



**PORTLAND
HOUSING
BUREAU**

**N/NE Neighborhood Housing Strategy
Oversight Committee**

March 8, 2017

6:00 -8:30 pm

New Song Church

2511 NE MLK Jr. Blvd. Portland, OR 97211

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

May 2018 Meeting Minutes

Members Present: Felica Tripp, Jillian Saurage, Dr. Steven Holt, Dr. T. Allen Bethel, Sheila Holden, Dr. Karin Edwards

Members Excused: Virgie Ruiz, Cupid Alexander, Triston Dallas, Marlon Holmes, Dr. Lisa Bates

Staff Present: Sawyer Sheldon, Andrea Matthiessen, Dana Ingram, Javier Mena, Matthew Tshabold, Ira Bailey, Leslie Goodlow, Shannon Callahan, Letimya Clayton

Guest Presenters: Travis Phillips – PCRI, Destin Ferdun – Bridge Housing, Jessica Woodruff, Dan Valliere, Pamela Benoit, Ed Slope, Maurice Rheaming – REACH CDC, David West – IHI

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Welcome	<p>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 the public to comment on any of the current agenda items. For comments, issues, or concerns not related to the current agenda items, or in today's presentation, please speak with one of the committee members or PHB Staff present, or use the contact information on the business cards provided.</p> <p>Admin Note - Contact information on the business card is as follows: N/NE Neighborhood Housing Strategy 421 SW 6th Ave., Suite 500, Portland, Oregon 97204 Phone: 503.823.1190 Fax: 503.823.2387 Email: NNEstrategy@portlandoregon.gov Web: https://www.portlandoregon.gov/phb/72705</p>	
PHB Updates	<p>Shannon, Matthew, and Leslie gave the update. Shannon says that since the last oversight meeting PHB has met with the partners to review each family for mortgage readiness, and ability to afford homeownership under that program. Based on preliminary assessments it became clear that PHB was not able to do a full assessment in time for this meeting, and that many of the households did not have a clear path</p>	

	<p>forward for buying a home under the provided options by 2019. Says that moving forward modifications need to be made to the homeownership process. Says that first steps in monitoring this process will be to have one centralized list of Preference Policy families. Says PHB will work with the Portland Housing Center (PHC) to manage the list. Says this method will allow for smoother management of the list and will allow for the types of reporting that the committee and the community needs to assess performance of the program. Says they should have a complete report for the committee at the July meeting.</p> <p>Jillian asks about the single managed list; wants to know if it is for both earmarked and non-earmarked funds. Shannon says it is a list for both the first and second round families; says money is not being moved. Jillian asks if the people on the list are not going to be ready by the 2019 deadline, will they be prioritized in the next round of the preference policy list? Shannon says yes, which will leave some slots on this list empty that they will need to repopulate, says they can't do that without knowing for sure which families won't make the 2019 deadline.</p> <p>Shannon says that they would like to add a new, non-geographically bound, home loan product for the families on the preference policy. Says one of the priorities for Mayor Wheeler and for PHB is to close the minority homeownership gap. Says the mayor will be announcing the first dedicated funding stream next month. Says that the first 10 slots will go to preference policy families. Says the original goal of the preference policy was to have 65 new homeowners in N/NE. Asks how the committee would feel if the families were instead allowed to look anywhere in the city.</p> <p>Jillian asks if the funds would be land trust funds or down payment assistance loans (DPAL). Shannon says the funds would not be restricted but for the 10 preference policy families it would be DPALs.</p> <p>Dr. Holt says he is very excited about the prospect of non-geographically bound loans. Asks the committee how they feel about the 10 families being able to buy anywhere in the city and not just in N/NE. Asks if those 10 families are in addition to the 65 preference policy home owners. Shannon says 10 in addition to the 65.</p>	
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	<p>Dr. Holt asks each member what they think. Sheila says that as long as the profile of the families taking advantage of the opportunities is the same, she doesn't have an issue with it. Jillian says that part of the N/NE housing strategy was to right a wrong that was done to the community. Says there was also the goal of bringing people back to the community that was displaced. Says she doesn't have an issue with it. Dr. Bethel says he doesn't have an issue with it. Says that there were cases of people finding homes just outside of the URA boundaries and this would help alleviate that. Says that along as the profile of the 10 families fits into the preference policy's goals, he would be fine with it. Felicia agrees with the committee. Dr. Holt agrees. Shannon says that they will bring it back in July to the full committee.</p> <p>Shannon continues the update. Says that the DPAL forgiveness program is being restructured with phased forgiveness in year 15 and full forgiveness in year 30. Says PHB will provide quarterly updates. Says this is a city-wide change. Says it would apply retroactively to 2015. Says PHB is hopeful that they will have it in front of city council in June. Shelia asks if PHB extends it to the whole city will there be enough funds to cover the forgiveness across the city. Shannon says she doesn't believe it would have any marked impact on the ability to forgive loans. Dr. Edwards asks how the phasing works. Shannon says starting at year 15 the forgiveness is 50% and the 3% every year afterwards. Jillian says she is pleased that PHB heard the committee and made the alterations recommended. Dr. Bethel says that he is very pleased this is happening. Says it will allow for families to grow wealth and pass it along. The committee votes to support the DPAL forgiveness program, and recommend to council that it be adopted.</p> <p>Shannon introduced the quarterly reporting and turns it over to Matthew. Matthew says that historically there has been confusion about what funds are going where, how fast, and how that is helping meet goals. Explains the tables and charts provided. Says they will work with PHC to refine the performance metrics. Jillian asks if the barrier to purchasing has been the rising cost of housing or moving families to the mortgage readiness stage. Says it's a bit of both, says some of the families incomes mean they will have a hard time getting a mortgage loan, and the rising costs of houses isn't helping. Jillian asks if someone starts making more money would that kick someone out of the program, or once they are in are they in. Leslie says PHB has an agreement with Prosper</p>	
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	<p>Portland; says PHB was give \$5M spread over several programs, one of which is for 80 – 120% MFI DPALs.</p> <p>Matthew says there is \$3.1M from the N/NE allocation, \$4.1-\$4.4M in Tiff-LIFT and about \$750k from base Tiff. Says they want to consolidate those funds into one set of performance targets which would be; 80 households served by 2020 and about 201 – 211 served by 2022. Says they have served 61 households so far; which is 76% to the 2020 goal, and 30% towards the 2022 goal. Says on the home repair side there are 3 revenue streams as well. Says the goal is 160 households served by 2020 and 1,020 – 1,080 by 2022. Says they have served 240 households, 150% of the 2020 goal and 24% of the 2022 goal. Shelia asks if PHB collaborates with the Multnomah County weatherization program. Leslie says yes. Matthew shows the rental development indicators. Says to meet their goals they need to produce 140 affordable rental units by 2020 and 301-380 by 2022. Says there is currently 146 units – 104% to 2020 and 38% to 2022.</p> <p>Dr. Holt says he appreciates the reporting. Says the committee has been asking for it and this is very helpful.</p>	
<p>Rental Development Partners – Letter</p>	<p>Destin began. Says that the partners are there to work with PHB to help get people into homes; says that all partners are suffering from gap financing. Says there are three main reasons for this. 1.) the loss of tax credit equity in association with President Trumps tax reforms. 2.) rising interest rates 3.) local construction costs escalations. Says they have sent a letter to PHB and the mayor’s office saying they are interested in solving the gaps. Says there was meeting with PHB and mayor’s staff to discuss the issues. Jessica says that collectively these four agencies represent 370 rental units, and have \$12.5M gap. Says as of the date of the letter they had \$16M worth of funding applications in to the state – says one \$5M application has been declined, but they don’t know about the other \$11M. Travis says that 3 of the projects are ready to go in for permit and a fourth is close behind. Says that PHB has halted funding discussions until the Lift awards have been made. David says all four the organizations are open to a work session with the committee after the awards are made, if that is something the committee would find useful.</p>	

	<p>Dr. Holt asks if there is a specific ask of the committee. Jessica says that it is more an offer of a special meeting in June if the committee would find it useful. Felicia asks if the projects will be able to move forward without the Lift funds. Jessica says that the Lift funding won't solve all the gaps on all the projects, but that is why they are working with PHB. Felicia asks if the partners know what they would need from PHB. Jessica says they know what their individual gaps are. Says they are meeting with PHB later this month. Shelia asks about the preference policy work group asked for in the letter. Destin says that they are hoping to better implement the preference policy. Travis says that they have been working with the preference policy on a project by project basis; says that they want to work collectively to make sure everyone at the table has a common understanding of the policy. Dr. Holt says that he supports the idea.</p> <p>Jillian congratulates the partners on get 146 units online this year. Sheila asks if there are people lined up for the units? Wants to know if reviewing the preference policy should happen before lease up. Matthew says that PHB has already ran the preference policy round for the units and have sent the names to the property managers already. Says that there have been some complexes that have opted in to the preference policy and are using it without "having" to use it.</p> <p>Dr. Edwards asks if the partners will have the same funding issues going forward. The partners say Destin says that these problems happened after they already had the funding reservations; says that now that we know what the issues are they can better plan for them in the future. Jillian says that whether PHB is first money in or last money in on these projects the committee needs to know so they know how long the units will take to get online.</p> <p>Dr. Holt says that a collaboration will be key going forward.</p>	
<p>Reach presentation on Argyle Site updates</p>	<p>Dan gave the update. Says this project is part of the projects waiting on Lift financing. Says that the site was owned by Trimet and that Reach CDC was selected through a competitive process to develop the site. Says that the project was initially envisioned to have retail space and some market rents but that proved not economically feasible. Says the project is now 100% affordable housing. Says the project is currently 189 units of affordable housing and shows slide 2, which is a breakdown of unit mix. Says there will</p>	

	<p>be income requirements as well. Jessica says they are in the construction development phase. Says they are ready to submit for permits but that they are waiting to hear back about the state Lift applications. Explains the site plan and design updates on slides 3 – 8. Dr. Holt asks if the private courtyard will be fenced. Jessica says that is not the plan right now. Jillian asks if there is a playground; Jessica says yes. Jillian wants to know if some of the community space was converted into units. Jessica says there are more family sized units now.</p> <p>Slide 9 – Ed says the good faith effort has begun. Says that they will then solicit bids as needed. Says they are already at the 30% MWESB goal. Maurice walks through slides 10 – 11, workforce development strategy, focusing on women and minorities.</p> <p>Dr. Holt asks what the funding gap is. Jessica say \$5.9M. Dr. Bethel asks what the gap was when there was commercial space in the building. Jessica says it was an addition \$4M in a financing gap. Sheila says she appreciates the MWESB effort, says she is glad to hear they will most likely exceed the 30% requirements.</p> <p>Dr. Holt says that Marlin Holmes sent an email with his comments; the email says, in part, he was glad to see the steps taken on the MWESB front, says that he greatly appreciates that new community space. Dr. Holt says that he is glad to see more family sized units and the commitment to MWESB participations.</p>	
<p>Public Comment</p>	<p>James Posey says he is there representing the NAACP. Says that he would like to see a breakdown of the racial makeup of the preference policy participants. Says he would like to see the information on a website; is given the web address for the PHB's. Says he would like a closer look to be taken at the records of what has actually been done for that 30 MWESB requirement. Says he would like the committee to focus on the NMAC organization as a whole. Says that he would like to see unions be used less as they do not have a good history of working with black folks.</p> <p>Suzanne Veandy Cassus works for PCRI getting people mortgage ready. Says many of the people she works with are on the preference policy. Says that bringing PHC on as a list keeper / screener is not a good idea. Wants to know if they are reassessing the 45 families going through the process now. Says that people on the list have been</p>	

	<p>historically traumatized. Says this is another barrier. Says its more than just the figures, it's about developing trust. Says that she learns more than just the figures. Says that if we take that person information and give it to someone else that is yet more trauma. Says she doesn't feel that is fair. Says creating this list won't make them mortgage ready quicker. Says its about the relationships and the action plans they use to help people along in this process.</p> <p>Travis Phillips with PCRI wants to give appreciation to PHB for expanding the opportunity area for families moving into homeownership outside the URA. Says that PCRI has been advocating for a while now. Says that PCRI has some sites outside the URA but still in the close in N/NE area and would like it be considered that might be something they could do.</p> <p>Andrea Debnam and Linda Tellis – Kennedy from PCRI read a letter that says, in part; that the preference policy is a duplicate of the PCRI right to return policy expect it requires more proof of former residence in N/NE. Says that the idea of adding PHC as a third party to manage the list is unnecessary. Says that it is going to be used to justify why there has not been more homebuyers. Says that this failing to have more homebuyers isn't a failing, just a miscalculation on PHB's part for how long it would take for people to become mortgage ready. Says that it was inappropriate for PHB to project a timeline for the participants and not consult the agencies working with them. Says that the restriction to the Interstate URA was short sighted. Says that PCRI's participants for the most part was not able to afford homes the URA. Andrea now speaks. Says that the plan was not properly thought out, says that the plan to include PHC was not thought out and was reactionary based on the last oversight committee meeting. Says that it is time to collaboratively solve the problem. Says the new process is not warranted and condescending. Says the city should do the assessments in its capacity versus engaging another organization. Says housing development takes time.</p>	
<p>Wrap-Up</p>	<p>Dr. Holt thanks the community and the committee for their time and for coming. Reminds the audience that these meetings are available on cable channel 30 and on YouTube.</p> <p>Next meeting July 12, 2018.</p>	

