

Meeting Summary: Bond Oversight Committee April 13th, 2023

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

Committee Members in attendance:	Todd Struble, Anneliese Koehler, Allan Lazo, Dr. Steven Holt (<i>facilitator</i>)
PHB staff in attendance:	Molly Rogers, Megan Grillo, Jill Chen, Angel Landron-Gonzalez, Gabriel Mathews, Chris Gustafson, Masaye Hoshide, Angelina Denson
Others in attendance:	Tracy Ukura (<i>captioner</i>), Brian Shelton-Kelley (Our Just Future), Julie Garver (Innovative Housing), Leah Cooper (Innovative Housing)

Welcome, Roll Call, Minutes (Recording Time: 0:00:00 – 0:03:29)

- Roll call was taken and recorded
- Todd Struble made a motion to approve the April 6, 2023, meeting summary, Allan Lazo seconded
- The February meeting summary was approved by Todd Struble, Allan Lazo, and Anneliese Koehler

Public Testimony (Recording Time: 0:03:29 – 0:04:15)

- There was no public testimony

Portland's Housing Bond Updates (Recording Time: 0:04:15 – 0:16:38)

Bond Projects Dashboard Report

Jill Chen, Housing Investments and Portfolio Preservation Manager

- Bond projects dashboard report
 - Very close to getting all project in construction. The only remaining project is HollywoodHUB, which was the project that was swapped out (discussed at last quarter's meeting) and is closing in mid-2024
 - Francis + Clare closed the end June
 - HollywoodHUB has a number of other financings, including nearly \$10 million HOME ARP funds as well as Metro bond funds. Only project that has both Metro bond funds as well as Portland Housing bond funds, and it will close out all of the Portland bonds
 - Changes in the lease-up for the Starlight due to the construction and inspection in order to reach temporary certificate of occupancy being delayed. This is related to inspections, elevators, supply chain issues
- Considerations and issues
 - Still seeing pre-development risks, continued construction risks and delays, and operational issues related to property management, permanent supportive housing, and inflationary costs
 - Passage of the housing budget and the need for alignment of state, regional, and local resources. The state legislature passed its 23-25 budget and as the Bureau moves forward with the rest of its funding and developments, it should make an effort to align with the state. It amounts to \$604 million in affordable housing development funds, especially for LIFT and PSH. Another \$15 million in preservation, affordable rental, and mobile homes. And \$72 million or so for homeless services and transitional housing.

- 2022 Portland Housing Bond openings
 - Crescent Court now open, 344 housed
 - Cathedral Village now open, 263 housed
 - The Starlight now open, 100 housed
 - Hayu Tilixam now open, 119 housed
 - Las Adelitas now open, 402 housed
 - Total of 538 affordable units and 1,200+ housed in 2022
- 2023 openings
 - Emmons Place south building now open, 47 housed (144 housed for total project)
 - The Aurora is in the process of lease-up, 235 housed
 - Anna Mann is three buildings and one of them is in the process of lease-up, 90 housed (315 housed for total project)
 - The Joyce opened end of June, 100% PSH building, 66 housed
 - Total of 431 affordable units and 750+ housed
- 2024-2026 bond openings
 - 3000 SE Powell, targeted to open second quarter of 2024, 357 housed
 - Francis + Clare Place, targeted to open third quarter of 2024, 68 housed
 - Alder 9, targeted to open fourth quarter of 2024, 285 housed
 - HollywoodHUB, scheduled for 2026, 417 housed
- Allan Lazo asked for clarity on the “considerations and issues” slide, whether the predevelopment risk point only applied to HollywoodHUB
 - Jill replied that yes, it only applies to HollywoodHUB at this point and elaborated that costs continue to rise and interest during construction are contributing to this
- Allan Lazo followed up by asking if the alignment of resources point also only applied to HollywoodHUB since all other projects have their funding stacks complete
 - Jill confirmed this point is also only related to HollywoodHUB and that the bureau is working with the state to get HollywoodHUB its private activity bonds so that they can get local housing tax credits
- Allan Lazo asked to confirm that HollywoodHUB doesn’t have any PSH units so the regional PSH wouldn’t play into it
 - Jill confirmed it is not a PSH building

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 June were \$197.3 million, where the project spending has increased by \$12.8 million or 6.9%
- The committed funding for this period is \$64.3 million, decreasing by \$12.7 million or minus 16.6% compared to last quarter
- The remaining \$686,128 will either be used to replace Metro bond dollars currently used in the HollywoodHUB project or to be allocated to fill funding gaps, if any

Project Team Presentation: The Aurora (Recording Time: 0:16:38 – 0:32:00)

Brian Shelton-Kelley, Senior Project Manager, Our Just Future

- Project Team
 - Our Just Future, developer and service provider
 - Edlen & Co., consultant
 - Holst, architect

- Colas Construction, contractor
- Lifeworks NW, service provider
- Oregon Housing and Community Services (OHCS) and Portland Housing Bureau, funding partners
- Project Overview – Project Schedule Milestones
 - Temporary Certificate of Occupancy received on 5/26/23
 - Had a four-month delay in construction due to supply chain issues and getting electric transformer equipment to the site to be able to switch over from construction power to permanent power
 - Has 16 Project Based Voucher units which passed their HQS inspection on 6/5/23
 - Full Certificate of Occupancy expected later this summer
 - First move-ins (eight households) occurred in June, four months projected for 100% initial occupancy
 - Strong interest, especially for 30% AMI rent units
 - Strong partnership with JOHS and Home Forward on low barrier application process for PSH/PBV units
 - Planning has started for a grand opening and is aiming for a date in fall 2023
- Project Overview
 - About \$38 million total development cost, or just under \$410,000 per unit
 - Received extra incentives from Energy Trust of Oregon and the Oregon Multifamily Energy Program for some increased and over-baseline energy efficiency measures
 - A/C units provided in each unit
- Project Overview – Unit Mix and Priority Communities
 - Located on 160th and Stark on the edge of the city boundary with Gresham
 - 100% affordable, 93 units, majority family-sized units, and some 30% AMI units
 - PSH units have preference for referrals from Coordinate Access
 - Priority communities served include low-income families and households exiting homelessness, families enrolled in local schools facing displacement, and BIPOC families
- Marketing and Leasing Strategies and Outcomes
 - Temporary leasing office was placed in immediate neighborhood, next to Su Casa market and local church
 - Affirmative Fair Housing Marketing Plan used to identify BIPOC and priority populations least likely to apply for housing, and marketing efforts to reach those groups
 - Outreach to local community anchors such as Snow Cap Food Pantry, Rosewood Initiative, and Boys and Girls Club
 - Referrals from other OJF properties in East Portland
 - Connections with culturally specific organizations like NAYA, IRCO, Latino Network, and APANO
 - First move-ins occurred in June and demographics of residents are still being compiled
- Lease-Up Marketing Materials
 - Displayed marketing photos of the various units
- Equitable Contracting Outcomes
 - Met the goals on hard costs (30%), well exceeded the goal on professional services and soft costs (20% goal, 68% project outcome), and had a really strong workforce diversity participation from communities of color and women (apprentice hours POC 39% and women 20%, journey level hours POC 54% and women 3%)
- Community Engagement Updates
 - Community engagement activities included neighborhood contact process, resident advisory committee meetings, and connections with culturally specific and community serving organizations
 - Participant demographics included POC, low-income, older adults, and existing tenants
 - Outcomes included enhanced safety features, material and interior changes, a mix of community gathering spaces and more private spaces, and bike storage rooms on each floor

Project Team Presentation: Anna Mann House (Recording Time: 0:32:00 – 0:50:30)

Julie Garver, Senior Housing Developer, Innovative Housing

Leah Cooper, Director of Housing Operations, Innovative Housing

- Project Overview & Unit Mix
 - 129 units. First building (50 units) is open now and includes a mix of one-bedroom and two-bedroom units in the 0-30% and 31-60% income range. Includes 12 PSH units
 - Lease-up has started for the east building and about 20 people have moved in so far
 - Service partners include Innovative Housing, the Immigrant and Refugee Community Organization (IRCO), Black Parent Initiative (BPI), and New Narrative
 - Populations served include low-income families and individuals, households exiting homelessness, immigrants and refugees, and other communities of color
- DMWESB-SDV Updates
 - COBID contracting and subcontracting is toggling between the 32% and 36% range
 - National Association of Minority Contractors Oregon (NAMC) provided support, helping them to achieve 36% COBID sub participation at bid time
 - NAMC and Oregon Tradeswomen worked with their construction team to develop an anti-hazing program and customize a zero-tolerance policy for the job site. Two fairly serious disciplinary actions resulted from this, resulting in two workers being released from employment for not following policies
 - They had a total of two 2-hour construction manager training, and eight 20-minute “toolbox talks” with all workers on site
 - Positive feedback received from many participants
 - Two contractors on this job: Silco Commercial Construction and Todd Construction. Both have a current projected participation of about 32%
 - Looking to exceed women apprentice hours and will be right about at goal for POC hours
- Project Funding Sources
 - Project costs/funding changed since 2020 due to current cost escalation atmosphere and adding work to the project by creating more units
 - \$2 million was added to the project via a PCEF grant that was awarded late in 2022
 - Every unit has a mini split for heating and cooling. Project has solar and EV charging. Large shade trees are being added to the site
- Change in Project Costs
 - PCEF work addition, construction loan interest increase, and cost escalation
 - Sources to cover costs include PCEF grant, LIHTC upward adjuster, and PHB special contingency
- Development Progress
 - East building completed and 17+ families have moved in
 - South building to be completed by July 31st and will add 40 units
 - Existing building to be completed by September. The lower level is about six feet below ground with windows on top, so excavation and waterproofing work is being done
- Material Changes
 - PCEF work
 - Construction loan interest
 - Cost escalation
- Photos were shown of the project and work being done
- Lease-up

- 15 units are moved in, with a lot more working their way through compliance
- The project has 12 PSH units, with six in the east building and six in the south building, and all of those units have been identified and working their way through the process with Home Forward
- Community Engagement
 - An interest list was created about a year and a half ago and everyone on the list was informed when the building was starting to take applications
 - Information was provided to any service partner that IHI has ever worked with
 - Met with community groups in Laurelhurst and have done marketing at the Laurelhurst School

Interim Director's Update (Recording Time 0:56:27 – 1:04:21)

Molly Rogers, Portland Housing Bureau Interim Director

- Updates on recruitment for the open bureau director position
- Provided details on upcoming solicitations this calendar year
- Spoke on the bureau's efforts to recalibrate its inclusionary housing policy
- Updates on the next Portland Housing bond measure

Closing Remarks / Next Meeting (Recording Time: 1:04:21 – 1:05:20)

- Acknowledgments and thank yous
- Next meeting is October 5th, 2023