

Portland's Housing Bond

Bond Oversight Committee

April 5, 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

April 5, 2018 Meeting Minutes

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

Members Excused: Stephen Green (Chair)

Staff Present: Sawyer Sheldon, Shannon Callahan, Leslie Goodlow, Michelle DePass, Mike Johnson, Jennifer Chang, Karl Dinkelspiel, Tanya Wolfersperger, Martha Calhoun

Guests: Barrett Stevenson, Julie Livingston – Home Forward

Agenda Item	Discussion Highlights	Outcomes / Next Steps
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. The minutes are approved and recorded.	
Staff Update	<p>Shannon gave the update, says there are two identified Bond properties, the Ellington Apartments and 30th & Powell. Three additional properties that have gone through the Bond RFI process and bureau is in the due diligence process. Closing is anticipated on these properties late spring and early summer. One of the buildings will be ready for tenanting before the next scheduled BOC meeting in July, so Shannon requests the committee to convene for another meeting on May 9th to discuss that process.</p> <p>Karl introduces Barrett as the head of Home Forward's Procurement Department, and Julie as their lead architect. Background 30th & Powell property includes: size is 50,000 sq feet, zoned CM2D, and anticipated to have 200 units built on site. Barrett and Julie discuss upcoming steps. The first step is to send out a request for designs. After that will be a cost estimation, followed by the design selection. Home Forward will send out the solicitation out by the end of the month, and will run for 6 – 8 weeks. Shannon asks</p>	

	<p>about the outreach to let people know about the solicitation and asks how Home Forward gets the word out. Barrett says they usually use advertisements, information at events and associations. Says they have pre-proposal meetings as well. Says they also send a notice to all architects, engineers, and landscape architects in CoBid, the state MWESB (Minority owned, Women owned, Emerging Small Businesses) registry. Says equity is a big part of the process and they aim to exceed the 20% goal for participation.</p> <p>Susan asks if they will be dictating how many unit types the designs need to have; such as X number of studios, Y number of one bedrooms, etc. Julie says they have an idea of the capacity of the site, and that it will be dictated using floor unit ratios. There is some flexibility during design process.</p> <p>Todd asks if there will be advertising in other languages, or on social media. Julie says they place ads in the DJC, "Workman", and on their website. Currently they do not advertise in languages other than English, and are open to suggestions on other places they should reach out to.</p> <p>Allan asks if the building will include Supportive Housing. Shannon says yes. Allan asks about conflict of interest, for example, what should a BOC member do if approached by, say an architecture firm who wants to take them to lunch? Shannon recommend BOC members to refer the firm to staff and not take the lunch. Allan asks if there is an MWESB goal in the framework. Shannon says they adopted the City's MWESB goals. Karl says since the building is going to be over \$10M there will be a separate Community Benefits Analysis (CBA) to help further achieve equity goals.</p>	
<p>Update on Community Engagement Plan</p>	<p>Tanya gave the update. Reminds the committee about the RFI for brokerage services issued in January. The RFI was open for 6 weeks at the beginning of February and 9 proposals were received. They are now at the selection phase and the committee will receive and e-mail from her to participate in that process. About half of applicants are from agencies PHB has not worked with before, and four have high diversity in their organizations.</p> <p>Martha gave the update on the planning process for the first annual Bond Report. One of the commitments made through the Bond is transparency, which they are doing through</p>	

	<p>a quarterly newsletter and an annual report. The first report will be published sometime this month and it will show the effects of buying and stabilizing the Ellington, a current snapshot of where the Bond is now in relation to goals, and a look ahead to 2018 and what they hope to achieve.</p> <p>Allan asks if they will see a draft of the report before it goes out to the public. Shannon says yes.</p> <p>Michelle gave the update. Says they circled back to a few organizations that serve communities of color, foster youth, and disability advocates, among others. Some of the main feedback received was regarding increased language access, broader reach into renter communities, and for agencies to be notified when there are vacancies. Members from Native American and African American communities indicated they would like a listening session with PHB, and she will look into planning this later in the year.</p> <p>Shannon asks the committee if they will adopt the Community Engagement Plan. Committee votes yes. The Community Engagement Plan is adopted as an official addendum document to the Bond Policy Framework.</p>	
<p>Update on Resident Screening Criteria</p>	<p>Jennifer gave the update on the draft resident screening criteria. The bureau received public comment and feedback for 5-6 weeks, from 25 agencies and representatives. PHB and Home Forward staff have been compiling and working through the comments. Due to the amount of feedback, and complexities of the issues, they need more time to conduct additional legal review before bringing the committee a revised draft. Some of the biggest issues are criminal screening background, non-smoking policy, ID requirements, rental history requirements, and third-party verification – especially around income.</p> <p>Susan commends PHB for taking the time to do this process. Asks about timing, asks what will happen is a building needs to be tenanted up before this is finalized. Shannon says the policy probably won't be done by then, and PHB is operating with low barriers at The Ellington, with appeal opportunities, and opportunities to talk to the property manager.</p>	

	<p>Jes says she appreciates the effort to screen people in, not out. Asks if there are implications of other criteria, or a possible future amendment to the Constitution, that may have effects on financing. Shannon says yes, there may be.</p> <p>Todd asks if the criteria is adopted, and the constitutional amendment passes, then the low-income housing tax credits (LIHTC) will have different standards? Yes, and that will need to be addressed.</p>	
<p>Proposed Financial Audit Process and Progress Measures</p>	<p>Mike and Tanya gave the update. Mike says that a requirement under the bond is to provide a financial and performance audit and provide it to the public. The bureau plans to hire an outside entity to perform the audit. A performance audit would note the approval process for projects, the policy framework and amendments, decision process, to ensure projects funded by the bond are in line with voter intent and the legal requirements of general obligation bonds.</p> <p>Jes says that this is an audit of where the project stands today; says she wants to know about rehabilitation projects. Shannon says when the Ellington was purchased, they asked for a \$10M loan, and estimated that an additional \$10M would be required for maintenance over the next 10 years. Jes asks what auditing functions will continue after the initial two audits slated right now. Shannon says the audits will be conducted to cover the time period for expenditure of bond funds. Following this time, there will be additional monitoring and processes, apart from financial audits, which will remain in place to ensure successful operation of bond funding housing.</p> <p>Tanya introduced the graphic on slide 11, asks for feedback.</p> <p>Allan asks about the scale and legend, says it would be helpful to see what the orange numbers would be. Tanya says they didn't put those in because they are projections only, but more specific numbers can be added.</p> <p>Jes says she likes the status bar, says it is showing we are behind in 30% AMI units and Supportive Housing units. Shannon says yes, but they haven't made any programming decisions on the upcoming buildings yet.</p>	

	<p>Todd says he would like to see a time bar with how much time they have left. Shannon says there is no time limit, they were approved at a dollar amount; says they hope to have the bond dollars spent by 5 – 7 years.</p> <p>Susan asks if the Ellington is fully leased up. Shannon says yes, accounting for natural attrition and turn over. Says the next step would be to lay over vouchers to help the 30% AMI residents.</p> <p>Susan says she would like to see profiles of people at the Ellington. Martha says yes, that is part of the bond report plan. Shannon says that she would like to see a “people” bar to see how many people they are impacting.</p>	
<p>Public Testimony</p>	<p>Joe Hovey asks about the criteria for purchasing a property; wants to know what they look for. Tanya says they published a property RFI in October 2017 that lists all the criteria for both existing buildings and lots to build new buildings on.</p> <p>Monique Lum says she is a commercial broker with Premier Property Group and an infill developer. Wants to know if PHB has considered pre-engineered construction plans to help expedite projects like 30th & Powell. Secondly asks if PHB has considered working with PSU’s Real Estate Broker Program. There are many brokers teaching the courses. Finally she said as a commercial broker, it will be nice if the acquisition guidelines are clearly defined and money was allocated to specific areas, specifically gentrified areas.</p> <p>Ethan Harrison is here representing Holgate Manor tenants. He is there about the displacement of 82 units stemming from its January purchase by a Californian developer. T is need for bold action from the city and this committee. Ethan then reads a poem.</p> <p>Sarah Brassfield is here representing the Holgate Manor Tenants Union. She is there for her neighbors, some of whom don’t speak English well enough to advocate for themselves and save their homes. They want the City and PHB to be abreast of these sorts of situations. Just because they don’t make a lot of money doesn’t mean they don’t deserve to live in the city. They want long term housing stability and want to be put on the next agenda.</p>	

	<p>Rohaylia (In Russian with aid of translator on phone) has lived in Holgate Manor for 18 years. Everything was fine until the property sold. She is 66 years old, and says this has caused so much stress she can't function as well as she needs to. She can't find a new apartment because she lives alone and it is hard to find a place she to afford. She is here to raise the issue with the City to see what they can do to help her.</p> <p>A member of Blue Green Alliance (name unintelligible) Quotes MLK, says when justice is differed the burden often lands on the low income and communities of color. This bond, this board, and the City of Portland can write a new chapter where impacted communities can live a full meaningful life without threat of their landlord. This bond has the ability to not just increase the number of affordable units in the city but also to empower tenants. He really wants to testify about wage theft in construction, OCPP says that construction is number two for wage theft. The bond is also about the workers who will work to build the units. It is their responsibility to hire responsible contractors.</p> <p>Anna (In Russian with aid of translator on phone) has been in her apartment for many years and it is very stressful for her to leave. All of her community is there. She doesn't have the means or help to move. Everything is stressful for her with the new owners, says she can't find community with them. She doesn't really understand what is happening right now.</p> <p>Jes thanks the tenants of the Holgate Manor for coming and advocating for themselves and their neighbors. Encourages they reach out to NW Pilot Project to help them with housing. Asks PHB staff if they know if there is a willing seller in this case and what other policy tools can be implemented to help the tenants. Shannon says they don't know if there is a willing seller, they are trying to get a hold of the property owners.</p>	
Wrap-Up	<p>Dr. Holt thanks the community and the committee for their time and for coming.</p> <p>Next meeting May 9, 2018, 1:00 – 3:00 at the Portland Housing Bureau (421 SW 6th Ave, Portland OR 97204).</p>	