



# Portland Housing Bureau

**Portland Housing Advisory Commission**  
**Tuesday, December 14, 2010**  
 3:00 p.m. – 5:00 p.m.  
 Steel Bridge Conference Room  
 421 SW 6th Ave  
 Portland, OR 97204

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

## DRAFT 12/14/10 Meeting Minutes

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<b>Welcome &amp; Introductions</b>	<b>Margaret Van Vliet:</b> This meeting will focus largely on follow-up remarks or questions about material we have covered in previous meetings.	✓ PHAC members reviewed and approved the meeting minutes from December 7, 2010.
<b>PHB 2010-2011 Budget Structure</b>	<p>Staff member Mike Johnson presented FY2010-11 budget detail, by program.</p> <p><b>Access &amp; Stabilization</b>            In FY 2010-11, we used Homeless Prevention &amp; Rapid Re-housing (HPRP) federal stimulus funds for short term rent assistance. These funds are not available for FY 2011-12.</p> <p><b>Housing Production &amp; Preservation (Rental Housing)</b>            Tax Increment Financing is the largest component of this funding, and will decline sharply in 2011-12. In addition, we will not have CDBG-R (federal stimulus funds).</p> <p><b>Homeownership</b></p>	▶ Data represented in future meetings will have more “drilled down” numbers including income, demographics, etc.

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<p><b>PHB 2010-2011 Budget Structure (cont.)</b></p>	<p>These funds also included stimulus, through the Neighborhood Stabilization Program. We may be receiving more NSP funds through NSP3. PHB's application is pending with the State of Oregon</p> <p>The high TIF funding shown for 2010-11 results from the disposition of some scattered single-family sites that were purchased from the Housing Authority. Affordability requirements will be put on those homes, along with some possible down payment assistance and repair money. Proud Ground is purchasing 11 of those homes, and they will be permanently affordable.</p> <p>Funds include counseling and homebuyer education.</p> <p><b>Administration</b> Although program staff costs are included in program budgets, the staff costs associated with the fiscal, administrative, and policy backbone of the office are included in this category. The category also includes rent, and general overhead charges. Percentage spent on admin is good in light of current budget, but the proportion will change when we are past the TIF bubble.</p> <p>MSV commented that staff reductions may be needed to bring overhead into line with</p>	<p>► PHB staff will report on the percentage other City bureaus spend on administration costs, excluding program delivery.</p>

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	<p>the budget. This has been communicated to Staff.</p> <p>In response to a question from Carter MacNichol, Staff clarified that it had been unable to identify comparables in other cities. The mix of duties and functions assigned to a community’s housing agency vary enormously.</p> <p><b>Non-TIF Program Income</b> Income has been declining for many years, primarily due to the fact that PHB makes more of its investments in grants instead of loans, in order to achieve deeper affordability and house the lowest-income, neediest tenants. Program income that comes in must be spent immediately due to HUD requirements.</p> <p><b>TIF Program Income</b> The slide shows estimated income only. FY2009-10 data came from PDC. PHB is currently doing its own loan servicing, though not its own revenue servicing.</p> <p><b>Primary non-TIF Revenues</b> For FY 2011-12, PHB expects some reductions to its funding. PHB received \$1million in funding for operating the new Resource Access Center, but allocated it to other ending homelessness purposes in FY 2010-11. When those funds are reallocated to the RAC in FY 2011-12, PHB will have a</p>	<ul style="list-style-type: none"> <li>▶ A forthcoming policy review of the TIF 30% Set-Aside will address issues regarding TIF program income, and how it is serviced.</li> <li>▶ The Resource Access Center is expected to need about \$2M annually (or a net increase of about \$1.3M for what Transition Projects, Inc. already receives) to run the RAC. Staff and partners will work to lower that ongoing cost</li> </ul>

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	<p>gap to fill in other homeless services.</p> <p>PHB has consistently and systematically sought to transition homeless programs funded with OTO resources to on-going resources, as available, and Council has been supportive. However, Council has not had sufficient resources to transition all of the funding, and many homeless programs are still funded with OTO resources.</p>	
<p><b>2011-2012 Budget Forecast Highlights: General Fund Forecast</b></p>	<p>The Mayor announced the forecast earlier in the week, and the revenue forecast seems pretty stable for next year.</p> <p>PHB will focus on identifying its ongoing commitments for General Fund that have been “serial one-time only” funds to determine how to keep doing that work or convert the funds to “ongoing.”</p> <p>“Serial one-time only” funds citywide total about \$10.5M currently; PHB programs receive about one third of that amount.</p> <p>For FY2011-12, the Mayor and OMF have asked for all Bureaus to make small reductions in General Fund. For PHB, that is 1.5%, or about \$90,000. (The target reduction is only applied to GF, not to the Bureau’s other resources.) Hopefully that can be achieved by holding some positions vacant. With other funding cuts, it may be</p>	<ul style="list-style-type: none"> <li>▶ PHB staff expects to share some expenditure data at the next PHAC meeting.</li> <li>▶ The city released its latest budget forecast through FY2015-16. It can be <a href="#">viewed online</a>.</li> </ul> <p>✓ PHAC members may consider both General Fund and other funding sources when advising the Bureau on its FY2011-12 budget. In contrast, the former Budget Advisory Committee was asked to focus primarily on General Fund.</p>

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	<p>possible the bureau will face additional staff cuts.</p>	
<p><b>PHB Strategic Plan and Priorities</b></p>	<p>PHB wants its budget to match up with its stated Strategic Plan Priorities.</p> <p>This will include funding the “safety net” for the city’s homeless. PHB is talking with its partners (the County, HAP) about how to back-fill the expiring HPRRP funds. HPRRP has been a key resource for funding short-term rent assistance, a successful method of preventing and ending homelessness.</p> <p>PDC currently manages the 30% Affordable Housing Set-Aside TIF funding, acting in collaboration with PHB fiscal staff to determine forecasts and other information. Funds to roll over to the following year if not spent. Almost all TIF Set-Aside projected for the next few years has already been dedicated to specific projects or programs.</p> <p>PHAC generally approved of the Strategic Plan mission and priorities. There was an extended and lively discussion about equity</p>	<ul style="list-style-type: none"> <li>▶ PHB will focus energy on better aligning strategic partners in housing such as the Housing Authority of Portland and Multnomah County.</li> <li>▶ PHB staff will revisit the Mission/Vision/Values to place the equity agenda in a more prominent position, and to integrate it throughout the document. A revised draft will be circulated to PHAC members for review</li> <li>✓ PHAC members will review new Framework draft for discussion.</li> </ul>

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<p><b>PHB Strategic Plan and Priorities (cont.)</b></p>	<p>in the Strategic Plan. While the current draft of the Plan references equity in many locations, and contains a separate equity goal, it is not clearly a part of the mission or vision, and the spending priorities called out equity in only one priority: Priority 3. PHAC members wanted equity concerns to be more visible, and to receive greater emphasis, throughout the Plan.</p> <p>Andrew Colas noted that PHB’s investment in rental development and preservation, leveraged by private market investment, creates jobs. He noted that the creation of family wage construction jobs is a housing strategy, because it allows families to rent or buy without subsidy.</p> <p>He also suggested that PHB use its leverage to create opportunities for people of color and small businesses owned and operated by people of color. In addition to construction jobs, contracting, consultants, or other services could be funneled to those groups.</p> <p>Other PHAC members agreed, and asked for more direct language to emphasize that objective. Several members noted that MWESB targets were not successful strategies to achieve equity. MWESB looks only at ownership, and MWESB programs tend to benefit white-owned small</p>	<ul style="list-style-type: none"> <li>▶ As the PHB “Dashboard” is finalized, the information will be presented to PHAC members for input. PHAC will be asked to suggest measures that will help track the effectiveness of PHB’s equity agenda. For example, PHB might track the number of people of color working on its projects, or the proportion of development resources that was paid to minority contractors.</li>   <li>▶ Focus on equity and innovation and creativity will be woven into organizational development; the bureau will try to find ways to change to be successful.</li>   <li>▶ A simple way to increase opportunities for small businesses with the bureau is to allow for more frequent “draws” on contracts. It is difficult for smaller businesses to work on monthly draws.</li>   <li>▶ Next PHAC meeting, PHB staff will present a proposal to divide its base budget among the Priorities.</li> </ul>

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	<p>businesses rather than M- and WBs. A more comprehensive program would focus not just on the business owner, but also the workers they employ. PHB should be at least one step ahead of the regulatory requirements, not just pushing toward being in compliance.</p> <p>PHAC members agreed that rental housing development should be the Bureau’s first spending priority, especially with language linking efforts to the private market. Members noted that current forecasts suggest that the affordable rental housing shortage will worsen, so this is the right area of focus.</p> <p>PHAC members asked that PHB pursue greater alignment with the Section 8 program, noting that the program’s modest maximum rent limits pushes families into areas of the city where the rents are lower, but where the infrastructure – transit, schools, sidewalks, supermarkets – is inadequate (e.g., Outer SE and Outer NE). People should have a choice about where to live, and that choice should include areas with high opportunity.</p> <p>PHB currently has an Equity and Diversity Council. On a program level, managers are thinking about how to gain better outcomes for equity. There is a high level of passion</p>	<p>▶ PHB staff will begin work on an implementation plan for a successful strategic plan.</p>

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	<p>around the equity agenda throughout the bureau. Moving forward, for contracting in particular, PHB is considering shuffling some staff so someone can focus specifically on construction contracting. The group is also looking at what other cities and jurisdictions have done to advance equity, including Multnomah and King counties.</p>	
<p><b>Public Hearing on Section 108 revolving loan to fund Briarwood East Apartments</b></p>	<p><b>108 Loan for Briarwood East Apartments to Human Solutions for acquisition and rehab</b> \$1,360,000 from the Section 108 loan pool will go to Human Solutions for the acquisition and rehab of the Briarwood East Apartments. The property is 37 years old, with 27 units. Rents are at levels affordable to households with incomes from 50-60% MFI.</p> <p>10 units will be used for the Bridges to Housing (B2H) program. B2H combines permanent housing and services for high-need homeless families, and tracks outcomes for all family members, including the children. The City rehab funding will leverage County funding for services and case management, as well HAP project-based Section 8 vouchers. The vouchers will make the units affordable to high-need homeless families. Units will be assigned to B2H families as they come available. No one will be displaced.</p>	<p>► There was no public comment on the 108 Loan for Briarwood East.</p>



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	<p>In response to a PHAC question, Sarah Zahn from Human Solutions clarified that most of the units are currently occupied, and that the rehab work will be done in a way to avoid relocation. Rehab will focus on the exterior of the building, including siding, insulation, and roofing.</p> <p>R&amp;H and Colas Construction will likely be working on the project.</p>	
<b>Public Comment</b>	<p><b>Veronica Bernier, citizen, non-profit work</b>  Ms. Bernier , an advocate, noted the need for more affordable housing opportunities for people – including members of the LGBT community -- affected by domestic violence, chemical dependency, low-income, women with children, and some individuals coming from Africa. Ms. Bernier wanted the Commission to know these groups are always in need but may not have a voice. The Director expressed her appreciation for Ms. Bernier’s comments.</p>	
<b>Next Steps/Agenda Highlights</b>	<p><b>Next PHAC meeting: 1/4/10, 6:00pm PHB</b>  <b>Public Budget hearing: 1/13/10, 6:00pm, East Portland</b></p> <p>The Director encouraged members to attend City Council 12/15/10, 3:00pm Time</p>	<p>The budget hearing has been rescheduled, to avoid a conflict with the Bowl Game, given the strong interest in the game throughout Oregon.</p>

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	<p>Certain, and to be sworn in following the meeting. Staff circulated a new roster showing term expirations. Members who were given a two year initial term may seek reappointment. Members who were given a three year initial term will not be eligible for reappointment.</p>	