



**PORTLAND
HOUSING
BUREAU**

- ✓ = Oversight Committee Action item
- ▶ = PHB staff member action item

November 2017 Meeting Minutes

Members Present: Virgie Ruiz, Dr. Lisa Bates, Dr. Steven Holt, Cupid Alexander

Members Excused: Marlon Holmes, Dr. T. Allen Bethel, Felica Tripp, Triston Dallas, Sheila Holden, Jillian Saurage, Dr. Karin Edwards

Staff Present: Jessica Palanco, Sawyer Sheldon, Ira Bailey, Andrea Matthiessen, Javier Mena, Leslie Goodlow

Guest Presenters: Steven Messinetti, Michelle Rosa & Josh Philippi – Habitat for Humanity, Diane Linn & Gina Wooley – Proud Ground, Travis Phillips – PCRI,

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<p>Welcome</p>	<p>Dr. 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, or in today's presentation, 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: https://www.portlandoregon.gov/phb/72705</p>	
<p>Interstate Project Update: Habitat for Humanity – Condo Project</p>	<p>Steven Messinetti, Michelle Rosa and Josh Philippi from Habitat for Humanity gave the update. Steve says that the Olin Street project will be mixed income, serving those making 35% - 100% Median Family Income (MFI) with homeownership opportunities. Says that 10 homes will remain permanently affordable to buyers at or below 80% MFI and 2 for those at 80% - 100% MFI. Says all homebuyers will have to qualify through the Preference Policy and will be first time homebuyers. Michelle explains how the homes</p>	

	<p>will be divided among income levels (slide 5). Josh explains the development and options homeowners will have (slides 6-9), Josh says that the ADA units will be designed around the needs of the individuals in those units. Josh goes over slides 10-16 about who will build the units and how; in short, Habitat uses “sweat equity”, volunteer labor, and donations to keep costs down.</p> <p>Virgie wants to know more about the timeline (slide 16); asks if the homebuyers will be moving into the homes in November 2019. Steve says it depends on if they are using the first-round preference policy list, or if they open a new list for the property; if it is new the home buyers may not be ready until then.</p> <p>Cupid says that he is glad to see 80% - 100% MFI units to address the “missing middle” income clients. Asks if there will be HOA fees for the owners. Steve says yes, the homes will follow the condo model, anything on the exterior of the building will be covered by those fees (ex. roofing, siding, paint, etc.); says these fees are factored into the monthly price of the homes. Cupid wants to be sure that this is clearly explained to the homebuyers who many not be familiar with this homeownership model.</p> <p>Virgie asks if there will be any safety equipment in the units. Josh says yes, there will be fire alarms and CO2 monitors. Virgie asks about exit strategies for the people on the higher floors. Josh says there are fire proofing walls between the units to slow the spread of fire, says that there will be ladders on the higher floors and egress windows in all the rooms. Michelle says that Habitat offers many classes to their clients, including some on emergency preparedness.</p>	
<p>Interstate Project Update: Proud Ground – Condo Project</p>	<p>Diane Linn and Gina Wooley of Proud Ground gave the update. The project is located at the corner of N Interstate and Alberta; says that this is conceptual at this point but all information is based on the NOFA that was awarded. Says that the project is 50 units, 41 affordable (slide 18), the affordability mix (slide 19) will include family sized units at all income levels. Diane talks about the development team (slide 20-22). Gina talks about the community engagement strategy (slide 23); says that part of the strategy is to encourage people to apply to the preference policy. Gina says that a large part of this process will be explaining how condos are different than apartments to potential homebuyers; such as condos have higher construction, safety, and noise control</p>	

	<p>standards. Says that the community benefits are an engaging design process and naming of the building, cross cultural community outreach, and a goal of 35% MWESB contractors. Says the units will remain affordable for future owners as well. Gina explains the project schedule (slide 25 – 27) says that they do not have the reservation letter right now but have exclusive rights to negotiate for the site. Says that they will use second round Preference Policy applicants are ready to purchase the time line should line up very well. Says that project design features (slide 28) is a starting list they will bring to the community when the design process begins.</p> <p>Virgie asks if there will be an HOA fees for building maintenance? Diane says yes, this is a classic condo model; says that they fees are calculated into the affordability models.</p> <p>Cupid says that this location is prime for the neighborhood. Wants to know if they have engaged in conversations with local businesses and the community about the project. Wants to know how they will work to make sure the residents are not segregated from the community. Diane says that can all be added to their outreach strategy so they can specifically address the needs during that process. Cupid wants to see the name reflect the community as well, says that will go a long way for the neighborhood. Says that the land trust model is great for first time homeowners. Diane says that they will lead off by saying these are condos, not single-family homes, and really meter the expectations from the start; wants people to come in with eyes open.</p> <p>Dr. Holt says that he is excited the work is going forward.</p>	
<p>Interstate Project Update: PCRI – King/Parks</p>	<p>Travis Phillips from PCRI gave the update. Says the project is located at the corner of Rosa Parks and MLK. He explains the development timeline (slide 32 & 36) and says they closed the financing gap this week so they are ready to move forward. The unit mix (slide 33) will serve those at 30% - 60% AMI. Says that they have done community outreach and a play area and community space will be provided. Says that Dr. Bates introduced an artist who will help with the honoring of Rosa Parks which the community says is important to the project.</p> <p>Virgie wants to know about the safety of the units. Travis says that fire and smoke alarms in all the units, as well as other safety features for large apartment buildings.</p>	

	<p>Cupid says that Decom is about to blow up and before it gentrifies he would like to see the businesses notified of people living nearby so they have the economic opportunity to be a part of that expansion.</p> <p>Lisa says that she would like PCRI or PHB reach out to PBOT about the narrowing of the sidewalks on MLK; says that would be a safety hazard. Says that she hopes that as neighborhoods grow that the stigma for multifamily housing diminishes. Says that this happens but wants to see it mitigated with community engagement and outreach.</p>	
<p>ADU Program</p>	<p>Ira and Andrea gave the update. Ira says that the goal is homeownership retention by allowing homeowners to rent out the ADU at market rent, move family into the units, have caregivers in the units, etc. Says that this is done by a loan of up to \$80k over 15 years at 0% interest (slide 40). Says that this will increase property taxes so there will be an evaluation to make sure that rising cost doesn't outweigh the profit of the unit. Says that the units cannot be used as short-term rentals for the duration of the loan. Eligibility terms on slides 42 – 45. Says there will be landlord education to help people understand what it means to be a landlord in Portland (slide 46). Says for outreach they will do a mass and targeted mailing, and have community partners refer people.</p> <p>Cupid says that he is worried about the possibility of the single unit exemption being taken out of Mandatory Relocation, meaning these clients may have to pay out for their renters leaving under certain circumstances. Says he is worried that the homeowners may have to take out additional loans to pay those fees which could result in financial distress. Secondly, Cupid asks about auditing of the program. Andrea says that they have been tracking the status of the single unit exemption, it has been on their minds. Says that PHB is tracking all the components of the program that could make vulnerable homeowners even more precariously housed in their homes. Says PHB is tracking all the tax implications and how they may impact potential clients.</p> <p>Lisa says that she thinks the manual the City uses for landlord training is problematic for the spirit of housing equity. Wants to know what the timeline is for the pilot program and what the evaluation plan / success matrix is; wants to know if it has the potential to be expanded and if so would that be during the ICURA life time? Andrea says that the Pilot program has proposed annual surveys to check in with the residents to make sure the space is being utilized, by whom, and if rent is being charged how much. Says the survey will be to make sure the intended outcomes (home retention) are being met.</p>	

	<p>Says that she doesn't see an expansion in the first 3 years from the start of the program. Lisa wants to know if expanding to different forms of ADU would be a part of that process. Andrea say probably yes. Says the resources budgeted are 40 ADU's over a 5-year period; says that is 8 units annually over 5 years.</p> <p>Virgie asks about the program requirements, wants to know why the ADU needs to be registered as a business and not a rental. Andrea says that from what she has learned is that if you are a landlord – even of just 1 unit inside your home – you need to register as a business.</p>	
<p>Homeownership Updates</p>	<p>Andrea gave the update. Says that the mayor approved the increase in subsidy that was voted on at the last Oversight Committee meeting. Says that the mayor's office has allocated an additional \$2M to the 2015 \$5M allocation for homeownership which will have 65 households. Says that the 12 unit condo project Habitat for Humanity had set aside as their portion of the \$5M will be done earlier than some of the other AAAH collaborative projects. Says that Habitat had proposed 30 units on the site but PHB asked for 12 instead to allocate resources to other housing types to give Preference Policy folks a choice; says that Habitat still wants to develop the other units but needs funding for Phase two. Says that Habitat was awarded Tif-Lift resources in the 2016 winter NOFA, but due the shortened timeline PHB has discussed moving the funding from the Winter NOFA to the NNE Tif resources that are being used to serve the 65 households. Says that Habitat would decline the NOFA funding and instead use the original resources awarded to the AAAH Collaborative because they have households in the que now for homeownership. Andrea then explained the chart of projects and that the Olin Condo Project be moved to the original \$5M pot of resources.</p> <p>Lisa wants to know why they want to move the project and why it is being brought to the committee. Leslie says that is has to do with Fair Housing and which groups of Preference Policy folks have access to which projects. Lisa wants to know which groups of Preference Policy folks go with which pots of money? Leslie says the NNE Tif (Blue) are for the first round. Cupid wants to know if the overall number of units produced is going to be less? Andrea says yes. Lisa wants to know how many less? Leslie says with the increase in subsidy it went from 250 to around 204 households helped.</p> <p>Andrea says that PHB wants the Oversight Committee to know which projects will be available to the original 65 households, who the provider is, and where those projects</p>	

	<p>are located; says that there is not a process for funding phase 2 of the Habitat project right now. Leslie says that the reason this is an issue is because 30 of the 65 Preference Policy households would end up in the same development instead of 12 from the first Preference policy round and 18 from the second round; and they wanted to give them a choice. Cupid says that the committee will need time to review the information given. Dr. Holt agrees, says decisions will be made at a future time.</p>	
<p>Public Comment</p>	<p>Slyvia Alexander says she wants to know where and why the ICURA boundary is where it is? Wants to know why there is not any flexibility for people who find a house 2 block out of that boundary being able to get that homeowner assistance. Says she thinks it is important for people to have flexibility and worries that with that boundary it may inflate prices inside the ICURA. Leslie says that the homeownership dollars were generated using Tax Increment Financing (TIF) and therefore can only be used in the same area – it is a community reinvesting in its self – and legally can only be used in the URA. Says they are working with Prosper Portland to see if expanding the boundary 500ft or 1,000ft would make a huge difference; but nothing has passed yet. Slyvia wants to know if there is a chance that the homeownership money would be expanded to be city wide? Leslie says PHB has limited city wide dollars that they give to partners. Says there are currently funds in the Lents URA and the Interstate URA for homeownership.</p> <p>Cherrell Edwards – El says she is one of the first round Preference Policy selectee’s. Says she wanted to put a face to the group of people that these decisions are being made for. Says she was born in Portland, says her kids go to the same schools she did. Says she lived in the neighborhood now, but that it is a struggle. Says it is hard to see family pass away and lose homes. Says that she wanted to talk about how most of the money is being placed for buyers at or below 80% MFI; says that part of the funding is coming from Section 8. Says that the Preference Policy was created to help people who have been historically impacted by displacement and racial gentrification; says that distributing funds through the agency’s PHB is working with is equality. It means that the disabled people who will need assistance for the rest of their lives will have a place to live. Says that doesn’t let her go get a home with a rental and let her make income from it. Says that she can’t take the Preference Policy money and go look where she grew up because it is two blocks outside of the URA. Says that it doesn’t let her create generational wealth to pass along to her kids. Says it creates wealth for the agency’s PHB partners with and not the citizens of Portland.</p>	

Wrap-Up	Dr. Holt thanks the community and the committee for their time and for coming. Reminds the audience that these meetings are available on cable channel 30 and on YouTube. Next meeting January 11, 2018. City Council Annual Presentation last week of January	
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