



PORTLAND HOUSING BUREAU

Portland Housing Advisory Commission

Tuesday, April 7, 2015

4:00 p.m. – 5:00pm

Portland Housing Bureau

421 SW 6th Ave, Suite 500

Portland, OR 97204

✓ = PHAC public member action item

► = PHB staff member action item

April Meeting Minutes - FINAL

Members Present: Amy Anderson, Jesse Beason, Tom Brenneke, Dike Dame, Jean DeMaster, Rey España, Elisa Harrigan, Debrah Imse, Wayne Miya, Sarah Zahn

Members Excused: Andrew Colas, Bill Gentile, Colin Rowan

Staff Present: Martha Calhoon, Traci Manning, Andrea Mattiessen, Kim McCarty, Javier Mena, Bimal RajBhandary, Matthew Tschabold, Dory Van Bockel, Carrie Young

Guests Present: Ruth Adkins, Debbie Aiona, Carolyn Anderson, Charles Carlos Dory, June Johnson, Nickolas Johnson, Susan Madar, Sharon Maxwell, Mary McWilliams, Maryann Vahle, Joe Walsh, Emily White

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Welcome & Review Meeting Purpose, Review Minutes	Jesse opened the meeting. The meeting minutes from March are unavailable at this time and will be reviewed next meeting.	Meeting minutes from March will be reviewed next month.
Public Testimony	Jesse moved us on to public testimony portion of the meeting. Sharon Maxwell, community member and certified MWESB general contractor, shared the following with the group: that as decisions are being made about, especially in the inner N/NE and outer East. That what we have seen as far as people being able to afford the rents, looking at the historical feasibility studies that the City of Portland will show you what the average income is and so based on what we have seen happen is that when people who have traditionally lived in the area most of their life are now not even able to afford to stay where services are, where it is easier to manage and maneuver around the city, to child care, to the schools. We have just seen the total demographic devastate a community and I want to make sure that these meetings and these people that sit on these boards recognize the destruction of our community, African Americans specifically because we were red lined and pretty much boxed in to	

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	living in this community, but not only that as a business owner, over the last 15 years of running my general contracting firm, the reason why I started my business was because I've seen the destruction and devastation of a community, and I said to myself we are better than this as a people, therefore it was up to us not to continue to wait for other people to do for us as a community what we need to do for ourselves. So what I would recommend and suggest, and this is just my comment, is that in these projects and goals, section 3 of the city, as far as employment opportunities, not just apprenticeship, but we need to make sure that we are seeing that the companies that are hiring the workers, are really working with, if its union, non-union to make sure people are getting into these jobs, that they are journeying out that there is some accountability to the contractors, to the city, and those that are doing development to hold to the feet, to make sure that its economic benefit for residents who have not been given the opportunity to work, within this area as you can see up Williams Avenue you can go up and down that and look at all the projects, and count, there is no Black people on those jobs. I don't know what people are thinking about, but you can't talk out one side of your mouth and say something out the other side of your mouth and expect everything to magically appear as though it's just going to happen. No, there has to be a real effort to make some real true difference and put the monies to make sure that everybody is benefiting that should be benefiting and not those that just have the money and to make sure that the organizations that are reaching to make sure that people get into the construction trades have the support that they need, so that people can actually become apprentices, journey out and continue to work within those trades. As a business owner for the, you know, the last 15 years; I'm a journeyman carpenter, and a sprinkler fitter, I've worked my butt off to make sure that, and I am probably one of the only African American female general contractors in the state of Oregon and in Washington, so I know exactly what I am talking about, and family members who cannot afford to find any place to live right now, so people are struggling out in our community trying to find a place to live, it's not just about affordable, but it's about what people can afford based on their income. If you have to come up with three times the amount of the rent, and rents are now anywhere from \$900 to \$1,700/\$1,800. A house that used to rent in NE Portland for \$1,300 is now \$3,000 or \$3,200; that is ridiculous. And so I hope you hear my heart, hope you hear the sentiment that this is what is happening to people, they are feeling very hopeless right here in their own community. \$20 million is nothing when it comes to making sure that, people have been displaced and gentrified out of their community have not been able to get the opportunity to partner, and make it a win-win when it comes to economic stability, that needs to be a part of these plans to make sure that, the	

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	children of parents need to see some role modeling that their parents can get up every morning and go to a job so that the children will go to school so that they will know that one day they will be able to do that, versus seeing their way into a prison or jail cell. Thank you. Carolyn Anderson shared: One of the main things that a person needs, whether they are able bodied or disabled, is to feel safe, to feel secure, to know that they can have a home, and know that they are not going to be having to go through gentrification every other year or through something every other year. It affects the community, it affects the community in a number of negative ways, okay. Not to be able to feel secure in a home, then you have to, that's stress so it affects the body, that's stress, affects the fact that, oh my goodness where are we going to go next, a person cannot feel secure on the job, or work or produce when they are under, know that they are under a system of gentrification, when they are not able to live in a neighborhood. How can a person focus on employment and developing themselves in that way? I for one have experienced, I know what it is like to experience having to move and having to move, in some ways that a trauma on the person to know, to experience dislocation on a regular basis. Well then you may say, well you may not have to do that. If a person is receiving public benefit, they are only allowed to make a certain amount, have a certain amount of money or else they will lose their benefits. And so, if they want to develop themselves and earn money, under affordable housing, they may lose their home. We have to consider more than just economics for the property owner, it is important to think about the people that are being dislocated and everything like that. And basically that is all I have to say. It is bigger than what you know we are talking about at these meetings, it's not good for the community and impacts their health, like I said before, and that rolls over to other community ills. Thank you very much. Sharon Maxwell, wanted to also share: I want to make sure too, I've heard that many times contractors that, the larger general contractor, when they come to these meetings they are always making statements about there are no available MWESB contractors that can perform the work; that is untrue, that is really untrue. And so, what really needs to happen, there needs to be extensive outreach to make sure that the contract packages are broken out to meet where these contractor's capacity are. In order for city programs, guidelines, and the industry to develop smaller businesses, they need the assistance of programs to make sure that they're not only building capacity, but that has to be done in a way that it doesn't cause them make one decision that could totally take them out of business. So, it has to be a calculated	

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	decision, but it has to be that you don't allow big contractors to make blanket statements about small businesses. They don't reach to out to until the last minute; I get all kinds e-mails, phone calls at the eleventh hour asking me to convert a bid within, you know, two seconds, and I just outright tell them that is unacceptable and its inappropriate, and who are you and why would you think that I could and my staff, could just waist our time putting together a number that really it's all good faith, but you are not intending giving us, helping us to build our company, and build our teams; people that we try to hire local from the community that we spend our resources to recruit and do outreach to and then what happens is we might get one contract and then it's 5 or 6 months down the road before another opportunity comes, and so what happens; if the people that sign up for the unions or non-unions they have to go back onto dispatch and people have to take care of their family, so we end up losing a lot of our workers to the larger contractors. Is that fair, no. So, what I would like for these groups, I see Andrew Colas is on this committee, and he knows this, but this needs to be brought up more that smaller businesses and growing capacity that larger contractors that don't reach out to us, they don't try to establish relationship, it's always us the smaller business, that have been marginalized, underutilized, always giving the 150%, tying up our resources when we have hard enough time as it is accessing capital, accessing lines of credit, keeping our workforce and building on productivity. so those are things that need to be taken into account when you are putting these goals together and making sure that the opportunities are first viable and sustainable, we what sustainability for our firms. Thanks. Rey commented that some of the concerns Sharon raised are often times addressed and captured in the community benefits agreement, they are negotiated with the sponsor and the general contractor. Rey asked Sharon if she was aware of any such community benefit agreement with some of the development projects that is occurring on N. Williams and N. Vancouver. Sharon reported that she has not heard of such an agreement nor did she see any outreach for any of the projects on N. Williams. She reported that she was approached by or they did some 3 or 4 years ago, and further reported: that was their way of saying to the city or funder, oh look what we did. Then when the actual projects come online they just go right over us and around us. Basically they have used us to get the money and the projects, to say that yeah we are going to use these companies. But it is all a game, a dog and pony show and that's not right. So we are tired of that, I am tired of that. We need to do something different going forward as a city and a community to make sure that everyone is winning, winning, winning, winning.	

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	Nicolas Johnson, Portland Commission on Disability (PCOD) and former crane operator that worked in the field out of Local 701, shared with the attendees: I've seen the industry and the economy grow around here in Portland, ever since I have been working from Mount Saint Helens, up there as a crane operator, all the way down to some of the tower cranes downtown. What I have noticed, from talking to friends, Ray Lampkin and Ray Leary, contractors in Portland, they have not received any bids or phone calls from the City of Portland in areas that are major construction going up for the Housing Authority and also for remodeling. They are doing most of their work on what they can scrap around in the neighborhood from word of mouth and also from their good reputation as contractors. Ray Lampkin he went all the way up and fought Roberto Durán and he is having a hard time here in Portland. What they did tell me and what we have been talking about lately, is we don't know if it is intentional or if it is just overlooked, but it looks to be like there's institutional racism practicing in the heavy contracting area around here. Where the minorities are not getting the bids. And they can only get them from the major contractors or receive them and hire them as subcontractors, like handing them out like kibbles and bits; if they know somebody or if somebody has informed them or if they want to deal with that. Usually they say well we have a few minorities that are working for us and that's really good enough to meet the quotas, but in actuality you need the contractor. And that is what supplies the bread and the bulk of income for our community. And since this is being overlooked and since it's not being addressed and there is constantly renewal work going up in our community, it's like yeah we get this money and we're saying it's for you, but we are not allowing you to share in the benefits or the profits. And in the workforce itself, we don't want a hand out, we don't want somebody to give us anything, we just want an opportunity and an able way to get there and if we are not even afforded the courtesy of putting in bids for these contracts, I mean that's really a way to keep an entire group of people out of a good workforce. And the construction industry is growing because we see it all around, we just want a piece of the pie.	
MULTE Program Review	Jesse moved the meeting to the next agenda item and turned it over to Traci. Traci announced this is a follow-up to the fairly robust discussion regarding policy goals of the Multiple-Unit Limited Tax Exemption (MUTLE) program at the March PHAC meeting, particularly to meet MWESB contracting goals. Following that meeting it was determined that the Vancouver Avenue Apartments Application could not be approved as presented. Traci reported that Andrea and her team have reviewed the program and developed proposed revisions to the MULTE program. Andrea informed the group that the intention of these proposed changes is to better clarify the policy objectives	► Staff to present MULTE Program proposed revisions to PHAC at May PHAC meeting before it goes to City Council and County Commission.

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	that the city is looking for in implementing this tool in terms of creating affordable housing with a focus on both equity and affordability. The series of proposed changes hope to work together to strengthen the Bureau's position to achieve the policy goals successfully, while also making the program work for the development partners. Andrea reviewed the Proposed MULTE Program Revisions with the committee. The document is a high level overview of proposed changes to the program. Andrea reviewed next steps with the group. The proposed revisions is currently also being reviewed by current and past users of the program to provide feedback, and the MULTE team will continue to work these proposed revisions. Jesse solicited the committee members for questions and comments. Amy asked approximately how many units are currently in the housing portfolio that meet the 30% threshold. How many, have been preserved at 30% from developers that may be 5 years into the 10 years? Javier responded that we don't have that information readily able. Dory added that as far as for the MULTE program, it generally doesn't work for a for-profit developer without additional public assistance to be able to provide the 30% units in these projects. This is a program that can work to complement other projects that are achieved with non-profit partners. Amy further asked, 5 years ago how many contractors were able to do this program and support the 30%. It was answered, zero. Jesse further explained that the MULTE program was not designed to reach 30%, just pulling away property taxes is not enough to achieve 30% units. Rey commented that he was concerned about the in the non-compliance penalties area and is not sure what we are changing to not allow a developer to opt out. He suggested to look for a disincentive so that a developer would not opt out. Traci suggested that opt out should be removed from the table. The design of the fees is to make non-compliance prohibitive, make it clear this is not a short term loan program, and it designed as a substantial penalty should a developer choose non-compliance.	

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	Rey also commented that there is no city sponsored goal stated/outlined in the minority contracting process area and asked if the applicants will be expected to address that. Andrea responded that within the legal framework the Bureau will be as astringent and progressive on this piece as possible. Ideally, there would be a numerical goal, and a penalty if the goal is not met; however, it is not something that the bureau has the ability to do at this point. Dike asked why it can't be done, it exists in other areas. Andrea responded that the bureau continues to have those conversations with the City Attorney. It is a bureau priority that MWESB contracting piece be an outcome that can be demonstrated our ability to meet successfully and is still be explored. Rey suggested that the bureau continue to advocate for a goal, target, or numerical objective that forces somebody to think about what the city expects to see as part of the avocation. Rey further suggested that it may take more time working with legal counsel, and that if the bureau is strong on this commitment then the bureau should make a statement to that effect and set the expectation. Rey also, asked about the training for the minority contracting process, Staff recommendation not clear about the MWESB training idea and, what happens if they don't incorporate the strategies. Andre reported that all the details have not been flushed out. Javier added that the idea of a third party assistance will help us define what the challenges are that will influence future conversations. Rey, reported that in his experience in working with the private market, if clear expectations are established the marketplace can adjust. Dike commented, as Vice Chairman of the Project Apprentice Agreement Committee with partners of the South Waterfront Central District for the last 10 years, this isn't tough enough. There is no oversight or penalty, just words, and it's not adequate. It needs a goal, and if you don't perform you lose your benefits. Amy asked if there are developers that would bail if higher standards are set, will they disappear or stop bidding if they are held accountable. Amy reported that she senses that there is a fear here to get serious. Andrea replied that the experience over the past three years has been that have not fully utilized the \$1M cap in forgone revenue and want to be successful in allocating \$3M annually. The bureau needs to be keenly aware of what the market will bear in	

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	terms of burdens and requirement and is the reason why the bureau is soliciting feedback from a variety of stakeholders. Jean asked who the bureau expects will use the program that is not using it now. Andrea stated that the bureau needs to market the program better and be more proactive in reaching out in a more speculative way. Dory added that by improving the timing of application so it's not a competitive, spontaneous process, only a couple times a year; but by making it an open, rolling application process and by making the whole process more predictable, there's not the scoring component, so that if again what the demands of the program are more known so an applicant can plan for the program in their budget, so there is more of an opportunity. Elisa commented that the timing change will be helpful. Tom commented that generally this is headed in right direction and that these are some important improvements; the 10% test being one that has had some heartburn over and the timing is another big one. The affordability requirements change from 20% to 25%, in our case, we are an applicant in the 67 block project, we have done the math and with the 20% going to 25% at 60%, we would be a no if we had to conform. If it was 25% at 80 we could proceed. There was further discussion about the percentage of affordable units in a project at different MFI percentages. Jesse asked if PHAC would be seeing proposed revisions again. Andrea responded that the bureau was hoping to have the new program in place by July 1st. This would require the revisions to go to City Council and the County Commission, so it is a pretty tight timeline. If PHAC would like to see it again before going to the City and County, it can be presented to PHAC in May. Group elected to see the proposed revisions prior to it going to the City Council and County Commission.	
State of Housing Report	Matthew informed the members that they are currently in the middle of finalizing the report and cleaning the data sets. He stated that he would send an email update with final analysis and the framework to PHAC members before it goes to City Council. Members reported wanting a chance to provide input to the report and elected to meet with PHB staff to review and provide feedback prior to the report going to City Council.	► Members elected to have an additional meeting to review the State of Housing Report prior to it going to City Council. Staff will work with group to setup meeting.

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	Traci commented that in the last few months, on the topics people have been most passionate about, the group has run out of time to further discuss. Traci suggested investigating this further at the PHAC retreat. She reported that PHB staff is willing to lend the time and will depend on PHAC member's decision/direction on how to proceed.	
Fair Housing Month and Fair Housing Assessment	Jesse turned the meeting over to Kim. Kim announced that April is Fair Housing Month. The national theme is Fair Housing Is Your Right: Use It. The Portland theme this year that will be brought to City Council when they are asked to declare April Fair Housing month for the City of Portland is <i>overcoming and mitigating disparate impacts</i>. The reason that it was chosen was because of the work that the Housing Bureau is doing in North and Northeast Portland with the North/Northeast Neighborhood Housing Strategy and also because on a national level, the Fair Housing Act of 1968 is at a crossroads; The Supreme Court's upcoming ruling on the Fair Housing Act in <i>Texas Department of Housing and Community Affairs v. The Inclusive Communities Project, Inc.</i> is a case looking at disparate impacts. Kim also provided an overview of the fair housing assessment process and advised that when the community receives federal funds the bureau is required by HUD to engage in an assessment of fair housing. The assessment is an analysis of impediments to housing choice in Portland and outlines strategies to mitigate the identified barriers. The Fair Housing Assessment, is a precursor to the region's Five-Year Consolidated Plan for federal spending priorities. In the next 10 to 12 months staff and the Fair Housing Advocacy Committee (FHAC) will be collecting and analyzing data for the assessment. Kim also reviewed with the group the many activities that the bureau and community partners will be doing to raise fair housing awareness in the community. She highlighted that, there is a proclamation that will go to City Council on April 15th and that they would be awarding the winners of the statewide Fair Housing poster contest. There was a comment from an attendee that she has not seen any advertisements. Kim responded that there was an ad in the Willamette Week, placed by Multifamily NW. There was a comment that more could be done to raise awareness. Elisa stated that the assessment sounds great; however, one piece she didn't hear talked about is understanding the level of education and awareness. She reported that she would like to see something broader, and have an understanding, within the community, about how well fair housing is understood.	
For the Good of the Order	No further announcements. Jesse adjourned the meeting.	