

Portland's Housing Bond

Bond Oversight Committee

February 15, 2018

1:00 -2:30 pm

Portland Housing Bureau

421 SW 6th Ave., Ste. 500

Portland, OR 97204

✓ = Oversight Committee Action item
 ▶ = PHB staff member action item

February 15, 2018 Meeting Minutes

Members Present: Stephen Green (Chair), Allan Lazo, Todd Struble, Susan Emmons, Jes Larson (Vice Chair), Dr. Steven Holt (Facilitator)

Members Excused:

Staff Present: Sawyer Sheldon, Andrea Matthiessen, Dana Ingram, Javier Mena, Shannon Callahan, Leslie Goodlow, Michelle DePass, Ira Bailey, Jennifer Chang, Tara Anderson, Karl Dinkelspiel, Tanya Wolfersperger

Guests: Jonathan Trutt, Amanda Saul & Molly Rogers – Home Forward

| Agenda Item | Discussion Highlights | Outcomes / Next Steps |
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| Welcome | Dr. Holt welcomes the committee and the public. He reminds the public in attendance that this is a public meeting, and not a public forum. He invites public comment on any of the current agenda items . For comments, issues, or concerns not related to the agenda items, or in today's presentation , please speak with one of the committee members or PHB Staff present. Roll call is taken for the BOC members, and introductions are made of non-committee members. | |
| Draft PHB & Home Forward Intergovernmental Agreement | Shannon introduces the draft IGA for “Asset Management for Properties Under the Housing Bond between PHB and Home Forward .” She said PHB hopes to have this before council on February 28, 2018. The Intergovernmental Agreement (IGA) has a few key pieces PHB will coordinate with Home Forward for delivery and management of properties under the Bond. One major piece is asset management; since the current law is that the city must own and operate any properties purchased under the Bond. PHB in the past has not been an owner and operator of housing, they have been a funder and builder. Shannon stated PHB doesn't have the current capacity to own and operate the promised 1,300 units of Bond housing. Home Forward has the expertise and capacity to manage those units. The IGA is a 42-month agreement – to match up fiscal years. The second portion is related to development services; PHB has not been a developer of housing. PHB typically issues requests for proposals (RFP) and rely on partners to | BOC members provided support for the IGA to move forward to City Council. |

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| | <p>manage the developments. Home Forward is also familiar with the governmental contracting requirements PHB needs to follow by law. The IGA provides a contracted rate for development services that Home Forward will charge for services rendered. Home Forward’s partnership will be essential for getting the 30th & Powell site off the ground. She opens it up for questions from the committee.</p> <p>Alan asks if PHB considered other partners for this role. Shannon reiterated the state constitution on general obligation bonds currently narrowly limits options for partners to be primarily governmental entities. She said yes, they considered other governmental partners such as Prosper Portland and other city bureaus that had the experience PHB lacks. Home Forward had the affordable housing experience and capacity necessary.</p> <p>Alan asks if PHB considered splitting the asset management and the development components of the IGA. Shannon says there are not many that can take on something this big without building additional capacity. Home Forward will be able to take on the level of reporting that the Bond will require and handle the use of vouchers by the residents.</p> <p>Alan asks if the constitutional amendment passes – which would allow us to use the bond funds more flexibly with other development resources, – if that would affect this agreement; Karl says this IGA is constructed under current guidelines. If those guidelines change the Bureau will revisit ways to adopt and possibly amend the IGA, in review and input from the BOC. Alan asks which building(s) are included in the IGA? Shannon says the Ellington, the Fairfield, and the Headwaters. If other buildings are added there is a rate structure in place. Alan asks if the (constitutional) amendment passes and new building are brought on line if they would fall under this agreement. Shannon says no, PHB would enter into a new agreement for those buildings under the new laws, but these three would stay in place until the agreement is over.</p> <p>Alan wants to know more about language in the asset management piece and the development side about dispute resolution. Shannon says that if the disagreement could not be resolved through discussions between PHB and Home Forward, legal counsel for the city would likely recommend arbitration to resolve the issue.</p> | |
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| | <p>Alan asked about page 8, under “Tenant and Public Relations” where Home Forward serves as the main point of contact for a bunch of stuff including media. Shannon provided the example that if there was a high-level media inquiry Home Forward would work with PHB to respond, for example if there was an issue like a car going through a window on one of the properties Home Forward would respond. Alan says that the bricks and mortar are going to be the public face of the Bond and he wanted to be sure PHB wasn’t abdicating the media responsibilities entirely.</p> <p>Alan says on page 12 under Development Services section, he is curious about the resident screening criteria, says if feels out of place. The screening criteria is not listed in the Exhibit E matrix either. Jonathan says part of the reason it is in development is to be mindful of who they are looking to serve with the development to integrate support services into the designs.</p> <p>Alan asks why the development services piece is so short. Karl says the agreement isn’t that long so there probably won’t be much development that happens during it. Shannon says they do intend to have Home Forward help with 30th & Powell, but that will have a complete scope of work with it as well with another agreement that would come back to the committee.</p> <p>Alan asks if the Headwaters and the Fairfield will then be added to the bonded properties. Shannon says no, they are already filled with tenants. The Fairfield is a single room occupancy building in downtown that provides supportive housing for its residents and the Headwaters is an anomaly in PHB’s portfolio which provides market rate units that were build years ago with the intention that the profits of the rents would be funneled into affordable housing, which has not happened yet.</p> <p>Jes asks about Exhibit B which lists the three properties named in the IGA, asks if there is an easy way to add new properties to the agreement; Shannon says yes.</p> <p>Jes asks if this will help keep the administrative costs under 7%; wants to know if about the costs to date and going forward. Shannon says there are costs associated with development that wouldn’t go to that administrative cap. Asset management will be paid for out of the operating costs of the units. The units will be producing some limited</p> | |
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| | <p>profits from rents so asset management will not be a bonded cost. Development services funding are standard costs.</p> <p>Todd wants to know about the term lengths, says that development services is 9 months so it would go to October 15, 2018 – wants to know why that is so short and why is the IGA for 42 months. Shannon says that 9 months is specific to work being done around 30th & Powell. Says that the 42 months covers to the end of the City’s fiscal year (June 30th) starting in January.</p> <p>Susan asks who the residents contact with concerns about management or the like. Shannon says it would be first the property management company, next would be Home Forward; PHB is not well situated to understand the issues at the ground level like Home Forward will.</p> <p>Stephen says it would be helpful to have an “elevator pitch” on why this makes sense to use Home Forward versus someone else. Asset management has always been a problem in Portland, and having this discussion may be helpful in the long run. We are good at finding and building affordable housing, but the buildings can have issues that pop up 5, 10 years down the line and they can be avoided if we have better management from the beginning.</p> <p>Alan says that the Bond is a unique opportunity for the City to become a housing provider with best practices and lowest barriers; wants to be sure that is conveyed to partners. He reiterates the importance of having a way to measure the property management companies, like the watch list criteria (Exhibit D). Amanda says they take those issues very seriously and they monitor them already but that this is a way to compare them to other agencies.</p> | |
| <p>Public Testimony</p> | <p>Joe Hover is on the board of the Creston – Kenilworth Neighborhood Association where 30th & Powell will be built. He wants to know how PHB plans to engage with the community, and said the Foster & Powell neighborhood is really hurting. Stephen asks if he has suggestions. Joe says that getting into the community – out of downtown – and meeting with the neighborhood association will be a good first step. Karl says bureau staff want to come to the community and hear what they have to say and how they see</p> | <p>Karl will follow-up to attend a future meeting with the neighborhood association.</p> |

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| | <p>the building in the neighborhood. Shannon says the building there will be demolished very soon and they will be reaching out shortly for engagement in the community.</p> | |
| <p>Process for Finalizing Community Engagement Plan & Resident Screening Criteria</p> | <p>Jennifer Chang says that on the February 1 meeting they presented the drafts for the resident screening criteria and the community engagement plan. The goal is to get a revised draft to the BOC for review before the April 5th meeting so they can get their notes in before and then approve it at that meeting. The draft was sent and is being reviewed by culturally specific agencies, Legal Aid, fair housing, affordable housing developers, homeless service providers, agencies serving low income renters, A Home for Everyone, and property management partners.</p> <p>Michelle says she got some rich feedback for community engagement including the use of “What’s App” a messaging app many community members use. She has also heard feedback from members in the Native American community with recommendations for the city to engage with community members and neighborhoods, such as through organizing listening sessions.</p> <p>Stephen says it is important to have regular business hours in the community so people know when they can go ask questions of PHB staff. Says he would like to see more engagement based on where the agency is now and where it is going rather than just project to project. Michelle asks if has other ways (from what PHB already does) for getting ideas out to the community. He says physically being in an area allows people to get a better idea of what is going on rather than contracting to someone and getting the word second or third hand.</p> <p>Jennifer asks if the committee wants to schedule a meeting prior to the April 5th meeting, to have more time to review the comments and recommended revisions to the criteria, or whether it will suffice to send the revised draft via email for their review. The committee agreed to receiving the revised draft via email, ideally by March 23, and then they want time at the April 5th meeting for discussion.</p> | <p>Jennifer will plan to forward the revised draft criteria document to BOC members, ideally by March 23, for their review prior to the April. 5 meeting.</p> |

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| Wrap-Up | <p>Shannon says the bureau is actively pursuing three projects that the RFP group approved. Dr. Holt thanks the community and the committee for their time and for coming.</p> <p>Next meeting April 5, 2018, 9:00-Noon at the Portland Housing Bureau (421 ST 6th Ave, Portland OR 97204).</p> | |
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