



Portland Housing Bureau

N/NE Neighborhood Housing Strategy Oversight Committee

September 8, 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

September 2016 Meeting Minutes

Members Present: Dr. Lisa Bates, Felicia Tripp, Virgie Ruiz, Bishop Steven Holt, Jillian Saurage,

Members Excused: Orlando Williams, Lorenzo Poe, Lisa Faust, Katrina Holland, Reverend T. Allen Bethel, Marlon Holmes, Sarah Zahn,

Staff Present: Leslie Goodlow, Sawyer Sheldon, Javier Mena, Andrea Matthiessen, Letimya Clayton

Guests Present: Kate Dean, Kimberly Moreland, Commissioner Dan Saltzman

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<p>Welcome</p>	<p>Bishop Holt welcomes the Committee and the public. 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>Support for Oversight Committee</p>	<p>Commissioner Saltzman thanks committee for agreeing to oversee PHB, the TIFF Lift, and URA money being invested in NNE. Says that the TIFF Lift has allowed the city to bump up its investment in affordable housing from 30% to 45% for urban renewal. Says that he was happy to be at the ribbon cutting for the new Miracles Central Club's second location; says the ribbon cutting was for 47 new units of affordable housing for people in recovery. Says that PHB invested \$7 million dollars in the project so it was gratifying to see people in those units up, running, and filled. Says that the commissioner's office is</p>	

	<p>committed to being open and clear with communication going all ways with the committee. Asks if any of the committee members have questions for him.</p> <p>Virgie asks if he has any information about other American cities, like Portland, that are facing similar housing issues.</p> <p>Commissioner Saltzman says that most cities in the nation are facing these types of issues, especially around homelessness. Says that Portland is investing a lot into its affordable housing stock and that the committee’s oversight of PHB and PDC, as well as the TIFF Lift, is a great start. Says that the TIFF Lift going from 30% up to 45% translates to about \$30M in the Interstate Urban Renewal Area (IURA). Says that one thing we are doing right, that many other jurisdictions are stumbling with, is the Preference Policy which gives people displaced from NNE a chance to come back to the area with affordable units. Says that cities are facing critical lows with housing stock and since there are substantial populations that are moving to cities which strains the housing markets. Says that the city, in response to the housing crisis, is asking the residents of the city to approve a bond measure on the November ballot which could raise \$258M to build more affordable housing. Says that half of the units funded by the bond measure would go to help people with extremely low incomes – 30% MFI – such as seniors or peoples with disabilities; and that half of the units they are looking to build would be family sized, having two bedrooms or more.</p> <p>Lisa Bates says that she appreciates the leadership of Kurt and Commissioner Saltzman. Says that she knows there are transitions coming and would like to see some continuity with the new mayor, and would like to see the same care taken with the new leadership.</p> <p>Commissioner Saltzman says that he believes Mayor Elect Wheeler will be involved and probably would like to attend a NNE Meeting.</p> <p>Bishop Holt says that he too appreciates the leadership and is hopeful it will carry through the mayoral transition.</p>	
<p>Fast Start Fall NOFA Home Ownership Options</p>	<p>Javier Mena says they want to engage the committee early about the Fast Start program so that is why they are here. Says that since the beginning of PHB they have done a Notice of Available Funds (NOFA) for all funds PHB has had to invest in the community. The NOFA proposals are expensive, between \$5,000 - \$ \$15,000 per proposal, which can</p>	

be cost prohibitive for non-profits and small agencies to participate in. Says that the last NOFA they did, PHB received 23 proposals and selected 8. Secondly agencies need to know how to “talk the talk” to get selected; which alienates developers trying to break into city contracting. Finally, once a project is selected it takes time to break ground, for example, none of the projects that were rewarded for the last NOFA has broken ground yet. Javier says that they are not going to do away with the Request for Proposals (RFP) or the NOFA process, but that the Fast Start process would allow developers with the capacity, funds, and experience to expedite the development process; so that when sites come up for development, they can be acted upon quickly, which will bring units online faster. Javier says that PHB will also allow pre-existing apartment buildings to be brought and added into the affordable housing stock to add yet more units to the community. Says that the Fast Start developers would also have experience within the last 10 years, showing that they can develop multifamily projects. And that they will need to show their commitment to equity, as that is very important to PHB. Says that the notice for Fast Start applications was issued in August and statements of qualifications were due September 1; they received 30 applications, 15 of which were from non-profits. Says that they are reaching out to the committee to help determine how best to narrow down to about 7 developers. They want to reach out to help determine what the criteria should be, and then will engage with a community committee to evaluate the applications based on those applications.

Lisa wants to know if there is a risk cutting down to 7 developers? Asks if there is a chance that, with only 7 in the program, they could all be busy and not able to do a project?

Javier says yes, there is a risk, but that since this is a 5-year pilot they want to see what happens. Says there will also probably not be work for 30 developers over the 5 years.

Reverend Bethel says that he has an issue with the sole discretion being with PHB. Says that he doesn’t want to see the developers be from California or Georgia, says he wants the jobs to be from here, and stay here.

Javier says that the notice is more an overview. And if they select someone who is out of the city or the state, that doesn’t mean they will not partner with local subcontractors, architects, etc.

Bishop Holt wants to know what is being done for the “capacity and capital” part for ethnic partners.

	<p>Javier says that they are going to be more projects that will be there to help those builders, but this project is not for building those developers up. Holt says he doesn't want to see this project to become only select people can participate. Javier says these questions are exactly what they want to address in future meetings.</p> <p>Virgie asks what funds have been committed. Javier says none as of yet, that will be discussed as the process becomes more flushed out.</p> <p>Jillian asks what "capacity" means, because there are lots that have the ability, but may also have lots of projects going, how will that be determined? Javier says they will be looking at who, out of the 7 developers, can get units off the ground the fastest when the project arises. Jillian asks how PHB will measure equity. Javier says that will also be something that is going to be discussed in future meetings because they want to include a committee in for decision. Jillian asks if there will need to be a balance in for and nonprofit? Javier says maybe, but that is not known right now. Jillian asks how long will it be before the list is evaluated. Javier says it will be evaluated at the 4-year mark of the Pilot program.</p> <p>Lisa asks why is equity up for discussion. Isn't that part of the NOFA already? Javier says yes, but that is part of the problem because there are people who know how to answer that question on the NOFA application, and they want to be sure that equity is what is actually happening in real life, not just on paper. Lisa is concerned that will lead to equity being watered down, particularly for large developers. Javier says that part will be evaluated during the narrowing down process. Says that once a developer is selected for a project then that MWESB part will be really delved into. Lisa says that this could be a good opportunity to push those standards on out of state and current developers.</p>	
--	--	--

	<p>Javier says there are NOFA funds available for the Interstate URA and once feedback is received from the community they want to have funds available in Interstate. Says that there is also a huge need for rehab of existing units that need upgrades and maintenance. Javier says that this fall they want a letter of interest from the non-profit partners what the true needs of the properties are so they can prioritize which units need to be updated. Says that these letters will give PHB a better idea what the needs are and what the cost commitment would be for those units.</p> <p>Andrea gives an update on where the \$5m in home ownership went. \$1.7 to PCRI and \$3.3 went to Proud Ground, AAAH, and Habitat – all of these homeowners are being identified by the Preference Policy. The partners are waiting to see what the participants are able to afford for their family sizes. Proud Ground is in the process of acquiring 12 single family homes that will be placed in a land trust as permanent affordable housing. PCRI is look to build 22 new construction units The people who live in those PCRI units will have a 10-year tax abatement which is about \$2000 savings per family per year; PCRI units will be attached units. AHHH will provide 11 households with down payment awards. Habitat for Humanity will provide about 20 units via acquisition of single family homes, and new construction of attached homes. Proud Ground and Habitat look to be going summer of 2017. PCRI is looking to start development in summer 2017. PHB thinks about 25% will be single family and the rest will be attached homes.</p> <p>She says that PHB is being approached by condo developers who what to build units. Lisa wants to know what the difference is between Condo, single family, and attached. Andrea says that single family is a separate building, attached is like row houses, and condos are like apartments but with HOA fees. Lisa says that the HOA could be concerning but there are some realities about how development is moving in Portland, and that attached living is becoming more prevalent. Lisa says that there is a worry that precluding those types of buildings would be excluding people from living here. Andrea says there is not data for how condos appreciate in Portland but they can try and see what other jurisdictions have data on. Lisa says that she doesn't want to exclude it right off the bat, is all.</p> <p>Jillian wants to know if those condos would be cheaper for people to buy and then will appreciate at market rate? Or will they be land trust model?</p>	
--	---	--

	<p>Andrea says she doesn't know and that this is part of why she brought it to the committee.</p> <p>Jillian says that she worries about HOA fee mismanagement, and how that can lead to new home owners to be blindsided by huge costs when the buildings need work.</p> <p>Lisa also wants to see if mixed incomes in 1 building would work? Says that would need to be addressed for sure.</p> <p>Lisa wants to know how buying the houses goes, because there is a lot of talk about "looking to acquire" and words like that.</p> <p>Andrea says that with PHB's help the partners can make cash offers which can be an edge in this hot market. Says that she is worried that new home buyers going out and making offers – even with \$80k in down payment assistance – could still be left without options.</p> <p>Lisa asks if there is flexibility for people who are trying to buy a home more traditionally to act like Proud Ground and go in with cash offers?</p> <p>Andrea says that is an interesting idea, and would like to discuss it further.</p> <p>Javier says that they look at equity in condos vs homes because they want to be sure that PHB doesn't go all in without all the information.</p>	
<p>PDC NNE Economic Development Plan</p>	<p>Kate Dean from PDC gives the presentation. Says that the purpose of PDC right now is to work on finishing their 5-year action plan, and that it is about 70% done. PDC has something on paper and is working with a committee, and now want to talk about that plan. Says that there is about \$32m over the next 5-8 years to be invested in the city. Says that these TIF funds are only for brick and mortar buildings. Says there are also more flexible funds available that they want to be supported with non-TIFF dollars. Says the committee is very focused on the African American community – property owners, building owners, and residents – who would make up about 80% of the funds, and the remaining would be for other people of color. Says that they want to strengthen this community's ability to be financially sustainable. Says they have been looking at what they set out to do, what has been done, and what those outcomes were / are. Says that they are now going to anchor this to PDC's new 5-year plan to close prosperity gaps. Says they have 4 questions for the community and the committee:</p> <p>Key Questions (Slide 5)</p> <ul style="list-style-type: none"> • Is the focus of the Plan on African Americans appropriate? 	

- What works about the Plan?
- What doesn't work or is missing?
- Is the allocation of resources appropriate?

Draft Action Plan Objectives (Slide 6)

- Foster Individual Wealth Creation Through Property Ownership
- Foster Individual Wealth Creation Through Business Ownership and Entrepreneurship
- Increase Access to Capital and Economic Opportunity Programs
- Increase Access to Jobs
- Support Community Driven Solutions
- Expand the Affordable Housing Strategy Tools

Says PDC went back and looked at all of their grants and loans from 2001, and that the people who know about those programs come back a lot and apply again, but that they need to broaden the knowledge of these resources. Says that they know that PDC has a lack of trust in the NNE especially among the African American community. She then talks through the graphic on slide 7. Says that PDC is bringing a discussion around non TIF resources for 2 programs, small business development, and labor force / job access help, and about \$400k for a community driven model. Says there are also a lot of middle income people who cannot purchase a home but also do not qualify for assistance that is out there, such as through the programs at PHB. Says that PDC will also have an oversight committee as well, and will also utilize the NOFA process when it is feasible. Kate says that she would really like discussion around affordable housing for middle income residents.

Lisa asks if this plan an attempt to address PDC's "not achieved" goals? She says that releasing that report could do a lot to repair that trust deficit PDC was talking about. Advises that PDC should have very specific ideas about how to address that trust deficit, and that release that report for the URA would do a lot to fix that. Lisa says that she thinks it is very important that there is a plan for medium income families and that 4 home buyers a year is very small amount. Says she worries that will not stop the gap of race and class. Questions if a "marquee" level project at this price point is worth it because it is 1 building and she doesn't see the cost benefit to it. Kate says that PDC is open to those questions and that those comments are helpful.

	<p>Kimberly Moreland says that the whole intention is to sustain the culture of the community and that is the hope for that 1 building. She adds that they shared a report similar to what Lisa was asking about with their subcommittee and they could make it more available.</p> <p>Lisa says it should be very public and accessible to people when it comes to addressing the race relations of their organization with the community that they serve. She says that equity should not be a check box, they need to be real and tangible goals and outcomes. She adds that focusing on the work force is very important because right now there is not a lot of people moving from apprenticeships to the high paying jobs that they have worked hard to train for.</p> <p>Kate says that the idea would be to have someone on the ground who could work with community partners to make sure that they are available to navigate people to resources. She says that PDC creates jobs but needs to do better about linking those jobs with people in the community.</p> <p>Jillian says that just saying that PDC wants to do great things is not enough. She says that there needs to be more outreach so they can know what people actually need to get those jobs; says that then being transparent about what PDC has done, what the outcomes are / were, and then making those reports very accessible.</p> <p>Jillian says that PDC will also need a good answer for why they are focusing on the African American community; she says that yes, they need to focus on that community, but they need to have a good answer for why they are focusing on it because people will ask and PDC will be questioned about it.</p> <p>Kate says that PDC is a funder for work force development programs, and a partner for the main public system, but that it is not their main “lane”; however, they are aware that needs to be a bigger role in the future.</p> <p>Jillian says that she understands that is not their main lane, but they hold the purse strings so they do have some power there.</p> <p>Bishop Holt says that his main take away is that these are discussions that need to continue, and that by moving on to the next agenda item he is not stopping that conversation but pausing it.</p>	
--	---	--

<p>Public Comment</p>	<p>Beryl asks PHB about developers coming here and creating homes, and wants to know why PHB doesn't work with nonprofits who then work with banks for the housing stock they have, and then using local developers to work on them?</p> <p>Javier says that working with the banks is very difficult. Says that the mayor's office has tried to foreclose on the "zombie" homes but that is a very long process and it takes a lot of time to do. Says that there is not a lot of willingness from the banks, or from people who own those homes, to make them part of the affordable housing stock.</p> <p>Beryl asks what about going with the nonprofit partners to the banks?</p> <p>Javier says that they provide funds, but there is not a lot of willingness to engage with them from the banks.</p>	
<p>Wrap-Up</p>	<p>Bishop Holt thanks people for coming and says that this is a huge topic that is ongoing. These topics are not race issues, but in the past people of color have been the ones affected by gentrification – African Americans chief among them. Reminds the community about September 10th meeting.</p> <p>Javier adds, for the good of the order, that the Argyle property selection is almost complete, and thanks Marlon for his help in the process.</p>	