



Portland Housing Bureau

Mayor Ted Wheeler • Interim Director Shannon Callahan

Portland Housing Advisory Commission

September 4, 2018

3:00 – 5:00 p.m.

Portland Housing Bureau, Suite 500

421 SW 6th Ave.

Portland, OR 97204

September 4, 2018 Meeting Minutes (Draft)

Note: Full audio recordings of all PHAC meetings – as well as all documents discussed – are available on the PHB website here:

<https://www.portlandoregon.gov/phb/74126>.

Members Present: Cameron Herrington, Diane Linn, Nate McCoy Ramsay Weit, Sarah Zahn

Members Excused/Absent: (*excused*): Ed McNamara; (*absent*): Amy Anderson, Maxine Fitzpatrick, Hannah Holloway, Shannon Singleton

Staff Present: Shannon Callahan, Matthew Tschabold, Cupid Alexander, Jessica Conner, Stacy Jeffries

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Call to Order, Roll Call, Minutes	<p>Sarah Zahn called the meeting to order. This was Sarah’s last meeting with the Portland Housing Advisory Commission after six years of service. Shannon Callahan, Interim Director of PHB, and Cupid Alexander, Senior Policy Advisor in Mayor Wheeler’s office, gave remarks and thanked Sarah for her service.</p> <p>The Commission came back to the meeting minutes later in the meeting: <u>23:04 – 23:41</u>: Ramsay Weit moved to approve the August 7, 2018 meeting minutes. Diane Linn seconded the motion, and the minutes were unanimously approved.</p>	
Public Testimony	There was no public testimony.	
Director’s Update	<p><u>3:15 – 23:04</u></p> <p>Shannon Callahan briefed the Commission on several projects going to Council or related to PHB:</p> <ul style="list-style-type: none"> • PHB joined the Bureau of Transportation and Bureau of Planning and Sustainability for a Council work session on the SW Corridor light rail line and SW Corridor Equitable Housing Strategy. The next step will be bringing Council action items back to them in October, both for the housing strategy and the preferred alternative light rail line, which is slated to go down Barbur Blvd. with 	

7 stops in Portland and 4 stops in Tigard/Tualatin. Shannon says PHB's task is to mitigate the impending displacement of low-income renters in the SW Corridor, which has already begun.

- Terms of repayment for DPAL city-wide, an item that was discussed by PHAC in May and June. Loans would be forgiven starting at year 15, and forgiven totally after 30 years.
- Discussions with City Council regarding Lents Collaborative Work: There is a short-term pilot project for reducing insurance rates in the flood plain, which has been a huge success over the past 2 years.

In response to Sarah Zahn's questions about the Preference Policy, Matthew Tschabold gave the commission an update on leasing at the Charlotte B. Rutherford apartments (Central City's project in N/NE Portland). They are close to identifying all prospective tenants, and are pulling from the N/NE Preference Policy list. Shannon added that there had been over 1,500 applicants for the two properties – Charlotte Rutherford and Beatrice Morrow – during the 3-week application period in February 2018. PHB also worked with Cascadia Behavioral Health to lease up 31 units at the Garlington apartments earlier this year through the Preference Policy.

Nate McCoy requested regular updates from the Bond Oversight and N/NE Oversight Committees, adding that he'd like to champion PHB projects in the communities he works in.

Matthew Tschabold gave an update on inclusionary housing: The Mayor's office asked PHB to develop an incenting the pipeline proposal, using the property tax exemption program to incentivize vested projects that came in before the inclusionary housing requirement to opt into some amount of affordability. City Council passed the proposal in early spring, and it is expected to be adopted by the Board of County Commissioners (with one possible modification) and go back to City Council. The program is expected to be in place this month or next month.

PHB has been working with the Bureau of Planning and Sustainability on an Inclusionary Housing program to extend the current inclusion rate in mixed-use zones for an additional two years. More discussions to follow in October.

The following timeline for residential infill (RIP) and better housing by design was provided by Jessica Conner in response to a question from Ramsay Weit:

	<p>Because there are elements of RIP and Better Housing by Design that are similar, the Planning and Sustainability Commission has pushed the timeline on residential infill back a little bit and added work sessions in order to move both proposals forward at around the same time. Two RIP work sessions are on the calendar through the rest of this year, and Better Housing by Design has a briefing, 2 work sessions, and the recommendation, so the expectation is to get both proposals done in December.</p> <p><u>23:04 – 23:41</u> – Approval of meeting minutes (see first section for details).</p>	
<p>Open Discussion</p>	<p><u>23:41 – 34:52</u></p> <p>Nate McCoy expressed reservations about the success of Inclusionary Housing, saying he hasn't seen any data showing success across the board. He asked if PHB ha had any qualitative or quantitative data on success stories. He says that – at least early in the process – it didn't seem like IH was leading toward placing underrepresented minorities into those housing units.</p> <p>Matthew Tschabold indicated that PHB is working on an updated report, both on what's happening with the vested pipeline and with inclusionary units that are about to be permitted. It will include information about who's being made aware of those units, how they're advertised, and who's getting in to them. Not many have opened, since they've been going through the permitting and construction process. PHAC can revisit the issue in October.</p> <p>Cameron Herrington asked for an update on how we'll move forward with filling vacant seats on the Commission, and also asked for updates to the process from the Office of Community and Civic Life (formerly known as ONI).</p> <p>Shannon Callahan reported that PHB was in conversation with the Mayor's office about PHAC, which included looking at other bodies and making sure we have adequate representation. Discussions will continue.</p> <p>Jessi Conner indicated that there had been no update from the Office of Community and Civic Life (or just "Civic Life").</p> <p>Matt Tschabold hopes to have a Chair or temporary Chair in place by the October PHAC meeting.</p>	<p>Dory Van Bockel, the Development Incentives Manager, will send Nate information about the number of units in the IH pipeline.</p>

	<p>Ramsay asked about latest versions of screening criteria policy; Matt indicated we would make sure to forward that policy to commissioners as soon as we have it</p>	<p>Get latest draft of screening criteria policy to commissioners</p>
<p>Manufactured Dwelling Park Affordable Housing Bonus</p>	<p><u>35:18 – 46:58</u></p> <p>Dory Van Bockel, Program Manager for the Development Incentives Team, reminded the commission that legislation establishing new zoning for manufactured dwelling parks had been approved by City Council on August 22nd.</p> <p>The PHB team has been exploring a 50% density bonus, either on-site or off. Of the 56 manufactured dwelling parks with the new designation, 2 are seeking permits for redevelopment. 12 have fewer than 10 spaces available for bonus or transfer, and 9 parks have over 100 spaces that may be able to benefit.</p> <p>PHB will draft code and administrative rules that will go to Council within the next 60 days. The Bureau has to figure out how to work with different types of tenure within different projects—owned v. rented—and establish how to certify income for those spaces (which is necessary to document in order for the bonus to be granted).</p> <p>Ramsay Weit expressed concerns that there are no guarantees of affordability under this policy, and Dory Van Bockel confirmed that PHB can't make those guarantees. She explained that development of the affordable housing bonus isn't something the Housing Bureau was involved in directly; we're coming to it after the fact, to put together the administration of it.</p> <p>Cameron Herrington had questions about transferrable units – how much they'll be worth, who will want to buy them – and suggested there was a broker role to be played that the Bureau should consider.</p> <p>Dory added that BDS is tracking bonuses and is currently responsible for transfer and recording. No database exists, so we don't yet have a lot of information.</p> <p>Cameron encouraged PHB to bring in non-profits who manage affordable MDPs, as well as some developers who might want to purchase transferrable units.</p> <p>Dory agreed that there are barriers to getting buy-in from residents, so community participation would definitely be needed if the program is to be successful.</p> <p>In response to another question from Cameron, Dory explained that the zoning code was pretty broad, indicating only that affordability is at 60% of AMI or below, and giving</p>	

	<p>the Housing Bureau the responsibility for determining that. The Bureau would want to require that incomes are certified – not just that rents are set at a certain level.</p>	
<p>Legislative Update</p>	<p><u>47:00 – 1:00:42</u></p> <p>Victoria James from the PHB Policy Team gave a high-level overview of the legislative process:</p> <p>Leading up to the federal and state level legislative sessions, the Office of Government Relations asks all city bureaus to flag priority policies. PHB reaches out to staff, external partners, advisory bodies and committees, and when their input comes back, we make high-level overviews that go to Director Callahan, then to the Mayor, and then to the Office of Government Relations. The city agenda is made, Council votes on it, and then the legislature votes on it.</p> <p>PHB forwarded four items to the Office of Government Relations:</p> <ol style="list-style-type: none"> 1) Supporting the creation of a just-cause standard of eviction. Landlords can currently evict tenants for no cause, and we would like to specify circumstances under which it's acceptable to evict a tenant; 2) Lifting the preemption on rent stabilization, which we feel would be a useful tool to help get us out of the housing emergency; 3) Extending the sunset of the multiple-unit limited tax exemption (MULTE), a cornerstone incentive for the inclusionary housing program. We feel it is important that MULTE doesn't expire; and 4) Increasing transparency during transactions for properties at risk of flooding. The seller's property disclosure statement would have to disclose flood risk and give a better indication of what flood insurance will cost. <p>We also took positions of support on the Oregon Housing Community Services' (OHCS) budget request for services to help permanent supportive housing developments. Services that go along with supportive housing are a major part of the cost, and OHCS has a budget proposal to help bolster that.</p> <p>Finally, we are supporting Prosper Portland's proposed amendments to Urban Renewal, (ORS 457). Prosper Portland has been working with the Oregon Economic Development Association's Urban Renewal Committee. Two main things they want to support in their</p>	

	<p>potential legislative item are (1) codifying best practices for reporting urban renewal outcomes; and (2) detailing some things under the consult and confer requirement (how a URA entity talks to other taxing jurisdictions about how URA funds are being used).</p> <p><u>Timeline:</u></p> <p>Later in September, the City Attorney’s office will complete city-wide legislative draft;</p> <p>In October, the Office of Government Relations will meet with Bureau executives to review that draft;</p> <p>In November, Council will have a work session to look over that draft; and</p> <p>In December, the final legislative agenda for the City goes to Council.</p> <p>The long legislative session starts on January 22, 2019.</p> <p>PHB is still collecting items for the federal agenda. We typically ask for increases to the Community Development Block Grant, HOME, Public Housing, VASH, and Section 8, and we generally support mental health, homelessness, and low-income housing efforts.</p> <p>Ramsay Weit asked how aggressive the City would be with resource asks. Since the City’s a participant of the Housing Alliance, who takes the lead, and is the City as ambitious with resource asks?</p> <p>Matt Tschabold explained that, because we’re not a direct recipient of State funds, we try to support the positions our partners take on funding (whether it’s the County or community-based partners). To the extent that one of our partners brings it up at the alliance table, and it’s an agenda item, we tend to support the ask.</p>	
<p>Budget Review and Preparation</p>	<p><u>1:00:45 – 1:36:42</u></p> <p>Mike Johnson, Finance and Accounting Manager for PHB, gave a presentation on Bureau budget basics and processes.</p> <p>Mike had expected to see a big dial-back on federal grant funding, even to the point of those funds going away altogether, but Congress increased the funding instead. Mike speculates that there are members of the House whose constituencies use CDBGs for</p>	

	<p>infrastructure, and that funding was increased because those grants are a pretty major underpinning of infrastructure budgets in certain parts of the country (whereas Portland uses CDBGs almost exclusively for housing).</p> <p>A consultant for the Mayor’s Office produced a document detailing different thinking on the city budget process. They are still in the process of distilling that feedback into what a final budget process will look like, and the CBO is trying to roll that process out later in September.</p> <p>Jane Marie Ford from the Budget Office explained that they expect to have overall process guidance worked out by the end of September. She said they normally don’t get more programmatic / priorities guidance until a little later in the process, but they have work sessions scheduled for later in October.</p> <p>Shannon Callahan wants to make sure we do more outreach to advisory bodies and get their thoughts earlier in the budget process.</p> <p>Sarah Zahn said it would be helpful – as we talk about how much money PHB sends to Multnomah County – to have someone from the County address PHAC and explain what that money is being used for.</p> <p>Shannon Callahan urged Commissioners to keep in mind that long-term commitments to projects in the pipeline do not have flexibility.</p> <p>Diane Linn stressed the need to fund continuum of housing needs across the board. She said that choices within the CDBG piece at the local level can change emphasis, and that’s part of the question of where we should be putting the resources. She is interested in discussions on how to apply the next available public resource to the most compelling need, and not just to the next project or program that sounds good. She urged coordination with other funding sources out there.</p>	<p>PHB staff will update Commissioners when a budget process has been finalized.</p> <p>PHB staff will send the Bureau’s adopted budget to commissioners, as well as a link to the budget visualization from the CBO.</p>
Good of the Order	Sarah Zahn adjourned the meeting.	