

Meeting minutes

Meeting: Metro Housing Oversight
Committee Meeting 5

Date/time: Wednesday, June 5, 2019

Place: Metro, Council chamber, 600 NE Grand Ave, Portland, OR 97232

Purpose: Provide an opportunity to meet with jurisdictional partners, and further discuss communication with Metro Council.

Attendees

Manuel Castaneda, Serena Cruz, Dr. Steven Holt, Mesha Jones, Jenny Lee, Ed McNamara, Steve Rudman, Bandana Shrestha, Shannon Singleton, Tia Vonil, Melissa Earlbaum

Absent

Mitch Hornicker, Andrew Tull

Metro

Emily Lieb, Eryn Kehe, Jes Larson, Laura Dawson Bodner, Ashley McCarron, Valeria Vidal

Facilitators

Allison Brown, Hannah Mills

Next meeting

Wednesday, July 24, 9:00 a.m. – 12:00 p.m.
Metro, 600 NE Grand Avenue, Portland, Council chamber

Welcome and Agenda

Co-Chair Steve Rudman welcomed the group and explained that the Committee would be meeting with the remaining four jurisdictional partners at this meeting. The Committee was given the following updates:

- No new Phase 1 projects have gone to Metro Council since the last meeting.
- Two Phase 1 projects will go to Metro Council in July and Metro staff is seeking volunteers from the Committee to review them.
- Metro staff sent out a memo on preliminary cost efficiency metrics to answer the Committee's questions about costs of affordable housing projects from the last meeting.

Public Comment

Allison Brown, facilitator with JLA Public Involvement, opened the floor for public comment. No members of the public submitted comment.

Jurisdictional Partners Presentations

Allison introduced the four jurisdictional partners that would be making presentations.

City of Beaverton

Cadence Petros and Javier Mena with the City of Beaverton gave their presentation, highlighting the following:



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- The City's allocation is \$31.1 million with a goal of providing 218 units, 109 of which are family-sized, and 89 of which will be at or below 30% AMI.
- The opportunities and challenges related to the City's effort to implement the housing bond are similar to those throughout the region; for instance, the City will need to address challenges related to providing services for deeply affordable housing.
- The timeline is relatively aggressive.
- The City is currently working with Metro on developing a project on Metro property.
- The City incorporated Metro's guiding principles when developing their key housing implementation principles of:
 - Leading with racial equity and inclusion
 - Using a portfolio approach to achieve established goals
 - Leveraging publicly-owned land
 - Ensuring investments are made in areas close to schools and amenities, and emerging areas with limited or no affordable housing
- The City has been working with communities of color and other vulnerable communities and has identified the following common themes:
 - Need for family-sized (3+ bedroom) units
 - Need for accessibility (ADA/universal design)
 - The application process is very costly and restrictive
 - Need for a trusted source of information – branding
 - Need for a central location where information can be accessed
- Operationalizing racial equity is a multipronged approach, and while MWESB is a big part of it, the City is also focusing on other important aspects, including screening criteria, targeted outreach, and modified marketing plans.

City of Gresham

Brian Monberg and Eric Schmidt with the City of Gresham gave their presentation, highlighting the following:

- The City of Gresham is the fourth largest city in Oregon and includes 16 neighborhoods and a high population of families.
- Approximately 60% of the apartments in Gresham are two or more bedrooms, and the units are more affordable compared to the rest of the region.
- Gresham has become more diverse – 66% white, 17% Hispanic, 6% African American, and 5% Asian.
- The City has a number of housing programs, including the Rental Inspection Program, CBDG and HOME funds, and planning and incentives programs. The City spends between \$1.5-2 million through its HUD programs and is looking to make more types of housing available in more areas of the City.
- The City has been working to identify the right projects and estimates two to four projects (for a total of 187 units) will use bond funding. The City anticipates partnering with third party developers to finance and construct units.
- An important part of the City's racial equity strategy is recognizing and addressing disparities, and overcoming unequal and separate living patterns. Themes for the strategy include:
 - Ability to choose where you live, including remaining in your current community
 - Development of assets and opportunities in historically underserved areas
 - Opportunities to participate in wealth creation, specifically for historically marginalized communities



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- Meaningful participation in decisions being made
- Actions included in the City's racial equity strategy include:
 - Building ownership housing
 - Establishing business and workforce equity goals including setting MWESB targets and requiring a solicitation plan for subcontracting
 - Creating culturally specific programming and supportive services
 - Reducing barriers to finding and applying for housing

Home Forward

Jonathan Trutt, Amanda Saul, and Pamela Kambur with Home Forward gave their presentation, highlighting the following:

- Bond allocation for Home Forward is almost \$16 million with a production goal of 111 total units – 66 for 60% AMI and below, 45 for 30% AMI and below, and at least 56 family-sized units. It is anticipated that this will entail the construction of one or two sites, and Home Forward is currently working on acquiring a Multnomah County-owned site.
- Home Forward is currently working on Louisa Flowers, the biggest affordable housing project in the region in the last 50 years.
- Home Forward has had a longstanding commitment to providing work and jobs, and construction for Louisa Flowers currently employs 29.3% MWESB contractors, 7% of which are minority-owned, and 18.1% are women-owned. This exceeds the aspirational MWESB goal of 20%.
- Home Forward primarily works in Fairview, Wood Village, and Troutdale.
 - Data for these areas indicate high rent burden, a large number of one to two person rental households, and significantly lower median incomes.
 - There are a number of large employers in the area with entry level jobs that don't pay for a market rate two-bedroom unit.
 - Approximately 14% of the population is Asian, 16% are Hispanic, and 5.9% are Spanish-speaking and have limited English proficiency.
 - Home Forward has been getting to know the elected officials in these communities to gain support and verify the outreach to communities of color.
- Home Forward is committed to seeking racial equity by continuing to:
 - Exceed MWESB goals
 - Develop enhanced outreach to communities of color through marketing of new homes
 - Explore ways to reduce barriers to access using Louisa Flowers as an equity navigator

City of Portland

Molly Rogers, Tanya Wolfersperger, and Jill Chang with City of Portland gave their presentation, highlighting the following:

- The housing bond allocation will be approximately \$258.4 million with a production goal of 1,300 total units – 600 units at 30% AMI and below, 700 units at 60% AMI and below, 300 permanent supportive housing units, and 650 family-sized units.
- The City of Portland continues to grow, but wealth remains uneven across the board, and disparities persist.
- The State of the Housing Report shows that 0-30% AMI, single mother, Black, Native American, and Pacific Islander households on average are completely priced out of the City.



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- The Portland Housing Bond was approved in November of 2016 and was followed by a community-led framework.
- A priority for these units is location – locating in high opportunity and vulnerability areas.
- The City’s DMWESB-SDV goal is 20%, and the Housing Bureau is currently at 26% DMWESB-SDV with a goal of 30% DMWESB-SDV by 2021.
- The City’s community engagement specific to the Metro bond focuses on those that have not been reached out to before, specifically disabled, immigrant, and refugee stakeholders in East Portland. Emerging themes from this engagement include:
 - Need for focused effort to reach immigrant and refugee communities
 - Need for goals and policies for accessible units
 - Need for family-sized units (3, 4, 5 bedrooms)
 - Need for services and rent support for 30% AMI units
 - Coordinate and align Metro investments with existing housing strategies and resources

Small Group Breakouts

Allison introduced Metro Councilor Christine Lewis who briefly explained the connection between MWESB goals and C2P2 in regards to workforce equity. Allison noted that this would be covered in more depth later in the meeting. The Committee was then divided into four small groups and given 10-15 minutes to meet with each jurisdictional partner. At each table, Metro staff facilitated discussions and took notes while jurisdictional staff talked with committee members. Below is a summary of the discussions.

City of Beaverton

- What is included in the LIS draft?
 - There are four potential projects included in the portfolio. Beaverton anticipates identifying Project D and selecting the developers for the first three project in early spring.
- How will community priorities other than the main requirements be incorporated in the projects?
 - The City will be adding accessibility requirements in the solicitation, and potentially universal design as well.
- How will the future need for single bedroom units by those who are single or from older generations be incorporated?
 - The first project will have a mix of types and sizes of units and include single bedroom units, but it’s difficult to balance and address all needs. However, this is a concern that was raised by the community.
- What are the MWESB contracting goals?
 - The goal is for 20% MWESB, which will be explicit in the solicitation process. Additionally, there will be a 20% apprenticeship requirement. There is a need to develop a monitoring system, and there are challenges related to the limited number of journeymen. However, proposals will receive higher credit if they have partnerships with trade organizations.
- Are all the potential units rentals?
 - Yes, otherwise there would be a larger financial gap to fill and it would not be feasible to reach the 30% AMI units target. Other funding may be used for homeownership units, but not within the housing bond. The City will explore working with Proud Ground and Habitat for Humanity to develop homeownership opportunities outside of Metro bond implementation efforts.



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- What does the community engagement strategy entail?
 - Engaging marginalized communities and groups that may not be currently and actively engaged. Partnering with Hillsboro and Washington County for community outreach and participation from trade and community organizations, and nonprofit developers. Additionally, the portfolio was modified using community feedback to include criteria such as increasing the number of three bedroom units, requiring ADA accessibility, and exploring universal design.
- Who is involved in the Housing Technical Advisory Group?
 - The City is proposing a nine-member group with members representing human rights, youth, aging communities, housing beneficiaries, and other housing representation.
- A 9% Low Income Housing Tax Credit for the Mary Ann apartments is pretty aggressive.
 - Competitively, the City has a shot. The City is not expecting that other projects will ask for more this year. HOME funds have been combined with the bond dollars to make this project feasible. Alternatively, the second option is to only use 4%.
- Explain the Elmonica project.
 - Metro owns the site and the City is working with Metro to send out the RFP once the intergovernmental agreement has been approved. The project will include up to 80 units, and there is a demand for senior and family-sized units.
- What is the plan for addressing the deficit in the portfolio?
 - The City will have to cover the deficit. The City Council is aware of the deficit and is very supportive.
- How will housing vouchers be allocated?
 - This is still being determined. The goal is to allocate 33 vouchers throughout the four housing projects. Washington County has a total of 200 vouchers.
- Is there a plan for incorporating minority vendors in property management?
 - This is a great idea that the City is eager to explore, but it has not been considered yet. It may not end up being a requirement, but it could be called out in the RFPs.

City of Gresham

- What additional resources will Gresham provide?
 - The City is trying to identify existing projects for which the bond can provide the gap funds.
- Expand on the strategy for racial equity and access.
 - The City is starting with a project-based approach and has found that people find housing through word-of-mouth and relationships. Additionally, the City is working to identify operators that have good existing relationships with communities, to ensure there will be onsite management and services, as well as marketing to the school district and New Avenues for Youth.
- What efforts will be made to address NIMBYism, specifically in regards to using homeownership as a way to protect communities from eviction due to family size?
 - The City wants to demonstrate responsiveness to the underlying concerns related to parking and visibility of community centers. There is a need for more sustained trust-based conversations to address NIMBYism. Every project in Rockwood has tensions.
- What have the discussions about the 162nd site entailed?
 - The discussions around the 162nd Ave site/Albertina Kerr have involved determining how to get deeply affordable units on the site. There are ongoing services on the site for people with disabilities. The City is focused on what projects

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are really in need of bond funds. There are currently 500 units in the pipeline without the bond.

- Is there an estimate of what percentage of need the bond will cover?
 - It will be a small percentage of the need, and the City will need to look at the lower income disparities in East County. There hasn't been a robust service network in East County.
- Historically, Gresham has been a white city, with the communities and people of color being in Rockwood. Before SB 608, rents were increasing by 20%. There is a need for a community center in Rockwood because the Rosewood Initiative serves more Portland residents than Gresham residents.
 - There are a lot of families that are seeking daycare and recreation for children, but there is not a community center or many places for children.
- How will the City make homeownership work?
 - The City is in discussions with Habitat for Humanity and Proud Ground to figure out homeownership, as well as exploring opportunities for zombie property receivership and whether CDBG funds can be leveraged for rehabilitation of zombie homes.
 - City Council has expressed that they want to see more homeownership, but it's difficult with the 30% targets. The City is currently modeling and exploring scenarios for homeownership. The challenge is ensuring the City meets the committed targets while still having the resources for homeownership. It's an exercise in scarcity.
 - Downtown Gresham is currently 75% rentals with a high population density and communities of color with low homeownership. The bond can be a starting point, but more opportunities are needed. The belief is that there has been a lot of housing development that lacks adequate service provision including parks, recreation, job access, etc.
- How is the City addressing accessibility for people with disabilities?
 - The City has worked on Adapt a Home – Station 162 by Claude Inc. where every unit is either fully accessible or adaptable.
- Can the City leverage other programs such as Coming Home to Gresham to help further the bond funding?
 - There are limited options with a maximum of just two to four projects.
- How many projects has the City identified?
 - The City is looking to begin the project screening process to determine the projects that provide the most benefit to the community.
- What has the City's engagement strategy been?
 - The City is trying to build on existing engagement. In Rockwood, there has been engagement with the Slavic community. The City is working with communities that have been impacted by rising rents through New Avenues for Youth and Latino Network.
 - In Rockwood, a housing task force has been meeting monthly and hearing from vulnerable individuals. Additionally, there was a housing provider forum and the City has been working to connect with nonprofits. The goal is to build on the experience from Rockwood 10 and Rockwood Rising, as well as to use partners with strong engagement experience and to build trust by having engagement that leads to decisions.
- What plans are there regarding workforce and the opportunity to raise incomes?

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- Currently, the City doesn't have an MWESB policy, but projects have been done that have reached 20% MWESB contracting. The City believes it's possible and is also interested in hiring locally.
- Is there a plan for getting small firms MWESB certified?
 - The City supports the concept of a regional effort to support firm certification.

Home Forward

- What has Home Forward heard from the East County cities and communities?
 - The East County Council expressed the following:
 - Support for affordable housing, with the caveat that a lot of development is happening
 - Interest in single-family homeownership
 - Reservation towards change and an increase in multi-family housing
 - Recognition of the big employers in the region
 - There is an interest in mobile home parks and homeownership.
 - Troutdale has been actively engaging on projects.
 - There is still a need for operating support.
- What is the voucher-use rate in East County cities?
 - *The Home Forward team committed to checking the numbers.*
- Where is the County-owned property in Troutdale?
 - The property is located in multi-family zoning downtown, not adjacent to single-family zoning. Home Forward is working on zoning in order to avoid asking permission, and will be giving a presentation to Council in July.
- How are local employers perceived? Affordable housing supports lower income jobs.
 - Local employers have the potential to become allies in this effort.
- Home Forward has been exceeding MWESB goals. What are Home Forward's thoughts on other jurisdictions reaching the 20% MWESB goal? Is the burden on the contractors?
 - The contractors are regional, but it's possible there is not enough supply. The timing of projects could make it possible for jurisdictions to meet the MWESB goals, but that would mean that projects couldn't happen all at once. The competitive market makes it challenging, it's not just about hiring committed contractors.
- Does Home Forward have a more holistic approach to MWESB, not only considering construction? I.e. technical assistance to ensure workforce diversity.
 - Home Forward considers this from a pretty holistic perspective, and has engaged contractors to help them understand how important the goals are.
 - There are considerations for onsite staff to ensure diversity. They act as ambassadors and anchor tenants to help advertise.
 - There is intentionality to consider the connection to community.
 - Home Forward is also exploring creating an outreach and equity navigator position for the pre-application process to turn intention into strategy.
- The lack of racial and cultural competency of property management is a recent concern.
 - Home Forward is aware of this issue, especially when dealing with outside contractors. There is a need for continued work and coordination of strategies with these services.
- JOIN is subsidizing a lot of rents for residents in East County.
 - This is helpful to know. Home Forward would like to get more information on what is already understood about serving people in East County.
- Is crime an issue for neighbors?
 - The majority of input has been from staff and officials and has mainly focused on traffic and growth, not as much on crime.



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- What percentage of need could the bond help fulfill?
 - Home Forward will look into this question, but the need is great. The 111 units will only meet a small percentage of the need.
- Are the communities in East County mostly older and white? What's the plan for racial equity?
 - Home Forward has been moving outreach efforts to build support before the projects begin. The next step is to perform specific outreach to the Latinx community through focus groups to encourage participation. There is a need to create an inclusive environment for applicants and tenants due to the historic racism and primarily white communities.
- What about public transportation?
 - TriMet does serve the area, but does not provide 24 hour service. The goal is to expand service between the area and downtown Portland and to the large employers. The challenge is ensuring ridership to justify expanding service.
- How will Home Forward be addressing homeownership?
 - This is still being worked out. Home Forward has worked with Habitat for Humanity, but it's unclear what the funding constraints of this project will allow.
 - Home Forward doesn't build homeownership units, but there is a GOALS program that provides IDAs for tenants. Many can move out of Home Forward units into homeownership through both Section 8 and public housing opportunities, but there is a waitlist for those programs.
- What plans are there for addressing accessibility?
 - Home Forward is always thinking about universal design, as well as looking for opportunities to exceed the standard. When dealing with rehabilitation, it's a little more challenging. Overall, if the requirement is 5%, the question is whether Home Forward should strive for more, like 10%.

City of Portland

- Does the City have data for who is accessing opportunities and support for MWESB contracts?
 - The City is putting out an RFP to technical assistance providers to conduct an assessment. There needs to be more focus on professional services and property management.
- How is the City considering homeownership in the Portland housing bond?
 - This was not a part of Portland's plan, and there is a need to develop a model for homeownership. The per unit subsidy is lower for the Metro bond than for the Portland housing bond.
- How will Portland address screening criteria and lease up conditions?
 - The City will be conducting annual monitoring and tracking of residents. For north and northeast residents, the City is considering what the right racial equity measures are. HUD requirements look at the surrounding neighborhoods. The referral strategy will focus on how to avoid concentration of poverty.
- What is the City's strategy for providing support services?
 - Support services is where the City's resources fall short, but Portland can help other partners on opportunity and access.
- How fast can the City deliver bond funding?
 - The City is working with developers to create realistic pipeline capacity. If the Notice of Funding Availability (NOFA) reveals \$100,000 of fabricated projects, it can work. NOFA allows the City to see the demand and gaps. The City is being



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thoughtful of the opportunity

to course-correct and experimenting with subsidy limits and having 30% of units at 30% AMI. The subsidy will cover gaps in funding, and the City expects to outperform and achieve more construction. The City will likely need to do more acquisition with the Metro bond than with the Portland bond deliver on the targets with the subsidy available.

- How is the City addressing vouchers?
 - Home Forward has been clear that they have no more voucher capacity and need a new ongoing source of rental assistance or operating subsidy is needed. The City could do deals with sponsors that create a path for units to be paired with locally sourced rental assistance in the future. No one wants to see contingencies in the intergovernmental agreements, and there have been Challenges identified with how the City moves forward with commitments on the 30% AMI goals in the Metro bond absent any ongoing source of subsidy. A short term rental fee is being considered for ongoing revenue.
- What is the plan for family-sized housing?
 - PHB has had challenges getting three to five-bedroom units leased up. It's difficult to find families that qualify through coordinated access. Additional barriers include the occupancy requirements due to the cost of rent and the formula that implies one person per bedroom.
- How is the New Columbia project doing in terms of family-sized units?
 - The waitlist for the New Columbia is always the shortest. A challenge has been families needing to move as children age out of the home. Additionally, more efforts are needed to reach the immigrant and refugee groups.
- How is NOFA progressing?
 - NOFA is due June 28 and will likely receive approximately 30 responses.
- What is the subsidy capacity?
 - The new approach will have a maximum bond subsidy in NOFA. In the past, people have submitted low cost proposals in order to score points on cost containment, but then would return and task for more cost.
- Are there Private Activity Bond capacity concerns?
 - Housing is still competing with economic development and Oregon Housing and Community Services (OHCS) charges a 3-4% fee which adds cost. The City is in conversations with OHCS about this issue.
- How is the City considering equity through apprenticeship and workforce?
 - Portland has had contracting equity goals for 15 years. There is a currently a 20% apprenticeship goal and related technical assistance for projects selected through the current NOFA. The City increased the threshold from \$100,000 to \$300,000 for firms that need to comply with workforce goals.
- What is the current state of housing in terms of priority communities and ability to address needs using the two bonds?
 - There is a seven-month stakeholder process to help create the framework. Additionally, the City will use the Metro framework for targeting to communities in need. The comprehensive plan calls for 10,000 new affordable housing units by 2035. The two bonds together will achieve 3,000 units.
- What are the Phase 1 projects?
 - Home Forward will be submitting a Phase 1 project located in Portland that will create 200 units and cost approximately \$23 million. PHB will not be submitting other Phase 1 projects for early consideration by Metro.
- What is the plan for creating accessible units?

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- The City needs to be intentional about increasing both inventory as well as connecting with those who need units. The policies and goals for production are under consideration.

Construction Careers Pathways Project (C2P2) Presentation

Raahi Reddy and Sebrina Owens-Wilson with Metro gave a presentation on C2P2, highlighting the following:

- The purpose of C2P2
- How C2P2 advances racial equity
- Opportunities for public money to leverage good careers
- Need for diversity in the workforce
- Retention rate for women and people of color in construction trades
- Opportunities for worker advancement in construction careers
- Regional demand for a skilled construction workforce
- Recruitment, training, and retention policies and practices
- The Public Owner Workgroup
- The integrated stakeholder engagement
- The Metro Construction Workforce Market Study
- The workforce diversity goals and goal thresholds

Committee members asked questions regarding the following topics:

- The participating stakeholder groups in the Public Owner Workgroup
- Technical assistance for firms seeking certification

Committee Business

The co-chairs shared the feedback and thoughts from the last meeting regarding racial equity in the workforce, as well as noting the opportunities for alignment with C2P2. Co-chair Shannon Singleton asked the Committee to consider a draft letter to Metro Council that addresses MWESB and workforce equity goals. The Committee suggested the following edits to the letter:

- State a minimum of 20% MWESB goal for jurisdictions without a previously stated goal of 20% or higher, as well as language that encourages jurisdictions with goals that exceed 20% to continue to work towards that goal.
- Language that requires jurisdictions that do not meet or exceed the 20% MWESB goal to articulate why they are unable to do so.
- Broader language related to workforce, to include contractors that are not unionized or use apprenticeship.

A Committee member motioned for a vote to approve these changes. The motion was seconded, and was unanimously passed by the Committee.

Next Steps and Close

Emily Lieb, Metro, explained that the Committee would be reviewing the first two implementation strategies from the City of Beaverton and Washington County at the next meeting.

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The meeting was adjourned.



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