



**PORTLAND
HOUSING
BUREAU**

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

September 14, 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

September 2017 Meeting Minutes

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

Members Excused: Marlon Holmes

Staff Present: Norma Trujillo, Sawyer Sheldon, Andrea Matthiessen, Ira Bailey, Matthew Tschabold

Guest Presenters: Kimberly Brannam & Tory Campbell – Prosper Portland, Sarah Stevenson & Team – Innovative Housing Inc., Dan Valliere & Jessica Woodruff – REACH CDC

| Agenda Item | Discussion Highlights | Outcomes / Next Steps |
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| <p>Welcome</p> | <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:</p> <p>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> <p>Matthew gives an FYI; says that Cascadia Behavioral Health voluntarily reached out to PHB for help utilizing the Preference Policy for their new building. Says they anticipate collecting applications in mid to late October. Says there will be 31 units that will utilize the Preference Policy; 4 studios, 24 1-bedrooms, and 3 2-bedrooms.</p> | |

Legacy Property Project

[Kimberly Brannam](#) and Tory Campbell give the update from [Prosper Portland](#). Kimberly gives a brief history of the site; says that the Hill Block was once the center of the African American community in NNE Portland as well as the commercial corridor for the community. Says that they have heard from the community many times that this block needs to be developed in a way that gives back from the community. Says Prosper Portland has collaborated with Legacy Health and the Mayor's Office to bring this proposal to the committee. Says they have reached an agreement to develop the 1.7-acre site which is owned by Legacy Health. Says that Legacy Health has agreed to contribute the site to the project, as well as pay for any portion that is utilized for medical use. Says they have committed to a transparent and community focused engagement process (outlined on slide 5). Says that there is about 25,000 sqft they can develop on the site and that the zoning of the site will change in 2018 when the Bureau of Planning & Sustainability's (BPS) Comprehensive Plan goes into effect; says that this will greatly increase what can be built on the site (slide 7). Says that Legacy's Community Partner Committee wants to focus on wealth creation and affordable housing in a way that honors the community. Says that the site is currently outside the Interstate Urban Renewal Area (URA), making it ineligible for URA and TIFF/Lift funding. Says they are considering whether amending the URA to include the site is feasible; says that amending the URA does not guarantee funds, it just makes them eligible to apply to them. Says that next steps (slide 10) are focused on community engagement in meaningful ways.

Dr. Bethel says that Legacy wanting to give the property back is a good thing, but that he is surprised that they only want to pay for medical portions. Says that when they took the land Legacy said it was to build affordable housing for the employees of the hospital. Wonders why Prosper Portland isn't holding their feet to the fire to have Legacy help pay for the non-medical housing as well. Says he doesn't want to see Legacy get off that easily. Says he is asking the government to help push Legacy because the government was also part of the taking of homes and businesses as well. Kimberly says she was under the impression that PDC and the Housing Authority were responsible for delivering the housing part of the plan back when the site was taken; says that PDC was a part of the condemning and demolishing of homes as well, and wants to be sure that

all parties involved in that are held accountable with this new project; says that she will look into that.

Dr. Bates says that there are many people on this committee who were directly affected by the taking of homes and businesses. Says that because the opportunities that were promised when those places were razed never come to fruition there was an ongoing broken promise from everyone involved. Says that she is interested in details of this reconciliation; wants to know to whom will Legacy transfer ownership of the site. Wants to know what “community engagement” means to them; is it a forum where people say what they would like to see, or will it be a Community Benefits Agreement (CBA) with an enforceable monitoring process? Kimberly says that she is not sure to whom the property will be transferred to; says that Prosper Portland is an option but nothing has been decided. Says that a CBA sounds reasonable to her, but that she doesn’t want to get ahead of the project working group. Lisa strongly suggests that whoever is involved in the project look at the best practices from other CBA’s around the country; she suggests [LA Alliance for New Economy](#) for [Hollywood and Vine](#) and the [Staples Center](#) projects. Lisa asks if there is any reason that TIFF money would not be used, and if TIFF isn’t used who will the oversight body be? Kimberly says since they don’t know what exactly will be on the site yet, if say a park was built TIFF would not be used; says that if housing or the like were built then they would want to use TIFF dollars. Says if TIFF is used the oversight would be from this body and the NNE Community Development Initiatives (NNE CDI) body. Says that as for housing the decision making would rest with this group. If it was decided that a cultural business would be more appropriate, then the NNE CDI group would be the decision-making body. Says the project working group is charged with keeping the project moving forward.

Dr. Holt says that there is a request for members of this body to join the project working group as well.

Shelia says that she is glad to see this project has begun, says that she would like to see something like a CBA to ensure that promises made are promises kept. Says that this is a great opportunity to fulfill the goals of the URA when it was created and that it was meant to morph over time to make sure that those goals could be met. Kimberly agrees,

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| | <p>says that they did a report on the URA to measure if those goals were being met. Lisa asks if that report is available. Kimberly yes, says she will send it.</p> <p>Tory Campbell is the Entrepreneurship & Community Economic Development Manager, says he usually works with the NNE CDI Oversight Committee and wants to give an update on that body. Says that the committee began in May and it is tasked with allocating \$30M into economic opportunities for the area; says they are tasked with doing this well, timely, and with good, measurable outcomes. He talks a bit about what has been accomplished in the last 6 months (slide 12) and explains that their big push now is to make sure that people know about the committee and the funds available.</p> <p>Dr. Holt says that it would be a good idea for the two committees to meet and dialog. Says it would be helpful if PHB could provide a status report of committed and uncommitted funds for the URA to help inform discussions of funds available for the Hill Block property.</p> | <p>Get URA status report from Prosper Portland.</p> <p>PHB report of committed & uncommitted ICURA funds.</p> |
| <p>Magnolia 2</p> | <p>Many people gave the update for Innovative Housing. Julie says that this project is a continuation of their neighboring building, the Magnolia. Says this is focused as a family project with 50 affordable units; 17 1-bedroom, 23 2-bedroom, and 10 3-bedrooms (slide 17). Architect says that a big draw is that the residents will share amenities with the existing building such as outdoor spaces, play areas, and resident services (slides 15-17). Bremik Construction will be the general contractor and has committed to exceeding the 20% DMWESB requirements (slide 18); is working with MCIP (slide 19) and NAMC (slide 20) to achieve this goal. Constructing Hope explained what the “Makers Space” on the blue prints is (slide 21); says it is designed to be a space to introduce the community to trades and construction. Says that it is a community room that will function like a high school shop space so that residents living in the building will have a work shop space. Says that Constructing Hope will provide workshops, tools, safety gear and training to anyone in the building, including a youth (ages 15-19) program. Sarah Stevenson (IHI) explained the equity commitment (slide 22) and resident services (slide 23) that will be available to the residents.</p> <p>Shelia asked if MCIP and NAMC have worked with Bremik before? This is NAMC’s first time working with them, but MCIP has worked with them before. Asks if these small</p> | |

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| | <p>businesses prove themselves on this project, will they have an opportunity to work on future projects with Bremik? MCIP says that is always the goal, yes; Bremik agrees. Asks about sustainability of the project? Innovative Housing says that the project will have an Earth Advantage Gold Certification, says focus will be on economic savings for residents and the protection of resources; for instance, LED light fixtures and solar panels.</p> | |
| <p>ADU Program</p> | <p>Ira Bailey and Andrea Matthiessen from PHB gave the update. Andrea explains that an ADU is an Accessory Dwelling Unit, it is a secondary living space on a property, like “mother in law” quarters, or can be built into an existing structure, such as a basement studio apartment. Says that this proposal is for a pilot program which is being brought to the committee because PHB has heard from the community over the past few years that there needs to be more done to help long time and low income homeowners retain their homes (slide 28). Ira says that this program falls into the NNE homeowner retention strategy and is aimed at lowering displacement by increasing the owner’s income through rent revenues, or by allowing family members, or medical care providers room and board. Says that for this pilot the units would be built in basements, PHB would not regulate them by making them affordable; however, they will not be allowed to be short term rentals (ala AirBnB). Says that while they will not add to the affordable rental stock, they will add to the overall rental stock in Portland. Ira adds that there is nothing barring the owners from making the units affordable either, just that PHB will not enforce affordability on them; says this is to provide maximum benefits to the owner.</p> <p>Ira says that PHB will offer a loan (slide 30) to build the units – \$80k maximum – and the loan must not exceed the homes equity amount (slides 31--33). Says that there are a few requirements for participants (slid 34) to make sure they are ready to be landlords; says that the ADU will cause a property taxes increase, but there is no way of knowing how much until the tax accessor looks at the ADU. Says that per a survey of similar homes with ADUs usually add around \$500 - \$1,400 in taxes a year. Says they will start outreach to the area with mass mailings to residents and targeted follow up letters.</p> <p>Lisa asks why is it limited to basements only, why not garages? Ira says that after talking to designers on average the basement is the least expensive place to add an ADU. Says that detached ADU’s can cost around \$120k. Andrea says they talked to the ADU</p> | |

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| | <p>program at PSU to really drill down on the average costs of ADU's, says basements will allow PHB to serve more homes. Ira says if someone wanted to use PHB's \$80k and then try to get another \$40k loan to do a garage or a standalone ADU it becomes an issue of financing and may create financial burden for the homeowner; standalone ADU's also adds to homeowner's insurance in a more substantial way. Says that the basement allows PHB to control the most variables for this pilot.</p> <p>Jillian says her garage was converted to an ADU for a lot less than \$80k, so wants to know where these numbers and restrictions are coming from.</p> <p>Shelia asks about attic spaces; says that basements could be more damp.</p> <p>Andrea addresses the restrictions; says this is a pilot and is meant to teach PHB about how ADU's could help with home retention. Says that the restrictions are to control variables for this pilot, and starting with basements will allow PHB to iron out the details of how to collect applications, who to select, how to prepare and train them, construction considerations, and the like. Says if pilot is successful this may become a new program.</p> <p>Cupid says that he wants be very clear with people who would apply for the program about what becoming a landlord means, as well as the difference between assessed / market values of this addition to their home, the tax implications.</p> <p>Dr. Holt says that there is clearly a lot of interest in this idea. Says he hopes this will inform conversations going forward.</p> | |
| <p>Recommendation to increase the subsidy from \$80k to \$100k</p> | <p>Andrea gives the update. Says that she is back because during the July oversight committee meeting the committee asked for more information. Says that the request to increase the per unit subsidy from \$80k to \$100k in loan assistance would be for A.) a Down Payment Assistance Loan (DPAL) or B.) a land acquisition and building loan. Says that the African American Alliance for Homeownership Collaborative brought this request forward. Says that going from \$80k to \$100k for a family at 80% AMI makes them more competitive in the market and allows them more homes to choose from in the market currently. Says that PHB's Financial Development Staff evaluated 3 different homeownership projects and the take away so far was that if the subsidy stays at \$80k</p> | <p>REVIEW FOR ACCURACY CLARITY</p> |

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| | <p>per unit PHB can continue to build homeownership rates for households between 80% - 120% AMI, says it would be hard but doable. Says if they want to keep helping households 60% - 80% they would need to increase the subsidy.</p> <p>Lisa asks what is needed from the Oversight Committee? Andrea says they are looking for support for the increase.</p> <p>Dr. Holt asks the committee how comfortable they would be making a recommendation at the time. Jillian says she hasn't had time to review the information; Triston agrees.</p> <p>Lisa says she is having a hard time understanding what these groups want, and wants to know what is going on with all the partners. Wants to know what the bigger problems are so they can address that. Steve from Habitat for Humanity says that with the Preference Policy we have identified who is most impacted and who has the most need but the families are saying they can't find anything with the current subsidy levels.</p> <p>Dr. Holt says we are out of time for now, but they will host a special meeting in October to specifically address homeownership.</p> | |
| <p>Interstate URA Projects Updates: N. Williams and Argyle</p> | <p>Dan and Jessica gave the update for REACH CDC. Dan says that the significant change is that there were assumptions made for the market rate rents that would support the project that have proven to be false. Says that they are considering changing the in affordability mix to make all units affordable, but regardless that there is a funding gap of about \$3.8M (Slide 39). Says they are looking to do private fundraisers and to apply with the state of Oregon for additional LIFT money. Says they are also talking to TriMet (who owns the site) about additional funding as well. Says that they will keep coming back with updates as fundraising continues.</p> | |
| <p>Public Comment</p> | <p>Mr. Posey says he was in another meeting where they were talking about the Housing Bond and its promised 1,300 units; says that it seems like everyone wasn't asking for what they really want. Says that Reverend Bethel was talking about holding Legacy accountable, says there are lots of people that need to be held accountable, not just Legacy; says it was utilities and other businesses. Says he wants them to think about what Bethel said, and what would it take to make the community whole, what is that</p> | |

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| | <p>number, and what does “whole” mean. Dr. Holt says there is a Bond Oversight Committee and he will provide the information for that offline.</p> <p>Lisa says she misses the boldness of the first groups who were discussing what to do with the initial \$20M that was set to be invested in the URA. Says she wants it to be bigger than dollars = units; says it needs to be an investment in the community. Says that this effort is being talked about nationally and when we stumble when the rubber meets the road people notice.</p> <p>Shelia says that it feels like they have a lot of pieces but no puzzle; says that they are always hoping to address the broader problems, but sometimes the individuals get lost.</p> <p>Cupid says that Dr. Holt is correct when he speaks of budget asks; says those are crucial when it comes to identifying groups that are underrepresented. Says that there are agencies who offer these wraparound services who could really help community members and that it is important to pair them up.</p> <p>Matthew says that he will be contacting the committee for ideas to submit in PHB’s overall budget. Says he would like to present it at the special meeting in October.</p> <p>Dr. Holt says these are all good points and that it is the committees job to hold everyone accountable. Says that there are lots of issues in the community but that even if at the end of the day all they have delivered is affordable housing and economic opportunities that is still a win.</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 October 12, 2017.</p> | |