



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Meeting minutes

Meeting: Metro Housing Oversight
Committee Meeting 9

Date/time: Wednesday, February 5, 2020

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

Purpose: Decision on recommending one Local Implementation Strategy (LIS)

Attendees

Manuel Castaneda, Dr. Steven Holt, Mitch Hornecker, Mesha Jones, Ed McNamara, Steve Rudman, Bandana Shrestha

Absent

Serena Cruz, Melissa Earlbaum, Jenny Lee, Andrew Tull, Tia Vonil

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Emily Lieb, Jes Larson, Ashley McCarron, Valeria Vidal, Jonathan Williams, Patrick McLaughlin, Megan Gibb, Choya Renata

Facilitators

Allison Brown, Hannah Mills

Next meeting

Wednesday, May 6, 2020, 9:00 a.m. – 11:00 a.m.
Virtual video conference meeting

Welcome and Agenda

Co-chair Steve Rudman welcomed the Committee and explained that many members would not be able to attend this meeting. Emily Lieb, Metro, gave updates on the:

- Schedule for Intergovernmental Agreements (IGAs) and LISs
- Solicitation schedule and project review volunteer process
- Developer and general contractor information session
- Phase 1 projects
- Metro internal audit

Public Comment

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

Metro Update: T2020 Housing Elements

Jes Larson, Metro, gave an update and explanation on Metro's T2020 effort. Below is a summary of her comments.

Metro is currently preparing a system-wide transportation measure which includes potential funding for 13 major corridors as well as a variety of programs. One program directly associates transportation with housing. The primary goal of the T2020 Task



Metro

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Meeting minutes

Force for this program is to prevent displacement along those corridors, but also to complement the efforts of the housing bond. We are proposing a revolving bridge loan along with grants to fill the gaps.

LIS Review – Portland Housing Bureau (PHB)

Allison explained that the Committee has three decision-making options. The options include recommendation for approval, recommendation for approval with considerations, and returning the strategy to the jurisdiction for further review and refinement.

Allison reviewed the questions submitted by the Committee that PHB would be answering during the presentation, and asked if the members would like to include any additional questions. Shannon Callahan, Jill Chen, and Molly Rogers with the PHB briefly answered the questions put forth by the Committee. Questions and answers are summarized below.

- Why is “price” not included when selecting a building contractor?
 - *We aren’t selecting a contractor; we’re selecting an owner/operator that will identify a contractor. We will consider cost-sensitivity and whether the owner/operator has thought through the full development.*
- What is your approach to homeownership? Where does homeownership fall in terms of priority?
 - *In our LIS we made sure homeownership was an option for all solicitations, and we are considering a single homeownership solicitation. Our main priority is ensuring we reach the 0-30% AMI goal.*
- How are you considering using the Metro bonds to fill gaps in existing projects?
 - *We are proposing to use bond funding to achieve a small number of projects that are already in our pipeline – to increase bedrooms and achieve the 0-30% AMI goal.*
- How are you including the cost of services as an operating expense?
 - *We’ve allowed [tenant] services to be included as operating expenses in the budget for many years, and we have sponsors with different strategies. We ask our proposers to provide a specific plan, but we allow between \$250 to \$350 per person per year of service funding.*
- Can other jurisdictions take a cue from you in regards to operating expenses before they release their RFPs?
 - *We have been providing some technical assistance as well as sharing the lessons we’ve learned. We’ve also been doing joint solicitations with the operations office and making sure the service funding connections are made early.*
- Page 19 of the LIS implies it will take up to seven years to complete all projects. Does that mean all the funding will be awarded by the end of 2026 with completion to come later? Even if all projects are completed by 2026, is there a way to speed up the timeline?
 - *Our goal is to release solicitations this year (2020) for the Metro bond, and we’re proposing full alignment with Oregon Housing and Community Services Department (OHCS). We want to get the money out in the most responsive way to ensure we are planning for the future. 2026 is our goal and this is in line with our larger citywide initiatives.*



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- One of the Committee's goals is to "recommend changes, as necessary, to implement strategies to achieve unit production targets..." Since Portland is more experienced than other jurisdictions, do you have any recommendations?
 - *One of the biggest challenges is meeting the 0-30% AMI goal without rent support.*
 - *The administration cost cap is not enough to cover fees. We need to make sure our compliance team is able to perform necessary monitoring.*
 - *We have faced issues related to capitalizing costs when we are not the owner of the projects. This has resulted in a lot of work on the front end.*
 - *We have to consider the predevelopment costs. We're frontloading our own resources which means we are looking at a reimbursement model.*
- How soon do you think you could accomplish all bond projects?
 - *It's difficult to answer, but we are working to align projects with the permanent supportive state funding to maximize the resources. There are some projects that won't be able to be completed sooner due to their alignment with transportation projects and land acquisition.*
- How are you addressing upfront costs for applicants and potential tenants?
 - *We have worked with owners to reduce sections of their screening criteria. It is a relationship so we want successful tenancy, but we're exploring reduced upfront costs and looking at trends so we can support new tenants.*

Considerations and Recommendations

Following the question-answer session, the Committee was given time to discuss and determine their recommendations.

Voting Results

Mitch Hornecker moved to recommend the PHB's LIS for Metro Council approval with considerations, which was seconded by Ed McNamara. The Committee unanimously voted to approve recommending PHB's LIS to Metro Council with the equity considerations for all jurisdictions, as well as one additional consideration (listed below).

Considerations

The Committee identified the following consideration for the Portland Housing Bureau's ongoing implementation and monitoring of outcomes:

- The City of Portland should further define strategies and outcomes that will be measured to demonstrate the advancement of racial equity, including low-barrier screening criteria, affirmative marketing, universal design, voucher prioritization, wraparound services, and contract and workforce diversity.
- The City should make a good faith effort to identify opportunities to accelerate the implementation timeline to commit funding to projects within the 5-7 year timeline committed to voters in 2018.



Metro

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Meeting minutes

Committee Considerations

The Committee requested that staff provide more information about the following:

- Prioritization of the 0-30% AMI requirement when considering the potential impact to jurisdiction efficiency
- IGAs
- Administrative costs

Committee Business

Metro Councilor Christine Lewis briefly spoke to the Committee highlighting the proposed homeless services ballot measure for May and outreach related to the measure.

A Committee member requested further information about the measure at future meetings.

Next Steps and Close

Emily informed the Committee on the following:

- Proposed 2020 Committee calendar
- Council updates
- Request for project review and project funding structure volunteers

A Committee member suggested that the next meeting allow additional time to discuss the topics raised during this meeting, including the update on the proposed racial equity metrics that was initially planned for this meeting. Allison determined that the Committee would be comfortable with setting three hours for the next meeting at which they could decide whether they would like to schedule additional meetings.

Co-chair Rudman thanked the Committee. The meeting was adjourned.