



# PORTLAND HOUSING BUREAU

Portland Housing Advisory Commission  
 Tuesday, December 1, 2015  
 3:00 p.m. – 5:00pm  
 Portland Housing Bureau, Ste. 500  
 421 SW 6<sup>th</sup> Ave.  
 Portland, OR 97204

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

## December Meeting Minutes - FINAL

**Members Present:** Amy Anderson, Cobi Lewis, Daniel Steffey, Dike Dame, Maxine Fitzpatrick, Nate McCoy, Sarah Zahn, Thomas Brenneke, Wayne Miya

**Members Excused:** Elisa Harrigan, Jean DeMaster (LOA), Stephen Green, Betty Dominguez

**Staff Present:** Matthew Tschabold, Cheyenne Sheehan

**Guests Present:** Joe Zehnder (BPS), Tyler Bump (BPS), Stella Martinez (BAC), Kim McCarty (BAC)

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<b>Call to Order, Roll Call, and Review of November minutes and PHAC Retreat minutes.</b>	Sarah calls meeting to order. Cheyenne reads roll call – quorum is not met as of 3:00 PM. Sarah asks if there is public testimony while we wait for additional members to arrive. There is not public testimony so Sarah moves the meeting on to the comprehensive plan.	
<b>Public Testimony</b>	No public testimony is given.	
<b>Comprehensive Plan</b>	Joe Zehnder of the Bureau of Planning and Sustainability (BPS) presents the <a href="#">Central City Floor Area Ration Bonus &amp; Transfer Options</a> and the approach they are taking to developing that bonus. They would like feedback on their draft and/or approach to developing the bonus. The Central City Bonus is proposed as part of the Central City Plan and proposes some changes to building codes in the Central City. The bonus code allows for an additional density bonuses to developers offering affordable units. Of the 18 available bonuses the most frequently used bonus is the residential bonus. Many of the available bonuses were designed to meet goals from previous decades that aren't necessarily calibrated to how much public benefit is offered. Due to the housing crisis, BPS has been working together with various groups, Commissioner Saltzman, and PHB to offer affordable housing bonuses and remove various other bonuses in order to focus on affordable housing development.	

City Council sanctioned BPS to develop a bonus plan and they have created a basic sketch of the plan. Between now and February the particulars of the plan are being developed with the help of an economic consultant who is using a typical pro forma for central city buildings as the base and using assumptions of current development costs and rents. The idea is to design something that works now and can be updated as needed in the future.

BPS is looking for feedback from PHAC because when this plan was presented to City Council the first time there were concerns that they weren't capturing the variations in land costs across the central city. If those assumed costs are not accurate, people won't use the bonuses. He provides a handout called [Central City Housing Bonus Code Development Draft](#) which accounts for varying land values across the central city. Developers can get the bonus by providing affordable housing or by paying a fee-in-lieu.

These pre-dev land cost numbers were arrived at based on 8 years of transactions that BPS has data for in their records.

On the back of the Central [City Housing Bonus Code Development Draft](#) they are running a sensitivity analysis that will tell BPS whether the bonus is attractive to developers. They will finalize the code by looking at the results of sensitivity analysis as well as what other jurisdictions who have implemented these kinds of bonuses have done.

Dan asks if they have considered other incentives for developers to develop affordable housing or additional density, e.g., preference in dealings with BDS.

Joe responds that they are open to all sorts of incentives that would impact greater development of density and affordable units. The question is whether there is enough value in the incentive to induce development of affordable units.

Matthew adds that when Kurt first came on board Saltzman asked him to do was present to Council on the costs of affordable housing categorized in various ways. One of the categories was looking at the costs imposed for permitting, design, etc., as an element of layered costs. There is work being done, GATOR sessions, to look at process mapping and process improvements with BDS to discuss development costs and the impacts those have on affordable housing development and what could be done to address concerns in this area.

Joe adds that the zoning bonus is the one that's relevant to the Central City Plan and that's why they focused on it first.

	<p>Joe again explains that they are looking for feedback from as many interested stakeholders and groups as possible, to make sure that these bonuses are being designed properly. They feel a great deal of responsibility to get this right. He is more than happy to speak with the networks of PHAC's members – Matthew can get in touch with him if needed. He offers his email address <a href="mailto:joe.zehnder@portlandoregon.gov">joe.zehnder@portlandoregon.gov</a> to share.</p> <p>Amy asks if this would cover serious renovations to existing buildings in the central city, or only new construction.</p> <p>Matthew explains that there is a historic building transfer component. If there is a historic building, it can sell some FAR bonus to other developers in order to revalue and capitalize the property.</p> <p>Nate and Tom arrive and quorum is reached. There is a motion to approve both the November Meeting minutes and the PHAC Retreat Public Work Session minutes. The motion is seconded and carried. The minutes are approved.</p>	
<p><b>Convene as the Housing Budget Advisory Committee</b></p>	<p>Sarah convenes the PHB BAC.</p>	
<p><b>2016-2017 PHB Budget Development</b></p>	<p>Matt reminds the PHAC that this is a three month window as the city works through the budgeting process and the BAC weighs in on the budget that PHB will put forward. Last month the PHAC discussed budget concepts that the program manager's and bureau staff are looking at for consideration.</p> <p>The mayor's <a href="#">budget guidance memo</a> came out last week and was sent to all bureaus, and is included in the packet. Within the Housing Bureau, work is being assessed on the program data from the last fiscal year as well as building out estimated program impacts for decision packages being put forward. At this point there are more questions than answers – affordable housing is a hot topic right now. There is a lot of interest in what we are doing here and what is being planned. There have been some open questions from PHAC regarding the Home For Everyone Coordinating Board (HFECB), the role of PHAC in regards to HFECB, and the Commissioner's expectations. Matt will provide as much information as possible. At the end of the presentation there will be information on what to expect for the January meeting - PHAC will draft a letter to city council endorsing, or not endorsing, the budget as well as offering considerations as the BAC to the City Budget Office (CBO) and Council.</p> <p>One element of the mayor's budget guidance memo was that PHB would see an increase in their Current Appropriation Level (CAL) target which can be thought of as the base General</p>	

Fund budget for each bureau. PHB will see a \$10M increase in that CAL target (\$5M in one-time funding and \$5M in ongoing funding) while other bureaus, except public safety, are being asked to propose reductions of 5% for their CAL targets. PHB's budget will be looked at critically to justify how these funds will impact the ongoing housing/homelessness crisis. He's also asked the bureaus to look for opportunities to realign current priorities to assist in positively impacting the housing crisis e.g. Portland Parks rangers who interact with homeless individuals and refer them to services.

Matthew shows the [Budget Presentation](#) in conjunction with the [FY 2016-2017 Budget Worksheet](#) and summarizes them at a high level.

Sarah asks in past years, in regards to decision packages, what has gotten through the process in terms of the range above the base budget.

Mike answers that the "ask" this year is on the high side of what is normal for PHB's budget.

Sarah says the base budget looks pretty status quo compared to past years. Mike agrees and adds that the general fund allocation goes up each year due to inflation. Sometimes costs are passed along to subcontractors. Some fair housing contracts include a Cost of Living Adjustment (COLA).

Mike comments that this year PHB will have to explain the outcomes and effectiveness of the programs in the base, which is an additional work that program managers will have to complete with the data team.

Sarah would like to know if there are additional staff included in the programming budget asks.

Matthew responds, no new staff for HIPP. Lents stabilization will add a staff person, home owner retention services and shared housing will be contracted out to a community partner. He believes The Housing Choice Success Fund will add a staff person to provide case management at HomeForward.

Sally (HART) adds that her staff just completed the Continuum of Care application and they are eligible for a little more than double the normal planning grant funding from HUD. Investment in the HFE staffing will leverage over \$400K for the community work that her staff are already doing.

	<p>Nate brings up a point regarding the economic opportunity funding to PDC. He wants to know what PHB is buying with those dollars and if the program is working. He would like more information regarding PDC and how they are spending those dollars. He wants some attention given to people living in affordable housing and find out who may be interested in job opportunities in the trades.</p> <p>Mike says this year will be different that past years in that the budget outcomes will be in the budget document and can be brought to the January meeting.</p> <p>Amy wants to expand our vision to additional community based organizations that aren't being funded by PHB to do community work, but may be better at case management than some of those that are being contracted by PHB. Housing dollars are starting to become available at the federal level as well. Health and housing issues are connected and the Feds may be telling States soon that they can use Medicaid dollars for housing. She's noticing that the same organizations are getting the contracts every year, but there may be other organizations who are better at case management – she would like to see more community organizations added to PHB's roster.</p> <p>Matthew responds that this is something that was discussed at the retreat and this issue is built into the work plan. This is a legitimate issue.</p> <p>Wayne asks if it's a coincidence that HFE's \$10M and CAL target of \$10M are the same.</p> <p>Mike responds that the county chair and the mayor both said a few months ago that they were adding \$30M into the system with \$20M from the city and \$10M from the county. His understanding is that the \$10M for HFE is part of the city's \$20M and the other \$10M hasn't been identified yet. \$10M of the \$30M is supposed to be for development of housing but it's not clear what that actually means. But we are hearing from Council members that it's different things like the demo tax, the \$1.7M PHB got in the fall BMP, Airbnb being shifted to housing comes up as well. Some commissioners are saying that's part of the \$20M.</p> <p>Dan asks what the relationship is between that same \$10M in the decision package and \$10M HFE. Is this the same \$10M?</p> <p>Mike responds, PHB has about \$40M out there in decision packages, and all we know is the base was increased by \$10M – there are many questions at this point for which there are no answers. In regards to the relationship between the decision packages and the CAL target \$10M Mike explains that the base was increase by \$10M but it is still being determined what that is for. Dealing with the homelessness issue is important, homeownership is also</p>	<p>Antoinette will provide data on program outcomes at the January meeting.</p>
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Matthew adds that increases in the CAL targets or other resources PHB receives are going into existing services – the intent is to estimate through the key performance targets whether increases in services serve the outcomes. For new programs/services that are not in the existing budget but have a decision package for resources, what would be supplementary program performance targets and how those are good indicators of program success as well as whether the program addresses the housing and homelessness state of emergency.

Sarah would expect to see some of the decision packages potentially altered based on the findings.

Antoinette responds affirmatively and adds that in January they can go over the key performance measures and look at the decision packages. The Mayor is really asking that the Bureau look at its efficiency as additional funding is received.

Sarah asks about the concept of inter-bureau efforts to address the housing and homelessness crisis. She thinks it's a great concept but would like a greater understanding of how it is coordinated.

Sally explains that there is a core team coordinating the effort. The mayor's office's chief of staff, Josh Alpert, is leading several teams; an inter-bureau group working together to look at a variety of things like city code to enable bureaus and even Metro to work together. There is another team working to identify public/private land in locations for both indoor and outdoor safe sleeping options – they hope to identify at least 650 additional safe sleeping spaces.

Dan thinks in looking at public and private land one of the targets should be non-profits who have land that may be underutilized e.g. churches, elks lodges, etc. and who may be willing to offer that land or space for development/camping etc.

Sally responds that the State of Emergency allows some code flexibility and PHB staffed an info session in November for organizations who can leverage different resources (physical space, land, volunteers). Marc Jolin at the county is the main contact. There are also private land owners who have land they are willing to make available for affordable housing.

Amy asks for any updated information on [Wapato \(click here for the November 2015 Oregonian article\)](#) as that facility has 500 beds. There is a brief discussion that indicates that Wapato cannot currently be used, but no one is exact about the specifics other than they have something to do with zoning flexibility (or lack thereof) at that facility.

Discussion returns back to budget development and information needs of the BAC in offering feedback. Feedback from the BAC members on information needs are:

- Performance metrics would be helpful to understand how those relate to the ongoing General fund asks and decision packages.
- Ongoing discussions between the Mayor, HFE, Saltzman and PHB will shape January's meeting discussions.
- There is a lot of information to absorb in a short period of time, especially for new commissioners who haven't been involved in budget discussions before.
- Commissioners should ask specific questions about the programs – Matthew is a great resource to answer general questions.
- There is at least one more meeting before PHAC/BAC crystallizes position on the budget in February.
- Info on program effectiveness (program applicants helped vs denied) for all programs would be helpful as well as reasons for those decisions. Reallocating funds based on that data would make sense.
  - o Antoinette can provide greater contextual data, but may not have the "turned away" data.
  - o Matt says a one page memo of program data for each program can be put together for future meeting.
- More information on how PHB is applying an equity lens to programs would be helpful to the discussion.

There is new guidance around racial equity from the Office of Equity and Human Rights (OEHR) to bureaus. They have updated the Racial Equity Assessment/Equity Tool and all decision packages will be screened through that tool.

Matt mentions that a lot of the budget detail is being received in real time and there are questions that have come up for which the bureau doesn't have answers. He asks what the BAC's preference is in regards to information updates e.g. program detail, program guidelines, program performance, and program development detail for existing and new programs.

- General agreement is sending email ahead of time and posting information on the webpage for review

He also states that PHB/the Commissioner's Office is asking for guidance from the PHAC in a similar way that the PHAC guided the bureau in the 2015 TIF Set Aside increase. A strong advisory body to the PHB but as BAC in addition to PHAC to make recommendations on decision packages and prioritization of decision packages in the context of the

Matthew agrees to get some additional program efficacy data out to members in the coming weeks and in advance of the January meeting.



housing/homelessness crisis and looking at existing programs/resources to determine if PHB is accomplishing the mandates of the City.

Suggestions on achieving the desired recommendations from the PHAC/BAC on budget include;

- Having a shared sense of what the values/criteria are for creating program prioritization
- Data driven decisions – PHB providing more data will be helpful
- Household data column added to the program table
- Program outcome detail
- Identify dollars passed through non-profits versus directly through PHB and how those decisions are made to get those resources
- Looking at key performance indicators and how each of those fit the objectives and how the objectives relate to the mission of PHB and understand how these ideas fit together

Antoinette responds that they can put this information in the [table](#) in a more comprehensive way along with the key performance indicators which can help to see how they all roll up to support PHB’s mission.

Matt adds that the goal of this meeting, from a PHB staff perspective is to gain insight from the advisory body on what additional information is needed in January to have a discussion on prioritization and whether the existing funding structure makes sense. PHB will take the information from these discussions and recommendations and use it to complete the budget process.

Cobi states that she would be interested in the staff’s perspective on what programs are most successful/needed – not just their own programs, but other PHB programs i.e. real thoughts from staff on which programs they think are most worthwhile.

Tom would like to see PHB’s organizational chart.

Sarah adds on to Cobi’s request – she thinks there may be some really great or successful programs that have been operating on a limited budget but with great impact. This is an opportunity to highlight something that may be working really well and should possibly get more funding/attention. In BAC recommendation letters in the past they have sometimes chosen to highlight a specific program or two and share the impact of the program and why it’s successful either from an equity standpoint, or a small amount of funding making a large

The data team can provide these requests in a comprehensive table that includes key performance indicators.

	<p>positive impact, a program that PHB may be especially proud of – this type of highlight can add life to BAC’s budget recommendation letter.</p>	
<p><b>Public Testimony</b></p>	<p>Sarah offers another opportunity for public testimony because there is a little time left for the public to testify, especially about items discussed by the BAC.</p> <p>Mariah Alyn Claire of <a href="http://www.tenantspricedout.com">www.tenantspricedout.com</a> would like to know what kind of data there is on displaced tenants that are still in their homes but have to move in 2-3 months but aren’t able to find replacement housing.</p> <p>Matthew answers that the City of Portland does not have a rental registration program so there is no comprehensive data on people at risk of displacement from their rental housing.</p> <p>Mariah comments that she started <a href="http://www.tenantspricedout.com">www.tenantspricedout.com</a> to start that kind of registration and community outreach to gather that data in the coming months. They have a weekly meeting to set up the infrastructure for that. She wonders if there is budget available set aside for people who have a place to move but need funds for deposits, application fees, and moving expense.</p> <p>Sally answers that it depends on the program and provider and can include all kinds of expenses including short term rent assistance. She admits that while rent assistance is available through various programs, the need generally exceeds the dollars available – there are currently not enough dollars to go around.</p> <p>Mariah requests lists of programs that provide dollars and services to individuals and affordable housing units – she would like to help coordinate referring people to appropriate organizations. Seniors and the disabled are having a difficult time. She has cut down on groceries so she can afford the Internet. It is so difficult to find the right services and the programs need to be streamlined for efficiency and access. She needs help to let people know how to access available dollars and the processes involved.</p> <p>Sally responds that for now the best option to access available resources for individuals is to call 211 for referral.</p> <p>Matthew explains that in regards to affordable housing there is not currently one place where an individual can find affordable units listed. PHB will issue an RFP to build a tool that will facilitate a list and application process for regulated units that are offered by the City and organizations funded by PHB dollars. Unfortunately that tool is not yet available – it will take</p>	

	<p>up to a year, but the bureau is committed to providing this access and building a site where this information is available.</p> <p>J. Veronica Bernier wants to know about weather driven shelters. Shelters are full. The Mead building has a breakfast program. None of the Commissioners have camped in 28 degree weather and 40 degrees is too cold to sleep outside, especially in the rain. They should open the emergency shelters before the 28 degree goal is reached. Creativity is key.</p> <p>Public testimony concludes.</p>	
<b>Good of the Order</b>	<p>PHAC Reconvenes.</p> <p>Sarah adjourns the meeting.</p>	