it and circumvent the public policy I think we are going to want have that data to go back and talk to him again. And also on the 80% medium income city CET members are being that will push you down at 60 no thanks to the legislature by putting over on that helping families at 80% and above as opposed to 60% and above where more than the 60% of the workers in the state actually are.

Female Speaker: Thank you Dory. Andrea you are up.

Andrea: So in our October meeting I shared that the Housing Bureau was recommending to the North-Northeast oversight committee an increase in home ownership subsidies within the Interstate URA. So I just [0:50:00] wanted to follow up and report back to you all. The oversight committee at their meeting did vote to support that recommendation and last week the mayor did formally approve that increase. And so home ownership subsidies in the Interstate URA have gone from \$80,000 per unit to \$100,000 per unit for down payment assistance. And from \$80,000 per unit to \$125,000 per unit for the development of new construction units providing permanent 12y affordable home ownership opportunities. By contrast in the lens URA which is where the majority of the bureaus other home ownership on assistance resources are, the subsidy limits are still 60 -- excuse me \$80,000 per unit that remain consistent there. So wanted you to have that follow up information and then also wanted to share very briefly a trend that [0:51:00] the Housing Bureau is seeing with regard to home ownership. And that is we have recently had several home buyers come to the bureau asking to use our down payment assistance to purchase condo wise accessory toll line units. And so we knew that was coming, we've been seeing it in the private market and so those are finally coming to us for affordable home ownership opportunities. So -- it's an interesting dynamic to observe.

And it also causes some concerns that we're sorting out around the HOA dynamics between the owners of the primary structure and the ATU so. And that's I think for this update all I wanted to share I'll be back to talk about the single family 10 year tax exception later on in the agenda, questions?

Male Speaker: Are the difference in subsidies based on their value?

Andrea: They're based on two things actually, a combination of the households that are prioritized through the PHB Preference Policy which [0:52:00] we use for all of our home ownership resource in the Interstate URA as well as the real estate cost in the Interstate URA.

Male Speaker: So with higher subsidy per unit what -- does that mean that fewer total units will be subsidized or are those extra funds coming from a different path pot?

Andrea: Well a high level it does mean that fewer households will be assisted through the 2015 North-Northeast neighborhood housing strategy that bureau committed to serving 65 households. And so we are maintaining that, service level will be increasing the resources to that initial pot so that all 65 household hopefully are supported into home ownership. But those resources are coming from either URA pots of money and so at very high level it does decrease the overall number of households being served.

Female Speaker: [0:53:00] But I think the point is that you were having difficulty finding opportunities for home owners because of the high cost of housing in the Interstate URA and so that was one of the primary drivers of the increase.

Female Speaker: That's right, sorry I didn't intend to talk this much this first meeting. But I do want to add that there's also a requirement with the URA to provide 20% into rehab for down payment assistance. So right off the top this money that goes into that leaving just the rest for increasing the ability for working families to purchase a home which is just to bridge too far in that community now and especially giving them amount of money people are making so.

Sarah: Betty.

Betty: I just wanted to say I was really pleased when I saw that 37% of all the waivers were in north and south east is at 205. So as a member of E-path the experiment action plan scenario [0:54:00] that's very underserved, very high adversity and very much at risk of general vacation. So I was really pleased to see this home ownership members is like that.

Sarah: Okay, any other updates from our program team Carl?

Carl: So Carl Dickens the manager of the rental housing finance and development team. In your package you have report for my team which is occasionally called the [Inaudible] [0:54:34] I think that's part of portfolio preservation. I would know first of all that I was here last month talking about this list and it is almost a fantastic we've added the framework project to it as you heard earlier. So the units -- the number of the units that are pipelined has now gone up to 2012, so that's what you see here. The -- I think we had this question last time that [0:55:00] in the unit gap column there's some slashes, the first set of units are the formal ones and second set of units are the totals, so the difference would be the market rate unit, some are -- or I just got market rate units of it. So that's the one I think that's just -- that was a mistake actually on the 1.5, but in any case that -- so that's the list of all the things that work out about 20 projects on the list. What I wanted to do today is give you a few updates on some milestones that have been reached since last time other than adding framework to the list.

The Eastside clinic project closed financing yesterday, yeah but kudos to that for pushing out that was kind of a tough last minute go. And then block 45 otherwise known as Northeast grand, otherwise known as home forge project and the only district [0:56:00] as 240 units incorrect on this list here, but 240 units all of them are total, oh I'm sorry, all -- all of them are affordable and 60% of them are less. But we're looking to have that approved by city council at the end of this month and construction would start in December, January somewhere in that timeframe maybe. The Jay project up in the west area is also on the verge of closing a few last minute details there to clean up and then already got three projects also and we should have that closed by December. So otherwise things are just either in construction or predevelopment it hasn't much changed since the last month. Other things about -- from my team, the Green Building Policy that we talked to about previously several times is now finally official City of Portland Housing Bureau policy. And I think the things me [0:57:00] and my team are working on feverishly right now is the bond I think the transaction would go for the bond, the RFI that we send out. And we've gotten about 60 proposals is sort of funny where to use 60 people have given us names and addresses, some of them have been proposals, some of them have just been names and addresses.

So we'll be working to analyze what we've got so far see if anything rises to the top there and then that work with the bond oversight committee on whether any of those things we want to pursue or whether we need to go about some other method of identifying properties. So I think that's all I wanted to share some questions I could answer them

Male Speaker: Is just a quick observation I had occasioned to read the governors exact words this morning about energy, zero energy and there seems to be a lot of labels on this one. It won't happen tomorrow but I guess that's -- you've probably [0:58:00] seen but I'm just curious. It's

somewhat interesting to see how local governments grapple with that, their state requirements primarily, but I know OHCS has to do an inventory all the multifamily properties over the next year and it just feels like this coming to the theater and you're asked. And I know something that the CDC community is a little nervous about the implications of zero energy policy for development cost. So I don't know – I'm wondering if there'll be something falls from the sky, but it's just [Inaudible] [0:58:34]

Male Speaker: Yeah that by the way [Inaudible] [0:58:36]

Male Speaker: Just came out this morning or yesterday I read the journey.

Carl: So my understanding and the last version of the standards I saw was not the release. I've actually read the release to see if its changed but the green building standards are fairly comparable to ours in our policy but the timeline is [0:59:00] much quicker, it's a faster timeline. And so at some point we'll need to look at that and I know it's going to be referred to the building codes and to actualize it and we'll be working with OHCS on that, but the standards -- as far as the standards go, there's not much of a difference. I know folks are concerned about the timeline and also if it's affecting the entire market, the cost for certain materials and so we'll be watching that as well as I'm sure all the actors in the market.

Sarah: Thanks, thank you Carl.

Male Speaker: I have a question.

Sarah: Okay one more question.

Male Speaker: About the RFI for the bond, I'm curious why that the bureau have decided or maybe did this decision come from the stakeholder advisory committee or where was the decision made to restrict the zoning of the properties that you're willing to consider? And the RFI said that you won't be considered in any properties that [1:00:00] are in -- are for example an R-1 and I'm wondering why that decision was made.

Male Speaker: So this was strictly a pragmatic perspective, we've have a 20 year minimum and so there's a -- it picked from a land perspective. I mean I think there is a little bit of a typo in the our file that we really don't care so much about, it's only for existing buildings so a few questions around the existing buildings I think that's not really applicable. I mean if the building exists we'll buy it regardless if it's owned right but for land purchases we can still be considered you know that are one zone you know a two or three just don't make sense from a financial perspective or doing multi-family buildings that need to be at least 20 and that's the preferences for fifty and it's -- so

you know it has to be fairly large piece of land to get fifty units on that R-2 zone site you know so it [1:01:00] maybe they were once worth considering but certainly not R-2 two or three or R-5.

Male Speaker: There was a lot of testimony from members of the stakeholder advisory committee and community members about a growing movement in the faith community in Portland of faith institutions that are very eager to explore the use of their properties for housing development and you know churches that will like to explore donating their land for house development or selling at a discount and so I think by writing the [Inaudible] [1:01:43] in way that makes the majority of those properties ineligible you're really looking a gift to us in the mouth and there are a lot of churches that have a one land where you can get the land -- potentially if you get land for free. [1:02:00] And if you're considering about the cost of land per unit and you've now said we're not interested in potentially free or help with this kind of land I think that's a problem.

Male Speaker: We are talking about those concerns.

Female Speaker: So Carl I have a question really quick, so the last integration of the green building policy, so that's approved?

Female Speaker: Yeah it was approved.

Female Speaker: And so that then downgraded from this still questions about utility allowances because we've talked about that months ago, not using the housing authority alliances and so I'm just wondering where we are on that and [Inaudible] [1:02:34].

Male Speaker: So that variable use of that -- of utility allowances right so with the places and projects where it's possible to use energy modeling scenario we will use that in places where we have to use an affordable rate we will use that and sometimes we'll be able to use both.

Female Speaker 1: And so it's okay with [1:03:00] anybody who concerns with the modeling -- energy model and not using housing authority alliances [Inaudible] [1:03:05]

Male Speaker: Yes so I don't know the answer to that.

Female Speaker: Okay.

Male Speaker: Yeah [Inaudible] [1:03:12] they'll able to just approve they'll able just to approve everything here [Inaudible] [1:03:17].

Male Speaker: That is something that Susan can help you with if you want.

Female Speaker: Mathew and I have just been whispering about timeline so we're running a little behind if that's okay because we can cut the budget discussion a little bit short. So thank you to Dory and Andree and Carl next on our agenda is shit -- is director we just walked in the door welcome. Hello, Director Kruger welcome to your new PHAC. we are happy to have you here today.

Kruger: Thank you pleasure to be here. Kruger here: housing director. [1:04:00] Greetings from Maywether I just spent a couple of hours under city hall. The -- if I could just talk a little bit about you know you're always community navigators, the eyes and ears that support our work here at the bureau and increasing levels of accountability. You know I came to Portland we had a proud history of working in eight urban areas which covered about 10% of the city. We were not a city wide housing provider. We had a few resources outside of rural areas so a little bit of federal mining homes and CDPG. And we worked for the last two years to really expand available tools and resources outside of the urban and rural areas specifically to become a city wide provider of housing policy programs and systems [1:05:00] mostly financial but also technical assistance and you all in that transformation is really important because while we have specialized knowledge you have community based knowledge which I think helps validate the direction that we're headed and where we ought to be emphasizing our work and pleased that the [Inaudible] [1:05:23] of re-appointed re-invigorated new members and welcome to returning members as well since you've been very helpful.

I'd like to talk a little bit about the sort of the inner spaces because we have now four different accountability groups, we have the PHAC which is in code, we have the North Northeast Oversight Committee which Maxine and Sarah have served on with distinction. We have the board oversight committee which is called for voter approved balanced measure and we have the rental services commission and the only times we have issues that are sort of spanning those different groups and I ask for your patience and [Inaudible] [1:06:05] because there are certain items that -- I've seen you are sort of a meta group which probably sees everything but certain round of services issues ,landlord-tenant issues are inevitably going to influence your work and inform your work. And think it's going to be on us to try and manage that traffic a little bit because I expect it to be a little bit complicated. I don't think we'll have another group for the next year or so but -- because I think we are kind of maxed out ability to staff additional standing commissions and committees.

We will have taskforces and targeted efforts such as we employ with a stakeholder inventory group with a plan but mostly with that kind sort of recognition I want to thank you for your time and your talent. [1:07:00] I'm not sure exactly what all of you covered, the upcoming legislative agenda is carefully important to the city of Portland. The council is a fairly type and in way prescribed the agenda for the short 35-day session of legislature and we pointed out that the last short session of

legislature in 32 days we actually were able to get the inclusion of housing. In this instance we are focusing very seriously on the constitutional amendment which will allow limited tax, general obligation bond first to be loaned to private entities which was not very constitutional. It was private entities which include tax paid to partnerships and limited liability companies and trusts. They are the corporate entities for which we often deliver housing so we will put all our energy into that. I hope to be able to spend a significant amount of time [1:08:00] to make that happen.

Even if it's passed and requires if you may know a voter approval so can the city start camping for all your campaign but we've anticipated this in the bottom framework plans that will have five 1.0 which is sort of envisioned in the plan and we will have a 2.0 if the constitutional amendment is successful so we'll go to a of a leveraged model. And of course the leverage is up in for grabs is tax reform is being debated and discussed since the very presence of 4% tax credits and taxes and allowances is a question. We'll have something to work with we didn't have tax credits before the 1986 tax act and yet a lot of reform well haven't got billed and many of us were doing this work back then. So I'm optimistic the [Inaudible] [1:08:52] head will prevail and we'll have something to work with in the future. The last thing I'd like to say is we're going to finish this year [1:09:00] really strong.

We have a series of closings partly induced by the spectra of tax reform and the uncertainty in the capital markets but we will bring forward a series of projects the Mayor announced today the underwriting of framework for six million dollars which is as you know the first cross-laminate temporary high rise in the United States there are some in Canada and we hope to make that another building typology alternative as they market [Inaudible] [1:09:32] we'll have others as well that we're racing to finalize. The next big closing will be block 45 which is 240 units of affordable housing on arguably the flagship site two blocks from the community center hotel and [Inaudible] [1:09:50]. So we are pleased [Inaudible] [1:09:53] is moving forward as needed to make that happen and everybody here is going to be very busy until the very end [1:10:00] of the year. Thank you for having me and appreciated your service.

Female Speaker: Thank you director. We have an update from Shannon on our agenda

Male Speaker: We are going to skip that.

Female Speaker: Oh we are going to skip that okay do you have a question ready?

Male Speaker: Not to have another committee but South West quotas is in play and I guess -- I'm hopeful we that we can stay in touch with the city's [Inaudible] [1:10:30] displacement issues as well as frankly natural works out that into possible regional funding and I think both of those play into you know our agenda and particularly South West quota so I guess a person interest you in

kind of keeping tabs of the quotas until we do have a certainty working on that how that fits in our displacement [1:11:00] strategy and simply help this inter-regional funding. And you know I'm hearing [Inaudible] [1:11:05] doing something regionally are we in or out of, how does that affect us? Trying to -- you know can we get money from trying to press these issues so guess just a couple of other dimensions to pile on to consider gender or something just as you know update.

Kruger: So we are involved in every level office [Inaudible] [1:11:27] the housing bureau is a partner with bureau planning and stay ability I find it quite natural for the CEE meant to develop an equitable housing strategy that strategy will be embedded in the federal environmental impact statement to help mitigate the effects of the locally preferred alternative when it's identified so my I only subject to public review and comment on before it's finalized. The director's meeting at a peer level. PHAC is the convener since it's a public works project. Director Blaire [Inaudible] [1:12:03] support on the project manager gathered together. Susan Anderson planning and sustainability director, myself, peers and water and environmental services and parts to ensure all the public infrastructure is coordinated at the same time and we have a capital of strategy to support the whole package not just the transportation piece and at the same time at the staff level Carl and Matthew are directly involved, Carl [Inaudible] [1:12:33] and Mathew are involved.

We are also overexcited [Inaudible] [1:12:38] we are making several purchase offers in the [Inaudible] [1:12:41] to identify and control properties before the stationeries are identified because if learnt anything in Portland is that if you don't act before the [Inaudible] [1:12:54] climate is set on the stationary to determine you've actually lost formability and we've been chasing formability [1:13:00] for over 20 years in the inner state because we didn't get ahead of the curve. So we'll find size now using the transit logic test backbones that the council is authorized. So I feel like we are pretty well synchronized but there will be -- there is a line of community engagement around the lack of educational trust the City of Tigard and my sphere of influence don't go to Tigard. I realized that we've been working in Washington County and [Inaudible] [1:13:32] County and elsewhere.

I guess if all the regional effort is considered the Mayor has made a little clarity he wants to see \$100 million he embedded in any sort of campaign whether not it's a -- whether or not it requires change in climate statute to allow them to do equitable housing as part of a secondary transit system because we are authorized to do primary and secondary transit systems so Tecro housing is in need of primary or secondary transit system [1:14:00] or whether or not it is perhaps like some transit was in Seattle where they funded 72 transit station with TOD and each of those 70 stations was part of a valid measure but there is more work to be done in that regard and we are committed to making sure that affordable housing is baked into the cake, perhaps part of the initial modernization.

Female Speaker: Director if I could add first as a sitting member of PHAC I guess we're having discussions about regional wide funding sources but we are so very far from landing on anything yet. And then I wanted to add that I was invited by TriMet to sit on the citizen advisory board as we play with the concept of floating the TriMet in 2018 given the new house bill 2017 new vessel in play. But I've had to say this to so many people [Inaudible] [1:14:55] dollars can't legally be spent on affordable housing and so we'd [1:15:00] like to support that. So we can't look to TriMet as a source for housing.

Female Speaker: Matthew is trying to scoop me along here a little bit in our agenda so I think it would be great to have some more follow up questions about the South West quota because that's a big next step and a big you now move to the city so I'd encourage us to ask for that as an agenda item on maybe later this year or early next year. We are going to skip from -- skip over Shannon who says she doesn't need the timers and the thank you and move on to -- if Matthew is not going to correct me again to swearing in our new members and then we'll have a quick update from Andrea and move on to convening us the budget the bazaar committee for the last part of the meeting. So who is doing our swearing in?

Male Speaker: Yes, so I've to invite [Inaudible] [1:15:56] who will be facilitating the swearing in [1:16:00] and this is for both new members and existing members we need to re-swear everybody and -- including you Shannon I know you do.

[Off Topic Conversation]

Male Speaker: So while we are doing the processing before the swearing in Andrew can you come up and go ahead and run through the whole program update?

Male Speaker: It really can't be [Inaudible] [1:17:24].

Male Speaker: No is it new? Is it a different agenda item?

Female Speaker: So recently the bureau has received a few questions around the way we handle a change in ownership our whole by our itinerary limited tax invention program and just as context for the new members the whole t-program as we call it is a ten year [1:18:00] taxes exception on new construction home ownership units that are single family and purchased by households with an income of 100% AMI or less for a household of four which is currently 74,000 dollars so it's a ten year exemption on the value of the structure not the land and in recent years since 2012 when those homes are sold the bureau has convert income qualified subsequent home of buyers and so that practice evolved from an evaluation of data and agreement that the city of Portland and

Bolton county made when we decided to collectively take half the program and 100 approved applications annually.

Essentially there are currently 1400-ish [1:19:00] active single family tax exemptions that exist and of those approximately 1200 are still owned by the very initial buyer the income qualified and so of those that have sold to subsequent home buyers as we call them only 22 of those -- 22 of approximately 1400 have sold over the current program sales price cap which is 350,000 dollars so that data tells us something about how people are using the program. They are staying in the units for a long period of time and when they are being sold they are still being sold at a quote and quote affordable price. However, we have looked closely at the implications on public perception concerns from the tax successor's office [1:20:00]. And at this point we are proposing to start again income qualifying subsequent home buyers to ensure that the tax exemption that is received is actually needed by low income families. And so that's a problematic change we wanted to bring that to PHAC so that you are aware, and also see if you had any concerns about that shift that we're proposing.

Female Speaker: All right it's good I'm [Inaudible] [1:20:27].

Male Speaker: And so --

Female Speaker: And there are people sorry.

Male Speaker: The one we, the one that live there.

Female Speaker: Well it definitely it's in the detail, because exactly how that, how that looks in terms of public policy, we want to see some specifics on that, because lower income family -- at what level is low income family and how does that actually work in real life of the program. So we would be using the same income longevity of course subsequent buyers as we were for initial buyers.

Female Speaker: Subsequent buyers.

Male Speaker: Yeah, have it on that, it's a 100% [1:21:00] of MI for household to afford \$74,000.

Female Speaker: Can I say this Andrea please bear with me because I just make this point every time we talk about the limited the tax exemption agreement right? For the 10 year window right?

Female Speaker: Yes it's 10% it's 10.

Female Speaker: A month time for that rate yeah.

Male Speaker: And so most people know that for home ownership people have a 30 year mortgage, and with people within our age of a quarterbilty and the calculations go into it, at a 10 year window they fall of the cliff and have to start paying taxes after that point in time. And we've been able to work with families and refinance and get them to kind of prepped for that transition, but I just have to say it again I said every chance I get at some point I don't know that is now or right way, but if that program could be pushed to a lower level over a 30 year window that would march their mortgage for home owners, it would really help with low income families like it through the whole cycles, because 10 years seems like a long time [1:22:00] today, but I'm telling you what we've got quite few home owners that are reaching that 10 year mark and we're having a really -- its increasing their cost it maybe like. It as a matter of public policy, if you pay a little bit over 30 years, same amount so the jurisdiction get the same amount of money for got the same amount of revenue, you're marching out with little period of time it would actually work for working families. And to be clear that would also require a legislative change to the state statute though. All right any other questions? Thank you.

Female Speaker: Thanks Andrea because everyone signed at this point?

Male Speaker: Betty and then the.

Female Speaker: Betty and Mayor back there and then we're ready to go, so thank you all for your patience.

[Off Topic Conversation]

Female Speaker: All right everybody, I'm [Inaudible] [1:24:25]. I'm the official jury for this State of Oregon, thank you all for agreeing to be our part of committee.

Male Speaker: Ramsey?

[Off Topic Conversation]

Female Speaker: So we are going to do a [Inaudible] [1:24:36]

Female Speaker: I'm going to read what's on here, after I you will say your own names and first of all I have to say that, because there's always somebody that doesn't say that or name, and then it just kind of coagulate to what I have, all right? So everybody just please raise your right hand like you're swearing in right are you ready? I

Speakers: I -- [1:25:00]

Female Speaker: Do solemnly affirm

Speakers: Do solemnly affirm

Female Speaker: I will support the constitution of the United States of America.

Speakers: I will support the constitution of the United State of America.

Female Speaker: And the state of Oregon

Speakers: And the state of Oregon.

Female Speaker: And the charter of the city of Portland and its laws

Speakers: And the chatter of city of Portland at its laws.

Female Speaker: I will faithfully, honestly and ethically perform my duties as a member of the Portland Housing Advisory Commission.

Speakers: I will faithfully, honestly and ethically perform my duties as a member of the Portland Housing Advisory Commission.

Female Speaker: Thank you guys.

Female Speaker: Thank you.

Male Speaker: It is the city's standard.

Female Speaker: Congratulations everyone.

Female Speaker: Side of all win

Male Speaker: Yeah, yeah like I -- now solemnly.

Female Speaker: Okay raise your arms.

Female Speaker: So next on our agenda is to reconvene as the Budget [1:26:00] Advisory Committee to the Portland Housing Bureau. So Mathew I think is having out some fun information and its Mike going to come up and join us.

Male Speaker: Yes please.

Female Speaker: We always like it when mike comes to join us.

Male Speaker: Thank you Steph for this opportunity.

Male Speaker: Not always.

Female Speaker: And they are two Budgets Advisory Committee staff members yes please.

Male Speaker: Sorry I don't take a lot of [Inaudible] [1:26:26].

Female Speaker: Do you the staff is coming to the table I'm just going to ask you to quickly introduce yourself so everyone knows who you are.

Male Speaker: Hi everybody will you all did that as well

Female Speaker: [Inaudible] [1:26:40]

Male Speaker: Particular chairman Portland Housing Bureau.

Female Speaker: See all argue Portland Housing Bureau.

Male Speaker: They argued the figure

Female Speaker: The big one.

Male Speaker: Yeah, yeah the big one.

Female Speaker: I suppose next to me if anybody is interested [1:27:00].

Female Speaker: So you don't have to [Inaudible] [1:27:02]

Female Speaker: I think from the [Inaudible] [1:27:04].

Female Speaker: Yeah.

Female Speaker: [Inaudible] [1:27:06] tables is actually cool.

Female Speaker: I know that's why it's so rare.

Male Speaker: But then, then it's hard to read.

Female Speaker: And I think Mike is the only member of this committee.

Male Speaker: I didn't know that somebody is making you this small.

Female Speaker: All right then.

Male Speaker: I can't read that.

Male Speaker: Okay, okay so what you have -- so I'll guess I'll just kind of speak to the process a little bit. So and for folks that weren't able to be at the October meeting, I know some of our new members were not. We had an overview of the process, so the city's process for developing the budget and bureaus developing their request budgets of which the Budget Advisory Committee is a key part of as far as kind of looking forward to kind of speak to what we're doing today, looking forward in December I would anticipate, I don't review all of the program areas in the budget [1:28:00] as well as the -- we're pushing the performance indicators given the agenda and time today, so we're doing an overview of all the program areas, what they are and what the program indicators are to lead into that request budget, but we wanted to be able to spend some time looking at this document which Mike will go through.

It is our 12 year development forecast and so it's I can a little complicated to learn to read at first, but I think once you get so familiar with it, it's quite and informative documents we produce in terms of understanding for both our home ownership programs, as well as our rental development preservation programs, the funding we have available and what's committed, verses not committed and so Mike will speak to it in a little more detailed but often times people will see the size of the housing group budget and get a sense if there's a lot of money available to be allocated to new program and the reality is and [1:29:00] given that we're doing a lot of planning work, capital construction, a lot of the money in their budget from fiscal year, fiscal year is already had to committed to an existing project, or it's ear marked for an existing program, and so the 12 year development forecast really helps everyone to get a sense of that. So before we start talking about the broad program overviews at our December meeting, we want to make sure everybody had fluency and how to read this 12 year forecast.

Male Speaker: I am [Inaudible] [1:29:34] you were new perhaps you don't know me, my job on the bureau is finance and accounting manager, the this beast is kind of my child from, actually [Inaudible] [1:29:49] it's really year out its gets fed year out with various adjustments, so you have to make it's a good seg-way and one thing I want to point out [1:30:00] is that, if you look at the column that says fiscal year 2017 and 18 that's where we are right now. This column is not yet reflection as we need and the follow supplemental budget and merely because that doesn't approved by council until tomorrow. So that will be one big change you will see in the next time you see this document and you will see it again.

We deal with different forecast horizon, so there's a political forecast horizon as I call which is about three years out, by city financial policy we're required to do a five year plan, we do a 12 year plan and I kind of started because several years ago our partners over across to Portland indicated that they had profit, tax forecast allow them let us know how much tax interval will be available 12 years out, [1:31:00] and I said well can you get us a satisfied amount for that also and they indicated they could. So we switched to a 12 year forecast even though as you'll notice as we get out to the exception of the North [Inaudible] [1:31:15] of URA we don't have it but with renewal 12 years out. So but we have kept that 12 year horizon because this is pretty informative especially since we are a capital bureau and since where the resources are out [Inaudible] [1:31:31].

We've had several groups of funding sources, we have our federal sources in terms of development that CBG and Community Development Block Ground, and a home partnership both of those are fairly long standing programs, I believe homes goes back to the early 90s CBG all went back to 1974, [1:32:00] one unique thing about city of Portland is that it uses a vast majority with CBG resources on housing, and we've given out the amount that we sent all to [Inaudible] [1:32:12] of Portland for economic opportunity programs, so we're unique and that better in store of the city of California they did use very little CBG for housing.

You'll see our local funds too, we use some general fund ownership on our rehab projects, but we use the term home ownership I mean both home and retention as well as home buyers density so they're both all gathered there. You'll see our housing investment fund, you'll see all of your renewal areas, you will see the housing bond is in here, and so the broad range [1:33:00] of development resources we have available, all that you wont see in here of course is the funds go to joint office that's about 30 million dollars, but that's not development dollars so we don't show up here, this is primarily the development dollars which gets people in the homes. Now you'll see there is lots of colors, really the colors of the numbers, there's three of them there is the red numbers which indicates that the money is in use it's either big -- its in projects and construction our square amount of projects would be which is our own four projects is a good example of others

that we have is underway as we speak, have other projects where the money is in legally committed.

We've done a reservation funds letter or inwards and underway [1:34:00] another example is that the [Inaudible] [1:34:02] was payments we make on out inception underway once we did; it does probably welcomed by 13 project. So if it's in a red its pretty much that's where its going to go for there's not a lot of flexibility to it, the numbers are in black there may be a little more flexibility but those are funds of usually been awarded or they're probably in agreement with another governmental agency, home consume some dollars [Inaudible] [1:34:25] build more on the county of their home, those are dollars that we're spending in their behalf at their direction.

Look at a project such as work 45 when we were talking about -- again those are funds that have been committed to that, but we've had or in to that project but did not we're actually committed point, we're getting very close to that point where it's going to be committed. The numbers you see in blue are what we call our opportunity funds, now there are maybe some plans for those money, [1:35:00] may be in those plans could be anywhere from, we may have put another file out for those funds, or there maybe this with advanced planning the bureau has been doing knowing that we have plans available, but for the most part as we all know plans can change.

Now some of these shading in kind of indicates where those potential plans are, you see the grey areas in both city [Inaudible] [1:35:31] and home the horrified process that we're still in the midst of right now for a rehab identify that we might use those funds for that purpose. Where indicated green that's some type of future and offer process, those funds could go out under, and there's a couple of places where we've indicated kind of a turn color that [1:36:00] the funds are planned for, now there's two URA's where there's a lot of construction work going on right now a lot of projects going on, I see the state on lands, and what we found earlier this calendar year is that due to some financial uncertainty in the markets tax [Inaudible] [1:36:22] has changed dramatically, because of a higher construction market of Portland, so the construction costs.

So what we did in both those URA's is we took some of our opportunity funds and reserved them to deal with those types of increases. So while those are kind of opportunity funds there is a plan or them, you also see that under a short term rattle funds, one of the unique things about the GO bond is there will be costs they are not far the eligible, or they will be costs that we'll have to incur prior to a project starting before [1:37:00] it will be able to charge into the bond project. So and neither a part of plan will be able to cover those costs so all those are some of the examples of money that we've got planned out.

So main picture, and if want to really go to the bottom line, I guess that's where that is, you could see that on the second page there but its home was our, you could see we're in the midst of a lot of

money planned and spend last year, current year, next year. So a previous size wave of money going through there. What we tend to find out is project timeline to drag out a little bit so that kind of amount of money made slide out over the next couple of years, but we can have get out to about the plan where we faithfully all the bond forensic standard, what you're going to see there is a [1:38:00] fairly dramatic drop off, because what we'll, what we have available there is going to be primarily a couple of URA's that are still in play, mainly North Dakota, a little bit of inner state. And any funds we were able to generate locally, be it a construction excise tax, any loofy payments from inclusionary housing, and potentially a second bond if that happens. So what I anticipate is that urban renewal is going to be around much more than the next five to eight years and we get timeout pretty closely well in bond fund to get expanded. So we're already on the horizon of looking in it lee what's the bureau going to look at in that time frame, so any questions? [1:39:00]

Male Speaker: It's been a while so the short term real bond funds the source of that?

Male Speaker: So first of that was it was the anticipation that when the city started charging a fee on short term rental providers, that that would generate additional income to the city, and commissioner Stockman's office put through a resolution that basically we'd allocate 1.2 million dollar general fund to the bureau annually. And then additional kickers of that as if it appears the collection exceed that 1.2 million we're able to ask for additional money. So we anticipated bond in part of that a million dollars of that 1.2 [1:40:00] and what we chosen to do with was purchase of property. So we are in the process of looking to getting approximately a \$5 bond, a mini [indiscernible] [01:40:14] bond if you will, still it's property acquisitions. There'll probably be a fairly short term bond also probably only five, six, seven years of duration again signing out a will to win somebody where the funding sources are going away. In addition to that, the first excess amount of short term rental revenue was \$1.7 million so more than twice of what was estimated originally. We're also going to be able to use some of that cash to finish some other property acquisition. So it's worked out quite well so far as our revenue source and it will continue [1:41:00]. As long as people would keep wanting to stay in Portland, we'll continue to see more of that 1.2 million.

Male Speaker: So that your debts are – that you're paying and getting money?

Male Speaker: Right. So a million dollars left and anything over that million comes in is -- we cash it so it can be used for financing.

Male Speaker: This is not a question for Mike. If anyone needs parking validated, I'm going to come around while the question and answer is going on, so just bring out your tickets.

Female speaker: So Mike, can you please tell us when we're going to start seeing CET appear on the budget? I understand it's a process for approvals of the state in IGAs but –

Mike: Right. Through the next version of these you'll see that – you did mention the energy with the state so that's really important bucket of CET. There's a residential that starts out [Inaudible] [1:41:58] of a [1:42:00] residential commercial and those construction exercises task is collected under the residential umbrella. It's split three ways. 15 % goes to the state, that's – we are negotiating currently with the state on the IGA for that. 35% and another 50% stay locally. 35% is for finance-based and centers for affordable housing and the 50% is for construction of affordable housing. On the commercial side, the full amount can go towards affordable housing, now that's zero to 60 affordable housing. We're not allowed to spend any advance out of that at all. So that's purely project construction. So we saw roughly a million seven come in the door last year. So far [1:43:00] first quarter we saw well over that, close to two and a half million. So it looks like things are wrapping up by the same token in what's going to happen with the construction market next to the three years. So it's a really potentially volatile revenue source.

Female Speaker: So this is I think super helpful especially for those who aren't really familiar with the PHP budget because it has so many buckets and it has so many different sources of funding. I have two questions for you. One is maybe talk about Saturday overall budget because there's a lot more in it than this. You guys have other uses and then the second question is if you can just -- for those who are not familiar with the PHP budget process and the city budget process, just sort of talk about the next couple of months and how that's going to play out. So these guys all know what kind of coming down the pike as the budget advisory commission which is [1:44:00] one of our critical roles here at PHAC, is to help the bureau get a budget approved. So if you can just kind of outline that in the next couple of minutes and then folks can ask you questions before we end.

Mike: So I mentioned briefly in the other shot we have which is well over \$25 million with the general fund and another couple of million dollars of grand funds that we ship over to join our services. That's a pretty major program on the bureau's budget. Other programs that you won't see here obviously, Dory's program for mandatory complaints aren't shown here and both managing inclusionary housing program but it's also all of our mandatory compliance [Inaudible] [1:44:53] several people are working on that. The [1:45:00] the administrative budget which is Kirk's office and Shannon's policy and Lesley's data and finance teams are the admin team. So I have that shown here. The room services program, this program we started is not shown here. That's primarily a general funded -- just getting off the ground right now. And what else?

Female speaker: Fair housing.

Mike: Fair housing actually [Inaudible] [1:45:37] of CVG personal fair housing is shown here but the general fund part that was added is not. So we increased our fair housing programs as far as the

rental services increased in last year's budget. So there's another five, \$600000 additional was shown here for fair housing.

Female Speaker: Thanks.

Mike: Going around the building.

Female Speaker: So we'll see that more completely next month?

Mike: Right. I think the other big one that's not here obviously is our buildings. We've owned a couple of apartment buildings since the merger and we've added a couple of the [Inaudible] [1:46:26] and some additional properties. And 260 apartment building is a fairly good size budget and so that's another big piece that's not here. But this primarily shows you what we will call the capital side.

Female Speaker: Yeah, great.

Mike: The other process was we're supposed to get our budget guidance next week.

[Off Topic Conversation]

Mike: Which tells us what parameters will have to do on as far as the budget we turn in, that is we're going to have to do a 1% cut for our general funds part. So that will be -- we've got an agreement from the budget offers to separate the current appropriation that will target for joint offers from the current of appropriation that will target [Inaudible] [1:47:30] bureau. So basically what we will do is easily identify what percentage each of those are. It was a little bit of a challenge last year to do that. So we have to go through that kind of --

Female Speaker: 30% of [Inaudible] [1:47:42]

Mike: Well that's what we're trying to avoid but they don't do that because if they're not separated it's really easy for them to make that happen. The joint office has been very supportive in doing that too so that's been [1:48:00] helpful and again the change made. So what happened last year is they didn't take any kind of joint office portion but they did take 1% of bureaus so we'll have to go to through exercise gain. So that is -- we are right now -- I shouldn't say we because I'm down about two and a half staff for the last three months and one of those is my primary budget position. So I have been, at least until next week, working on trying to refine some of these forecast numbers, really refine how we're doing the building budgets because that's brand new for us. Those of you who own buildings, I know there's a lot of in terms of what you're depreciating,

forecasting what your income is going to be. That's not new in the city in general but in terms of residential apartments it is a brand new for city. So the city county office and the budget office who are kind of running with us on that.

So going to that process for identifying what the staff needs to be charged to and discovering that there's a desire to look at limited terms staff permanent because of workload. I have no doubt we may actually be looking at adding a couple more of positions because of workload but we need to figure out how to pay for that because it's all -- we have -- \$300,000 for the staff has got to come out of somewhere. It's going to come out of project budgets where it's going to come out of. So out of that kind of where we're at process wise. Next steps, [1:50:00] we need to come back to this body once bureau leadership makes decisions about what type of packages they want to move forward with, what the cut packages are going to be, get [Inaudible] [1:50:14] from the Mayor's office on that. So spend a lot of time with [Inaudible] [1:50:17] here discussing that and come to you with something. Then my staff and I will be really busy through the months of December and January putting it all together. We'll touch back with you folks perhaps the second time of December, perhaps twice in January. That's up to Mark. And then the budget is due January 29th. I believe that's the last Monday.

Female Speaker: The last Monday.

Mike: And at that point we started getting questions from the central budget office. So that's a very robust, very policy oriented [1:51:00] view. I used to work there about seven or eight years ago. It's a lot more policy oriented, a lot more outcome oriented, than when I worked there. So it's a very, a very robust process. A lot of questions we give back, more data we have to provide them. So things quiet down probably about mid February for us and there is a lot of public process. When we get to April that's when the Mayor decides what his proposed budget is going to be.

Female Speaker: So typically over the next two months, what happens at the PHAC level is these guys continue to refine. We'll hear again from Mike and his staff in December as they make some progress and then at the January meeting which I think we should discuss the date of the January meeting today?

Mike: Yes. [1:52:00]

Female Speaker: We'll see if something a little bit more refined. Sometimes we will have a second budget meeting in January depending on the process, hopefully this year that won't be necessary because we're not looking at a lot of cuts. It often is something that we were required to do if we were looking at a lot of cuts but PHAC will during the month of December or January also formulate a letter that goes in with our submitted budget in support of the budget. So that will be something

that Matthew will help coordinate with our input over the next couple of meetings. So I would encourage anyone who has questions about the process or the budget, it's been very complicated. I think it took me the first three years. I sat on this body to really start to understand how it all comes together. To reach out to Matthew as questions and if we need to have a separate working session with Mike or there's people who really are intent on digging into it, I think it's a great thing to be able to understand. It really helps you understand the programs that we administer here and that we are overseeing. [1:53:00] So budgets aren't always super fun but it's a really big part of what we talk about here and throughout the year really has impact on the programs that we're looking at. So it seems like a lot but I think that there is enough into the madness and I'll encourage folks to reach out separately to Matthew with questions if they haven't been through a city budget process before especially.

Mike: Just to give you an example of what we've had two and a half years ago. It's about \$80 million budget with maybe 22 or 23 different funds. We are now probably over 40 funds and a \$220 million budget. So that's been a pretty speed learning curve for my staff and obviously anybody that has to deal with it from a policy or decision making standpoint.

Matthew: Where is that [Inaudible] [1:53:57] about the three years? One of the other things you're also going to see is that Mayor's office has expressed interest in the bureau of putting together a higher level and I have specific detail, initiated a high level three year action plan for the opportunity funds, knowing that some of the funds are already committed in construction without a formal letter of commitment. Some have plans that they're really looking at for the next three years what is that the action plan particularly under development, in the development for rental and what ownership looks like. So you'll be seeing that sometime in December or January as well, as just a more specific look at the fiscal year request so that that will be coming. Back to the chair's point on the January meeting. So currently the meeting is January 2nd. So I don't how folks feel about that. Does anyone have --? So we are n going to be the meeting on January 2nd.

Female Speaker: It's out first day back after weeks [1:55:00] off for most kids.

Matthew: So we'll put a pull out but my hope is that we can just kind of earmark in this meeting, just pushing it one week to January 9th. I know folks have stuff but that is my hope, particularly if we need to have two meetings in January. We usually make the call on that in December and so if previous years are any indicator, we will likely need to have two meetings in January. The end of January deadline is not negotiable and so we -- somebody going for that unless anyone has strong objections, we'll move the January meeting to January 9th, three to five. And then open a pull out for a second meeting just in case but my hope is that we can all hold January 23rd.

Female Speaker: Yeah. [Inaudible] [1:55:50]

	<p>Matthew: For a short one hour meeting end of the day as well.</p> <p>Female Speaker: Matthew, if you would send out the update in Google Invite [1:56:00]. I'll save the change on my computer.</p> <p>Matthew: You got it?</p> <p>Female Speaker: Yeah.</p> <p>Dianne: And the other thing is -- just very quickly, I know we are out of time. A couple of minutes to go and then we talk about the strategic planning which is kind of probably the budget process, is at the action plan that you just described, Mathew?</p> <p>Matthew: I think the action plan will fit into it and it's a part of it for Shannon.</p> <p>Dianne: We can talk about this more later.</p> <p>Female Speaker: Yeah Dianne, that's kind of phase one, our strategic planning process. We wanted to make sure that we are aligning our development funds and also trying to provide some predictability to our partners and in January you may see funds coming out where they may be available for folks to be able to know that there is funds on this spot or funds on this spot but it's part and parcel of that ultimate strategic financial package. Thank you.</p> <p>Female Speaker: Thank you all for getting through your first meeting from the interview. I really appreciate your being here today and we'll see you next month. [1:57:00] Meeting adjourned.</p> <p>Male Speaker: Thank you.</p> <p>[1:57:09]</p> <p>[Audio Ends]</p>	
<p>Good of the Order</p>	<p>The next meeting of the PHAC is on Tuesday November 7th.</p>	