



# July 8, 2025 Homelessness and Housing Committee Agenda

**City Hall, Council Chambers, 2nd Floor – 1221 SW Fourth Avenue, Portland, OR 97204**

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**Tuesday, July 8, 2025 12:00 pm**

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**Session Status:** Adjourned

**Committee in Attendance:**

Councilor Angelita Morillo

Councilor Eric Zimmerman

Councilor Dan Ryan

Councilor Jamie Dunphy, Vice Chair

Councilor Dunphy presided.

Officers in attendance: Diego Barriga, Acting Council Clerk

Committee adjourned at 2:05 p.m.

## Regular Agenda

1

[Homelessness and housing community feedback](#) (Public Hearing)

**Document number:** 2025-272

**Introduced by:** Councilor Candace Avalos

**Time requested:** 20 minutes

**Council action:** Placed on File

2

[Update on the Homelessness Response System Steering and Oversight Committee](#) (Presentation)

**Document number:** 2025-273

**Introduced by:** Councilor Eric Zimmerman; Councilor Candace Avalos

**Time requested:** 10 minutes

**Council action:** Placed on File

3

[Appoint Cathy Keathley to the Home Forward Board of Commissioners for a term to expire July 15, 2029](#)

(Resolution)

**Resolution number:** 37713

**Document number:** 2025-274

**Introduced by:** Mayor Keith Wilson

**City department:** Housing Bureau

**Time requested:** 15 minutes

**Council action:** Referred to City Council

Motion to send Resolution, Document Number 2025-274, to the full Council with the recommendation it be adopted: Moved by Morillo and seconded by Ryan. (Aye (4): Morillo, Zimmerman, Ryan, Dunphy; Absent (1): Avalos)

4

[Action items for Homelessness Response Action Plan 2.0](#) (Presentation)

**Document number:** 2025-275

**Introduced by:** Councilor Candace Avalos

**Time requested:** 1 hour

**Council action:** Placed on File

Portland City Council, Homelessness and Housing Committee  
July 8, 2025 - 12:00 p.m.  
Speaker List

Name	Title	Document Number
Jamie Dunphy	Councilor, Vice Committee Chair	
Diego Barriga	Acting Council Clerk	
Angelita Morillo	Councilor	
Eric Zimmerman	Councilor	
Ashley Hernandez	Council Policy Analyst	
ToddZarnitz	(Testimony)	2025-272
Michelle Milla	(Testimony)	2025-272
GlennTraeger	(Testimony)	2025-272
BruceStuder	(Testimony)	2025-272
ChrisMackovjak	(Testimony)	2025-272
JudiKloper	(Testimony)	2025-272
PaulRudinsky	(Testimony)	2025-272
ToddLittlefield	(Testimony)	2025-272
Mary Lou Cavendish	(Testimony)	2025-272
KimberCavendish	(Testimony)	2025-272
MarybethStock	(Testimony)	2025-272
Jillian Schoene	Director, Homelessness Response System	2025-273
Helmi Hisserich	Director, PHB	2025-274
Ivory Mathews	CEO, Home Forward	2025-274
Cathy Keathley	Appointee, Home Forward	2025-274
Anna Shook	Analyst, Portland Housing Bureau	2025-274

## **Portland City Council Committee Meeting Closed Caption File**

**July 8, 2025 – 12:00 p.m.**

This file was produced through the closed captioning process for the televised city Council broadcast and should not be considered a verbatim transcript. The official vote counts, motions, and names of speakers are included in the official minutes.

**Speaker:** There we go. Hello. Noting a quorum. Good afternoon, friends. I called the meeting of the homelessness and housing committee to order. It is Tuesday, July 8th at 12:03 p.m. Diego, can you please call the roll.

**Speaker:** Morillo here. Zimmerman. Here. Ryan dunphy here.

**Speaker:** And, ashley, can you please read the statement of conduct for council committee meetings?

**Speaker:** Welcome to the meeting of the homelessness and housing committee. To testify for this committee in person or virtually. You must sign up in advance on the committee agenda at that [Portland.gov slash. Council slash agenda slash how homelessness and housing committee](https://portland.gov/council/agenda/homelessness-and-housing-committee) or by calling 311. Information on engaging with this committee can be found on this link. Registration for virtual testimony closes one hour prior to meeting in person. Testifiers must sign up before the agenda item is heard. If public testimony will be taken on an item, individuals must testify for three minutes unless the chair states otherwise, your microphone will be muted when your time is over. The chair or service order. Disruption of conduct such as shouting. Refusing to conclude your testimony when your time is up or interrupting others testimony or committee deliberation will not be allowed if your disruption, a warning will be given. Further destruction will result in ejection from the meeting. Anyone who fails to leave once ejected is subject to arrest for

trespass. Additionally, the committee might take a short recess or reconvene virtually. Your testimony should address the matter being considered. When testifying, state your name for the record. Your address is not needed. If you're a lobbyist, identify your organization. The organization you represent. Virtual testifiers should unmute themselves when the clerk calls your name. Thank you.

**Speaker:** Thank you. Ashley. We have four items on the agenda this afternoon. And we're going to start how often these things go opposite. We're going to start with community testimony from folks who have signed up to testify. It's really important for us to be able to hear from the public at these meetings. And so I'm really glad we're starting off with that. Diego, do we have anyone signed up for public testimony?

**Speaker:** We do. Would you like me to call them up, please? Michelle, mila, talia giardini, todd zarnitz michelle is joining us online shortly.

**Speaker:** And, diego, I'm sorry, how many folks do we have signed up for this money?

**Speaker:** We have 15 folks and I'm so sorry I did not read the first item. Item one homelessness and housing community feedback.

**Speaker:** Okay, noting that we have 15 folks signed up for this and unfortunately only about 20 minutes to fill, we're going to move to limit testimony to two minutes. If folks need to run a little long, that's okay. But we're going to try and get everybody heard. So thank you for being here this morning afternoon. And go ahead.

**Speaker:** My first. Great. My name is todd zarnitz. I'm testifying on my own behalf. I'm going to say something shocking. The vast majority of our community members living on the street are doing so as a direct result of synthetic drugs, though this group seems to think otherwise. Most people living on the street are not doing so

because the rent is too high, which is also an issue, but because they are the victims of an inhumane drug addiction. Other than token mentions from time to time, synthetic drugs get no mention from those who consider themselves committed to solutions for houselessness or whatever the current newspeak argot is at the moment. In fact, there was a presentation to this committee on April 22nd that included, as factors unrelated to homelessness as mental illness, drug abuse, and poverty unrelated. This group is not taking the street living crisis seriously, and I'm not sure why that is. Maybe it's because there is a big drug culture in this town, and it's difficult to say that drugs can easily lead to horrendous outcomes. Or maybe it's a convenient campaign issue where one can pretend to work on street living by disingenuously framing our synthetic drug crisis as a result of tight housing. To this, exploiting an ongoing human tragedy by attaching tangential but different issues which are more personally relevant is sickening. We have a moral obligation as a community to take the synthetic drug crisis seriously. Please stop using this committee as a performative space and start addressing the real life problem. A cancerous drug crisis and culture like an alarm noise that gets incorporated into an early morning dream state. I hope this testimony and others like it, begins to hallucinate. The committee dream time is over. The real work needs to be done. Wake up, wake up, wake up. Thank you.

**Speaker:** Thank you.

**Speaker:** We have michelle miller online. Can you hear us? Michelle?

**Speaker:** Hi. Yes. Good afternoon, council members. My name is michelle miller and I live in the stadium neighborhood in northwest Portland, in the district you're now calling home to two new low barrier, overnight only shelters. These were cited without public meetings or community partnership. When the deals were signed off on and without a transparent plan for impact mitigation. When other shelter

models like these are not being held accountable for the deterioration of the communities in which they are operating right now, you've heard the words equity and equality used often in these chambers, and I'd like to challenge how your practicing them. What's being called equity here looks more like imbalance. Concentrating hundreds of shelter beds into already strained neighborhoods, also, cutting communities out of the decision making process isn't really equity. True equity means shared responsibility. It means transparency. Transparency. It means asking and not imposing. Equity is about ensuring every community has a voice in the shelter discourse, and that no single neighborhood bears undue and unbalanced burdens. Right now, in the northwest Portland neighborhood, district four is being treated as a sacrifice zone. Places where poor planning, neglected maintenance, and harmful policy choices are concentrated, usually because officials assume that the residents are disempowered or too disorganized to push back, but that that assumption is no longer valid. We are showing up, we are organized, and we are asking you why? Why does district four keep having to bear the brunt of failed social policy enablement and civic disengagement? Our community is not opposed to helping those in crisis. We are asking for models that work. If this council is serious about equity, then we ask you to reconsider the placement and suspend further siting of congregate shelters in overburdened neighborhoods like ours until three things happen. Public impact assessment is conducted. All neighborhoods are included in the geographic distribution of the shelters and wraparound services, not just beds are part of every shelter's baseline of operations. Please let us work with you and thanks for the opportunity to speak today.

**Speaker:** One more call for todd zarnitz. Oh, apologies, talia giardini. Next up. Bruce studer. Chris makovec, glenn trager.

**Speaker:** Good afternoon and welcome. Go ahead and start whoever.

**Speaker:** Okay, I guess I start. These are nice new chambers. I haven't been here since you guys have done the remodel. And so it's a little bit about the same, but it's a little bit different. My name is glenn trager. I live in the pearl, and I've been actively involved in addressing homelessness. I've helped clean camps along i-405, served on the good neighbor agreement committee for the navigation center, and sit both on the pdna livability committee and the district four homelessness solution coalition. I am here representing myself. I urge you to reconsider placing a 200 bed, low barrier shelter in the heart of a mixed use neighborhood already under strain. The pearl district is not saying not here. We're saying not like this. We already host a 90 bed shelter and provide over 1200 affordable housing units, with more on the way. The pearl district has spent over \$2 million and over two and a half years in human humanitarian efforts to move 2000 people experiencing homelessness into shelter. We've stepped up and have been doing our part, yet conditions continue to deteriorate. In the pearl. Small businesses are closing, families and elderly residents report safety concerns. Visitors avoid the area. Property values are declining. This isn't speculation. It's a lived experience. Adding another large scale shelter without performance metrics caps business and community engagement risk tipping the balance. Further, it concentrates services and places burdens in one area, contradicting best practices. There are better options. Start with requiring accountability from the county and service providers. Develop and implement recovery plans for those being served. Choose sites that won't destabilize mixed use areas. Create a pilot program to track impacts such as 911 calls, sanitation, graffiti and business activity before scaling up. Work with us, not around us. We want to help. I got two more sentences. Yeah, we want to help. We ask that the responsibility be shared and that our neighborhood be given space to recover and



thrive. Let's solve this crisis together, thoughtfully and with measurable results.  
Thank you.

**Speaker:** Thank you. Go ahead. Bruce. Okay.

**Speaker:** Good afternoon, council members. My name is Bruce Studer. I serve as president of the Pearl District Neighborhood Association. There are over 11,000 residents in the Pearl District. It is the densest urban area in the city and one of the top five in the country, behind Manhattan, Jersey City, Brooklyn and Koreatown. The Pearl District has long been a national model for urban renewal, transforming from an abandoned, uninhabited industrial zone into one of the most livable, walkable neighborhoods in the country. Our community is home to seniors, families, and a proud commitment to affordability. 30% of our housing units qualify for as affordable as affordable units by design. Prior to COVID and the riots, we were visited by delegations from cities across the US and in the world. They came to learn what was, what we had done and how we built it here. But today we are at a crossroads. Let me be clear. I do not share this testimony to sound alarmist, nor from a place of resistance to social responsibility. We believe deeply in compassionate, equitable support to those experiencing homelessness. But adding another large, low barrier shelter in a neighborhood already straining under the weight of unmanaged challenges is not a solution. It is a miscalculation. The proposed 200 bed, overnight only shelter dropped in the Pearl without any attempt to engage the community, comes without supportive services, food and daytime programming. It will release hundreds of individuals in the morning, many struggling with untreated mental health and substance use disorders into a densely populated area without access to help. This is not a plan for recovery. It's an abandonment by any other name. The Pearl already hosts the 100 bed Harbor of Hope shelter, and despite its good intentions, it has had mixed results. Honoring its

good neighbor agreement. Temporary shelters like the one at northwest glisan in 14th this summer created serious. This winter created serious safety and sanitation problems. Our neighborhood has stepped up in ways the city has not. Like, glenn said. Our northwest conservancy reached out and placed over 2000 individuals in services and responded to over 2500 safety incidents. This is not equity, it is imbalance.

**Speaker:** Thank you.

**Speaker:** My name is chris mackowiak. My office is in the pearl and much of my business is in the pearl. I have volunteered with the pearl neighborhood association since 2018. I'm a pearl neighborhood association board member. I serve on the neighborhood safety and livability committee, and I help lead our neighborhoods all volunteer clean team program, which I am especially proud of. At this point, I volunteered hundreds of hours in the pearl. Every once in a while, someone will ask me why I volunteer. I say the same thing every time I do it for the people I volunteer with. So let me tell you about those people there. Sally and john both are in their 80s, but still volunteer multiple times per week, picking up trash in the neighborhood. I've watched sally pick up hundreds of needles and put them into her own sharps container. The city wouldn't do it. So that responsibility to keep people in the neighborhood, including kids, safe from used needles, fell to her. I've watched john limp down a street picking up trash because even though his hip hurt that day, he thought cleaning up and being a positive force in the neighborhood was too important to miss. I've watched tye, who uses a scooter for mobility, clean up glass with the broom and dustpan he always brings just for the broken glass, which you shouldn't be surprised to hear is common. I could go on if you ask sally, john or tye what they thought about the planned shelters. What do you think they would tell you? They would tell you don't do this. They would tell you to night only

shelters in the middle of a highly residential neighborhood, already struggling with real safety and livability issues, and more and more and more empty storefronts is a bad idea. They'd tell you, putting people directly out into the neighborhood at 6 a.m. When the shelter closes is a bad idea, they'd tell you. Having no plan for sanitation, security or mental health services is a bad idea.

**Speaker:** Thank you. Unfortunately, we're out of time. Okay. Thank you very much.

**Speaker:** Thank you.

**Speaker:** Todd littlefield, paul rudinsky.

**Speaker:** Hi.

**Speaker:** Good morning. I prepared exactly three minutes, but you said shorten it for two, so I'm going to leave out a little bit, but I'd like to get through as much as possible. I also noticed that some of you up there are looking more at your computers. I don't know if you're paying attention to us if you're taking notes, but I hope that miss morillo and mr. Ryan, if I really would like it, if you'd pay attention to us, feel like you're listening to us. Thank you. My name is judy clopper. I live in the pearl district. And before you think of me as a nimby lacking in compassion for the homeless, please know that I also come to you as a parent of an adult child who spent almost 20 years abusing drugs, mostly meth. For ten of those years she was homeless. Five of those years in and out of shelters in linn county. Sometimes she was camping on highway ramps or at the river, or in neighborhoods defecating in people's yards. She would cause damage to a store if they didn't give her what she wanted. She would find a shelter and move in. But because they were high barrier shelters and she refused to follow their rules of no drugs and residents had to do chores, she would leave. I will never forget the day I drove into albany and saw my daughter walking the back of her clothes covered in feces. Fast forward to now. For the past eight and a half years, she has been clean, holding down a job, living in a

little home. What changed her? It was the time in jail, the good graces of the judge and the district attorney, who is now a judge in linn county who sent her to the state hospital. The therapy she received, the return to the homeless shelter that offered her services that help with getting care for her mental health issues and taking medication, getting a job with a vocational aide, the love of her family, and her decision to change. My son is a wheelchair user and had to move out of his apartment near immanuel hospital for safety reasons. Gunshots on his level, floor level and because getting around in that area, through the tents, on the sidewalks was difficult. When he comes to his doctor appointments at good sam, I have to push him in his wheelchair on the street because of tents set up on the sidewalk and the feces and the stench of urine between the pearl and northwest. We have to wash his wheelchair every time he visits here, because we know and we don't know what his chair has wheeled through already. The pearl has between 115 and 120 commercial vacancies, vacant apartments, empty condos and people moving out and not coming back. This city can survive and thrive without the taxes that these businesses and residents provide. Nor will people live here without the services that the city is supposed to provide. And this is my last paragraph. The mayor's plan to allow the huge shelter on northrop, combined with blanchett's house plan to open the shelter on lovejoy, will greatly increase the problems we already experience. And you've heard about already in our neighborhood, bringing in more crime and the potential loss of more businesses. At what point is the greater community, given any consideration, perhaps the slogan on the trucks and cars that go around for the city of Portland should not be the city that works, but the city that doesn't work. Thank you.

**Speaker:** Thank you.

**Speaker:** My name is paul rudinsky. As a lifelong Oregonian, I've always taken pride in our community's inclusiveness and democratic decision making process. Unfortunately, Portland abandoned these values when it signed a lease for a 200 bed low barrier emergency shelter at 15th and northrop without any community input. My family and I are part of the llc that owns the oro apartments, which directly abut the proposed shelter. We strongly oppose this site due to its significant, significant safety and operational and neighborhood impacts. Our garage door is 15 yards away from where all the homeless will be lining up. We have a three story mechanical parking system with 22 independently rotating platforms. They operate in a jigsaw fashion. The garage door remains open for a whole minute during use, creating a real danger. The city is inviting individuals who may be in mental health or substance crisis to line up just a few feet away. What happens after 10 p.m. When the doors close? Where are these people going to go when a garage door opens and it's cold outside? It's easy to see how the city is exposing itself to a lot of liability here, and I doubt any insurer insurer would knowingly cover Portland inviting this type of liability. These aren't abstract concerns. We've been there for a long time. I'm a lifelong Oregonian, had our our places numerous, numerous times, broken into our carpets, been stolen three times, had a person masturbating numerous times in front of our place with no city help whatsoever. And we participate in high barrier city housing programs. Our experience with the city is they don't back up their word in our of the people that we've had in our in our high barrier residents, one of them was running around our apartments naked, sexually, trying to be involved with different people. We had to hire a special security guard just to watch him. It took us months to get rid of, to get him out of our place where our people could be safe. Another person was operating a prostitution ring again. We paid them to leave because of the safety to

our individuals. As other people mentioned, it's logistically flawed for the lack of access to different services. But in conclusion, we won't be able to provide the safe housing that we're trying to provide our family run businesses barely breaking even. And every other apartment in pearl and northwest district is in similar shape. Shelter next door will devastate rents and likely lead to foreclosure, replacing it with us with out-of-state rights, which do not compare about enhancing the community in the city of Portland in any way. We sincerely hope you oppose this proposal. Thank you.

**Speaker:** Thank you for testifying.

**Speaker:** One more call for todd littlefield.

**Speaker:** Oh.

**Speaker:** Sorry. I didn't know it was late, so I could read what I have to say, but I'm just going to talk to you. I've got.

**Speaker:** Introduce yourself for the record.

**Speaker:** Oh, sorry. Todd littlefield, district one. I've got three. Ask first. Fully support with the mayor. Wilson's going to propose two. The homelessness is costing the city billions of dollars a year, and we can't have them continuing to be wherever they want to be. So dignity village is out in sunderland road by the airport. There's a whole bunch of land out there between there and the airport. Big, huge plots. Why don't we buy some land out there, have sanctioned camping so that these people have a place to go. It might not be the taj mahal, but they're not used to the taj mahal. So that's what I would strongly recommend we do. Number three, odot, odot. The mup runs about 26 miles long. It affects many residences, many neighborhoods, and it goes from just south of Portland marine drive, along i-205, and then along i-84 from 118 to about two 22nd. They have been derelict in duty and responsibility for their property. I talked to the regional manager about

two years ago, he said. We have no money now. He's saying we have no money, so I own some vacant lots and the, the city has a code. You can't have grass over ten inches tall. So odot currently has grass and weeds 3 to 3 to four inches tall. They've got no trespassing signs throughout their property. People aren't just trespassing. They're living. They're destroying our lives. And so I just hope that you support mayor wilson. You look at sanctioned camping out by the airport. Trimet bus runs right by dignity village, and you hold odot to account. Thank you.

**Speaker:** Thank you so much.

**Speaker:** Kimber cavendish, mary beth stock, mary lou cavendish, anne colonna, mary beth stock will join us virtually.

**Speaker:** Good afternoon.

**Speaker:** Would you like us to speak first?

**Speaker:** Whoever feels welcome. Yeah. Go ahead.

**Speaker:** Okay. Well, I'm mary lou cavendish, and I'm 90 years old, and I am very concerned about safety. Obviously, I would be. I live close to what the neighborhood calls psycho safeways, which is often surrounded with a lot of security guards and a lot of people in trouble. But, you know, my main concern is my main question to you and I can't find an answer to it, is why are you sacrificing downtown Portland? As many people have said, there are so many areas, other areas in the peripheral city that we could use. And the pearl was one of the held up in the nation as one of the outstanding redevelopments that you made. I just can't understand why you were putting so many people. Of course, there was a murder just recently by the library. I don't use a library because of that reason, but I love the city. I came here 40 years ago. I moved downtown Portland 20 years ago. I gave up my car and I thought it was just the greatest place in the world. But you're

destroying it, so thank you. That's all I've got to say. I just want to understand why downtown Portland destroyed. Thank you.

**Speaker:** Hi, I'm kimber cavendish, mary lou cavendish's daughter. Sorry. And I moved here from austin, texas in 2018. I lived there for 25 years and I was in real estate development, including building hotels, and I moved back here intentionally. Austin wasn't my spot. Portland was my spot. I moved here because I loved it so much. It was the city that this entire country wanted to emulate. And I also moved back here to be with my mom. I live in the pearl and the vista. I waited a year and a half for my condo to be built so I can move here, and since that time the city has basically been turned over to the homeless population. I don't understand you fly into the airport, it's the most gorgeous airport in the country. It's award winning. And as soon as you come into the city, you get depressed, you get scared. I live 1.2 miles from my mom. I walk up 11th from quimby and every time I am scared, I am nervous. It's soul crushing. It eats away at the very essence of who I am. To have to walk by all these poor souls that are on the street, that are drug addicted, that are sleeping there, defecating there, whatever. And it is it. Absolutely. They are the vulnerable. They are vulnerable. But you know what? We're more vulnerable. Our property taxes have gone to hell. I am worried that somebody is going to knock my mom over and then that's it. And then she's done. She breaks her hip, she ends up in hospital. She's 90 years old. My mom is gone. Who's who's who's responsible for that? My wife has two children. They lived with us in the pearl. They had to move back out to hillsboro to live with their dad full time, because they were too scared to get on the streetcar and to walk around the neighborhood. My proposal, like the gentleman before me, was, why don't you buy? Montgomery park? It just sold for \$33 million. Why don't we buy montgomery park, turn it into a homeless 24 seven shelter for people to. It's not a shelter for people to live in. Have wraparound



services, triage them. They show up, they triage to where they need to go. Everything is there 24 over seven with what they need. I don't understand why we can't go, why we have to have all these shelters when we can't just have permanent housing for people, because people who are drug addicted are drug addicted. They are not going to get off their drugs. They need somewhere to live. A shelter is a band-aid. It's inhumane for them and for us. Please reconsider.

**Speaker:** Thank you. Sorry. We're out of time here. Thank you.

**Speaker:** Mary beth stock, can you hear us online?

**Speaker:** Yes.

**Speaker:** Yes, I'm mary beth stock. I'm a resident of the pearl district. And regarding the proposed 200 bed shelter at 14th and lovejoy, my understanding is that overnight and low barrier means no accountability for drug or alcohol use. And no one will be able to bring in dogs, bikes or tents. And I'm guessing from what I've seen by living around here for the last several years, no one will want to leave those outside unattended. So such a shelter might actually discourage people. And overnight shelter ticks some boxes. But at 6 a.m, where will 200 people go for 12 hours? The beauty of the pearl is that it is really walkable, and we do walk everywhere during the day when schools and businesses are open. Pearl residents, including nearly 1200 children who live and go to school here, have to avoid shouted threats. People passed out in streetcars and on sidewalks. Human feces, discarded needles. The city estimates 80 to 90% of shelter occupants struggle with addiction and mental health issues. How does an overnight low barrier shelter address this? We have no info about liability or accountability from the city regarding the shelter and no communications from salvation army. This is not a constructive step towards addressing homelessness. I, for one request that you consider taking a step back and form alternative plans that take our community

and its needs into account, balanced with the needs of the homeless. Something involving longer term housing support services, city liaison and transparent communication with residents. It's obvious you picked this site simply because it's available and cost efficient for you. Doing nothing would be better. The pearl has suffered economically since covid and still struggles. The shelter will place more pressure on the economic and social viability of the northwest, and is likely to further gut your tax base. You need a more rational, humane plan geared towards addressing the homeless crisis in a way that is beneficial for them. Rather than ticking off numbers to satisfy campaign promises. Ultimately, we ask for self-determination for our own community. Thank you very much.

**Speaker:** Thank you for testifying.

**Speaker:** Once more for an elana. That concludes testimony.

**Speaker:** Thank you.

**Speaker:** Diego.

**Speaker:** Diego, will you please read the second item on our agenda?

**Speaker:** Item two update on the homelessness response system steering and oversight committee.

**Speaker:** Thank you, councilor zimmerman, as our liaison to the h. The homeless response system, the oversight committee, I don't I don't know what the acronyms are.

**Speaker:** Steering oversight committee. Yes, sir.

**Speaker:** Yes. Do you have an update for us?

**Speaker:** Yeah, it's been a little while since the last meeting. And just a reminder that this is the joint oversight committee that that I sit on with the mayor as partners with Multnomah County for our involvement and the way that the county and the city are trying to solve this problem. And there are some members of that

board that are sitting in the audience today. Ultimately, I think our last meeting, two things really came about is the discussion on the declining exits from shelters to housing, and then the mayor also presented an additional. I guess, proposal, or it just kind of reiterated his shelter plan to the county. And his point in terms of, you know, shelter, inventory to housing inventory. Et cetera. Et cetera. I've shared with this group before how concerning the soc meetings are for me as a City Councilor, that I've felt that the partnership is, I think, strained is a very generous word in terms of it's very clear to me that the mayor's proposal for shelters is landing roughly at the county, and that, you know, he continues to share his vision, share the numbers. But I've mentioned previously in this report and in past months that last year, when we inked the iga between the county and the and the city, we inked, part of that agreement was 1000 shelter bed capacity at the county's community sheltering, and they've already backtracked, I think, to 850 beds. It looks like they are going to backtrack even further. And i, I find that frustrating because it then means that the city, if we're going to hit a shelter goal, will have to find ways to increase the number of shelters to overcome what I think was a big part of why the city came back to the iga last year. So that came up a little bit. There's another important part, and this is part of the cultural why I think the iga and the soc is in a struggling position right now, and I think the conversation will have later in the day will be will be somewhat helpful. But it is really tough to have a meaningful conversation at that table. I want to use one example for this body, and I think it's an important one. There was discussion and presentation by a staff member at the county about potentially paying family members and friends for couch surfing type situations. Using qhs dollars, right? That that statement is going to land on any one person in, in a variety of ways. That part I certainly have opinions about whether that's good or bad. Use of what I find challenging is that continually just to have a

conversation about what led you to that conclusion, why would you make that recommendation? What are the data points that support that? Why? I think, you know, a lot of us, a lot of people have friends and family who at some time or another couch surfing has been part of the experience. And so what is the line? How do we articulate it? Those questions, I find them all valuable. What I don't find valuable is the inability to have the conversation. And that's the partner we have at the county in a lot of ways and a lot of the time, and that is where I'm really struggling with. If we can't even talk about the information that led to a recommendation or an idea with county staff without them becoming red eyed and red faced, I don't know that we're in a productive relationship, so that, for me, overshadowed much of the last soc meeting and continues to be a concern for me given how much. And it was in my closing comments when we passed the budget. Given how much we are committing money wise to doing things that for those of us who were at least somewhat around Portland in 2015, those were the things that we started the iga for. As we, the larger we community started the iga for was so the city was not spending money on these shelters. So that overshadowed a lot of the soc meeting for me. You guys have in your packets for today's meeting, the slides that were used that day, i, I don't want that part to overshadow the fact that the, the exits from shelter to housing is an important number. And we're going through a period where the deep increase in shelters over the last three years, with the introductions of the safe rest, village pods and task sites, pods were in my editorializing. They were very successful in their in their initial client list. Right. People who got into a place spent a couple of months in a place and then, because of case management, were able to move into the permanent supportive housing situation, said a more layman's way, like the easier cases have been dealt with, and now the harder cases remain. So harder, more acute situations are are filling up the

pod shelters because of that and because they are harder to place into housing, we are now starting to see the numbers reflect that in the lower exits to shelter, and that is that is it's both concerning. But it's also, I think I was in conversations in 2021 and 2022 that we kind of expected that initial surge and then and then a decline in terms of who would get placed in housing. So that's starting to come out in the data now. I think, again, editorializing is a reason why the other services that go along with the shelter are important because we're talking about mental illness. We're talking about treatment for drugs that allow a person to be more stable. And then and then the next piece of that is and while that challenge continues to exist, the challenge of creating more inventory from a housing development standpoint so that there are units who are supportive exist and that and that housing production strategy encompasses the most in need of supports, but it also encompasses the rest of us who also are feeling a pinch. And whenever the average group of Portlanders is feeling a pinch, we can be assured it's feeling an even greater pinch at those who can't afford it or can't live on their own, or need to be supportive in order to be successful. They're feeling the greater pinch. So that's that. Data is now coming out and we spent some time talking about it. I think we'll do that again later today. That was the gist of the soc meeting. And. And I would encourage you also to take a look at the slides that the mayor presented back to the, to the chair and, and the members of the soc. Thanks.

**Speaker:** Thank you, counselor zimmerman. Any questions colleagues?

**Speaker:** Yeah.

**Speaker:** Thank you mean navarro of eric. Yeah, yeah. Councilor Ryan. Yeah. Thank you, chair. And thank you, councilor zimmerman. I actually have a lot of first hand experience on what you're talking about, of being in the meetings, in the partnership where the dialog when we get into really messy, tough, real issues

about mental health and behavioral health can sometimes put you put me at least when I was there as a you're not getting in line with the status quo, and you often felt like you were shut down. And I experienced that with the commissioner at the county as well. And so I appreciate you saying that out loud. I think the testimony today reminded us that we have to have the courage to just be open and honest about these challenges, and if we can all get on the same page about the problem. Anyone in recovery knows this. You can't move forward with any solutions. So I appreciate you sharing that. But this transition to long term housing, was there questions asked? Because when we first built the cypress villages, they started off with looking at three areas. One was mental health, behavioral health, making sure that they were working with a case manager. And many were actively making progress to they were hooked into workforce like those were the two key drivers. And if those two were in place, then their agency was set up so that it would be approved, that they would there was like a reward system that then you would move into the housing. And why? Because we know that the data suggests that. Then three years later, they're still in stable housing and they're in the workforce. In fact, it's kind of simple in terms of this. You go from being somebody that's needing services to providing services, because then you're back in the workforce, providing to the taxpayer. They're become a taxpayer. So you go from being dependent on government services to being independent of those being dependent on drugs and alcohol, with some of them to being independent from that, like that's that's called recovery. That's called restoration of souls. So are you telling me that that kind of dialog in those kind of measurements aren't being discussed in these meetings?

**Speaker:** I think the nuance on the individual casework is probably not happening at the soc. But in terms of the macro percentages of exits, that part is. And so I think that it would be fair to say that, that there's an acknowledgment that the soc

that work is happening, at least at some shelters that have been set up recently, not necessarily legacy ones, but there's a movement toward putting those case management type services around each shelter. The I think one point is that from one of the providers who i, who I think has a very good track record, is that we're now in the phase where that work is taking longer with people, and.

**Speaker:** It always was supposed to take up to nine months.

**Speaker:** Yeah. And that and that there can be chirping in the atmosphere that a person should be able to leave shelter within weeks. Right. And while that certainly has existed and people can do that, it also means that there are people who are going to take many months to be successful in getting stabilized enough, because one of the other slides that was presented to us from the county's joint office was that, you know, landlord participation is reducing. Let's think about why a landlord would not want to participate in a city or county program. We heard it here in testimony. We heard it here in testimony of a person who said that they've had to hire extra types of employees just to deal with the problems that come along with the most acute. And so if that most acute becomes less acute in shelter, but that takes longer to make them more stable, so that when they do get into a housing place, it means that that landlord looks at that as a positive experience and then opens up the next unit to that similar agreement. I find that to be compelling, rather than this movement of in shelter a couple of weeks shoved into a housing unit with little to no support to then fail within a couple of weeks there and be back on the street. So I believe, you know, landlords and testimony and the nonprofit type and the for profit type who who have taken on these types of programs when they say the client base is more challenging than we've ever experienced. And so I see that happening where, okay, if that's the case, shelter time and the case management at shelter, I am not surprised that we're seeing it take longer and

therefore the exits slowing down a little bit. So what does that mean in a world where our numbers of on the street sleepers are, are increasing? Is that that the shelter bed increase is important? We didn't create. I was at the county working for commissioner julie edwards when we got the county to 1000 beds for the community sheltering plan. We didn't do that for a talking point. We did it because there were more need for off the street sheltering. To watch that be reduced is a damning statement in terms of the value in which these two governments value shelter and how we're going to how we're going to navigate an off the street. I'm a believer that the most dangerous thing you can do in the city of Portland is to sleep on the street in the city of Portland. That is the most dangerous thing you can do. For a lot of the reasons we've heard today. So backtracking on the shelter numbers is very concerning to me, since we're sending a lot of money over there. And then since we send \$25 million to the county, I'm reserving the right to be able to have a robust conversation over there and not get the stonewall that continues to happen. That is very frustrating. So that's where I'm at.

**Speaker:** I appreciate your the way you're showing up. And as someone that was in a similar seat for a couple of years, I have a lot of empathy for you. I just hope that in those meetings and I was noticing this positive change in the last year or so is under dan field's leadership. I noticed we, or at least we were talking about the challenge. And I think what we need to make sure that group is looking at is the data. Once someone moves in, how long they stay there. And then you look at causation. Clearly the people that move in that have some benchmarks, like being back in the workforce, committed to working with the case manager on behavioral health, mental health issues. I would assume that's what we all thought. That's what we were looking at, that they would be successful three years later. And if we're not tracking that type of longitudinal data, then we're not going to be able to track



what's working and what's not. So I hope that that accountability of data continues to be part of what's discussed at those meetings. Do you think that it's a value?

**Speaker:** So from a data perspective perspective I want to give some important credit. I do think that the data availability and the dashboards are are, you know, released and are helpful, and those are happening now in a, in a way that I would encourage people to take a look at that data. The joint office is now a data using function of our government, which is a great improvement. You know, I was I was there when the joint office was one employee. I remember it right. So it has come a long way. This is an important step. And they worked really hard on that.

**Speaker:** Thank you, counselor zimmerman.

**Speaker:** Thank you, counselor Ryan councilor morillo. I also note that jillian schnee, who's the director of the homelessness response system at the county, is here. If we have any specific questions, follow up there as well.

**Speaker:** Okay.

**Speaker:** Thank you, counselor dunphy. And I know we're tight on time today, so I was actually thinking the same thing. I see that we have jillian here, and I would love to hear her perspective on some of this as well. If she's so willing.

**Speaker:** Hi. Jillian schnee for the record, director of the homelessness response system. First, I want to correct the record. Counselor zimmerman, with all due respect, the recommendation you referenced when you were reflecting back on the June 6th meeting was not a staff recommendation. It was not the recommendation of the team. We were reporting out the recommendations from the community groups and community members that we gathered about. What would they recommend to government to change to increase the numbers of black, african American and african folks served in our shelter? That was the question of the table on the table, because we're losing ground in the context of measure two, the

recommendation you referenced, figuring out how we would support families who provide space to friends, neighbors, family members in their homes. Some rental assistance was a recommendation from the community. It is not a recommendation we have acted on, but for the record, it is a recommendation I've heard over the years from various community members, not just the black community. We were reporting out on that, the action that we took that day in response to culturally specific providers was to change two existing contracts, one with the urban league and one with africa house. Those two entities in that process came to us and said, hey, we have existing county monies. We would like to change how we are spending them to better serve this community. They are both moving away from a purely shelter model to a day center model with motel vouchers. That was the action we took as the team. So I just want to clear that up. Apparently there was a great to.

**Speaker:** Be able to clear that up, and it would be so great to be able to clear that up. My point in that is the inability for the soc to have a robust conversation. You will remember that just by asking the question, not you, but your team imploded. And so I think that that is an important conversation. And I think relative to an hhs measure, it was reasonable for a member of the soc to at least say, can we talk about this? It may be a great recommendation, but we can't get there. And so there's my correction of the record is that this continual pushback of because a staff member said they talked to a member of community, it is gospel, is not respectful of the role of the soc. And frankly, if the joint office, the homeless response department, had been hitting the mark the last ten years, the soc would not have to exist in this new iga. We exist because of the failure at Multnomah County. We exist because this city has had to open up multiple task sites srvs to do the job. We agreed that Multnomah County would do so. I think the world of you. I

also think that how we walk in and how we are going to have this conversation is important, and frankly, I am done having this tail wag the dog. I think the soc is in a place to be able to have the conversation with you. Whomever replaces director field, the county leadership. I think it's time for that conversation to happen. At the elected and senior director level, because using the word of I talk to community as cover has not gotten us anywhere. I just don't think that that was a productive conversation last time. It was very problematic.

**Speaker:** Okay, well, I am happy happily share the memo that we provided a few times in advance of that meeting that explained the engagement and what where that information came from and what I asked of you in that meeting. Counselor zimmerman was in, instead of focusing on the message from community and the messenger that let's talk about the policy choices. Fair game. Let's argue about that \$2.7 million that we decided to shift in the approach based on our partnership with the urban league. Let's have that discussion instead of. The way it played out. That's what I would ask. And I know I can have those conversations with you, too. I think that's fair. Yeah. Also on measure three, counselor dunphy, I just want to say that the team has been very clear that when you invest millions more dollars in shelter without commensurate investments into housing placement, you are going to see measure three decline, because we measure it as a percentage. There's a flaw in how in the measure as it's currently designed using a percentage. So in the next quarterly report that is due out August 15th, you will see we are going to report raw numbers. We're going to report supplemental data not just exits to housing from shelter. The measure is just too narrow. It is not the complete picture. But again time and time again we have said if you send millions into shelters without investments that just even keep up with housing placement, that measure is going to continue to decline at the county. We very much had a rich debate around this.

This is why commissioner singleton brought an amendment to yes, close 230 congregate shelter beds that are already set to sunset. Several months early. They'll be up and running through March 31st of 2026. So that last three months buys us 200 new placements of permanent supportive housing. That will help measure three. And it is those four metrics that need to be what both governing bodies, whether it's this City Council or the board of commissioners, uses to guide budget and investment decisions. These are our agreed upon measures right now. They should be in alignment with our investments and they are not. So during this process that we're we're in right now, our current key performance indicators are measures expire December 31st of this year. We are working with the data team now to figure out we keep those. We refine those. We add some new ones. What does it look like. And those will come before this governing body for a vote. But those needles are to guide budget votes. At the end of the day, that's all it is. And we're not doing that right now.

**Speaker:** Thank you jillian. Being mindful of time. We are unfortunately significantly over. I'm going to give councilor a morillo. If you wanted the last word.

**Speaker:** I just wanted to quickly say thank you, jillian, for coming up here. I know that this discussion was a little bit tense, and I definitely know you can handle yourself, but I just appreciate you coming and sharing your perspective. And I do think that at the end of the day, we, you know, city, county, whoever is responsible, people don't really care. What they care about is making sure that unhoused people get services and that their streets are clean and safe. And, you know, the reality is that we have not done enough to make sure that people get into long term housing. And I have I share some of those concerns. So just appreciate you being here today. Thanks.

**Speaker:** Thank you. Yeah. Councilor Ryan, last word.

**Speaker:** Okay. Thank you. Chair dunphy, I wanted to ask this question, and it really the people who came to testify. Thank you for that testimony. It was really rich to have all of you here. And too often, those voices aren't heard when we're doing this complicated conversation. So thank you so much for being here. We're the mayor's choosing to close sunderland site, which is a really big site out in, out in the area that was discussed earlier in testimony. What I've said to the mayor was that it's an asset. I know how hard it was to get that asset established. We had to do work with on igas with both the port and pbob. It took a while. We got it solved. Both parties said we can continue to use that asset of the site. So has there been discussion of how we're going to repurpose the sunderland site that the mayor's choosing to close for services for the rvs? But again, it's a big parcel of land that we've been using for the good. All the neighbors out in sunderland are terrified about it. Closing down because of conditions in that neighborhood have improved immensely since that went in. So there are examples of sites opening up where conditions improve in neighborhoods, and this was one of those. So my question is, is it come up in this committee how we're going to repurpose that site?

**Speaker:** I am I don't think that the soc has discussed sunderland specifically. Okay. I'm just taking a moment to reflect and think if we had or not. I am not recalling that we had, and I think it's an important point that you bring up. It is such a different time than it was just seven months ago, which is there's only one person who sites shelters in this community anymore, and that's the mayor, right? I appreciate the council or the community conversation to the councilors, but we are in a funding position now versus a decision making position like you were in your previous role. So i, I don't know that the soc has tackled that question yet.

**Speaker:** Okay.

**Speaker:** I'll look into it. Thank you.

**Speaker:** Thank you. Diego, can we please move on to item three.

**Speaker:** Item three appoint kathy keighley to the home forward board of commissioners for a term to expire July 15th, 2029.

**Speaker:** Thank you. Home forward plays a critical role in delivering affordable housing and supportive services to thousands of Portlanders, and as the governing body, it's board of commissioners ensures that the work is accountable, community centered and aligned with our shared housing goals. Today's resolution considers the appointment of kathy keighley to the board. Welcome to our speakers. Good morning. Afternoon.

**Speaker:** Good afternoon. Helming historic director of Portland housing bureau. I use she her pronouns and I'm going to just speak for 30s on Portland housing bureau. So just to be just for your knowledge, Portland housing bureau, as I know you are aware, is a city bureau and home forward is a federally funded agency that the city has oversight in appointing their commission. And so the commission appointments actually flow through Portland housing bureau into the council appointment. So I just wanted to clarify that our role in this, so that you are aware and I want to hand it off to director ivory matthews to take it away. Welcome.

**Speaker:** Good afternoon. I'm ivory matthews, the ceo for home forward. And I have here with my to my left my colleague christina dirks who oversees our policy team at home forward. Just want to say in the absence of chair avalos, thank you for this opportunity. And also to vice chair dunphy and members of the committee. I'm here today to request your approval for of gresham City Councilor cathy keithley as the gresham nominated candidate to serve on the home forward board of commissioners. Kathy keithley, councilor keithley was joining us via online, but she had to leave to attend another meeting. Is she she's still on. Okay, awesome. Well, she's still on, so thanks. Oh, I see her right there. Hi. This appointment reflects

our shared commitment to regional collaboration and the delivery of affordable housing. Home forward is a public housing authority for the city of Portland and Multnomah County. We were founded in 1941 and are the largest provider of affordable housing in the city and the county, and also in the state of Oregon. Home forward serves over 18,000 households each month through our affordable housing communities and our rent assistance programs, we provide 7200 rental homes with 115 properties throughout the county and provide long term rent assistance to over 10,000 families. We also serve as a jurisdictional partner in many different regards. For example, we administer local rent assistance on behalf of both the city and the county through various and current and former programs, before providing details about our candidate, I would like to explain a little bit more about why Portland City Council approves home forward's board of commissioners appointments generally, and also gresham appointments specifically. Home forward is a public housing authority governed under Oregon law. S45.

6.1553456.235. Under state law, a housing authority must be formally created by a single city or county known as the creating jurisdiction. The city of Portland created the housing authority of Portland by City Council resolution in 1941. As a founding jurisdiction of home forward, originally the housing authority of the city of Portland, the city of Portland retains the legal authority to make all commissioner appointments, including those nominated by gresham and Multnomah County, even though home forward now serves the entire county. State law requires that appointments come through the Portland City Council. The city of gresham nominates two commissioners to represent east county communities on the board, and this was in relation to a 2014 amendment to the 1992 intergovernmental agreement between the city of gresham and the county, while the nominee is selected by gresham Portland City Council forms action to what makes the

appointment official, consistent with home forward's legal framework and an agreement between the city, county, and gresham. The structure is similar to other regional entities such as metro trimet, where formal actions often reside with a central jurisdictional jurisdiction even for representatives from neighboring areas. Now moving to why we're here, and that's about councilor keith lee councilor keith lee is currently a gresham city counsel who brings both deep institutional knowledge and a strong commitment to public service. As a City Councilor, she is focused on transparency, efficiency and a trust in government, especially around ensuring that public funds directly benefit the community. Councilor keith lee has extensive background in human resources at metro and the city of gresham, giving her a solid understanding of municipal operations and personnel systems. Councilor keith lee is a lifelong gresham resident with deep connections to the community. She has chaired the fire advisory committee, bringing focus to public safety, served as gresham barlow school board, where she was elected vice chair and championed transparency and student success. Today's requested action affirms our regional partnership and affordable housing, and supports inclusive, community informed governance. I respectfully request your support in confirming this appointment and continuing our commitment to collaborative, equitable housing solutions across the county. Thank you.

**Speaker:** Thank you, miss matthews. Councilor keith lee, did you have anything you wanted to add?

**Speaker:** No, I think that does it. Thank you so much for having me, allowing me to be here remotely.

**Speaker:** Thank you for your willingness to serve anything else for your presentation. Excellent. Colleagues. Any questions or concerns? No. Then. Then I will entertain a motion to send the appointment of cathy keith lee to the home



forward board to the full council, with the recommendation that the appointment be confirmed. Can I have a motion?

**Speaker:** So moved.

**Speaker:** I'll second that.

**Speaker:** Councilor morillo moves. Councilor Ryan seconds. A motion has been moved and seconded. Any discussion? Diego, will you please call the roll?

**Speaker:** Morillo.

**Speaker:** Thank you for serving I zimmerman.

**Speaker:** Yes, thank you, councilor, for serving I Ryan.

**Speaker:** Thank you, councilor kelly. And also thank you for your service to the students in gresham. I vote aye.

**Speaker:** Dunphy.

**Speaker:** I vote aye.

**Speaker:** With four eyes. The resolution is referred to full council with the recommendation. The appointment be confirmed.

**Speaker:** Wonderful. Thank you very much. Thank you all for.

**Speaker:** Being here.

**Speaker:** Thank you, thank you. Councilor. Please read our fourth item.

**Speaker:** Item four action items for homelessness response action plan 2.0. Coming up.

**Speaker:** Thank you. Today, colleagues, we're going to be reviewing the homelessness response action plan goal number six, which is focused on preventing and reducing homelessness through emergency and transitional housing. You'll hear about current performance measures, key trends, and upcoming strategic actions. This is a crucial update. Our path forward depends on clear metrics and targeted investments, and I look forward to your feedback as we

work together to strengthen our housing responses. So I'd like to invite our speakers to the dais. We have jillian shawnee, director of the homelessness response system for Multnomah County, and director helmy, the director of the Portland housing bureau.

**Speaker:** I was just going to say.

**Speaker:** Please take it away.

**Speaker:** Any action items on doing numbers? Okay. Yeah.

**Speaker:** Thank you for having us here today. So just a little bit of context before I kick it over to the expert here. We have we now have a solid year under our belt with this action plan in place. Many of these action items were formulated by a mix of community members and city and county staff members over the course of calendar year 2023. It then became public in March of 2024, and then passed both governing bodies in the summer of 2024, along with the iga and our initial set of key performance indicators. So we are now at that point with enough time under our belt, to actually take a moment to. It's not creating a new plan. I want to be clear about that. It's looking at these 120 action items, see how far we have come, see what's left on the table. Refine them, reorganize them, prioritize them. Identify new ones that are missing that we really need to focus our time and energy on here and now. So that is the process we are doing going through right now. We've engaged a number of folks after the over the past, I don't know, six weeks or so now and before this committee today where I really need your engagement and your thoughts and opinions about things is under what is currently known as goal six, largely focused on housing production. So with that, i'll kick it over to director hissrich.

**Speaker:** Great.

**Speaker:** Good afternoon helmy. Historic Portland housing bureau and I do have a presentation, so hopefully that will be coming up here. And so this is a presentation that I gave about a month ago to the homelessness response action plan committee. So it was an internal conversation. And then it seemed appropriate to bring it to council for your awareness. Since most of the action items in in goal number six fall to the city.

**Speaker:** If we could pause, the presentation needs to be shared. Y'all aren't seeing it.

**Speaker:** Anna, are you sharing? Can you share?

**Speaker:** So anna.

**Speaker:** Has a copy of it. I'll assist her. Here. If you want to, I can.

**Speaker:** I will start talking because it's not that hard to catch up, to be frank. So specifically, what? What goal number six is it's the expansion of housing, of affordable housing. And there are 13 action items. And what this presentation is going to be about is looking at what's happened in the last year and really looking sort of further back, actually for the past decade in housing production, what have been the successes, what have been the lessons that we've learned in the process? And then i'll shift the focus over to where the future, where we're headed with with respect to action item, I mean, goal number six and the action items that we're working on adding to the plan 2.0. So and then, you know, the new items that we'll be adding fall into four categories. One is to drive is to find more housing funds. So that will be an action item to drive down the cost of housing production so that we can produce more, more housing with less dollars to align our shelter exits with our housing strategy. So more alignment between our new housing production and our shelter system, and adopting new housing models. Okay, now I need to show you the presentation.

**Speaker:** Seconds away. Okay.

**Speaker:** Thank you. Yep.

**Speaker:** Great.

**Speaker:** If we could advance it. I think it's to slide three.

**Speaker:** Right. That one.

**Speaker:** Nope.

**Speaker:** Next one. It's loading.

**Speaker:** This one okay. So these are the action items. There were 13 action items in goal six. Most of them fell to the city a handful to the to the state. And most of these are focused on expanding housing production. At the beginning of the housing response action plan creation, it was estimated that the city needed to build 120,000 new units of housing in the next 20 years, and even more focused about 22,000 units of affordable housing below 60% of the median in a period of ten years. So the action items that were put in place were focused on. In the spirit of housing production, knowing that we could not achieve those numbers. Those numbers were so big, the idea was to speed up production of all kinds and specifically focusing on changing the zoning codes, expanding land use incentives, increasing public investment in housing, increasing investment in infrastructure, and putting in place the tif districts. So every single one of those action items has been accomplished, except for one one, the one that circled, as you can see, is. Identifying a new local funding source to replace the Portland and metro housing bonds to construct affordable housing. So we were not able at this in the last year to identify a new source of funds. That still remains to be done. I'm sure that will remain in the 2.0, but we are going to be walking through sort of what's been happening. And let's go to the next slide. But we're very proud that we accomplished all those goals. I think it's very important to understand that the city,

particularly the bureaus within the community and economic development service area, have been working together to really improve the flow of housing production and loosening up barriers to production. This is a quick snapshot of what's been accomplished with the housing bonds. I would say they were a resounding success. In the past decade, the city issued a Portland housing bond. In 2016. Metro issued a housing bond in 2018. The city portion of the metro bond was \$211 million. In the nine years that these bonds have been flowing, the funds have been available. Portland has added 4000 units of affordable housing, with close to 800 units of permanent supportive housing. Permanent supportive housing is extremely low income housing with wraparound services, so it is primarily targeted at people coming out of homelessness. But the housing production through the bonds has exceeded every single planning measure, whether it's for extremely low income housing, permanent supportive housing with services, family housing or total production. We've exceeded the goals that were set and I think it shows that there's been the city has been acting with urgency and doing a very good job of deploying the funds. That's this. This chart shows you the production activity. This is the multifamily production. The dark blue is the subsidized multifamily. So that really represents what the bond funds have been spent on. And the light blue is inclusionary housing. So we adopted inclusionary inclusionary housing in 2018. And you can see an expansion of affordable housing that's coming out of inclusion of affordable units in the market rate properties. What what's important to understand is with the funding, we've been generating about 491 new affordable units annually since 20. Between 2015 and 2025. But starting in 2026, we're going to see the production levels drop off precipitously because the funds have been fully expended. So we're now into construction on the final few projects, and we expect by 2027, our production numbers will drop down to about 75 new units a

year, unless we find some additional funding sources. Let's keep going. So some of the lessons learned in the production process I'm going to walk through now, and one of the ones is the need for deeper affordability. When most of our housing production with the bonds has been using the system called low income housing tax credits, it's a sort of a formula approach to building affordable housing. And there's a lot, a lot of good in the tech system. What it does, it's a high leverage system. So we put in fewer local dollars and we leverage 3 to 1 in terms of state funding and other sources of funding. So we leverage a lot of capital. The problem is, is that that system we've been building at 60% of ami, which is a 60% of the area median income, which means we are are a lot of our housing is targeted to households, to an individual earning at least \$52,000 a year, that that income target is higher than what the needs are. The needs for housing in Portland are actually at a lower ami level, and so although we've exceeded the production goals, I think we still need in the future to address the affordability we need to deepen the affordability in future productions. That's something that we've seen in hindsight. I will share that. It's a very standard approach to financing. So I think, you know, it was something that you kind of see, you kind of see in hindsight when you realize our income, our rents are not matching the deep need, and we would have produced fewer units had we deepened the affordability targets, because you have to do more subsidy. Just to give you some context, what you can see on the chart is that a single unit. So a single unit following the hud 60% of median income, maximum rent would charge a rent of 1239. So that would be considered an affordable rent. And the market rents are at 1243. So there's only a \$4 difference between what you're seeing in a single market unit and affordable income restricted unit. Over time, we may in fact see those differentials grow. But today what you're seeing is very, very little difference between a single unit in the market

and a single subsidized unit at 60% of ami. One of the reasons for that is because hud commingles incomes from homeowners and renters. So when we look at the hud charts for rents or the income guidelines and the rent guidelines, it's actually commingling the incomes of two very, very different groups of people.

Homeowners incomes are about double renter incomes in Portland. And so one of the things that we are considering at the Portland housing bureau is recommending that we disaggregate homeowners from renters and create a separate new chart that really focuses on the needs of renters, really looking more closely at the needs that are local for Portlanders. And we've been discussing with this with the bureau of planning and sustainability. Who sets who sets housing needs. That's why. Okay. Next slide. Another lesson learned is that we need to balance the expansion of new units with preservation of existing affordability there. You know, for the past decade, we've been focusing primarily on the construction of new housing that is the city's priority. And we think it's been appropriate for us to focus there. But what's become increasingly apparent is that we need to strike more of a balance with between new construction and preservation, specifically focusing on operating cost increases in the in the current existing affordable housing that are not being covered by rents. We've seen dramatic escalation in specific costs. Specifically, insurance costs is one example that's gone way, way much higher than anticipated, and there's no revenue to cover it. And so we've got a number of existing properties that need either capital repair or operating cost support. And we are taking a deeper dive into that, as is the state and working to stabilize existing housing. And we think any future plan needs to look at both of those, both preservation and new construction. We do think there's an opportunity in the existing affordable housing to actually align the shelter exits with some of the existing housing, because those rents may, in fact be lower. So we're going to be

looking at vacancies in existing housing as part of our our going forward strategy.

Next slide. Another lesson learned is that we can probably do some effective or cost effective acquisitions. We were mostly funding new construction using the high leverage tax credit model up until the last few months or last sort of year. Basically, Portland housing bureau recommended a shift in strategy, and we put money out on the street just to say, can you acquire units? In fact, home forward, who was here before you recently did an acquisition that was very cost effective? What we're finding is by putting some dollars on the street for acquisition rather than new construction, we can acquire units at 30 to 50% less than the cost of constructing them through, you know, through our new construction model. The downside is acquisitions, you know, doesn't increase the overall inventory of housing for the city. But we do think it it does help to expand the affordable housing numbers and is a good strategy that we should be including in future, future funding. Let's go to the next slide. So looking forward into the future, what are some of the things we are proposing to do? Specifically, we want to align the shelter, not the shelter exists. It should be the shelter exists. Sorry, there's a typo in this slide with the housing unit. So creating more of an alignment between shelters and housing, finding more funding, driving down the cost of housing, and adopting new models. And towards that, we have a few future recommendations that we're working on now. The first is that the mayor has asked Portland housing bureau to lead a shelter to housing strike team, which would be basically a very tactical team, similar to Portland solutions that's focusing on shelter expansion. Portland housing bureau will be focused on tactically moving people from shelter into housing. And so we are in the process of standing that up with the mayor and his his staff now. And we think this is going to be the appropriate role for Portland housing bureau in the housing in the in the homelessness conversation is really getting us in the middle of helping to



align shelter exits with housing. This work is also done by the county and the department of homeless services, or the formerly known as the joint office. They do this as well, so we will partner with them going forward. And one of the things that we are all in discussions with, the rap 2.0 is the implementation of the built for zero model. Built for zero is a national best practice. It's a very tactical strategy. It's been started by community solutions, which is a new york based nonprofit, but it's been rolled out in cities across the us. And I know the mayor and jillian and others are studying the built for zero model. So we are we anticipate that our strike team will eventually have a direct alignment with the built for zero work, as that gets stood up as well. Next slide. Community solutions, this nonprofit that leads the built for zero nationally. The built for zero strategy also has a strategy to do to stand up an acquisition fund. Portland housing bureau reached out to community solutions about this. What's called the large cities fund. This is a fund that is for acquiring existing buildings, usually occupied buildings. And then on turnover starting to add additional supportive services and leasing those units to folks coming out of homelessness. So it's a it's a strategy to basically build supply and, and not do 100 people from a shelter into a particular building, but actually do it on turnover. So you have a little more of a sprinkling of folks. And it's it enables you to keep cash flow in the building, as well as starting to build a unit supply for shelter exits. And so we've reached out to community solutions. This fund does not rely heavily on on public taxpayer dollars. It's actually private debt combined with patient equity usually patient equity, both with patient investors as well as with philanthropy, philanthropic funding and some public support to build a relatively low cost acquisition fund. And so we're working with community solutions to explore that. And we will be doing deep exploration of that over the course of this summer.

**Speaker:** Let me just ask.

**Speaker:** Can you please tell me a little bit more what patient equity is?

**Speaker:** Sure. Patient equity. So typically in in in housing you're going to look for equity returns in a reit or any kind of an equity investor in real estate is typically looking for a high teens 18% return on their fund, on their funds in a relatively short period of time, like four years, 4 to 5 years. So it puts a lot of pressure. This is really where you put together equity investors who are looking for lower returns. So it's a combination of private capital that is patient and foundation capital. Maybe a program related investor.

**Speaker:** As in I have patience.

**Speaker:** As I have patience.

**Speaker:** I'm a doctor.

**Speaker:** Exactly. Yes. Sorry I wasn't clear about that.

**Speaker:** Whole different.

**Speaker:** You got it? Yeah. Patient. Yeah. Yeah, yeah. Basically capital that only needs about, you know, a 7 to 8% return in ten years.

**Speaker:** So it's.

**Speaker:** I will show you my report card from third grade grammar or whatever.

**Speaker:** Got it. Okay. I'm glad we clarified, but that's something that we're working on. The council has asked us asked Portland housing bureau to study social housing. So we're we're off and running on the study of social housing. And we're looking both at we're looking at international best practices and domestic emerging domestic models of social housing. And I think there's a few things that are really important in this. One is we're going to look at cities that have actually ended homelessness and how social housing fits into that. But we also I think it opens up an opportunity for us to think about new approaches to how we finance affordable housing. There are different models. We don't. The tax credit model is a

good system, but it doesn't have to be our only approach. And so that really is kind of what we think as part of the 2.0 that the focus on social housing will fit into this as well. And there are things we'll be we're going to be looking at, such as additional how we fund, how much funding is needed, as well as land banking, things that will all fit into the expansion of housing production over time. Lastly, you know, in the future, we're going to continue to look for new funds to replace the housing bonds. And immediately what has been accomplished, what was called for by rap 1.0 was the creation of six tif districts that was completed. You know, very much thanks to prosper Portland, who did a lot of the heavy lifting around the creation of those tif districts. But that will produce with the current set aside of 45%, an estimated \$1.1 billion in funding over 30 years. So that's a good start in terms of having funds for affordable housing. Those funds will not be available. They won't start flowing until about 2030. So we have a lag time between now and those funds starting. That won't be enough. It's not anywhere near enough to hit the need. So that's a good start and we will continue to look for other capital. There has been some discussion with metro around the funds, whether those come back again for a vote and whether or not any of those funds could be used for housing capital, meaning the construction of new housing. And then finally, also looking at is there an opportunity for a new housing bond or a permanent source of funding, which is very common in in places where there are are really strong housing outcomes, is having more permanent source. And towards that end, we know that the most important thing is for voters to understand how their taxpayer dollars have been used, what the outcomes are, and the Portland housing bureau, as you know, went after a federal grant. We set aside \$300,000 from the pro housing funds that we are getting from hud, specifically on a communications strategy with the idea or the focus on not just counting units, but actually telling the story of how

affordable housing really can transform people's lives. So it is very transformational for someone to become get stabilized housing. And we're going to focus on telling that story. So those are the future activities we have that we're working on in partnership with the homelessness response action plan implementation committee. And welcome the conversation.

**Speaker:** Thank you very much, colleagues. Any questions for our our guests? You did, counselor zimmerman.

**Speaker:** All right. So. Are we, I guess. What are you seeking today? Can I start there? What are you seeking in terms of this conversation?

**Speaker:** This is informational for you. I think one of the things that has been repeatedly coming up in conversation in the public forum is whether or not our housing work is aligned with our homelessness work. And so really, we wanted to share with you that, yes, we are, you know, we are working to that alignment and there's lots of room for improvement, no question. But we want you to be aware that we are working collaboratively with the county, working collaboratively with Portland solutions and the mayor's office, and trying to align the shelter exits with housing in a very specific way.

**Speaker:** Okay, thanks. In terms of. So there's a few things that have come off, and I want to make sure I think you said, you know, and I think it's basic math, but our I guess what I'm asking, director, is this an advocacy? Is this a position that you think that the city should be taking? Is that by we should create more deeply affordable units at the cost of creating more units? You made a statement that if we go more, more affordable, well, we will create less units because it takes more to create the most affordable. And that is a policy discussion. Are you saying that we are in the position where we should be doing that, instead of going after the maximum number of units that we can create in Portland?

**Speaker:** Yes. With the with a slight shift. So first of all, the question is do we need deeper affordability. And you said at the expense of total units. And I would say yes, we need deeper affordability. There isn't a trickle down system in market rate housing. We need deeper affordability. We need affordable units that serve households that are below 50% of the median income. There's a huge need. The demand there far outstrips the supply of housing.

**Speaker:** Let's pause there. Before you go to the next point. I just you said it doesn't trickle down and I just you and I have chatted about this. I represent one of those neighborhoods that I would say historically has been one where I would say I had naturally occurring affordable housing, really old units, generally maintained by a couple of people who are now those are kind of getting sold off to companies. I'm really talking about the northwest district, where the numbers have a lot of the 1930s to 1960s buildings that were built. I've always considered those to be using the term kind of a trickle down. They were never like the most desirable units, but they were definitely a lot of units. Many of us spent our time in as young people, as a first or second stop, and then a lot of people, the other half of that neighborhood are a lot of older people who have stability in those areas. I've always kind of considered that to be somewhat of an example of a trickle down, because today those are very challenged to find it more affordable rates, because people who can pay more are looking for anything, and now they're kind of sucking up the units in the numbers of northwest, where I used to spend a lot of time because they can pay thousands instead of just over a thousand, right. So if we were to be creating a lot of other market units, is it feasible that those would still be without being subsidized, the lowest of the market rate group? And is that a version of trickle down?

**Speaker:** Well, first of all, i.

**Speaker:** Do think you need to create market rate units as quickly as possible. I think you need across all systems. And so, you know, it isn't an either or response. That said, what is called naturally occurring affordable housing is the most likely housing to become gentrified or to be to displace people who are at risk of displacement. So what happens? It depends on the assumptions you make. If you have a city where you have people are in migrating, you have net in-migration and you don't build enough housing, then naturally occurring affordable housing prices go up and people get displaced. There are, in fact reits, private reits whose specific objective is what's called value add investing. It's a private market term for going and finding a building where you have a lot of poor people who who can be displaced out of their units. If the units are in a highly valuable location. And that's those are the folks at risk. And the people who are most impacted are people who are either low income seniors on fixed incomes who become displaced, or young parents, often single parents with children who get displaced, both of whom are people that are generally living in a place where they're tied to community support. And when those folks lose housing, you have really bad outcomes. Those are that's one of the biggest concerns is, is how do you increase both affordable and market? I think market's super important, very necessary. But we really do need to increase the supply of deeply affordable housing. And what I would add is non-market housing, housing that will remain out of the market and not impacted by private market pricing over the long haul. That will create stability.

**Speaker:** Okay. And. I think this is I'm I'm using the examples of northwest Portland, given the dynamics of my district there as the environment in which I'm kind of watching this change happen. I do you think it would be fair to say then, that some of those very historic buildings that exist in some of those neighborhoods in northwest, they might be the examples of buildings that in the future, when we are

making a decision about whether or not we purchase a building to preserve it in the affordable housing market, those are the ones we're really we're talking about. It's not necessarily just units who are already in the subsidized category. It's it could be new. It could be existing buildings who are now new into being the affordable housing that we acquire to keep it affordable is that.

**Speaker:** I think those make excellent opportunity sites for preservation, particularly preservation of naturally occurring affordable housing. And the only question, the only thing I would say is that if a building is a very old, let's say it's a masonry building with unreinforced and needs earthquake reinforcement and needs new plumbing and needs a new roof, it can actually be very expensive. So even though I think from a tenant perspective, that may in fact be exactly the right thing to prioritize, these are where we're going to get into policy choices about funding. You know, folks want to do things inexpensively. Those are often not the least expensive properties to buy and hold and change and preserve over the long haul. But these are policy questions that we would come back with. We should do an inventory, look at where we see concentrations of naturally occurring affordable housing, and where we think it's important to preserve it throughout the city. I think every neighborhood should have a supply of affordable housing, whether it's converting naturally occurring or building new, new construction.

**Speaker:** Okay. And last one before I pass it on, I i'll just say I'm a little bit challenged by the idea that we should go to the most deeply affordable at the expense of what i'll classify as affordable.

**Speaker:** Can i.

**Speaker:** Just say please.

**Speaker:** Stop me after .10?

**Speaker:** Sorry.

**Speaker:** Go ahead.

**Speaker:** Point one was, you know, should we build deeply affordable at the expense of all housing? And what I wanted to say is that I think through new financing methods, we may be able to achieve deep affordability. While that that isn't necessarily that might be financed differently than our current system. If you said do it using this one method that we currently use now, the way we funded all of our housing with the \$500 million in bonds, then you are making a choice between fewer units and deeper affordability. But I think through some innovation, which is what we're hoping to try to work through, is there may be ways to achieve deep affordability and more units for the same amount of money. That would be the ideal.

**Speaker:** Okay. Taking taking that into consideration. When I look at that comparison slide that we had up between the housing bond from the city and the housing bond from metro, do we have indications why metro's numbers, at least on that slide, look a lot better than ours for less money? What contributed to that? And how do we do? We want to improve it. And if we do want to, how do we improve it?

**Speaker:** Well.

**Speaker:** That's actually because the Portland housing bond went first and we learned a lot and got better.

**Speaker:** Okay.

**Speaker:** Basically. So yes, I think what you see over time is, is new policy choices, new decisions, more efficiency in the system starts to get created. And with the metro bond is actually when we started to do some acquisitions as well. So you'll see some numbers in there that are not new construction but acquisitions. So that's why you get a little more efficient as you get more experience. And quite



honestly, I feel like we're at the peak of our experience right now and I'd love to keep building or doing more production because the team's really doing incredible work.

**Speaker:** I hope that we will get some details about, like, the things that we learned about what are the standards metro held when they allocated this money, and what are the standards we held, and are those congruent or not?

**Speaker:** They're pretty consistent, to be frank. They're very close.

**Speaker:** Yeah.

**Speaker:** And I'm just going to interject here for a second and say it was the staff that was the backbone of the metro housing bond. They were doing the underwriting that kind of work for them.

**Speaker:** Yeah. Now I'm looking for now I'm looking for the meat on the bones, is what I'm saying at 258 and you get 1860 and 211, we get almost 2100. Now I'm looking for like, how do we do that? But this is the top level. I'm looking for the granular later. But I want.

**Speaker:** To.

**Speaker:** Yeah Portland housing bond started off doing some acquisitions of older buildings which actually decreased the number of total units. We didn't do as not acquisition as in, I would say the acquisitions that we did in the, in the metro bond were acquisitions that were intended to be immediately occupied. Some of the work and the Portland housing bond was actually land acquisition buildings where we were doing demolition and haven't been rebuilt. So there were some uses of the funds that differed. You know, we're not quite the same.

**Speaker:** We there was there.

**Speaker:** Was a change in.

**Speaker:** State law that happened in the middle of the Portland housing bond.

When we first started the Portland housing bond, we were only allowed to use it for certain things, such as public acquisitions. So that slowed down the implementation of the housing bond. And the state law changed a couple of years afterwards. And then we started going really towards higher production.

**Speaker:** This is Anna Shook, who works at the Portland housing bureau and has a lot of history there, and I appreciate your comments.

**Speaker:** Thank you.

**Speaker:** Thank you. Councilor I put myself in the queue. I have three questions really quickly. Two of them about the concerns you raised about AMI. First, a question on this chart that you had, not this one here, but that compared our 60% AMI units against market units. This one is this the average of a market unit based off existing inventory, or is this what a new one bedroom or studio apartment being built today would rent average?

**Speaker:** It was the average price at the time and this is a six months old or four months old.

**Speaker:** But presumably if somebody is out there building an apartment building right now, the one bedroom or two bedroom would probably be a little higher than this. They'd be, you know, the newer units are going to get charged a little bit more. But I do note that we the cost per unit for us to invest in affordable housing is significantly higher. I think, you know, I believe I read somewhere \$400,000 or something like that per unit that we're spending on average to build affordable housing. I don't know if that's accurate or not.

**Speaker:** But no, it's not. That's actually what I was trying to explain about high leverage. Go back to that other slide. So the cost per unit that we spend at the city is a little over 100,000, maybe 120,000. I'd have to go look at the math on it, but it's

a little over \$100,000 per door that we're spending as investing, and we are leveraging quite a bit of public money. So you're leveraging the tax credits, which is essentially a public funding source. You're leveraging state funds or soft debt through the state and in many cases, leveraging some philanthropic investments. So you're leveraging a lot of funding plus leveraging private debt. So everything has a loan from a bank on it. So the nice thing about the tax credit system is it's a high leverage system. We get a lot of other partners funding. The downside is, is that it actually has there for a lot of reasons, which are somewhat complicated to explain. It actually doesn't have a good cost. It's not good on cost containment. So often what you'll hear is affordable housing is more expensive than private market housing, and it does often end up that affordable housing is actually pretty high per unit because not because of bad decisions made on the public sector part. But often we are loading it up with things like, as an example, deep reserves, because we know the rents are not going to go up over time. They're going to be your cash flow on day one is not going to change a lot over time. So we put a lot of things in. We capitalize reserves, stick them into the property. That's one of the things that adds to cost. There's various different things that add to cost that don't that look, that look to someone who's not in it as, oh my gosh, that's really expensive. But in fact, it's because we're sort of belt and suspenders the properties as much as possible so that they don't collapse because you don't have a lot of rent growth. Secondly, the system itself takes forever. You have to go from one funding source to another funding source. So you end up paying interest on, let's say you buy land, you have interest carry for 12, 24 months on land, which is can be quite expensive. So there's various things, uncertainties in the system that ultimately result in high cost. We have a high leverage system, but it it is not. Well it's not good on cost

containment. And I think that's an area we really can make some, you know, really try to focus on a, on a cost contained model.

**Speaker:** Yeah I think that's right. Because on the one hand, if we are losing the narrative publicly and people aren't sure what, as you were saying earlier, what the public doesn't know what we're getting for our dollars and the way that these, you know, the closest comparison the average person can have is to just point at the local developer and say, well, you just built that building for how many dollars? And then the Oregonian runs a terrible story about us, right? So being mindful of those things is also really certainly important, but also recognizing that for all the good energy and work and systems that we have put into this, we are ending up in a place where our final product is an average of what the current model, the current market, really is. Right, right to that question. To that end, though, you mentioned about disaggregating that data from renter income, considering a 60% of renter income versus 60% of a homeowner income, and how that gets conflated, is there a need for this body to take action in order to help facilitate better disaggregation of that data for your purposes? Do would City Council need to pass an ordinance or resolution or something like that in order to help?

**Speaker:** I don't, you know, honestly, I don't know from a legal perspective whether council would have to pass it. I think it may be appropriate as a policy decision if we added a new a schedule of rents that was different than the hud schedule of rents. So we have right now we everything we use is tearing off of hud, which is a standard. That's what the state uses is what hud says is the average. If we created a local schedule saying a rent, a rent schedule based on the rent, the incomes of renters, that was a Portland city schedule I there may be a need for council action. I don't know for sure legally if it's required, but certainly it's a big policy issue that would be appropriate for this committee to weigh in on.

**Speaker:** Great. I will follow up on that because I think that's something that we can absolutely. If there's a roadblock that City Council is part of, we would love to clear that. My last question is for you. You know me. I have found you to be very innovative and thoughtful and wonky in a really great way. The one the one goal that was not met that was highlighted here, was that we were unable to find a new source of funding. I know for certain it is not for lack of imagination. Is that a because that is ultimately a political question that needs to come from City Council and the metro councilors or whoever the body might be? Or is this something that, you know, is it unfair to ask staff to come forward with a funding model recommendation? At this point?

**Speaker:** I think it is an all of us effort. I don't think it's a city. Portland housing bureau activity to find another source of funds. I mean, it clearly is going to be something that needs political leadership. And I think it needs leadership, whether it's at the city or at a bigger level. That said, I think what we can do at Portland housing bureau is demonstrate how funds are being spent and have been spent, and also really help figure out what the future could look like of spending. You know what? What how folks across the country are raising funds, how internationally people raise funds, how much funds are needed, and then also what are some of what what do we think could be produced and using some new models and new methods? I think we can provide a lot of that wonky information that helps policymakers make decisions. Do you want.

**Speaker:** To.

**Speaker:** Have any thoughts.

**Speaker:** On this?

**Speaker:** So let's separate the two new financial models, relying on this one and other folks that she is surrounded by. Coming up with that because we need them

a new local funding source. Yes, it's in part political when you think about what that requires, right? If we go out for another bond that requires a vote of the people, and there was polling done in 2023 that said we could not get it across the finish line. So that was a choice we made not to launch an expensive, both financially and in terms of sweat equity bond measure that would not get across the finish line. So that one will stay in there, because I think going forward, we need everything. We need all the options. Great.

**Speaker:** Thank you, councilor Ryan.

**Speaker:** Yeah thank you chair.

**Speaker:** First of all, I just want to say it's good to see all of you. And I'm really glad to see that we've completed a lot of the action items. I don't think we take moments to notice when we check things off, that we're moving in the right direction. And thank you, gillian, for your leadership. I think it's been really helpful that you went from diving in deeply at the city, and now you're doing that at the county, so I appreciate that. I'm encouraged to see also that the plans are being developed with better understanding of our distinct roles. In my experience, it sometimes felt like they were so blended that when we're supposed to be partners, but there was enough accountability about who's on first and who's driving what. So I'm seeing more of that and I really appreciate it. So I wanted to lift that. We're kind of getting at this councilor dunphy was there, but I just want to keep I like how your brain works and I want to keep getting what your vision is. Director. What? What's the housing strategy item that would get us the best bang for the buck towards more housing.

**Speaker:** What do I think? Well, I think there's a few things that will get us a bang for the buck. I mean, first of all, I think land banking needs to be looked at very seriously. And we already have a lot of land in public ownership. We just aren't very

effective at deploying it. So I think that's one that will get us quite a lot of bang for our buck. I do.

**Speaker:** Happy to hear you say that. That wasn't the what I heard back in 2021. So i.

**Speaker:** Appreciate I mean, I'm as I've looked around at well-functioning cities, that clearly is something that that is consistent. Being able to plan for housing supply at across income levels. Super helpful. And also in terms of driving costs down, we tend. We in the affordable housing system in the united states, we come in at the tail end as a banker, and the public sector could come in at the front end and really de-risk development. And, you know, think more strategically about our role there. And I think that is a conversation we are having with prosper. With prosper Portland. It's a conversation we'll have with home forward. It's a conversation we're having with metro and trimet just really a lot of folks that own land can, we think, can we play a different role? I think having a consistent, predictable source of funding is really important. I cannot stress that enough, that being able to know your your how, having funding over that is consistently coming in is actually better than having big chunks of funding for a little while and then nothing. You know, that sort of feast and famine process we go through. Because the kind of thing you'll see is you improve over time, you get more efficient, you get better, you start seeing what works. And if you're going to, you know, if you're running out of money, you it's hard. You lose your staff, you lose your expertise. So figuring out a sort of consistent strategy for funding is vitally important for a good housing supply. And then, you know, thinking in partnership with the with the private markets, I think there is an important role. I think we divide up housing way too much into affordable and market rate, and I think we need to think align those better. We need to think about how to partner with the private market for both

efficiency and for mixed income, for a lot of goals, which we don't effectively do right now. We do. We really keep it separate. And I think there's ways to get bang for our buck, if you will, by thinking across both affordable and middle for sure.

**Speaker:** No, that was really helpful, I wanted to I'm glad you touched on the third one as well. We need more building. The 5000 unit goal is something that we're struggling with, obviously, and we're not seeing that same. We're not breaking ground, we're not pulling as many permits. And so when you look at and I know this is all affordable, but you did mention that supply is supply. And there are there's data that's being released that cities across the country, there's rents are going down. There's cities that have a much higher supply of housing. So I do think our is it three decades where we've been behind the eight ball in terms of supply have really caught up with us. And I know the housing bond was looking to direct that. So I hope that we can continue to figure out how to get the supply up as well. I think the units right now, it's projected to be maybe there was 818 units last year total with the private sector involved, and we're projecting maybe 8 to 900 this year. So I know that the governor and the mayor and everyone wants 5000. So let's hope that we can get there. I wanted to go back to what councilor zimmerman brought up, and I really appreciated the context that you brought in, that there were state laws that changed halfway through. But I hope as we go forward, being optimistic that eventually we'll get some more public funds to do housing, that we do look at that disparity between the city and metro, because it's it was 97% higher. When you do the simple math on what you projected. And that's kind of extreme. I think you explained why maybe half of it could have been there, but I still hope that when we go forward that we learn from that and do some continuous improvement. Would you agree that there's more to dig in there to figure out why there's such a big disparity?



**Speaker:** Yeah, I'd be happy. We absolutely can do a deeper dive on the comparison of the Portland and the metro bonds and what what were the different decisions that were made along the way that that changed the results? And, and are we measuring the results correctly? Maybe the land that was purchased was the right thing to do, but it just takes longer for those results to show up. We have a very large site, for example, that has currently got, I think, 200 units on it, ellington, about 200 units that I think we could double the density on that site so that that's a long run strategy. But, you know, shows a lot of foresight that that acquisition was done at the very beginning of the Portland housing bond.

**Speaker:** So I think from this body, when we hear those ideas, you know, we have the mayor proposing the sdc waiver. But in addition to that, what would be something that would ignite moving permits and dirt to get more housing? So I think you constantly providing that insight is exactly what we need to hear. So I appreciate that. I think i'll just stop there. I do I just want to again lift that. We have real data and how exciting that is. And we have a continuation of a plan that we passed and we're not adding on to another one. So that alone is helpful.

**Speaker:** Thank you and.

**Speaker:** Thank you for land. I appreciate that. Councilor Ryan. Councilwoman, we are at almost at time. You want to take our last question?

**Speaker:** Sure. Thanks, chair. Sometimes we get in this conversation where we have to go and spend a lot of money to repair an affordable project. Millions of dollars. I am trying to understand a little bit about the difference between private and public sector in this situation. The. When I was young adult, I bought my first unit in the pearl district. I got on the hoa mostly because I was the poorest guy in the building just to keep the rates really low. But one of the things that I learned in that was that the reserve study was a very helpful document to me, meaning in

year ten we replaced the bolts on the decks. On year 11, we know that we're going to repaint all the blank, blank, blank surfaces. I was able to kind of track how much maintenance was going to happen each year. When we do an affordable unit, affordable development like this, are we subjecting these private public partnership types of projects to that same type of standard of a reserve study for what type of maintenance should be happening, or do we not do that? And that's why we see at the end of a bunch of years, all of a sudden we've got to throw a boatload of money at redoing the whole darn building, which is not something that we really see happening in, like the private condo situation in the pearl, for instance. You see repairs along the way. I'm asking it because it is a challenging check to cut \$35 million to redo a building we already have had on the books for a long time. Where does that come from? Do we? What kind of problems is it that gets us to have to spend those big checks to redo a building, for instance?

**Speaker:** So. So first.

**Speaker:** Of all, I want to make a distinction on reserves. Affordable housing has different kinds of reserves. One is a capital reserve, which is the kind you're talking about, which is the reserve for repairs. The other kind of reserve that is often found in affordable housing are risks for, for example, loss of loss of vouchers. So section what we call housing choice vouchers. If you have housing choice vouchers in a building that don't have long term contracts, if they disappear.

**Speaker:** I'm mostly talking on the capital side.

**Speaker:** Okay. Yeah.

**Speaker:** So I'm with you on the other.

**Speaker:** Okay. Great.

**Speaker:** So there's yeah, fine. So I just point those out because those both add to cost, you know, that gets buried in that cost on the capital reserves. It does vary by

property owner. And are those reserves were those reserve projected correctly at the beginning. Because they're not being you're not replenishing those reserves necessarily over time. Sometimes you're putting those reserves in capitalized up front in the construction and then, you know, hoping that it lasts for 20 years.

**Speaker:** And how do we then ensure that we have operators, owner operators who do that?

**Speaker:** The owner operators have to make repairs. They are obligated to manage their properties. They do come to us when they tap into their reserves. And annually we are looking at their reserves. What? And they come and when they're going to make a repair, we'll say, okay, what's your repair that you're going to be making? And we're kind of confirming that it's appropriate. So it's pretty prescribed how they when and how they can tap into their reserves. And because of their tax credit investor, there's a strong it's one of the benefits of the tax credit system. They have private sector investors that actually require that the housing is maintained over time. Otherwise the investor loses their credit for those taxes. So it's there's a pressure on the owner on the nonprofit or whoever's running the building to maintain the buildings. That said. You know, there can be a lot it can be quite there can be a lot of damage to a building when you have, you know, when you have, particularly if you're housing a highly vulnerable population that may, may be, you know, have a drug use or mental health crisis, those kinds of things can actually result in, in hard use on a building. And they're not always enough to respond to address some of the security concerns that are coming up. So we often are finding in the older buildings that we're needing to really take a look at is the is the physical plant being maintained? Is it is it working? And there are some deteriorated properties here in Portland, usually ones that have been funded, you know, the older ones or we're seeing some struggles, so... I ask it because I think

that the, um the rest of the social housing conversation is related to this, and so many reasons why folks have said... the example of it in this in new york, in whatever year it was. They failed. Well, they failed, and they weren't being maintained as well. Like, if we're gonna do something, let's find a way to maintain it, so I want to continue that with you. It'll be interesting to me, just applying kind of that private and public side of it. Thanks a lot for this presentation. Thank you, everybody, for coming today. Thanks for letting us run a little over. Sorry, staff. Uh, our next meeting of the homelessness and housing committee will be on. Tuesday, July 22nd, and I will adjourn the meeting of the homelessness and housing committee.