



Portland Housing Bureau

Mayor Ted Wheeler • Interim Director Shannon Callahan

Portland Housing Advisory Commission

August 7, 2018

3:00 – 5:00 p.m.

Portland Housing Bureau, Suite 500

421 SW 6th Ave.

Portland, OR 97204

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

August 7, 2018 Meeting Minutes (approved)

Note: Full audio recordings of all PHAC meetings – as well as all documents discussed – are available on the PHB website here: <https://www.portlandoregon.gov/phb/74126>. Meeting minutes are intended as a summary and not a verbatim transcript. Key items recorded in the minutes include: members present; the general content of group discussions; and all motions, resolutions, and votes taken.

Members Present: Amy Anderson, Maxine Fitzpatrick, Cameron Herrington, Hannah Holloway, Diane Linn, Ramsay Weit

Members Excused/Absent: (*excused*): Nate McCoy, Ed McNamara, Sarah Zahn; (*absent*): Shannon Singleton

Staff Present: Shannon Callahan, Matthew Tschabold, Jessica Conner, Stacy Jeffries

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Call to Order, Roll Call, Minutes	Jessica Conner called the meeting to order. Quorum was reached, and Ramsay Weit moved to approve the May meeting minutes. Diane Linn seconded the motion, and the minutes from the June 5, 2018 meeting were unanimously approved.	
Public Testimony	There was no public testimony during the time set aside on the agenda. The Commission made time for a late arrival at the end of the meeting.	
Director's Update	<p><u>1:15 – 32:41</u></p> <p>Matthew Tschabold announced that PHAC Commissioners Dike Dame and Betty Dominguez had submitted their resignations. Commissioners can expect conversations regarding PHAC membership in the near future.</p> <p>Amy Anderson also announced that she would be stepping down from PHAC to pursue a career opportunity as a forensic peer specialist with Cascadia. She thanked the Commission for their support.</p>	

Shannon Callahan, Interim Director of the Portland Housing Bureau, delivered her [director's update](#) with an [accompanying presentation](#). She briefed the Commission on several ordinances/projects that are either going to Council or relate to PHB:

- An Inclusionary Zoning project that will add an additional 5 units at 80% MFI to the 200+ affordable units that have been created since IZ went into effect. The project that Council approved includes a 10-year tax exemption in exchange for 99 years of affordability.
- A transfer of property from the Water Bureau to PHB: This is a 3-acre undeveloped property on Syracuse bordering the railroad tracks that will accommodate 50 – 70 homes. The acquisition is the result of a Council policy that gives 1st right of refusal to the Housing Bureau to develop affordable housing on any surplus land that another Bureau might put up for sale.
- Discussions on the Division Corridor rapid transit project, in coordination with our partners at the Bureau of Transportation. These discussions will focus on the commitments the Housing Bureau has made and the progress of those commitments, even before the transit line is actualized.
- The release of PHB's [Summer 2018 NOFA](#), which includes

\$5.5M for a Central East Side project for new rental housing development within the Central East Side Urban Renewal Area. These are funds we've been holding for some time; PHB initially planned on pairing these funds with the Clinton Triangle development, a property currently owned by the Water and Fire Bureaus. We still intend on working on this project, but it's many years out.

\$7M in federal HOME funds available to be used anywhere in the city. PHB expects to see a minimum of 60 new affordable units, with about 5% of those units being supported at 0-30% AMI without additional rent subsidy. PHB is also requesting that 5% of the units be available for permanent supportive housing (if we have service funding).

\$12M in capital / services funding, with the City contributing \$10M; Oregon Housing and Community Services committing \$2M in capital funding from their mental health housing funds; and the Joint Office of Homeless Services and Multnomah County Mental Health and Addiction Services contributing \$350K/year for service funding. PHB's intent with this project is to address the

lack of supportive housing for the chronically homeless population. PHB would like to pilot some ways to address PSH, especially with the single adult population, and is asking for proposals that would bring a new model of SRO (single-room occupancy)—smaller units sharing a communal living space. PHB is working with the County and learning about different housing models that might be more effective in dealing with a population that needs mental health services.

Amy Anderson asked about the Oxford-style housing options, citing successes for many decades with this model.

Shannon replied that smaller configurations for PSH are working, and PHB expects to see proposals for buildings with as few as 12 units. We’re relying on our partners’ expertise and avoiding being too prescriptive. The Bureau is hoping to achieve rents that are less than \$500/month and can be sustained – and sustain the building in the long term – without rent support. PHB also expects that we’ll have to contribute more funding per unit to make this a sustainable model.

Ramsay Weit asked if there was a correlation between the \$350K figure cited in the NOFA and the 50 units, and if that sum was enough to do “the right thing” for 50 units.

Shannon confirmed that it was, and that projected spending is about \$7K/year of support per tenant.

Ramsay asked about a receivership program for transferring ‘zombie homes’ to non-profits. **Diane Linn** said she did a deep dive on this with Mayor Charlie Hales’ team. Her assessment is that it’s a really difficult program to administer; it hasn’t been working; and it has some serious flaws. Why take the worst-case scenario when you could spend less money on something in better condition than a “zombie home”?

Shannon said the City has been hesitant to take someone’s home through a foreclosure process. By the time the City would be foreclosing on those homes, they’re not worth taking.

Shannon provided additional updates on work PHB is doing:

- A joint meeting of the N/NE Neighborhood Strategy Oversight Committee and the Prosper Portland Community Development Initiative to talk about increasing maximum indebtedness in the Interstate Urban Renewal Area. The

	<p>conversations we’re having would constitute a substantial amendment to the URA. Shannon stressed that this is just the beginning of the conversation; the substantial amendment would move us into a year-long process that would include formal public input; preparation of an amendment; review by Prosper Portland and the Planning and Sustainability Commission; briefing of Multnomah County; and a City Council hearing.</p> <ul style="list-style-type: none"> • Three other major projects out of the district with these funds: <ul style="list-style-type: none"> (1) Rental project of ~50 units; (2) Land banked project (multi-family development, homeownership or rental); and (3) \$7.5M for another major project. <p>Shannon acknowledged that these projects are largely dependent on the URA amendment going forward.</p> <p>Matthew Tschabold clarified that the maximum funding we could ask for would be \$67M under state law, given the original Interstate Corridor Plan and Urban Renewal Area.</p> <p>Shannon announced the purchase of the 4th PHB bond property in Cully on NE Prescott. PHB’s expectation is that the property can accommodate 50 – 70 homes, depending on configuration. There is currently 1 SF home on the site; the residents are renters who will be able to stay in the property while planning is underway, and will be entitled to relocation rights under the Oregon Relocation Act, which exceed the City’s requirements.</p>	
<p>Open Discussion</p>	<p><u>33:00 – 37:30</u></p> <p>Ramsay Weit asked about Bureau assignments. Shannon said nothing had been decided yet, to her knowledge.</p> <p>Cameron Herrington commented on PHAC’s general participatory practices document, noting that the Office of Community and Civic Life has been charged with setting uniform standards for advisory bodies across all City Bureaus. (Approximately 150 bodies in all.)</p>	

	<p>Cameron also requested that the Commission consider what skill sets and experience are being lost with the folks who are stepping down, and what PHAC could benefit from as they recruit new members.</p>	
<p>SW Corridor Presentation</p>	<p>38:08 – 1:35:41</p> <p>Ryan Curren (<i>Project Manager for the Southwest Corridor Equitable Housing Strategy, Bureau of Planning and Sustainability</i>) and Matthew Tschabold (<i>Assistant Director, Portland Housing Bureau</i>) gave an update and briefing on the Southwest Corridor Equitable Housing Strategy and Light Rail Proposal.</p> <p>Ryan provided background on the origin, partners and scope of the project. Council asked that the Transportation Bureau present a housing strategy along with the proposal for a rail line along the Southwest Corridor. The city of Tigard was also consulted in the process, and the resulting strategy covers both Portland and Tigard. The partners co-developing the strategy are the Transportation Bureau, BPS, the Housing Bureau, and the City of Tigard.</p> <p>The environmental impact statement was recently completed. Ryan will send a letter from the Planning and Sustainability Commission, which includes specific housing analysis critiques.</p> <p>Ryan provided a timeline for key elements of the strategy:</p> <ul style="list-style-type: none"> September 4, 2018: City Council Work Session on light rail project and housing strategy October 3, 2018: Housing Strategy goes to City Council October 10, 2018: Light rail project goes to City Council 2020: Local share of the transit project goes to voters 2022: Application for federal funding 2027 (best-case scenario): Light rail would open. <p>The housing strategy is a 10-year strategy (2019 – 2029), with the vast majority of the work being done up-front and before transit even occurs.</p> <p>There is growing racial diversity in the Corridor, and Communities of Color have expressed concern (regardless of the light rail line) about rising housing costs and rising</p>	<p>Ryan Curren will send letter from Planning & Sustainability Commission</p>

housing instability; many residents were displaced to this area, and have concerns about being displaced again.

Cameron Herrington asked if there was a correlation between the transactions of buildings along the proposed light rail line and displacement or rent increases. **Matt Tschabold** answered that, while we don't have evidence to make the link empirically, we do know that a lot of the buildings being transacted are in the 2- and 3- star categories (in the 1 – 5- star market categorization), and that buildings are being acquired, rehabbed, and generally rented out at higher rates.

Ramsay Weit expressed concerns about continued transactions, and how to approach property owners about “doing the right thing.”

Shannon Callahan said PHB has been actively seeking potential bond properties in the SW Corridor for the sake of geographic diversity, and has not had much luck. We seem to be experiencing some kind of hold pattern, along with higher per-unit prices in the Corridor than in other parts of the City.

Cameron mentioned incentives for property owners to sell to a non-profit or a public-sector agency; for example, under state law, if you sell a mobile home park to a public agency or non-profit, state capital gains taxes are waived.

Cameron also asked about sections of the presentation that mention strengthening tenant protections, and asked if there was an idea of what those protections would be.

Ryan offered to forward a document submitted by the tenant advisory group. He said specific items included application fees being returned if applications aren't processed; additional support to investigate discrimination complaints; and reform around security deposits and the requirement that tenants earn 3X the rent.

Matt Tschabold added that Portland has additional renter protections—with a potential to add more—and that there had been conversations concerning parity between Portland and Tigard. Communities across city boundaries are requesting parity, and that action be taken by the City Council or State Legislature to make sure there's not a drop-off in renter protections across the Portland/Tigard boundary.

Hannah Holloway asked about the level of buy-in from Tigard City Council.

Ryan answered that Tigard Council voted 4-to-1 to accept a strategy two weeks ago, and the topic of tenant protections remains the raw nerve. Topics include 90-day notice for

	<p>just-cause, as well as the additional tenant protections already listed above in response to Cameron’s question. CAT and Unite Oregon have been doing a lot of education and engagement with Tigard staff and elected officials, and Ryan says he’s seen a shift in willingness to discuss the issue over the last 18 months.</p> <p>Diane Linn asked how realistic the urban renewal option was.</p> <p>Matthew answered that Prosper Portland has been active in these discussions, and has been clear that their priorities right now are to commitments already made in other areas of the city (particularly East Portland), which would be the priority for the next urban renewal area. However, Prosper Portland does seem open to considering an URA in the SW Corridor if the light rail goes in. They want to use the funds for anti-displacement and community stabilization/development, not light rail.</p> <p>Ramsay Weit expressed concerns about the immediate threat of another displacement experience being put in competition with the City’s attempts to cure a past displacement. Five years from now, we may be trying to cure what we didn’t prevent in the SW Corridor. He sees this a major tension from a policy perspective.</p>	
<p>Public testimony</p>	<p><u>1:35:45 – 1:39:41</u></p> <p>Veronica Bernier commended the Commission on its good work and provided public testimony on the importance of inclusivity in housing. She also stressed the importance of inspecting assisted living facilities and making sure they’re well-maintained.</p>	
<p>Good of the Order</p>	<p>Jessica Conner adjourned the meeting.</p>	