

Portland's Housing Bond

**Bond Oversight Committee
October 4, 2018 Meeting Minutes
Portland Housing Bureau (421 SW 6th Ave, Portland OR 97204)
9:00-11:15am**

Full audio recordings of Bond Oversight Committee meetings are available online, under the "Meeting Recordings" header of the following page:
<https://www.portlandoregon.gov/phb/74341>

Members Present: Allan Lazo, Todd Struble, Jes Larson (Vice Chair)

Members Excused: Susan Emmons, Stephen Green

Staff Present: Dr. Steven Holt (Facilitator,) Shannon Callahan, Karl Dinkelspiel, Tanya Wolfersperger, Jennifer Chang, Stacy Jeffries (recording)

Guests: Molly Rogers and Amanda Saul (Home Forward)

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Call to Order, Roll Call, Minutes	Dr. Holt called the meeting to order at 9:30 am. <i>(Several BOC members and staff were delayed as they were in transit from another meeting.)</i>	
Director's Update	<p><i>(see the "Meeting Recordings" header of the following page: https://www.portlandoregon.gov/phb/74341, at 12:10 of the recording)</i></p> <p>Shannon Callahan announced an ice cream social for the residents of one of the Bond properties (The Ellington Apartments) from 2 – 3 pm Saturday, October 6th and invited committee members to attend.</p> <p>She then addressed the impending constitutional amendment going to Oregon voters on Nov. 6th, which would make it easier to leverage money into projects from sources other than city and county funds. She pointed out we currently are not able to use tax credits – the primary vehicle for subsidizing affordable housing – or traditional bank loans, and are not able to offer the Bond assets as security for a loan. There is concern within the financial team of the Office of Management and Finance about having a liability on our books (the Bond), while having the asset owned by another entity. PHB has had early conversations with our chief financial officer and will work</p>	

	<p>closely with her office to craft ways to potentially have ownership in another entity, with the possibility of the city having partial ownership related to Bond dollars.</p> <p>If the amendment passes, a Bond Oversight Committee meeting will likely be scheduled in December to discuss. Allan Lazo asked what the city’s ownership might look like if the amendment does pass, and Shannon replied that we are still exploring possibilities – like creating an LLC in which the city, nonprofits, and others could all own a portion.</p>	
<p>Progress Report Dashboard</p>	<p>(see the “Meeting Recordings” header of the following page: https://www.portlandoregon.gov/phb/74341, 12:25 – 1:03:15 of the recording)</p> <p>Tanya Wolfersperger gave an update on the progress measures associated with the five Bond properties, noting that some are existing buildings with known unit counts, while others are estimates at this point. PHB is using conservative numbers that may change as programming and predevelopment plans are determined.</p> <p>Jes Larson asked if the inclusion of 198 permanent supportive housing (PSH) units means there is funding for services available. Tanya described this situation as “fluid” – stating it reflects what we’re hoping to accomplish and are working to secure funding for as buildings like 30th & Powell are constructed. Shannon noted we are coordinating closely with Joint Office of Homeless Services related to these goals and maintain ongoing conversations about identification and prioritization of PSH funds.</p> <p>Allan had questions about progress measures overall: We’re not quite to 50% of our target on units, but we’re over 50% on both funds expended and project-based vouchers. Karl Dinkelspiel noted there are only two existing, occupied projects, and the Prescott and Powell locations are still just pieces of land. This means some of the numbers associated with the overall progress measures are only projections at this point. As real numbers show up, we’ll have less room to maneuver, and will have to look at less expensive options. (Typically, acquisition will be cheaper than new construction.)</p> <p><u>Update on The Ellington:</u></p> <p>Tanya gave a demographic break-down of the current residents of the Ellington, noting we’re exceeding our 30% AMI income targets at the property. Residents in approximately 35 units may be over-income; they have yet to verify this information with management. Accordingly, management has sent them a written notice with an announcement in the safe harbor languages identifying the document as something important that they should have translated.</p>	

Jes asked what rents the households are currently paying. Molly Rogers from Home Forward confirmed that, that there are some residents earning 30% and below who are living in 60% units. That is partly by design, in order to best utilize the project-based Section 8 vouchers. Home Forward is on target to have 80 units restricted at 0-30% AMI, with 52 of those being Section 8. Once vouchers are deployed, those restrictions will be locked in by those specific units. As turnover happens, those rent restrictions are set, and people have to income qualify to move in.

After continued discussion related to over-housed residents (for example, a single-person household in a 2-bedroom apartment), the ability to transfer to other units/buildings, and existing waitlist preferences, Tanya noted there is a deep need for a resident services coordinator at this property.

Tanya reported on the demographics at the Ellington, where the resident population has a higher representation than the census tract of Communities of Color in all categories *except* for the Asian community.

In response to Todd Struble's inquiry about whether there was an API-specific agency making referrals to the Ellington, Jennifer Chang noted the Asian Family Center at IRCO was our primary community partner for referrals, and Asian Health Services has been added to the list for the future.

Update on the Burnside:

Tanya announced that leasing at the Burnside began in September, and there are currently 13 occupied units. A grand opening event is being planned for October.

Amanda Saul from Home Forward announced that they are working on a contract with Human Solutions to provide general resident services for the whole building. They are also working with JOIN to provide specific supportive housing services to the 9 PSH units and 7 units that will have a preference for residents transitioning from homelessness. Based on their work with JOIN and Human Solutions, there is a preference in place for families leaving homelessness, and homeless families will start to move in toward the end of the month with services will be in place to support them.

Allan asked if there were referral community agencies involved in leasing at Burnside other than JOIN, and clarification was provided that JOIN is the coordinating agency for the Homeless Families System of Care, and currently coordinating across 7 – 9 different agencies.

Update on pre-development at 30th & Powell:

Amanda gave an update on selection of the architect: Home Forward and PHB jointly convened a selection committee, which chose Holst. Home Forward's board will hopefully approve the contract in Oct., and then move

	<p>quickly to design. The process to select a general contractor will start soon as well, with an RFP going out in October that will include all of the city’s and Home Forward’s requirements related to the MWESB targets. When the architect comes on board in November, they’ll start working on a feasibility study of modular v. new construction to determine if modular construction is a reasonable design for this project, and if it would produce a substantial cost or time savings. The timeline is still to be determined, but the goal is to start construction in early- to mid-2020.</p> <p><u>Update on land on NE Prescott in the Cully Neighborhood:</u></p> <p>Tanya clarified there are no plans to do anything with this property until next summer. They have met with the Cully Business Alliance to make connections on the project and hear what their priorities are: family-sized units and commercial space. The Cully Business Alliance has a small pot of money for commercial development, which this property allows. PHB will further explore this opportunity.</p> <p><u>Update on The Westwind:</u></p> <p>Tanya gave an update on the Westwind, PHB’s latest soon-to-be acquisition. The Bureau expects to take the purchase to City Council for approval on November 14th, with a closing by the end of the month. In the meantime, we’re working to secure property management for the building.</p> <p>Jes stated for the record that she is interested in increasing the unit count at that property, since the site allows it. Tanya said the current building has 70 units, and that we’ll continue to assess our options, taking into consideration what makes sense for the community. She then requested that community engagement around the Westwind also include service providers in the neighborhood, many of whom are working in the building already.</p> <p>We are having conversations with Central City Concern to formalize a partnership with them to provide property management services at the Westwind. Additionally bureau staff have met with the Old Town Community Association to inform them about the project and keep them updated in future months with progress.</p>	
<p>Policy Update: Proposed Over-Income at Acquisition and Income Rising in Place</p>	<p>(see the “Meeting Recordings” header of the following page: https://www.portlandoregon.gov/phb/74341 1:06:40 – 1:30:55 of the recording)</p> <p>Jennifer and Molly presented the details of a draft Over-Income and Income Rising in Place Policy specific to Bond housing. Households are considered “over-income” when they earn above 60% AMI. The two basic scenarios this policy addresses are (1) when tenants earning over 60% AMI are already living in a building when the city acquires</p>	

	<p>it; and (2) when a household is income-qualified for Bond housing at the time they move in, but then sees their income rise above 60% AMI. The policy lays out a plan for rent increases under each scenario, and for households that do not complete the income qualification process.</p> <p>In response to a question from Jes regarding the ability to charge rent based on a gradation – 30% AMI, 40% AMI, 50% AMI, etc., instead of just 30% or 60% – Molly clarified that rent-regulated properties aren't set up to continually adjust rent based on tenants' incomes. She would prefer an approach that considers restricting each unit slightly differently, instead of as it is now, where they will all be restricted at either 30% or 60%. She pointed out that, doing 5% rent increases, going from 30% – 60% takes 20 years.</p> <p>Shannon noted that of the 600 units we'll have at 0 – 30% AMI, 400 will come with vouchers, so those units will have a little more flexibility rent-wise. Shannon believes the over-income policy will have to be adopted formally by City Council to meet the requirements of our Bond referral document.</p>	
Public Testimony	There was no public testimony.	
Closing/Next Meeting	<p>A motion was made by Dr. Holt to approve the minutes of the July 12, 2018 meeting, and the motion passed without discussion.</p> <p>Next meeting TBD.</p>	