

Meeting Summary: Bond Oversight Committee August 4, 2022

*All materials for this meeting are archived with the Auditor's Office as public record and [accessible here](#).

Committee Members in attendance:	Susan Emmons, Anneliese Koehler, Allan Lazo, Dr. Steven Holt (<i>facilitator</i>)
PHB staff in attendance:	Molly Rogers, Tanya Wolfersperger, John Trinh, Jill Chen, Jennifer Chang, Gabriel Matthews, Ryan Davis, Leslie Goodlow, Angel Landron-Gonzalez, Ayman Abualajin, Chris Gustafson, Gena Scott, Thuan Duong, Masaye Hoshide
Others in attendance:	Juline Bajada (<i>captioner</i>), Brandon Brezic (CCC), Mary-Rain O'Meara (CCC), Mac Cunningham (Catholic Charities), Travis Phillips (Catholic Charities), Jill Sherman (Edlen & Co.)

Welcome, Roll Call, Minutes (Recording Time: 0:00:00 – 0:05:02)

- Hybrid meeting protocols and tips
- Roll call was taken and recorded
- Susan Emmons made a motion to approve the April 7, 2022, meeting summary; Allan Lazo seconded
- The February meeting summary was approved by the members in attendance:
Susan Emmons, Anneliese Koehler, and Allan Lazo

Public Testimony (Recording Time: 0:05:02 – 0:07:42)

- There was no public testimony

Portland's Housing Bond Updates (Recording Time: 0:07:42 – 0:26:10)

Bond Projects Dashboard Report

Jill Chen, Housing Investments and Portfolio Preservation Manager

- Issues and risks:
 - Private activity bonds continued constraints through 2024
 - Cost escalations of 1% per month
 - Continued supply chain/subcontractor/staffing issues
 - Funding gaps exacerbated
 - Multiple openings of PSH projects stressing referral systems

- Bond projects dashboard report – progress as of June 30, 2022
 - All 2019 BOS projects in construction
 - Closed 3000 Powell in mid-November, Anna Mann the last day in November, and Joyce the end of December
 - Most projects currently in construction: 3 projects open, 9 in construction, and 3 newly awarded projects in pre-development
- 2022 openings
 - Opening 587 affordable units throughout Portland in 2022
 - Crescent Court (138 units) opened in May
 - Cathedral Village opening in August, grand opening on September 20 (110 units)
 - Hayu Tilixam (50 units) opening in August
 - Emmons Place South Building (48 units) and Starlight (100 units) opening in October
 - Las Adelitas (141 units) opening in December
- 2023 and 2024 openings
 - The Aurora (93 units) opening February 2023
 - Anna Mann (128 units) South Building opening February 2023, addition in March 2023, and North Building in May 2023
 - The Joyce (66 units) opening April 2023
 - Emmons Place North Building (98 units) opening May 2023
 - 3000 SE Powell (206 units) moved to January 2024
- **Allan Lazo** asked for clarification that the 3 projects in pre-development and the 2 with funding gaps are the ones with some potential exposure
 - Jill clarified that of the \$1.2B, over half is in construction so that cost increase risk is mitigated. The pre-development of Alder 9, Francis + Clare, and the Barbur Apartments are the ones at risk.
 - PHB's total investment in pre-development is about \$2M (\$1M pre-development loan to Alder 9, working on pre-development loan for Francis + Clare. No pre-dev loan to Barbur Apartments due to gap being too large)
- **Susan Emmons** asked about the 180 PSH units opening soon and whether people will be screened and ready to move in
 - Jill answered that she thinks they're having people screened and ready. Working with Home Forward to make sure the Project Based Sections 8s are available. PHB, JOHS, and Home Forward have been having monthly meetings on this topic

Angel Landron-Gonzalez, Finance & Accounting Manager
Expenditure Report Highlights

- The expended vs committed amounts have continued increasing on ongoing constructions
- Compared with the previous report, the project spending has increased by \$26.7M (10.16%) and the commitments have increased by \$30M (11.45%)
- The reserve remains at \$167K
- The net interest/credits at \$2.28M are planned to be used for future projects

Project Team Presentation: Starlight (Recording Time: 0:26:10 – 0:43:53)

Brandon Brezic, Development Project Manager, Central City Concern (CCC)

Mary-Rain O’Meara, Senior Director of Community Development, Central City Concern (CCC)

- Project Schedule Milestones
 - Construction completion/TCO: October 25th
 - Lease-up
 - Lease-up kick-off with JOHS July 27th
 - JOHS MOU in process
 - Hiring supportive services staff and building staff on-going
 - Referral screenings to begin end of August/beginning of September
 - Grand opening scheduled November 15th
- Project overview
 - Seven stories with 100 units, 72 SROs and 28 studios
 - Eight of the studios will be fair market units: restricted at 60% AMI but will be leased at 50% AMI
 - 70% of SRO units will be supported by project-based vouchers through Home Forward
 - Remaining units to be non-voucher units, restricted to renters with incomes under 30% AMI
 - Eight ADA units
 - Target population is chronically homeless, African American, Native American, and Alaskan Native.
 - 20 voucher units set aside for NARA’s clients and 20 voucher units set aside for CCC’s African American serving programs
- Outreach strategies to increase housing access for BIPOC/priority communities
 - Coordinate access
 - Culturally specific referrals via service partnerships working with JOHS
 - Geographically specific outreach in Old Town
- Equitable contracting outcomes – workforce diversity
 - 39% POC apprentice-level hours, 13.5% women apprentice-level hours
 - Exceeding POC goals for journey-level trades (at 59.9%), just under goals for women journey-level trades (2.98%)
- Community engagement activities include Old Town Community Association, CCC Tenant Advisory Committee, and regular updates and engagement with neighbors
- Engagement partners include NARA, Imani Center, Flip the Script, and Karibu
- Outcomes from engagement have included ground-floor community service commercial amenities (food), outdoor space and exercise space, in-unit cooktops for SROs, security and safety, and renaming the building to Starlight (formerly Westwind)
- **Anneliese Koehler** asked for elaboration on the geographic location, why it was decided and how it interacts with other strategies
 - Mary-Rain explained that the concept was brought to them by the Joint Office, and they were asked if they could pilot the program. Mentioned CCC’s outreach team and strategies used
- **Allan Lazo** commented on CCC’s community engagement and ability to connect the target/priority populations with the bond and outcomes they’re seeing
- **Susan Emmons** asked about the Starlight’s heating and cooling system
 - Brandon answered that in response to the 2021 heat wave and 2020 wildfire smoke, they increased the in-unit electrical capacity and invested in portable A/C units. Common area cooling was all that was planned during the permitting stage and to go in and upgrade to a full system for the whole building at this point in the construction would be unfeasible which is why they went with portable A/C units

Project Team Presentation: Francis + Clare Place (Recording Time 0:43:53 – 1:01:34)

Mac Cunningham, Community Development and Housing Team, Catholic Charities

Travis Phillips, Community Development and Housing Team, Catholic Charities

Jill Sherman, Edlen & Co.

- Project overview
 - Located at SE 11th & Stark
 - 61 units of permanent supportive housing (54 studio/SRO, 7 one-bedroom) with wrap-around services
 - Restricted to those earning 30% AMI or lower (all units will have rental assistance to ensure this is met)
 - Services such as case managers and peer support specialists provided by Catholic Charities and NARA
 - Target population is focused on communities overrepresented in homeless population (e.g., Native American/Indigenous and Black/African American)
- Project funding sources include Portland Housing Bonds, Low Income Housing Tax Credits, Senior Commercial Debt, and grants for a total of \$14,372,461. They are left with a \$152,567 gap in funding but have several strategies which they are pursuing to fill that gap. Portland's Housing Bond funding is being leveraged roughly 3 times to support this project
- Currently in pre-development and are reaching about 50% in design development
- Partnering with Holst Architecture, O'Neill/Walsh Community Builders, Edlen & Co., Catholic Charities, NARA, and AfroVillage
- Upcoming milestones
 - Land use review application (September 2022)
 - Submit for building permits (November 2022)
 - Bidding (March 2023)
 - Closing/start of construction (June 2023). Estimating roughly 12 months for construction
- Changes in the project included flipping the building from SE 12th to SE 11th, removing the outdoor courtyard from the site plan, and reducing the number of one-bedroom units and replacing them with the same number of studio units
- Tracking over 90% COBID certified firms for professional services. O'Neill/Walsh are confident in their ability to meet the COBID goals that were in their application
- Issues and challenges
 - Determining land use process to create a new legal tax lot
 - Increases in construction costs and interest rates
 - Challenges with responsiveness and competitiveness of bids due to volume of work in the region
- Community engagement
 - Community Advisory Group lead Visioning Process
 - Focus groups with folks who have experienced homelessness with residents of existing Catholic Charities properties and clients of NARA and AfroVillage
 - Continued engagement with surrounding neighborhood about design changes
- **Susan Emmons** commented that she looks forward to seeing this project being developed
- **Allan Lazo** asked about the funding gap discrepancy since Jill's chart showed a gap of roughly \$875K while Catholic Charities presentation showed one of only \$150K
 - Jill Chen and Travis both responded that it was just a matter of the amount decreasing since the data had been given to PHB and today's presentation. Jill Sherman then elaborated on some of the methods they've used to decrease the funding gap
- **Anneliese Koehler** expressed gratitude for the presentations and for the progress being made

Interim Director's Update (Recording Time 1:01:34 – 1:10:45)

Molly Rogers, Portland Housing Bureau Interim Director

- Thanked presenters and spoke on the honor of being asked to serve as interim director for the Portland Housing Bureau. Took time to acknowledge the legacy and contributions of former Director Shannon Callahan, especially related to the creation of the Portland Housing Bond
- Highlighted how only 3 of the 15 bond projects have not yet reached financial close and that 1,490 units are under construction or have already opened, exceeding the original goal of 1,300. That number will increase by almost 370 units when the 3 remaining projects close. Thanked the BOC for the guidance on those projects
- Spoke about the next steps being taken to secure funding for the 3 remaining projects that haven't reached financial close
- Mentioned that the current annual audit of the Portland Housing Bond is currently being wrapped up and that the results (which include three minor findings) will be shared during the next meeting
- Introduced Matthew Tschabold as the new Interim Deputy Director
- **Anneliese Koehler** congratulated Molly and Matt on their new roles and said she appreciated their service
- **Allan Lazo** thanked Molly for taking this role and highlighting the successes of the last five years
- **Susan Emmons** expressed delight at Molly being appointed interim director and appreciation of the acknowledgment of former director Shannon. Lauded the Housing Bureau as a model of how government should work and that it has been a great experience serving on the Bond Oversight Committee, especially in contrast with other committees she's serving/served on

Closing Remarks / Next Meeting (Recording Time: 1:10:45 – 1:12:12)

- Congratulations to the new team of Interim Director Molly and Interim Deputy Director Matt and appreciation of former Director Shannon's leadership, influence and decision making
- Next meeting is October 6th