



**PORTLAND
HOUSING
BUREAU**

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

June 28, 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

June 2018 Meeting Minutes

Members Present: Felica Tripp, Jillian Saurage, Dr. Steven Holt, Dr. T. Allen Bethel, Sheila Holden, Dr. Karin Edwards, Dr. Lisa Bates, Virgie Ruiz, Cupid Alexander, Triston Dallas, Marlon Holmes

Members Excused:

Staff Present: Sawyer Sheldon, Matthew Tshabold, Leslie Goodlow, Shannon Callahan, Letimya Clayton, Karl Dinkelspiel, Victoria James

Guest Presenters: Dan Valliere, Pamela Benoit, Lucy Corbett – Reach CDC, Justin Douglas – Prosper Portland

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>	
Reach presentation on Argyle Site updates	<p>Dan Valliere gave the update. Says that three of the four rental projects have secured funding for their funding gaps. Says the four organizations have been working closely. Says that Argyle was not selected for LIFT funding, but another two projects were selected. Says the current funding gap for Argyle is \$5.2M. Says there are two options going forward. Pamela says option one is 189 units. Says that it is ready to submit for permits, and construction can start late this year / early next year, placing move in</p>	

	<p>around in mid-2020. Says they know what financing is available with this time line and what constructions costs would be. Says the units would use the Preference Policy. Says this would bring the PHB investment to \$15.9M which is \$84k per unit. Dan says option two is a two-phased approach. Says phase one would be approximately 97 homes, and phase two would be approximately 92 homes. Says they would need to split the property into two lots for this to work. Says they would have to redesign the buildings since there would be two of them now; says all this would take about 9-12months. Says phase one would be completed by late 2020, phase two is uncertain due to financing. Says the cost per unit would be much higher as well. Says that community space would have to be re-designed as well. Says that they are making the request of the Oversight Committee to recommend to PHB to fund the \$5.9M funding gap for option one.</p> <p>Lisa asks who holds the decision-making power in this case. Shannon says PHB and the commissioner in charge, Mayor Wheeler, do and that would then be taken to City Council for final approval. Lisa asks why this project was not selected for LIFT funding. Wants to know about the original NOFA request. Shannon says this did not go through the standard NOFA process because it was on a parcel owned by Tri-Met. Says the director at the time chose to allocate funding that way. Says there was Oversight Committee representation for that decision on a panel put together by Tri-Met.</p> <p>Lisa asks about the LIFT process. Dan says that they were within two points of the threshold for funding. Says the two places that stood out for lacking was the average income level served. Says that other projects have Project Based Vouchers (PBV) to help those units become even more affordable. Lucy says the state also mentioned total construction costs and cost per SQFT. Lisa says that this would represent over 40% of the remaining budget going to this project. Lucy says they are asking for an equal amount of subsidy as comparable projects in N/NE. Lisa says they are also not serving as low of incomes as those other projects. Dan says the project is larger and has both 60% and 30% units – but there are fewer than other projects.</p> <p>Cupid asks to be walked through phase two and option two would look like. Dan says they have not done the re-design yet, but they will strive for a similar unit mix to what</p>	
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	<p>they have now. Cupid asks what the unit mix looks like basically; wants to know 1bd rooms, SRO's, ect. Lucy shows slide 8 with the break down.</p> <p>Jillian asked if they have sought additional PBV's for this project? Dan says they have had conversations, but Home Forward has not opened the vouchers up. Jillian asks if they were not to get the \$5.9M gap filled, how would they ensure that in option two (the two phased one) how would they ensure that phase one did not have a funding gap. Dan says they can't ensure that now; says they would have to do the redesign and split the lot and see where they stood. Says they cannot say with certainty that there would not be another gap.</p> <p>Lisa asks if, in the two-phased project, is there an opportunity to raise the amount of family sized units in wither phase? Dan says he doesn't want to say yes and have it to have been misleading. Says that in phase two there is more flexibility. Says there is ongoing capital campaigns happening at Reach.</p> <p>Shannon says that if they were to fill the gap it would be done with URA funds.</p> <p>Sheila asks about option two. Asks if for phase two would there would be more PBV's available. Dan says that is up to Home Forward and how the federal governments funding levels change. (Slides 2 -16)</p>	
<p>Pipeline Update</p>	<p>Karl gave the update. Says there three other projects to update on. Says the other projects are: (Slides 19-22)</p> <ul style="list-style-type: none"> • N Williams Center – Bridge Housing, site owned by Multnomah county. 61 units with 40 PBV. \$24M total, PHB contribution \$4.5M. Says there was a \$2.5M gap that has been filled by an award from the state. Construction expected to start by the end of the year/ early 2019. • Magnolia 2 – Innovative Housing, 50 units, 2 & 3-bedroom units. \$16M total cost, PHB contribution is \$4M, received \$2.2M from state; not sure that fills the gap completely, but thinks so. Construction in permitting now, expected to start in November. 	

	<ul style="list-style-type: none"> King Parks – 70 PCRI, units with some town homes, gap of \$1.2M filled by PHB making total PHB contributions \$5.7M. 	
<p>Land Banking</p>	<p>Leslie and Shannon gave the update. Leslie says there are a few opportunities to purchase property in the district. Says that they meet the goals of purchasing from long time property owners and people of color. Says they are projecting they could do 150 – 200 units depending on the mix; and on the Syracuse property 50 – 70 home ownership units. Says they are asking the committee for a recommendation to purchase the land with some of the unprogrammed dollars for land banking in the district. Shannon says this will also feed into the next agenda item as well. Says there are \$13M in unallocated resources and wants to be sure they would still have resources to develop properties that are purchased.</p> <p>Jillian wants to know how much the properties cost. Shannon says it would be about half of the unprogrammed resources. Sheila asks if this is in the ICURA and wants to know about the minority piece. Leslie says that she knows that at least one of the properties is owned by an African American community member, she is unsure about the rest, but knows they are long time property owners. Dr. Holt asks how much the Syracuse property is, since it is Water Bureau owned. Shannon says about \$3.3M; says that the property is not in the URA as of yet though.</p> <p>Dr. Holt holds the discussion until the next agenda item is heard.</p>	
<p>ICURA Expansion</p>	<p>Victoria of PHB and Justin of Prosper Portland give the presentation. Tax Increment Financing (TIF) is a financing option used in Urban Renewal Area’s (URAs); it is used as a subsidy for redevelopment and setting up infrastructure and development in those areas. Says that Urban renewal is done once they have reached maximum indebtedness (when they can’t barrow any more money). Says that they can barrow \$335M for the Interstate Corridor URA (ICURA), and that as of March 2018 they are at \$236.5M. Says that as the meeting has alluded to, there are several opportunities that people want to pursue for this area. Says they are proposing to increase the maximum indebtedness by 20%, which would be an additional \$67M. They are proposing a 70/30 split where \$45M goes to PHB and \$22M goes to Prosper Portland. Says that would be a substantial</p>	

amendment to the agreement, meaning there would be a slew of public meetings, and an engagements processes. Says they will get into more details in the July joint meeting. Says this would allow up to 20% acreage which would add 742 acres of land to the URA. But since the boundaries have been increased over time there would only be an increase of 291 acres. Slides 23-28.

Felica asks if the physical boundary would expand as well. Justin says that it could be expanded in that major amendment as well. Leslie says that they would like to include the Syracuse property in the expansion as well.

Sheila wants to know where the boundary would expand? Leslie says they have been working with Prosper Portland on where to build housing outside the district and homes as well. Says they would have to do a greater study to see what could be included.

Marlon asks if Tiff is paid for by homeowners in a URA. Justin says that all Portland property owners pay a portion of their property taxes to urban renewal, but they money generated must be spent in that geographic area. Marlon asks if it would increase property taxes? Justin says no, taxes would not increase.

Sheila asks if the county is on board. Leslie says they are going more in-depth with that in the July meeting. Says the whole process could take a year.

Jillian asks id the URA has a Sunset date. Justin says no.

Lisa says there will be push back from the community on this proposal.

Felicia says that they should not rush through this process.

Marlon says they must be purposeful with their goals and aims.

Shelia says when this ICURA was first developed they said if anyone was adversely affected there would be money on the back end to make up for it. Says she wants to see that is being followed through with before she would want to make any sort of recommendation.

Jillian says that she would like to see how Prosper and PHB are working together to build housing and build economic opportunities.

	<p>Dr. Holt asks the committee what next steps should be.</p> <p>Felicia says there should be a Community Benefits Plan between PHB and Prosper to make sure things are being thought through.</p> <p>Lisa says she would like more clear information around the choices to be made, specifically around knowns and unknowns.</p> <p>Cupid says that it may be useful to look at the budget to see what money sources there are and how they are used.</p> <p>Sheila says that she knows there are other projects out there that want and need more funding, says that she wants to see people be very intentional on what deliverables they are looking for.</p> <p>Dr. Holt asks what the position of the committee is for Land Banking, understanding that it could take half of the remaining resources.</p> <p>Felicia says she is pro land banking but is unsure about this plan, supports the Argyle project as well.</p> <p>Marlon says he is pro land banking and is pro the Argyle project.</p> <p>Lisa says she is pro land banking, is pro the Argyle project as well.</p> <p>Shelia says she is pro land banking but wants it to be strategic; says she supports the second option of the Argyle project.</p> <p>Jillian says she is pro land banking. Says that the Argyle has one of the lowest PHB subsidy per unit ratios of any project. Says that she is pro Argyle.</p> <p>Dr. Holt says that he is pro Argyle project.</p>	
Public Comment	None.	

Wrap-Up	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. Next meeting July 19, 2018.	
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