



[Home](#) / [Council Documents](#)

## 313-2023

Report

### Accept Portland's Housing Bond Oversight Committee 2022 Progress Report

Accepted

**Date:** April 19, 2023

**To:** City Council

**From:** Molly Rogers, Interim Director

**Subject:** Accept *Portland's Housing Bond Oversight Committee Progress Report 2022* (Report)

Introduced by

[Commissioner Carmen Rubio](#)

Bureau

[Housing Bureau](#)

Contact

**Megan Grillo**

Bond Housing Program  
Coordinator

✉ [megan.grillo@portlandoregon.gov](mailto:megan.grillo@portlandoregon.gov)

Requested Agenda Type

Time Certain

Date and Time Information

**Requested Council Date**

April 19, 2023

**Requested Start Time**

2:00 pm

**Time Requested**

45 minutes

The Portland Housing Bureau asks City Council to accept the *Portland's Housing Bond Oversight Committee Progress Report 2022*.

One of the primary roles of the Bond Oversight Committee is providing City Council with annual reports on progress in implementing Portland's Housing Bond. The report summarizes the committee's review and oversight of implementation, focusing on the goals: progress towards production targets, adherence to the Bond Policy Framework, engaging communities and maintaining fiscal accountability.

### Documents and Exhibits

 [Portland's Housing Bond Oversight Committee Progress Report 2022](#) 1.02 MB

### Impact Statement

#### Purpose of Proposed Legislation and Background Information

The Bond Oversight Committee is a five-member independent oversight committee. Their role is to monitor progress, review finances and hold the City accountable to the community-created plans and values created in the Bond Policy Framework. The committee also provides annual reports to City Council and the public.

The report summarizes Bond implementation highlights and activities occurring in 2022, with a focus on: progress towards production targets, adherence to the Bond Policy Framework, engaging communities and maintaining fiscal accountability.

### **Financial and Budgetary Impacts**

There is no direct impact to PHB's budget for Council's acceptance of the report.

### **Community Impacts and Community Involvement**

The committee meets quarterly, and all meetings are open to the public and allow time for public testimony. Four meetings were held in 2022 on the following dates: February 3<sup>rd</sup>, April 7<sup>th</sup>, August 4<sup>th</sup>, and October 6<sup>th</sup>. The committee oversees implementation of the Bond in alignment with the Bond Policy Framework, accepted and approved by City Council in October 2017.

This framework was created by the Bond Stakeholder Advisory Group, comprised of 18 community stakeholders appointed by the Mayor. The group convened for nine meetings from April to September 2017. They identified community priorities and guidelines for how bond funds should be spent, responsive to the immense needs in our community. In addition to Stakeholder Advisory Group meetings, PHB and community partners conducted robust outreach and engagement over five weeks to gather comments on the draft policy framework prior to finalization. This included contacts with nearly 1,000 community members through group discussions with agencies, networks and/or coalitions, in-person interviews with members from 16 linguistically specific immigrant and refugee groups and online surveys.

### **100% Renewable Goal**

N/A

### **Budget Office Financial Impact Analysis**

There is no direct impact to PHB's budget for Council's acceptance of the report.

### **Agenda Items**

#### **313 Time Certain in [April 19, 2023 Council Agenda](#)**

Accepted

Motion to accept the report: Moved by Mapps and seconded by Ryan.

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Absent

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea



# Portland's Housing Bond

Date:

April 19, 2023

To: Portland City Council

From: Portland's Housing Bond Oversight Committee:

*Todd Struble, Chair*

*Allan Lazo, Vice-Chair*

*Susan Emmons, Member*

*Anneliese Koehler, Member*

*Stephen Green, Member*

CC: Molly Rogers, Interim Director, Portland Housing Bureau

Re: 2022 Progress Report of Portland's Housing Bond

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In July 2017, City Council appointed a five-member Bond Oversight Committee (BOC) to oversee implementation of Portland's Housing Bond (Bond), a general obligation bond measure passed by Portland voters in November 2016. The Portland Housing Bond dedicates \$258.4 million to create 1,300 new homes for neighbors struggling to afford a place to live.

The BOC meets quarterly and is responsible for ensuring Bond funds are invested in a manner consistent with the original intent of voters. The BOC is pleased to submit the 2021 Progress Report of Portland's Housing Bond highlighting the progress and accomplishments from the past year in the areas of:

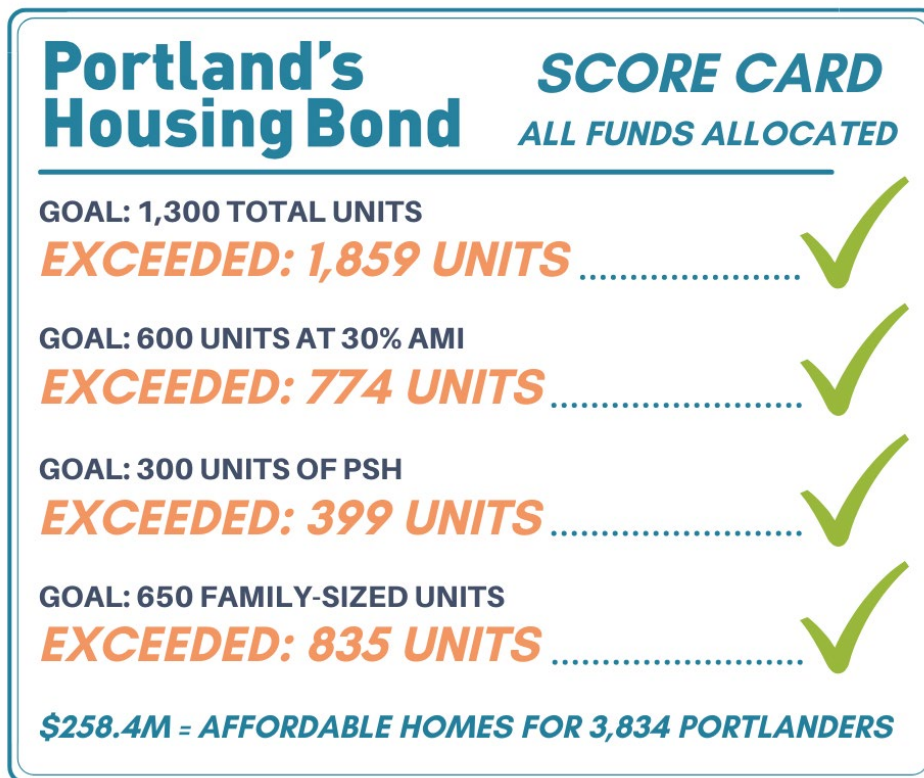
- Adherence to the Bond Policy Framework
- Engaging Community
- Maintaining Fiscal Accountability

A copy of Portland Housing Bureau's annual report for 2022, as well as prior years' reports, can be found on [Portland's Housing Bond website](#).

## Adherence to the Bond Policy Framework

In September 2017, Portland City Council approved the Bond Policy Framework, a community-driven roadmap that establishes production goals, priorities and accountability measures to ensure Bond funds are invested in a manner to advance equitable housing access and opportunity for Portland households earning no more than 60% of the Area Median Income (AMI)<sup>1</sup>, with an intentional focus to create housing for very low-income and vulnerable Portlanders earning between 0% and 30% AMI. As of the end of 2022, all of the 15 projects awarded Portland Bonds are either open, under construction or in development, representing 1,859 units of affordable housing across the city.

All of the production goals for the Bond are on track to be fulfilled and exceeded!



Progress was also made in meeting the policy priorities of the Framework plan. These included:

- ✓ Construct new housing in high opportunity areas, which are areas with access to transportation, jobs, open spaces, high-quality schools, services and amenities; and prevent displacement by acquiring housing in areas at high risk for gentrification.

<sup>1</sup> In 2022, 60% AMI was \$63,900 for a family of four.

**Progress achieved:** 83% of the new units opened or in construction are located in high opportunity areas; 39% of the total units acquired, built, or in development are located in areas at high risk for gentrification.

- ✓ Increase Equity in Contracting Goals.

**Progress achieved:** At the end of 2022, the ten Bond projects that completed or were under construction achieved 32% certified firm participation for hard costs collectively, including 24% participation by certified D/M/WBE firms – exceeding PHB's 14% subgoal category.

Portland's Housing Bond projects are also achieving the goals of PHB's Apprenticeship & Workforce Diversity program of a minimum 20% of labor hours worked on contracts that exceed \$300,000 are worked by state registered apprentices. Additionally, PHB set aspirational goals that 22% of total apprentice and journey level hours are worked by BIPOC individuals and 9% of apprentice and 6% of journey level hours are worked by women. In 2022, apprentice hours for Bond projects represented 22% of the total labor hours worked, with apprentice hours reaching 39% for BIPOC individuals and 15% for women. Journey level hours were over 34% for BIPOC individuals.

- ✓ Increase access for priority communities; align with services from community partners and the homeless system of care.

**Progress achieved:** 93% of Bond projects open or in construction include Supportive Housing units, a total of 399 units overall, which provide services for households exiting or at risk of homelessness. Two-thirds of these projects have partnered with culturally specific agencies such as the Native American Rehabilitative Association (NARA), Native American Youth and Family Center (NAYA), El Programa Hispano, and Immigrant and Refugee Community Organization (IRCO), to provide supportive services and referrals.



## Engaging Community

The Bond Oversight Committee is committed to ensuring housing stakeholders and Portland communities are kept informed and have opportunities to provide feedback throughout the implementation of the Bond. Collaboration with community partners and transparency to the public are among the guiding principles of the Framework.

Every quarter, beginning in April 2020, the Bond Oversight Committee has invited Bond project teams to share updates on development, financing and programming of their project. Project teams continuously

worked with community stakeholders to inform project designs, leasing strategies and resident services programs. Examples of community feedback resulting in design changes include added laundry rooms, community space, outdoor amenities and increased bedroom sizes.

Bond projects already open engage the resident community primarily through on-site property management and resident services staff to understand needed resources and improvements, such as securing partnerships and grants to increase programming and amenities. Supportive services partners further integrate the individuals and families residing in Permanent Supportive Housing units into the community through frequent and intentional collaboration with on-site property staff to coordinate housing stability programs and resources.

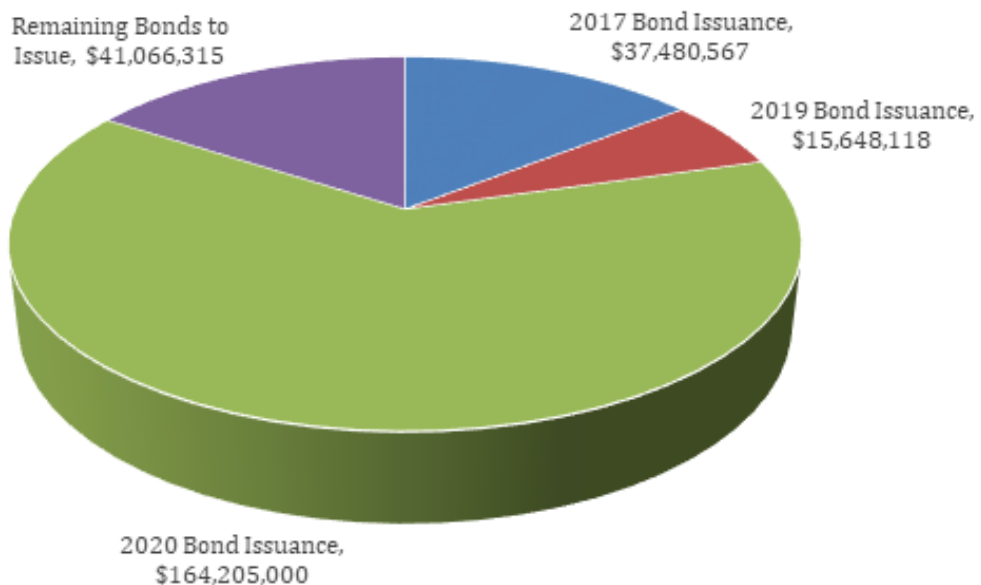
### **Maintaining Fiscal Accountability**

Reviewing expenditures and ensuring financial accountability is a core responsibility of the BOC. Oversight responsibilities are met through annual and quarterly financial and performance reporting provided through regular audits and expenditure reports.

Through quarterly reporting, the BOC ensures that Bond dollars committed through solicitation awards and spent on acquisitions and development financing are clearly and separately tracked. The BOC also monitors the issuance of bonds as a portion of the total \$258.4 million Bond Authorization.

A portion of the total Bond Authorization is periodically sold to generate resources available for affordable housing development. These periodic issuances of bonds occur after property acquisitions, such as the purchase of the Ellington (2017 issuance) and East Burnside (2019 issuance) apartments and after a commitment of bond funds to project developers, such as through the 2019 Bond Opportunity Solicitation (2020 issuance), as depicted below:

## Bond Authorization Issuances to Date



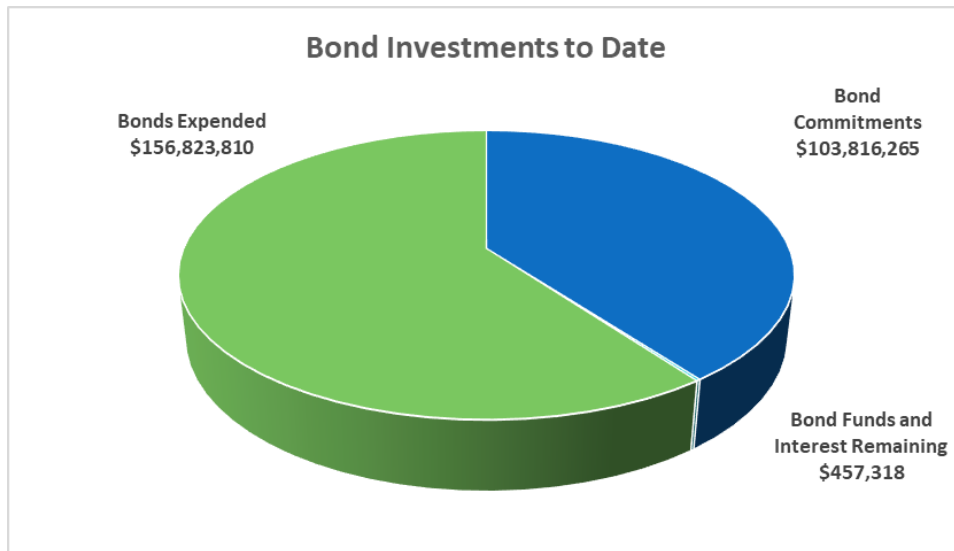
### Average Per Unit Costs for All Bond Funded Projects

Average Project Cost per Unit	\$373,721
Average Bond Subsidy per Unit*	\$139,794
Average Amount of Funds Leveraged Per Unit	\$233,928

*\*PHB recoups an average of \$8,821 per unit for Program Delivery Fees*

The issued bonds have been invested in project acquisitions and developments and are depicted below, from program inception through December 31, 2022, as committed, expended and remaining Bond funds. Interest and other credits earned on bond issuances are also tracked to be reallocated as part of the total remaining Bond available to invest in future projects.





The BOC also monitors the Bond program’s administrative costs to ensure all expenses are in alignment and meet the implementation criteria passed by voters in the Bond Measure. To date, 6.59% of the total Bonds expended have been allocated as program delivery expenses.

### **Bond Investments – All Projects**

## Total development costs for Bond projects

Project	Number of BOND ELIGIBLE units (Excludes manager units and non-eligible units)				Total Development Cost	Total Bond Subsidy	Total Other Funds Leveraged	Total Costs per Unit	
	Total units	30% AMI units	Family sized (2+ BRs)	PSH units				Development Costs	Bond Costs
3000 SE Powell	206	68	65	30	\$87,044,786	\$33,063,000	\$53,981,786	\$422,548	\$160,500
Anna Mann House	128	42	62	12	\$58,700,170	\$12,544,000	\$46,156,170	\$455,040	\$98,000
Cathedral Village	110	37	56	8	\$38,060,393	\$15,969,750	\$22,090,643	\$346,004	\$145,180
Crescent Court	138	46	70	7	\$43,103,043	\$16,754,923	\$26,348,120	\$312,341	\$121,412
East Burnside	51	16	24	9	\$14,300,000	\$14,300,000	\$0	\$280,392	\$280,392
Emmons Place	144	78	0	48	\$49,811,539	\$19,786,343	\$30,025,196	\$345,913	\$137,405
Hayu Tilixam	50	17	20	9	\$19,778,220	\$7,971,500	\$11,806,720	\$395,564	\$159,430
The Joyce	66	66	0	66	\$21,588,595	\$802,500	\$20,786,095	\$327,100	\$12,159
Las Adelitas	141	55	97	18	\$58,381,525	\$15,020,934	\$43,360,591	\$414,053	\$106,531
Starlight	100	92	0	70	\$33,817,463	\$12,662,077	\$21,155,386	\$338,175	\$126,621
The Aurora	93	31	46	16	\$39,567,039	\$14,926,500	\$24,640,539	\$425,452	\$160,500
The Ellington	263	80	251	20	\$47,000,000	\$37,000,000	\$10,000,000	\$178,707*	\$140,684
Alder 9	159	53	42	25	\$84,384,599	\$28,583,000	\$55,801,599	\$530,721	\$179,767
Barbur Apts	150	32	103	0	\$69,300,893	\$22,798,490	\$46,502,403	\$465,107	\$153,010
Francis + Clare	61	61	0	61	\$26,375,631	\$9,044,706	\$17,330,925	\$432,387	\$148,274

\*Project costs prior to constitutional amendment Measure 102

## Looking Ahead – 2023 and Beyond

### Project Groundbreakings and Grand Openings

Five awarded Bond projects - Crescent Court, Cathedral Village, The Starlight, Hayu Tilixam and Las Adelitas - opened in 2022. These now-open Bond projects provide a total of 538 new units and house 1200+ Portlanders.

Spring 2023 welcomed the grand opening for Las Adelitas as they are completing construction and beginning leasing activities. Four more projects are also on track to open in 2023 – Emmons Place, Anna Mann House, The Aurora and The Joyce. These additional four projects will bring 431 new affordable housing units throughout Portland for families and people experiencing or at risk of homelessness. Three of the remaining Bond projects – 3000 SE Powell, Alder 9 and Francis + Clare Place are on track to open in 2024, with Barbur Apartments on track to open in 2025/6.

### Use of Remaining Bond Funds

Project reserves that were maintained as contingency for Bond projects in development were released in October 2021 in a solicitation for projects located in a Southwest Portland neighborhood or projects with a Supportive Housing focus for those experiencing homelessness. Three new projects were awarded Portland Bonds in early 2022, committing the remaining Bond funds to create an additional 369 affordable housing units for families or people experiencing or at risk of homelessness, bringing the projected total of affordable homes to 1,859. This is a 43 percent increase from the original goal promised to the Portland voters.

These three new projects began pre-development activities in 2022 with construction beginning in early 2023, providing homes for almost 780 Portlanders.

# Portland's Housing Bond

- **\$258 MILLION INVESTED BY TAXPAYERS**
- **1,859 UNITS, 853 NOW OPEN**
- **4,000+ PORTLANDERS HOUSED**
- **TOTAL UNIT GOAL EXCEEDED BY 43%**
- **431 UNITS OPENING '23**
- **575 EXPECTED IN '24 AND '25**
- **774 DEEPLY AFFORDABLE UNITS**
- **399 PERMANENT SUPPORTIVE HOUSING UNITS**
- **835 FAMILY SIZED UNITS**
- **ALL FUNDS ALLOCATED**



- |                       |                           |                                |
|-----------------------|---------------------------|--------------------------------|
| 1 - Cathedral Village | 6 - Alder 9               | 11 - The Ellington Apartments  |
| 2 - Barbur Apartments | 7 - Francis + Clare Place | 12 - Las Adelitas              |
| 3 - Emmons Place      | 8 - 3000 SE Powell        | 13 - East Burnside Apartments  |
| 4 - The Joyce         | 9 - Anna Mann House       | 14 - Crescent Court Apartments |
| 5 - The Starlight     | 10 - Hayu Tilixam         | 15 - The Aurora                |