



Portland Housing Bureau

Portland Housing Advisory Commission

Tuesday, May 6, 2014

4:00 p.m. – 5:30pm

Portland Housing Bureau

421 SW 6th Ave, Suite 500

Portland, OR 97204

✓ = PHAC public member action item

▶ = PHB staff member action item

May 2014 Meeting Minutes

Members Present: Jesse Beason, Deborah Imse, Marc Jolin, Rey España, Sarah Zahn

Members Excused: Carmen Rubio, Colin Rowan, Carter MacNichol, Elisa Harrigan, Andrew Colas, Sarah Zahn

Staff Present: Traci Manning, Kate Allen, Kim McCarty, Siobain Beddow, Ryan Deibert, Sally Erickson, Barbara Shaw, Dory Van Bockel, Javier Mena, Daynelle Banks

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Welcome & Review Meeting Purpose, Review Minutes	Jesse Beason opened the meeting. Minutes were reviewed and minor revisions made by Javier Mena and Deborah Imse. Minutes were not approved because quorum was not reached.	
Public Testimony	No public testimony	
Section 108 Applications	Siobain Beddow presented two Section 108 applications. Commissioner Saltzman asked the bureau to put out a NOFA for the remaining Section 108 funds of \$7.5 million pool that expires Sep. 30, 2014. We received two additional applications in addition to the Hacienda Office. The total of the three projects that did apply is \$6.4 million. If a project tried to apply now it would be difficult to close before deadline. 1. Vista de Rosas: Part of a larger Villa de Clara Vista project that Hacienda CDC owns. This was a former tax credit project. This project is past the tax credit compliance period but still under State regulatory until 2044 for affordable units. Because the senior lender fell through, the project had to come back through the	

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	NOFA process to request new financing. The request is for \$1,115,000 of new Section 108 funding for a 25 unit carve out from the original project. Jesse: Do we need to take action? Siobain: No this is just for public hearing. 2. Hacienda CDC Office Building: Requesting 2.4 million of Section 108 funding. This will allow Hacienda to consolidate its multiple offices being leased into one office. This will pay for itself anywhere from 3-7 years. This is an economic development project as opposed to an affordable housing project. Deborah: How many locations do they have now? Siobain: Three that they are leasing. Jesse: This came before PHAC previously. It's good to be able to move forward with this. Are there any questions? Marc: There was a question if Section 108 funding can effectively support affordable housing. What do we know now that we didn't know before that helps us be able to use this funding? I'm just trying to figure out what we've learned. Siobain: It's very helpful to small projects. These small projects are not cost effective for commercial banks to make these loans. This is not an attractively sized project for capital markets. Traci: We will now have to evaluate do we go and get more of this money? Would we be willing to lend on a project that the private market would not? It's the right question to ask.	
MULTE	Dory Van Bockel presented the application for the Multiple-Unit Limited Tax Exemption (MULTE) that was received for the second round of 2013 that's going forward to City Council on May 14, 2014.	

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	Dory: Part of the statutory requirement is that we hold a public hearing for any input or questions about the projects. There were two projects that were received last spring and approved in the summer that left some available cap for the program. The cap wasn't fully utilized so we reopened the program last fall. Applications were due December 2013. Two applications came in and one applicant pulled out. 1. Sky 3: The property was part of the Jefferson West development agreement that went to PH Portland Jefferson LLC. The project is new construction mixed use with 196 units. Of the 196 units 39 of the units will be at 80% MFI or below. The project is very amenity rich. Will be built to LEED Silver standards. The biggest areas where this project received favorable scoring are the universal design features for accessibility, the location, and 51 two-bedroom units. Questions? Rey: Do you mind addressing PHB's equity agenda regarding this project? What criteria was used and how did you view the equity benefits? Dory: As Javier brought up at the last PHAC meeting the MULTE program has been including some of the more standard MWESB language to be in line with what PHB and the City are doing. This project was required to submit a plan on how they would incorporate 20% MWESB participation. They are going to be working with Nate McCoy and procurement office during the bidding process. They also received some points from previous projects with successful MWESB participation in Seattle. Rey: Is there anything else. Or just limited to effort toward MWESB? Dory: We ask to submit plan to how they will connect units to the community. They have committed to reach out to community churches and other non-profit agencies during the lease up process. Jesse: Did we already talk about statutory changes? Dory: We talked about a City code change that went through on April 30th. That will affect the next round of applications coming in for the 2014 cap. That change will allow	

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	the developer to be going through the MULTE application process at the same time that they are applying for building permits. Sarah: Where is the delta between the 80% and the market on this project? Dory: It is a big difference based on the area. Depending on bedroom size the difference is more significant. For a studio there is a difference of about \$300/mo. And it increases for the one and two bedrooms from \$600 to \$1000/mo. Marc: What's the tax benefit for rent restricted units over the 10 years? Dory: The estimated forgone revenue is about \$690,000 for the first year. Jesse: They would just be subject to a property tax? Dory: Yes.	
The Affordable Housing System	Traci: We took a look at our original 10 year plan to end homelessness to update it. There were three key recommendations at the end of a home for everyone and the most urgent was that efforts be made to bring systems together. City Council passed shared governance of the homeless system – How do we govern our system for ending homelessness in our community? PowerPoint presentation: Why Shared Governance? We need to understand the system that we are operating in. The community asked for a joint governance system for ending homelessness in our community. It will be more inclusive in community engagement and representing all communities. A very strong element will be trying to understand the needs of communities of color and social justice. What does it do? • Better shared knowledge • Better evaluation –	

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	• Better coordination We should be sharing information so we can know where the gaps are. Being able to measure the impact we are having across jurisdictions and populations and make decisions based on that knowledge. What do we know about where people are coming from when they enter the shelter system? Understanding where decisions are made so that the community knows where to go. Improve leverage. Doing a better job of setting priorities, funding priorities and measuring successes. What does it look like? Chartered by Portland and Gresham City Councils. Broadly representative Coordinating Board that includes people from a variety of communities and will be led by an executive committee. The executive committee will be seated by elected officials. They will direct staff for the entire Coordinating Board. The Coordinating Board is meant to be representative of the community. Where are we at right now? The jurisdiction this Executive Committee is funds that are not part of the City budget and that go directly to providers. There are funds that go through the City out to providers and funds that go through the County out to providers. This board will have jurisdiction of these funds in a combined way. It will not have to be approved by City Council unless it's part of their final budget. That is the beginning of the system. This is a very brief overview. Home Forward and Multnomah County are here to talk about their role in providing affordable housing in our system. Next month we will talk about need and after that we will talk about how to fill in the gaps. Traci Introduced Steve Rudman – Executive Director of Home Forward and Mary Li from Multnomah County. Mary: It's our Intent to look at these things in a more holistic way. What things will be different if we achieve the goals of this governance structure and plan? How will we know? I brought some examples of what is at stake and what we plan to achieve. If we	

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	achieve our plan we will have a shared vision amongst jurisdictions. We know we are not there yet. We want to be able to have a shared investment. Mary handed out a presentation that went to the board of County Commissioners: Funding Sources for Homeless Services. Mary: Total discretionary funding is nearly \$52 million. Currently decisions regarding funds from the City, the County, Home Forward and McKinney are made independently of each other. We want to achieve shared risk, measurement and accountability. Our current funding by population served is not in line with the ten year plan to end homelessness. If we are able to achieve our goals with this governance process the percentages should come in alignment. We have racial disparity and inequity in terms of homelessness particularly if you are a family. We need to take resources from something we are funding now and put it towards funding resources for communities of color. There is a huge opportunity for us to be more efficient. Multnomah county is interested in talking about aligned budgeting. We are a ways away from using dollars as a community resource in alignment together. Deborah: Is there a model where in the country that this has been successful? Mary: No one has really achieved it but there are examples like Seattle and Los Angeles are probably further along the continuum than we are. I don't think there is any city in the Country that really has every dollar on the table in a comprehensive way. Mary asked Sally Erickson to address the question. Sally: We really looked at that when we were putting together this plan. We looked at Seattle, Columbus, and Minneapolis. There are a couple of examples where public and private lenders have come together. We looked at a lot of different models but didn't find any that had it perfect. Mary: We are planning to be the first. Jesse: Any other questions?	

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	Rey: Thank you Mary for the presentation. Just to help me understand the math a little bit. The total pie is \$52 million and you are saying of that \$52 million actually only \$16 million is jointly funding activity. Is the difference categorical funding? Mary: The \$16 million were just examples so there may be other jointly funded programs that were not included in the presentation. The bulk of it is in either systems of care or service modalities that is largely determined by each jurisdiction. Steve: I'm hopeful that this plan will take us to a place where we deal with problems like affordable housing and homelessness and it really doesn't have jurisdictional boundaries. Money comes categorically to different units of government. Taxpayers don't care where the money comes from. The problem is trying to get government entities to give up power. Or to share the power. If you are creating affordable housing you are helping people not be homeless. Where do you draw the line between homelessness and affordable housing? Home Forward was created in 1941 but 1992 it went became an intergovernmental body. HAP is governed by 9 citizens and in 1992 those 9 citizens and the City of Portland agreed to share governance. We are now at a place where we know that there is a problem and it's not just in one area. Poverty is dispersed. Trying to deal with things holistically is what the hope here is. Steve handed out the Home Forward Annual Report and Strategic Operations Plan Overview. Steve: Home Forward assists about 15,000 households every month in Multnomah County in different ways. There is a lot of need for children and families. Right now 60% of people being served by Home Forward are elderly and disabled. Our community will continue to trend toward elderly and disabled if we continue to leave things to chance. We are trying to more consciously align with partners and systems. The bottom line is who gets served and how. Our affordable portfolio is higher than public housing. We need to try to be more intentional about who gets served and who doesn't get served. Last year 21,000 people applied for Section 8 for the first time in 6 years in one week for a lottery of 3,000 vouchers. Sequestration hit and no names were pulled for 2 years. How do we serve people?	

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	Jesse: Does anyone have questions? Discussion – Traci: Home Forward is recognized as one of the best housing authorities in the county. Home Forward has about half of the affordable housing units available in Portland. These are units that are regulated that we can count on staying affordable. They are also the source of most of the rent subsidy that is available in the County. Multnomah County is the funding of most of the services that accrue to the folks that live in the affordable units. Jesse: Can you talk briefly on the health share report and the healthcare savings at Bud Clark Commons? Steve: This is a cornerstone of the ten year plan. There are three different uses there. Transitions projects operates a day center and a shelter for men. If we look at the ten year plan there is an idea of a harm reduction aspect for folks who are not going to become clean and sober. There is permanent supportive housing. Referrals are made from federally qualified health clinics and based upon vulnerability as regards to health people get in to Bud Clark Commons. These are folks that have lived on the streets for a long time and have lots of issues. There is 24/7 staffing with mental health services. Providence did a survey to look at the health cost savings after two years of operation and it has been significant. The primary reason is emergency room usage. The households are connected to their primary care providers so they don't use the emergency room as much. Both Home Forward and the City pump money into this project for it to be able to work. It could be argued that the supportive housing aspect should be paid for by the healthcare system because that's where the savings are going. We are trying to look at better connections with the healthcare system and housing. Deborah: I would be interested in addition to this new governance and doing more than taking baby steps: What do you think the other big thing the community needs to do to address this problem? Mary Li: At the County we have a theory of change that looks like a triangle. Ideally the smallest place of resource is crisis. The middle part is that once homeless we get you back into housing as quickly as possible. Rapid rehousing. The biggest part of the triangle	

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	where we want to be spending more of our resources is on prevention and permanency. We spent a lot of time resourcing the crisis end of the triangle. We are doing better getting people housed. We have not touched the permanency and prevention. We know we can get our populations housed and stable. What we see is 12 months out 80-90% are still stable. Once you get past that 12 months and start getting to 18-24 months there is a population that start to become unstable again and start to get back into crisis. What are we doing to get people either income or to get them on benefits or something that will prevent them from going back into crisis? That is under-resourced and is our biggest opportunity. Steve: We need alignment and more resources. We have a similar housing market as San Francisco and Seattle but we do not have the tools that they have. We need to generate revenue that is dedicated to affordable housing. Rey: Setting aside the governance structure if that is the direction we are moving to. You've clearly laid out the disparity part of it. There is a sense of urgency. I hear equity, change and reform. How many years it is going to take to see any results? We have yet to see any meaningful reform or change to alter the scale. How quickly can you pull together baby steps to begin to go another direction? Is there the political courage to take it on? Steve: The larger economic inequity and racial disparities in this Country are difficult for the local government alone to deal with directly. It's a larger system that's not just about housing and homelessness. We can be more intentional and look at particular investments to try to be wiser. There have been efforts by all jurisdictions independently but would be nice to invest efforts and a community and then measure that. It will be a lot of baby steps because we don't live in a country where economic opportunity is a right. Mary Li: All of our systems are a reflection of society as a whole. There is a larger issue here. I am not about reform. We need to blow some things up. That will make the kind of change that we are looking for to happen. It will be difficult and scary but a line has got to get drawn in the sand.	
Mayor's Budget	Traci: PHB's request did well. 1 st decision package we asked for \$1 million to protect programs started after the fall bump. We asked for \$1 million and the mayor has	

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	proposed \$500,000. 2 nd decision package for a continuation of the \$500,000 sent to the County for homeless youth to be ongoing. 3 rd decision package was for \$3 million for the housing budget. The mayor proposed \$1 million. We did not receive funds to back fill money we lost in the last few years for the shelter system. We did not receive funds for the Fair Housing pilot project for CAT. We did not receive funding for 211. There is one more budget hearing on May 15 th at City Council and they will vote at the end of May.	
Incentive Zoning	Traci: Developers get additional ability to develop on site if there are community benefits. It's called floor area ratio. Some of these community benefits could be green roofing, bike parking, etc. Commissioner Saltzman would like to look at this incentive based system in exchange for building affordable housing on that site or potentially contributing money for affordable housing on another site.	
NOFA & MULTE	Javier: NOFA was released. \$17 million funds available. Information session on May 15 th for TIF, CDBG, and HOME funds. MULTE application period open for 2014.	
For the Good of the Order		