

## Meeting Summary: Bond Oversight Committee October 5, 2023

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

<b>Committee Members in attendance:</b>	Anneliese Koehler, Allan Lazo, Dr. Steven Holt ( <i>facilitator</i> )
<b>PHB staff in attendance:</b>	Michael Buonocore, Megan Grillo, Leslie Goodlow, Jill Chen, Angel Landron-Gonzalez, Gena Scott, Tanya Wolfersperger
<b>Others in attendance:</b>	Tami Ma ( <i>captioner</i> ), Jilian Saurage Felton (Community Partners for Affordable Housing)

### Welcome, Roll Call, Minutes (Recording Time: 0:00:00 – 0:04:23)

- Roll call was taken and recorded
- Meeting minutes summary voting was postponed due to lack of quorum

### Public Testimony (Recording Time: 0:04:24 – 0:05:16)

- There was no public testimony

### Portland's Housing Bond Updates (Recording Time: 0:05:17 – 0:20:09)

#### Bond Projects Dashboard Report

#### Jill Chen, Housing Investments and Portfolio Preservation Manager

- Bond projects quarterly update
  - \$258 million invested by taxpayers, all funds allocated
  - Created 1,859 units with 1,187 units now open: 774 deeply affordable units, 399 permanent supportive housing units, 835 family sized units; 364 units opening in '23 and '24, 308 units expected in '25 and '26
  - 4,000+ Portlanders housed with a total unit goal exceeded by 43%
  - 3 projects currently under construction: Alder 9, Francis + Clare Place, and 3000 SE Powell
  - HollywoodHUB closing has slipped from end of June '24 to September '24
  - With Congress in upheaval, HollywoodHub's requested \$4 million congressional direct spend may not be approved
  - Groundbreaking for Francis + Clare Place took place last month
  - Alder9's completion date slipped back by 5 months
  - The Joyce is facing downward adjustment on their tax equity and CPAH continues to work with the community to combat drug use in the area
  - Emmons project last building delayed until late November
- Considerations and issues
  - Although Portland Bond is not impacted, there are continued predevelopment risks and cost increases in the market
  - PHB issued a "Last Gap" solicitation at the end of September to help the pipeline of affordable housing projects and fund additional units on an expedited basis

- Continued operational issues, especially with staffing, property management, PSH, and rising costs of operations
- Need for OHCS alignment of priorities and resources
- Closing out of the Portland Housing Bonds projects
- 2022 Portland Housing Bond openings
  - Fully leased and converted to permanent financing: Crescent Court (344 housed), Cathedral Village (263 housed), and Hayu Tilixam (119 housed)
  - The Starlight open with 100 housed
  - Las Adelitas open with 402 housed
  - Total of 538 affordable units and 1,200+ housed in 2022
  - Targeting for over 4,000 people to live in these units
- 2023 openings
  - Emmons Place is partially open with 144 housed
  - The Aurora has 235 housed and is having a grand opening celebration today
  - Anna Mann is partially opened, 315 housed
  - The Joyce opened end of June, 66 housed
  - Total of 431 affordable units and 750+ housed
- 2024-2026 bond openings
  - 3000 SE Powell, targeted to open early 2024, 357 housed
  - Francis + Clare Place, targeted to open Fall 2024, 68 housed
  - Alder 9, shifted to open 2025, 285 housed
  - HollywoodHUB, still in pre-development scheduled for September 2026, 417 housed
- Anneliese Koehler asked for clarity on a sense of worry about the delays
  - Jill replied that many of the developers have been able to manage the delays and unexpected surging costs by seeking additional funding. Some concerns with CPAH at The Joyce due to them being a smaller developer and unable to absorb as much of the cost as a larger developer can. Working with them to increase their loan and meet lease up requirements

#### Expenditure Report Highlights

##### **Angel Landron-Gonzalez, Finance & Accounting Manager**

- Expanded versus committed amounts have continued increasing on ongoing construction compared with the previous quarter's report
- Expenditures as of August were \$201 million, where the project spending has increased by \$3.7 million or 1.8%
- The committed funding for this period is \$60.6 million, decreasing by \$2.9 million or minus 4.5% compared to last quarter

#### **Interim Director's Update (Recording Time 0:20:10 – 0:24:05)**

##### **Michael Buonocore, Portland Housing Bureau Interim Director**

- Updates on recruitment for the open bureau director position

#### **Equity and Business Operations Manager's Update (Recording Time 0:24:06 – 0:29:37)**

##### **Leslie Goodlow, Portland Housing Bureau Equity and Business Operations Manager**

- Additional updates on recruitment for the open bureau director position
- Deputy and Policy and Planning Manager recruitments to follow the hiring of a new Director
- Recap of Charter transition and budget process

## Project Team Presentation: The Joyce (Recording Time: 0:29:38 – 0:58:28)

**Jilian Saurage Felton, Director of Housing, Community Partners for Affordable Housing**

- Project Team
  - Community Partners for Affordable Housing (CPAH)
  - Bremik Construction
  - Carleton Hart Architecture
- On-site and Services Team
  - Pinehurst Property Management
  - Cascadia Health, Native American Rehabilitation Association NW (NARA NW), Cascade AIDS Project (CAP)
- Project Overview – Project Schedule Milestones
  - Grand opening was on 6/5/23
  - 75% leased and over 50% occupancy with the hope to be 100% occupied by the end of October
  - Process to get through paperwork to apply for housing is not low barrier and takes time but on-site service providers are there to assist
- The Joyce
  - Priority communities served include homeless, Native American, LGBTQ, and SPMI
  - 66 single room occupancy units with shared bathrooms on every floor
  - Residential floors are 2, 3, and 4 with 22 units per floor
  - Most units are between 125-150 square feet with a kitchenette
  - Rooms are stocked with a bed, chair, and welcome basket including essential items
  - Trauma-informed designs create a feeling of calm and abundance
  - First floor is available to all residents and features service providers with at least one full-time staff person
  - Security guard stationed at the entrance to the building
- Marketing and Leasing Strategies and Outcomes
  - All referrals come through Coordinated Access/ The Joint Office of Homeless Services (JOHS) per funding obligations
  - CAPH began meetings in February with JOHS, service providers, and property management before the building opened in June to ensure intended populations could be reached
  - Nearly every unit has a pending or approved application
  - 40-50% of the residents are expected to be BIPOC
- Project Challenges
  - No longer has commercial space on the ground floor as Prosper Portland funding was not available
  - Roof deck and outdoor space landscaping was not achievable with current code changes
  - Late changes to the permit requirements and surging lumber prices caused a \$1 million change order and delays in month 1 of construction
  - The team is working with Umpqua Bank, the lender, and Redstone, the investor, to increase the perm loan and meet the 50% test by 12/31/23 to offset for the unforeseen expenses
- Equitable Contracting Outcomes
  - Hard cost contracts goal of 30% and project outcome is 29%, professional services/soft costs goal is 20% and project outcome is 10%, operations is optional with a yet to be determined projected outcome
  - Some goals not met because of unforeseen COVID operating complications
  - Workforce diversity: apprentice hours goals were 22% POC, 9% women versus exceeded project outcome 34% POC, 10% women; journey level hours goals were 22% POC, 6% women versus project outcome 49% POC, 3% women (engineer and manager were both women/all female team)
- Community Engagement Updates

- Before application was submitted, team walked several buildings, spoke with residents and providers, and hosted a design roundtable with culturally specific providers to ensure Joyce would meet residents' needs
- Engagement continues throughout the life of the project with weekly "paperwork parties" to assist future residents through the application process
- Engaging and speaking to concerned neighbors and working with the City to continuously provide a trauma informed and safe space
- Allan Lazo asked if the single occupancy units tended to be permanent housing for the people using them
  - Jilian responded that it is permanent but it depends on the individual and the level of service they need
- Allan Lazo asked for clarification on the \$1 million change order and the reference made to the structural issues
  - Jilian responded that the final design required repouring the slab in the basement which was a lot more concrete, rebar, and supports for the entire building. The expense of materials and amount of work around the footings drove the cost of the change order. Anticipated it would cost \$250,000, actual cost was \$650,000, the remainder being the surge of lumber prices during COVID

**Closing Remarks / Next Meeting (Recording Time: 0:58:29 – 0:59:34)**

- Acknowledgments and thank yous