

Portland's Housing Bond

Date: April 2, 2019

To: Bond Oversight Committee (BOC) Members

From: Shannon Callahan, Director, Portland Housing Bureau

CC: Molly Rogers, Karl Dinkelspiel, Tanya Wolfersperger, Jennifer Chang

Re: Proposed Plan for Bond opportunity solicitation

BACKGROUND

In November 2018, Oregon voters passed Constitutional amendment Measure 102 which removes the restriction that affordable housing projects funded by general obligation bonds be government-owned. PHB now has the option to direct Portland Housing Bond funds to private entities, including non-profit entities, to own and develop affordable housing. Also, Bond funds can now be leveraged with other private financing sources, such as Low Income Housing Tax Credits (LIHTC).

To enhance opportunities and partnerships to reach our Bond Policy Framework goals, PHB will release an open, competitive funding opportunity. PHB staff presented the BOC with the bureau's preliminary ideas for a Bond solicitation at the February 8th and March 7th meetings.

From mid-March to mid-April 2019, PHB staff met with several stakeholder groups to gather feedback on the proposed solicitation plan and coordinated closely with the Joint Office of Homeless Services (JOHS) regarding services funding alignment.

SUMMARY OF STAKEHOLDER FEEDBACK

PHB staff engaged with the following groups for their input and feedback:

- March 13th - Housing Oregon members and other housing developers
- March 14th – A Home for Everyone Housing Workgroup (co-hosted with JOHS)
- March 21st - Contractors, subcontractors, other workforce development partners
- March 27th - Supportive Housing service providers (co-hosted with JOHS)

Summary of main feedback received:

- Clarity needed on eligible services that can be covered by supportive housing funding.
- Need clear outline on how projects will be evaluated and selected.
- Define “chronically homeless” using broader, local definition (not federal HUD definition.)
- When considering strategies for reaching Communities of Color, cannot rely solely on institutions as referral/access points. Need to look to other, non-institutional settings.
- Solicitation needs to be clear on whether escalator for services funding is included. An example is a projected 3% annual budget increase.
- Importance of low barrier screening criteria to create access for intended population(s).
- Find opportunity to connect service providers with housing developers in the solicitation process.

Additionally, PHB has contracted with a team of Community Engagement Liaisons (CELs) to gather feedback in April from culturally and linguistically specific community members to improve access to housing opportunities created by the Bond. The BOC and PHB staff will hear community comments to inform the Bond solicitation at its April 4th meeting.

PROPOSED PLAN FOR BOND OPPORTUNITY SOLICITATION

Based on feedback from stakeholders and refined planning from modeling projections and correspondences with jurisdictional funders, PHB proposes this plan for implementation.

A. Project Requirements:

1. \$70 Million available
2. Three PHB-owned properties included:
 - a. The Joyce Hotel
 - b. Westwind Apartments
 - c. 5827 NE Prescott St.
3. All proposed projects will meet the below programmatic requirements:
 - a. 100% of all units regulated at 60% Area Median Income (AMI) or below.
 - b. 30% AMI unit goals:
 - i. Minimum of two 100% Permanent Supportive Housing (PSH) projects – Westwind Apartments and the Joyce Hotel
 - ii. All other projects: average of one-third (1/3) of total units at 30% AMI
4. The solicitation will provide clear guidance on Supportive Housing, including populations to be served aligned to local definitions, eligible activities and availability for service funding. The two 100% PSH projects will:
 - a. Have all units supported by a Project Based Voucher (PBV)
 - b. Have access to services funding through JOHS in the amount of up to \$10,000 per household for provision of supportive services to support residents.
5. Projects will be evaluated on ability to demonstrate experience and effectiveness in reaching and serving Bond Priority Communities – Communities of Color, families, households experiencing homelessness or imminent displacement; include evaluation based on experience in marketing and outreach, lease-up, partnerships with culturally specific and other community agencies, implementation of low barrier screening.
6. All proposed projects must adhere to the maximum PHB subsidy cap of:
 - a. \$150,000 per unit for new construction projects
 - b. \$100,000 per unit for acquisition/rehab projects

B. Preferences:

PHB has decided on the following preference for this solicitation: all other factors being equal, projects located in East Portland, North Portland or SW Portland will be preferred.

The solicitation is likely to include other preferences as well, but have yet to be decided.

C. Evaluation Criteria and Process:

The process for reviewing and selecting projects will occur over a 6-8 week period. Projects will be reviewed and evaluated by two groups, comprised of the following members:

1. **Technical and Financial Feasibility Review committee:** Comprised of staff from PHB, Prosper Portland, JOHS, and other Multnomah County depts. Purpose is to review and rank proposals based on solicitation requirements, including feasibility of financial and development plans, service delivery and team experience.
2. **Community Review committee (5-7 members):** Comprised of two BOC members, Minority Evaluator Program representative, stakeholder group representatives, OHCS staff. Purpose is to review and rank projects based on responsiveness to solicitation requirements and alignment to community needs and priorities of the Bond Policy Framework.

Projects will be evaluated using the following criteria on a forced ranking system:

- Project Requirements and Preferences –Alignment to Bond Policy Framework
- Equity Plan
- Development Team qualifications and experience
- Proposed Service Delivery Plan
- Preliminary Budget/Proforma
- Proposed Project Schedule

D. Timeline:

- Late April: issue solicitation #1
- Week of May 13th: Mandatory Information Session for proposers
- Late June: deadline to submit proposals
- Week of July 8: Review by Technical and Financial Feasibility Review committee
- Week of July 29: Review by Community Review committee
- Late August: Notice of Awards letters

DEADLINE FOR FINAL FEEDBACK FROM BOC:

All final comments and feedback on the solicitation needed by Friday, April 12, 2019. Send comments to Tanya at: Tanya.Wolfersperger@portlandoregon.gov.