



# Portland Housing Bureau

**Portland Housing Advisory Commission**  
**Tuesday, September 02, 2014**  
 3:00 p.m. – 5:00pm  
 Portland Housing Bureau  
 421 SW 6th Ave, Suite 500  
 Portland, OR 97204

✓ = PHAC public member action item  
 ▶ = PHB staff member action item

## September 2014 Meeting Minutes

**Members Present:** Marc Jolin, Tom Brenneke, Sarah Zahn, Amy Anderson, Wayne Miya, Bill Gentile, Jean DeMaster, Deborah Imse, Colin Rowan, Dike Dame

**Members Excused:** Andrew Colas, Elisa Harrigan, Jesse Beason, Rey España

**Staff Present:** Traci Manning, Dory Van Bockel, Sally Erickson, Javier Mena, Daynelle Banks

**Guests Present:**

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<b>Welcome &amp; Review Meeting Purpose, Review Minutes</b>	Marc opened the meeting by reviewing the minutes and asking for a motion to approve. August PHAC minutes were approved.	
<b>Public Testimony</b>	Diane Linn, Executive Director of Proud Ground. A collaborative called Housing for Affordable Homeownership is being created that includes Proud Ground, Portland Housing Center, Habitat for Humanity, NAYA, Hacienda CDC, AAAH, and APICIA. All are members of Minority Homeowners Assistance Collaborative (MHAC). A detailed presentation will be coming soon.	
<b>Public Hearing – Multiple Unit Limited Tax Exemption (MULTE)</b>	Marc opened the public hearing for the MULTE applications. He began by introducing Javier Mena, Housing Bureau Assistant Director and Dory Van Bockel, Housing Bureau Program Coordinator.  Javier gave a brief introduction about the purpose of the public hearing.	

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	<p>Dory began her presentation by explaining the MULTE program, the scoring, criteria, and guidelines and goals. Dory explained that the public hearing is a platform for the public to discuss the applications before they move on to City Council for approval. The three projects have been reviewed by the Portland Housing Bureau staff and completed a competitive scoring process.</p> <p>There is an annual cap on the amount of foregone revenue that can be approved. There were three applications submitted this year and we are recommending that all three be approved. The guidelines used are based on the “Big Look” policy review process that wrapped up in 2012. The main goals included in the guidelines are affordability, equity and accessibility. There are also bonus goals included in the scoring process.</p> <p>Dory asked the PHAC if they had questions about the scoring process.</p> <p><b>Dike:</b> You mentioned a limit of exemptions you can grant. What is that dollar amount?</p> <p><b>Dory:</b> It was determined in 2012 to start that limit at \$1 million for the first year of foregone revenue. The projects that were submitted exceed that by about \$100K. We have the opportunity to establish the limit annually.</p> <p><b>Traci:</b> To clarify we are asking City Council and the County Commission to set cap at the higher limit.</p> <p><b>Marc:</b> Can you talk about the definition of accessibility?</p> <p><b>Dory:</b> It is somewhat loose. We are looking for any attempts for projects to provide features that are above code, making the project more accessible to seniors and those with disabilities. Fully accessible units would be ideal. We have encouraged projects to explore universal design concepts.</p> <p><b>Deborah:</b> Does one of the scoring categories receive more weight or points than the others?</p> <p><b>Dory:</b> The highest amount of points is for affordability, then equity, then accessibility features. Bonus points for gathering spaces, family size units and reaching out to vulnerable populations.</p>	

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	<p><b>Javier:</b> The table in each project detail will give you a summary of the scoring.</p> <p><b>Dory:</b> The project has to get a score of 50 in order to meet the minimum threshold.</p> <p><b>Block 8L – Please see <a href="#">summary</a>.</b></p> <p>This is a mixed use development in the Oldtown/Chinatown Urban Renewal Area. There will be two levels of residential units above mixed use and commercial space. 27% of units will be at 80% MFI or below. The project is aiming for lower than market rents for all units. The project will make strong efforts to exceed the minimum 20% MWESB requirement.</p> <p><b>Questions from PHAC:</b></p> <p><b>Marc:</b> On two of the three priority areas they scored very low. When you see that, does that spark a conversation with the developer to go further? Is there a negotiation process? Can we ask for more?</p> <p><b>Dory:</b> We are not expecting projects to score 100% on any of the areas. These components are a tradeoff for the tax exemption. We invited all three applicants to go a little further than what was initially submitted in their applications.</p> <p><b>Javier:</b> We look for opportunities to enhance in any of the areas.</p> <p><b>Amy:</b> These units are pretty steep when it comes to cost per month. What minimum income population do you expect to reach with these projects?</p> <p><b>Dory:</b> These project would be completely market rate if it were not for the MULTE. When we are looking at what we are able to get with the tax exemption they are going to be right at the 60-80% MFI. These will not be as low as projects that PHB provides funding for where we can get down to 30% MFI and below.</p> <p>Betty Dominguez from Home Forward clarified the work of non-profits who get a tax exemption by provided housing to the lowest income levels and market rate developers. Market rate developers do not need to provide affordable units to fund</p>	

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	<p>their projects but some are willing to in a trade-off for the tax exemption. Non-profit housing developers are targeting the lowest income levels.</p> <p><b>Dike:</b> I see in the financial evaluation that the cash on cash return is not to exceed 10%. The current rate being underwritten is 6%. Do you evaluate the 10% return on annual basis? Do you take a look at the 10% to see if it is out of date?</p> <p><b>Javier:</b> The evaluation on the 10% cash on cash return is done after the tenth year is completed.</p> <p><b>Dike:</b> This formula isn't the current market rate. In the beginning if you use a lower percentage you are going to come up with a capacity for more units than using the 10% formula.</p> <p><b>Block 67 – Please see <a href="#">summary</a>.</b> Questions from PHAC:</p> <p>This project is in the East Industrial Urban Renewal Area. This is a 284 unit project with commercial space below. This is very amenity rich. They are focusing on achieving beyond the required 20% MWESB participation. This is an area where market units could allow for only 80% MFI in the project. The development is proposing to provide also 60% affordability.</p> <p><b>Bill:</b> They received a score of zero on accessibility. Can you elaborate on that?</p> <p><b>Dory:</b> They are doing the minimum that a project of that size needs to do but they did not identify anything above that.</p> <p><b>Bill:</b> What is the minimum?</p> <p><b>Dory:</b> The minimum would be any HUD required features that they have to do as part of code. They are not doing anything beyond that.</p> <p><b>Riverscape Lot 1 – Please see <a href="#">summary</a>.</b></p> <p>This project is just north of the Pearl District along Front avenue which is in the River District Urban Renewal Area. They are doing an extension of the greenway trail along</p>	

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	<p>the river as part of the project. They will have 80% and 60% units with a total of 25% of the units being affordable.</p> <p><b>Questions from PHAC:</b></p> <p><b>Bill:</b> Can you elaborate on what Universal Design components actually means?</p> <p><b>Dory:</b> Universal Design is a trademark term that refers to features that can be included in a project. The Planning and Sustainability Commission and staff developed that as a model for applicants to examine until the City has more formalized process as to what we would like to see in terms of accessible goals.</p> <p><b>Marc:</b> All three projects got 10 out of 10 for gathering spaces? It seems like an easy way for the project to get points.</p> <p><b>Dory:</b> In order to earn points with the gathering space they need to be pedestrian connections, public improvement to the area, as well as improve connectivity to the neighborhood. They can also have gathering spaces that can be used by the general public and not just for tenant use.</p> <p>Marc opened the floor to the PHAC for questions.</p> <p><b>Jean:</b> Is it possible to ask for them put in a unit or two that is under 60% or is that prohibited by the program?</p> <p><b>Traci:</b> You can ask. It is not prohibited but it is not a requirement.</p> <p><b>Marc:</b> If a developer says they are willing to be a little more open with the screening criteria, is there a place where they could benefit from that?</p> <p><b>Dory:</b> That could gain points in the equity scoring and serving vulnerable populations.</p> <p>Marc opened up for questions to the public.</p> <p><b>Public:</b> I wanted to ask a question about the Block 8L. How is that impacted by the new Oldtown Plan?</p>	

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	<p><b>Dory:</b> That new plan would allow the units at 80% to apply for SDC exemption.</p> <p><b>Wayne:</b> In order to get points on special needs would they have had to collaborate with another non-profit?</p> <p><b>Dory:</b> Most likely but it is left fairly open for an applicant to pursue.</p> <p><b>Colin:</b> There were only three applicants? How does that compare with previous years? That seems surprising on the surface given the amount of multifamily units that are going up.</p> <p><b>Dory:</b> Last year we had about the same participation and the year before that a few more which resulted in us turning away a couple applications.</p> <p><b>Colin:</b> You talked about looking at the rate of return from year one to year ten. What about verifying some of the things they said they would do? What does that process look like and are there claw backs?</p> <p><b>Dory:</b> The rate of return is based on a 10 year average. There is annual financial documentation that is submitted. We have a claw back provision that if a project exceeds its 10% rate of return they would have to pay back to value of exempted taxes for the portion of time that goals were not met or they would continue the affordability for five years beyond the first ten without the tax exemption. If there were other things agreed to that don't happen we could remove the tax exemption.</p> <p>Marc closed the public hearing.</p>	
<p><b>Equity Outcomes Reporting – Housing Access and Retention</b></p>	<p>Marc introduced Sally Erickson, Program Manager for the Housing Access and Retention Team.</p> <p>Sally began with a presentation of an overview of the equity outcomes for Fiscal Year 12-13 and 13-14. Please see <a href="#">presentation</a>. The presentation began with a background of the previous and current community plans to end homelessness, as well as the current shared governance of homeless policies and funding, the Home for Everyone Coordinating Board.</p>	<p>➤ <b>Day to email presentation to PHAC.</b></p>

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	<p>Sally continued by briefly explaining the Equity Outcomes from the team’s contractors. The data has just recently been compiled and will be further examined in greater detail by her team. Sally asked the PHAC to send questions via email.</p> <p>Javier gave a brief summary on the purpose of the data and what we hope to gain from it. We are looking at the data with a different lens than how we looked at it in the past. We are trying to identify areas that we can seek improvements. There are things that we need to dig deeper into to ensure that we provide the right picture.</p> <p><b>Amy:</b> Are there other tools that you provide people with that have hard to place backgrounds besides Rent Well?</p> <p><b>Sally:</b> We have talented providers that work with people with backgrounds that are not spotless. They have relationships with landlords that will be more flexible on screening criteria.</p> <p><b>Traci:</b> Urban League is working on a program that is similar to <i>Ban the Box</i> which focuses on employment screening. <i>Ban the box</i> primarily focuses on what employers ask applicants and when they ask it. Urban League is working on a similar program for housing screening.</p> <p><b>Wayne:</b> Have you looked at equity beyond race and ethnicity? Like mental illness and other types of issues.</p> <p><b>Sally:</b> We talked about that a lot as we developed our equity agenda. We elected to focus on race and ethnicity.</p> <p><b>Traci:</b> From a fair housing standpoint any protected class is something we pay attention to. As a bureau we have chosen to focus on race and ethnicity first knowing that it cuts across every protected class. The City and PHB is also focusing on disability.</p>	
<p><b>Other Business Follow-up</b></p> <ul style="list-style-type: none"> <li>• <b>N/NE Neighborhood Housing Strategy</b></li> </ul>	<p>Karl Dinkelspiel gave a brief update on the progress of the forums. The dates of the forums will be: Highland Christian Center, 9/18/14; Matt Dishman Community Center, 9/27/14; City of Gresham, 10/9/14; New Song Community Church, 10/11/14. The forums will last 2 – 2 ½ hours. We have hired Joan Brown-Kline to facilitate the forums.</p>	

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<ul style="list-style-type: none"> <li>• <b>Hoyt St.</b></li> </ul>	<p>The program will include basic introductions from the Commissioner’s Office and PHB Executive team followed by historical data of Urban Renewal and development of the area and a Housing 101 educational segment. Most of the time will be dedicated to getting feedback from the community to guide our strategies moving forward. At the end of the forums we expect to have recommendations that will guide PHB in the implementation strategy. There will be a final report and an implementation committee that will oversee the implementation of the strategy.</p> <p>Traci introduced the Hoyt St. development topic. Traci distributed a handout of the recommendations from PHB staff. Please see <a href="#">handout</a>. PHB is coming to the end of an agreement with Hoyt St. Properties. The agreement set a percentage of total housing built to be affordable at 80% and below. It doesn’t deal with all the land in the Pearl District, it only includes a portion that was owned by this company. Hoyt St. is obligated to make the land available. The goal was that this area be a great mixed income community. If the goals were not met the agreement allows PHB to request a parcel of land. Staff recommendation is that we notify Hoyt St. and request a parcel. PDC will request on behalf of the City.</p> <p><b>Marc:</b> Is there some specification around parcel size?</p> <p><b>Javier:</b> It’s in the agreement, we can get back to you.</p> <p><b>Jean:</b> Does Hoyt St. have the ability to propose to build a project to remedy the missed goals?</p> <p><b>Traci:</b> That would be a negotiation. The agreement states that the remedy is making land available. We will evaluate where we can get the most return for every dollar.</p> <p>Marc asked the audience if there were any more questions. There were no questions from the audience.</p>	
<ul style="list-style-type: none"> <li>• <b>Tiny Houses</b></li> </ul>	<p>Marc introduced the final topic of Tiny Houses. Traci spoke about the recent influx of articles about Mayor Hales’ interest in tiny houses. The rental rates in Portland are going through the roof and the ability to build or employ our way out of the problem is not strong. We are spending a lot of time looking for alternatives. One of the ways that is being looked at is tiny houses. Amy talked briefly about a model she is familiar</p>	



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	<p>with. There are a lot of models that are very new. There are various communities that are looking at tiny houses as a means for inexpensively providing people with a safe place off of the street. The mayor is assembling a task force to look at this is week.</p> <p><b>Tom:</b> How much do they cost?</p> <p><b>Traci:</b> Depends on what you build. The cost can vary depending on who is building them, the size of the unit, the land they will be built on and other variables.</p> <p><b>Marc:</b> There is an aspect of this that is bringing us back to conversations we have had before about alternatives to apartment living. It will be on the agenda for the A Home for Everyone Coordinating Board meeting.</p>	
<b>For the Good of the Order</b>	<p><b>Marc:</b> We are moving into fall for budget season. Next PHAC meeting will focus on equity outcomes in Homeownership and MWESB participation.</p> <p>Marc adjourned the meeting.</p>	