



Portland Housing Bureau

N/NE Neighborhood Housing Strategy Oversight Committee

January 14, 2016

6:00 -8:00 pm

New Song Church

2511 NE MLK Jr. Blvd. Portland, OR 97211

✓ = Oversight Committee Action item

▶ = PHB staff member action item

January 2016 Meeting Minutes FINAL

Members Present: Dr. Lisa Bates, Felicia Tripp, Reverend T. Allen Bethel, Katrina Holland, Virgie Ruiz, Bishop Steven Holt

Members Excused: Orlando Williams, Lorenzo Poe, Sarah Zahn, Lisa Faust

Staff Present: Matthew Tschabold, Andrea Matthiessen, Michelle DePass, Martha Calhoon, Cupid Alexander, Dana Ingram, Leslie Goodlow, Letimya Clayton

Guests Present: *PDC Neighborhood Economic Development Leadership Group members and PDC Staff including; Kimberly Branam, Serilda Summers McGee, Kim Moreland, Nicole Rowe, James Paulson, Orlando Simpson, Charri Shiaier, Carl Talton*

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<p>Welcome</p>	<p>Bishop Holt welcomes the Committee and the public – there are two items on the agenda for this meeting; the Homeownership Request for Proposals (RFP) and a conversation with PDC and the Neighborhood Economic Development Leadership Group.</p> <p>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 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: 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: http://www.Portlandoregon.gov/PHB/NNE</p>	

	<p>Bishop Holt invites the public to look around the room at the posters with maps of the Interstate Corridor Urban Renewal Area (ICURA) and the N/NE Study Area as well as the Oversight Committee’s responsibility areas and details on the \$10 Million. For more detail on the Oversight Committee’s mission you can view the Committee charter online here.</p> <p>He asks the members and guests seated around the table to introduce themselves:</p> <p>Leslie Goodlow – Business Operations Manager; Portland Housing Bureau (PHB) Kimberly Branam – Deputy Director; Portland Development Commission (PDC) Dr. Lisa Bates – Faculty Member at PSU and member of the NNE Oversight Committee Serilda Summers McGee – HR Director; Department of Education and board member of the PDC Neighborhood Economic Development Leadership Group (PDC-NEDLG) Kim Moreland – Interstate URA Coordinator; PDC Felicia Tripp – Deputy Director; Portland Housing Center and member of the NNE Oversight Committee Nicole Rowe – Housing Specialist; Urban League of Portland James Paulson – Board Chair; Worksystems Inc. Virgie Ruiz – NNE Oversight Committee President Orlando Simpson – Owner; City of Roses Disposal & Recycling and member of PDC-NEDLG Katrina Holland – Deputy Director; Community Alliance of Tenants and member of NNE Oversight Committee Charri Hearn Schairer – URA Manager; PDC Carl Talton – Chairman for the Portland Family of Funds and member of PDC-NEDLG</p>	
<p>Home Ownership RFP</p>	<p>Andrea Matthiessen, Homeownership Manager at PHB and Dana Ingram, Homeownership Program Coordinator at PHB present information on the Homeownership RFP.</p> <p>Dana will share PHB’s recommendations and she references the N/NE Homeownership Programs Recommendation Memo from PHB Director, Kurt Creager as background on the breakdown of dedicated resources and a summary of the RFP process.</p> <p>Two proposals were received by the RFP deadline; one from Portland Community Reinvestment Inc. (PCRI) and the other from The African American Alliance for</p>	

	<p>Homeownership (AAAH) in collaboration with Hacienda CDC, NAYA, Proud Ground, and Habitat for Humanity.</p> <p>In December 2015 an evaluation committee comprised of PHB Staff and community members met to review and score applications. The final recommendations from the evaluation committee were that the PCRI proposal be fully funded at \$3.5M and that a portion of the proposal from AAAH to finance permanently affordable units be funded at \$1.5M.</p> <p>In the memo Director Creager explains why PHB chose to allocate funds differently than proposed by the evaluation committee with PCRI receiving approximately \$1.7M and AAAH receiving nearly \$3.3M. The difference in PHB’s recommendation was based primarily on the capacity of the proposers to fully and expediently disburse the resources by maximizing collaborative strategies, leveraging resources, and focusing on low-income families at risk of displacement and prioritized according to PHB’s Preference Policy.</p> <p>The Committee has questions and comments as follows;</p> <p>QUESTION: About the decision being based on capacity concerns, how was that evaluated?</p> <p>ANSWER: Andrea responds that one of the factors was an evaluation of previously demonstrated history of disbursing currently allocated funds. In comparing them PHB saw that PCRI had allocated and available resources that they were still working on disbursing, specifically Down Payment Assistance Loans (DPAL). The reduction in the award compared to their request was the DPAL dollars were awarded to AAAH.</p> <p>QUESTION: In regards to the chart on the back of the memo; What is the difference between the evaluation committee’s recommendation and PHB’s recommendation?</p> <p>ANSWER: Andrea responds that it was really about capacity, which was a primary driver in the difference. It was about the ability of AAAH to bring more partners to the table. Each of those partners come with their own set of leveraged resources – this was one priority which was also identified by the Evaluation Committee as bringing value. PHB</p>	
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	<p>used both capacity and leveraged resources in the decision to shift away from the Committee’s recommendation.</p> <p>Lisa Bates thinks additional communications and clarity provided in the memo would be useful to answer the question of the discrepancy between the Evaluation Committee’s recommendation and PHB’s recommendation. She doesn’t see it stated in the memo that the capacity component in relation to DPAL was a deciding factor in PHB’s recommendation. She thinks there could be a lot more clarity in writing about the reasons including valuing collaboration, especially because it was not a criteria in the RFP. The existence of a collaboration was not part of the Evaluation Committee’s evaluation. Being precise, clear, and transparent, about terminologies and concepts is important. Another point is particularly around “expediently expending resources” much of the discussion was around ownership of land and breaking that out would be important for transparency.</p> <p>QUESTION: Can you elaborate on PHB’s definition of permanently affordable units?</p> <p>ANSWER: Andrea responds that these are units that are affordable to low income households in perpetuity which translates to a 99 year land lease for properties held in a land trust by Proud Ground, Sabin CDC, etc.</p> <p>QUESTION: If these affordable units are being considered for homeownership, how does a low income family gain equity with a land trust?</p> <p>ANSWER: Andrea responds that the land and the structure have shared ownership between the homeowner and the land trust. Different land trusts calculate the shared equity at different rates. One statistic she recently came across was that a Proud Ground land trust homeowner, over a period of the last 10 years, would be realizing \$60K in equity.</p> <p>QUESTION: In regards to leveraged resources, do you have a rough estimate of where those resources are coming from and which organizations in the collaborative are bringing dollars to the table?</p>	
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	<p>ANSWER: Andrea responds that Proud Ground brings shop funds and Habitat brings donations, and resources from their national organization including financing.</p> <p>Bishop closes the topic by reminding audience members that if they would to speak on the agenda items they should let Letimya know so she can sign them up and get them on the agenda for the public comment portion of the meeting.</p>	
<p>Economic Development Discussion with the PDC Neighborhood Economic Development Leadership Group</p>	<p>Kimberly Branam of PDC presents the Neighborhood Economic Development Strategy using a PowerPoint presentation called Community & Economic Development Discussion – the presentation gives an overview of what PDC and their partners have been working on over the last four to five years. PDC’s goal is to provide an opportunity for conversation between different advisory bodies to discuss ways of aligning priorities.</p> <p>Some additional context is with the Tax Increment Financing increase to PHB known as the “TIF Lift” to 45% there has been an increase in resources for affordable housing within the Interstate Corridor Urban Renewal Area (ICURA). For PDC who also receives TIF for their programs, their available TIF has been reduced. Slide 2 of the presentation details the changes in TIF allocation to PDC.</p> <p>Slide 3 details PDC’s policy context with a focus on adoption of social equity and a community driven perspective.</p> <p>Slide 4 shows examples of improvements in the neighborhood 0 they have increased grants and loans to people of color. There are infrastructure improvements on a capital improvement plan to improve the safety of Lombard.</p> <p>Slide 5 talks about access to high quality employment and PDC is working with multiple companies to hire local employees. They invest in workforce development with various organizations.</p> <p>Slide 6 discusses equitable wealth creation and clarity about who they intend to serve as well as who they currently serve. PDC established a min-micro loan and provided support to long term property owners in NE.</p> <p>Slide 7 discusses 21st Century partnerships with community organizations.</p>	

Slide 8 is a map of PDC's investments and an interactive tool that shows what kinds of investments they are making. Since 2011/2012 they have not made any significant investments along Vancouver/Williams and the Mississippi Corridor and other areas because they need to prioritize their investment in areas where long-term homeowners and residents were in place long before ICURA and who need the investment most.

PDC had a discussion last week with their advisory body to begin to identify the top priorities for their existing resources and to determine and establish a process for deploying their resources.

Kimberly opens the discussion up to feedback and discussion from the panel.

Serilda comments that at the most recent meeting she contributed that PDC should try to join forces with community organizations. And then build depending on the needs of those populations.

James details that the NED task force has been meeting for about two years and the group is very strong and honest with each other and truly shares their thoughts. A big takeaway is that there are lot of dollars on the table, but it's really not that much money when you talk about the flow of real estate in ICURA and we are not able to change the realities, but we can affect change. How best can we move the ball forward – there is attention on the topic and now is a time to have questions answered and implement ideas over the long term. It takes time to be successful in real estate. It's about process.

Orlando adds that the valuable piece of the group is there is a lot of productive dialogue and honest conversations. In talking about real estate one of the ideas brought up by him comes back to African Americans generating wealth, is the probability of owning land. To own land you have to receive an income large enough to purchase land. The current paradigm is not sustainable. Community organization wealth creation group economics – jobs are important but so are policies and regulations that can prevent what's happening now from happening again. There are industrial corridors that are underdeveloped. There are many solutions that need to be addressed and blaming PDC for everything is unfair. He thinks we get stuck and that we should be implementing ideas to figure out how to alleviate disparities.

	<p>Carl adds that he has been at this a long time and he listens to the younger people because they may have a different perspective on how things operate. He thinks we should try to avoid repeating mistakes. The economic base of the black community in Portland was once small businesses that allowed that generation to own homes. If he goes back only 20 or 25 years and he thinks about home ownership, the first program for the City was African American run and went door to door to try and increase home ownership, and still only 20% of those homes went to black families. Part of what that strategy did was focus on wealth creation. Home ownership is a key component. There was also job, business, and real estate ownership. These are components to a community who can set its own agenda. He thinks it's necessary to have an agenda around housing and economic development that are thoughtfully supportive of one another – and ask how those things work together. So once families get into homes, they have jobs, they participate in the economics of the community.</p> <p>Bishop strongly agrees with Carl's comments. No one's goal is to live in affordable housing or housing for low income individuals. It is to address disparity and then make each individual sustainable in long term. Specific intentional long term planning is the goal.</p> <p>Serilda adds focusing on affordable housing creates more disparity as the middle class is squeezed out. What about the people who aren't on either side of that continuum. That bridge is necessary to avoid conflict in other areas and ensure they have access to affordable housing resources as well.</p> <p>James adds, describing some data titled real income growth from communities of color in the handout. Average Asian income \$60k and African Americans \$32k. For that you can't even rent in N/NE or even SE Portland right now. When talking about wealth creation, employment and workforce development must be discussed. We need to create paths to success that are realistic. When you look at the numbers and income disparity you have to think about all of those factors within strategies.</p> <p>Virgie Ruiz is confused. She is pushing and hoping that individuals who want to be homeowners don't get caught up in income disparity they did not create. Can you afford not to do this is her question. She is concerned that affordable housing is temporary and</p>	
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	<p>homeownership is sustainable. She wants to be committed to individuals who want to come back to the community.</p> <p>Dr. Bates acknowledges that the NED is great and new values are being expressed. She speaks from her personal experience with PDC to get information, discuss opportunities, understand plans and past practices has been very negative. Lack of transparency, lack of documentation, misinformation given to the public and community and personal malignment of people working in the community or with organizations to discredit others working in the community. Her experience is not unique – and there is a lot of work to be done more so than just saying that they’ve changed. She wants to know the difference between public benefit agreement and community benefit agreements.</p> <p>Kim Branam responds that in order for PDC to have a process with creditability is to have a full understanding that there is a trust deficit as an agency. She answers Lisa’s question that it’s a loose interpretation. Public benefits agreements are with businesses that agree to provide certain benefits that are contracted because of tax abatements etc. There is a policy. Within the Trader Joes project the public benefits process was not ideal. In hindsight they would have started that agreement before the process started. For Natural Grocers 50% of commercial space not used will be offered to community small business at a significantly discounted rate. They will also put forward a hiring plan and that local community members have first priority for those opportunities.</p> <p>Lisa asks if those specific items Kim mentioned were the pieces that were above and beyond what they now consider to be a standard practice.</p> <p>Charri responds that in reference to the Natural Grocers project, there is a signed community benefits agreement. There were three primary components that came out of that agreement; one around workforce development, product placement (making sure products from people of color are placed in Natural Grocers). Part of the master lease will also be a tenant retail strategy. Tori Campbell is leading that to ensure to curate the process early on to work with partners and identify projects that need space. Another component is that the building be a reflection of the community to provide art by local artists for permanent art, and business equity components looking at the trades involved</p>	
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	<p>in construction as well as longer term jobs. The CBA has taught them a lot and they want to move forward with this project as a blueprint.</p> <p>Lisa wants to know how you evolve the concept of “local” and what does that actually mean when the makeup and demographics of the neighborhoods has changed so much.</p> <p>Kimberly responds that their conversations about what community means were specific. Community was defined as people who live in the neighborhood now as well as people who lived in the neighborhood previously, and the African American community in particular. They think they will build on those ideas through this process.</p> <p>Katrina asks whether PDC will follow PHB’s preference policy.</p> <p>Kim responds that they have not yet discussed it, she doesn’t believe they’ve seen the preference policy as of yet, but they are willing to look at it to see how it could be applicable in a business context.</p> <p>Carl states that the first thing that happened is the community lost ownership and control of housing real estate, and now it’s happening with commercial properties. He believes an important strategy to have is one that specifically talks about commercial properties in order to identify future opportunities for black owned businesses.</p> <p>Katrina asks about the original amount to be spent under NED’s governance.</p> <p>Kim answers \$340M for ICURA – PDC now has \$52M between now and 2025 and PHB has \$104M for the same area. PDC has commitments on \$20M that has been allocated and budgeted. She can’t speak to what portion within housing has been allocated.</p> <p>Leslie answers that PHB has TIF they get every year and then there was an additional \$20M that was allocated by the mayor. Of the \$20M there was a \$4.5M RFP for Grant Warehouse and later added another \$2.5M for that project, totaling \$7M. There was \$10M of TIF in the NOFA and \$5M announced tonight in homeownership and \$5M in home repair of which about \$1.5M has been allocated. There is an additional \$32-37M in additional TIF that was allocated to ICURA due to the TIF Lift top use for housing. The N/NE Oversight Committee will help guide how those additional funds are spent, these</p>	
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	<p>funds have not yet been allocated. There will be a public process over the next 4-6 months to decide how to spend those funds for housing only.</p> <p>Bishop Holt adds that the purpose of today’s gathering is to address some of the strategies that can bring housing and economic development together.</p> <p>Katrina asks as far as the NED is PDC asking N/NE Oversight Committee and NED to work together to spend the remaining \$32M?</p> <p>Kim thinks it would be beneficial to hear NNE’s priorities, advice, and recommendations about how PDC will allocate the remaining resources. They would like to solicit more input and advice in terms of process and they would like to work in tandem with PHB, NED, and PDC because there were many issues that came up in recent community forums around economic development in the N/NE community.</p> <p>Charri adds they are working to be strategic, informed, and open – having these groups share with each other will hopefully lead to common strategic goals.</p> <p>Katrina thinks it would be helpful to have an actual number that is being worked with regarding economic development.</p> <p>Bishop Holt responds that based on this discussion, PDC is working with approximately \$30M. He thinks this discussion is a good beginning. Next steps are to make sure the items and issues repeatedly expressed are leveraged to the highest efficiency. He thinks it makes sense for both agencies work together to allocate the remaining dollars to make families and individuals as successful as possible.</p> <p>Bishop Holt opens the floor to public testimony for items on tonight’s agenda.</p>	
<p>Public Comments and Questions</p>	<p>Johnny Englehart Noel testifies. He is on the Eliot Neighborhood Association Board and he wants to express appreciation for housing, he is on Section 8. He has lived in 49 places in 44 years. And he wants to thank the people involved in housing him.</p> <p>Amber Witherspoon testifies. She is a financial advisor with World Financial Group. One thing she hears in this conversation is developing smarter home owners. She states that</p>	

33% of Americans don't pay their bills on time. 39% carry credit card debt from month to month and many Americans don't have savings. More than half of Americans believe it is ok to default on a mortgage if they can't afford to pay for it. She wants to know what is being done with the funds and how are they being allocated to ensure that smart financial decision are being made by the people in housing developments. You can move a person into a better situation, but if they don't know how to thrive in it that creates a problem.

Felicia Tripp answers that the Portland Housing Center has a default rate of less than 1%. They provide culturally specific financial literacy programs. Homeownership is one cog in the wheel of wealth creation. African Americans have the highest burden of student debt and they are the least likely to invest in retirement plans. They are working to require agencies to provide accountability. Part of the solution is working on every part of issues like education, employment, etc.

Amber suggests that her company offers financial education that is culturally specific and she would be willing to work in collaboration to provide that information to our community.

Kat Gaugenauer expresses her interest in the coming together of these two groups. She is a community advocate and has a vested interest in the accountability to the community and how equity is really a focus and if this will make an impact on folks that will be most impacted. She participated in the RFP process for dollars that were just allocated. There is a tendency to assume deficiency when we think about people who don't have jobs or access to opportunity. She has six figure student loan debt, she makes a good living but we should think more about development of business, create continuity and she has an equity firm and pushing to have accountability to the community. The CBA issue, the document was taken as a draft. She wants to know how to make sure decisions are being made based on recommendations of the board. She wants to tie that to an anti-gentrification and anti-displacement strategy. She wants to know how to make it meaningful, how these bodies are accountable to the community, when are you going to be transparent and how do community members and organizations create legally binding documents that ensure that does happen.

Felicia responds to Kat by saying that she wants to be as transparent as possible with specific responses to her questions. She thinks as a community member she should push the committee for specific, measurable outcomes. As a community member if she sends her a request asking for material, she will make sure she gets that. As far as working with PHB and PDC, suggestions on how they can collaborate and be more effective don't have to only come from committees, the community members can speak as to what they would like to see in how we look into the future. Transparency and translation are the most important thing.

Bishop adds that one of the reasons why we have the billboards is so the NNE goals and responsibilities are publicly placed where anyone attending can see – the committee is open to suggestions and feedback. These are volunteers. They are looking to create an environment and community that is full and whole.

Selindra adds that even though community committees are here to help, there are things that go on behind the scenes that we have no control over. She commits that as a committee member she will push PDC to be transparent. She will help you get information.

Dr. Bates makes a suggestion for the housing oversight committee. She thinks it would be important to revisit the feedback from the community forums and think about those as a start to coming back to the larger community voices.

Susan Madera of Elders in Action testifies she recognizes the gist of the conversation and that it needs to be a melding of economic development and housing. The conversation seems to be that affordable housing is generally temporary and that no one wants to live in affordable housing. She came tonight from an affordable housing unit organizing meeting. For seniors it is a goal to have safe, secure, and affordable housing and it's not only a temporary fix. For seniors there needs to be more affordable housing It needs to be available.

Alonzo Simpson says he's excited about this process and conversation and he thinks we should get to the point and talk about prosperity for black people. He thinks pulling in other bureaus is important because of programming and conditioning. He thinks from a

	<p>business owner’s perspective there are more barriers that no one talks about because it’s all cash needed to grow. These ideas need to be brought to the table as well.</p> <p>Felicia thinks another thing we can do for the community on the \$20M is a breakdown of the allocation is important to show in the community.</p> <p>Leslie says the N/NE annual report is coming out soon and will have an abundance of information to report to council and it will be publicized in various forums.</p> <p>Charri shares that PDC has history but there are people in the building who are individuals who are committed. She feels she is here to do community based work. She brings a high level commitment that includes outreach to the community. She is more than happy to speak with community members.</p> <p>Dr. Bates would like PHB to share the additional asks being made to both of these groups. She wants to know what those pieces are so other community members can advocate for them.</p> <p>Leslie says these coincide – the budget is due Feb. 1st. She will be able to send it out to the committee before they send to city council. The N/NE Annual report will be brought in front of City Council on Feb. 3rd, 2016.</p>	
Wrap-Up	<p>Bishop Holt wraps up the meeting. He offers an invitation to the community to engage in the process and be involved. The next N/NE Oversight Committee meeting is March 10th, 2016.</p>	