



Meeting minutes

Meeting: Housing Oversight Committee Meeting 2
Date/time: Monday, March 4, 2019, 2:00-4:00 p.m.
Place: Metro, Council chamber, 600 NE Grand Ave, Portland, OR 97232
Purpose: Finalize Committee protocols, review work plan

Attendees

Manuel Castañeda, Serena Cruz, Melissa Erlbaum, Dr. Steven Holt, Mitch Hornecker, Meshia Jones, Jenny Lee, Steve Rudman, Andrew Tull, Tia Vonil

Absent

Ed McNamara, Bandana Shrestha, Shannon Singleton

Metro

Elissa Gertler, Megan Gibb, Emily Lieb, Eryn Kehe, Pat McLaughlin, Jon Williams

Facilitators

Allison Brown, Hannah Mills

Next meeting

Wednesday, April 3, 9:00-11:00 a.m.
Metro, 600 NE Grand Avenue, Portland, Council chamber

Welcome and Agenda

Allison Brown, facilitator with JLA Public Involvement, welcomed the Committee and introduced Steve Rudman, Committee Co-Chair. Chair Rudman explained that the Committee would be working on understanding their role, discussing how to implement the Bond, and reviewing the decision-making process. Allison reviewed the agenda noting that the Committee would be revisiting the governance piece.

Allison asked the group to introduce themselves and briefly answer an introductory question: In five years, how will we know that we've been successful with this bond measure?

Below is a summary of the Committee's responses.

- Successful implementation of the 3,900 new and rehabilitated units
- Proper allocation and spending of Bond funds
- Better understanding of what constitutes "affordable"
- Successful passing of a supportive housing component
- Easy renewal of the Bond without campaign
- Support and encouragement from the community in regards to the program's success
- Effective integration of equity into all work
- An established pattern of solving problems for the region that incorporates the values
- Thoughtful reflection on the barriers to affordable housing and development of solutions to address them
- An established prioritization system for housing that gives precedence to those first displaced
- Successful organizational capacity building in the region to ensure the ability to continue delivering affordable housing long-term.

Work Plan

Emily Lieb, Metro, directed the Committee to the Work Plan handout in their meeting packets, explaining that the Work Plan was adopted in January, 2019. Using a PowerPoint, Emily reviewed the Work Plan with the Committee. Below is a summary of her comments about the Oversight committee's role.

The role of the Oversight Committee is to approve and recommend the implementation strategies, as well as play a role in reviewing the Phase 1 projects. Implementation strategies must include:

- *A development plan with selection criteria, process, and approach to achieve unit targets using share of eligible funding*
- *Strategies for advancing racial equity*
- *Engagement of historically marginalized communities.*

The group was shown a slide illustrating the production targets for the jurisdictions. Emily continued her presentation.

This Committee will use four guiding principles as a lens for this effort. These principles include:

- ***Principle #1: Lead with racial equity***
 - *Ensure that racial equity considerations guide and are integrated throughout all aspects of implementation*
- ***Principle #2: Create opportunity for those in need by ensuring that investments serve people left behind by the housing market***
- ***Principle #3: Create opportunity throughout the region by ensuring that program investments are distributed throughout the region***
 - *Invest in neighborhoods that have historically lacked affordable homes*
 - *Provide access to transportation, employment, education, parks and natural areas*
 - *Help prevent displacement in changing neighborhoods*
- ***Principle # 4: Ensure long-term benefits and good use of public dollars by ensuring transparency and accountability throughout Program implementation***

In developing Principle #1, Metro held several stakeholder conversations to guide the sections on racial equity and ensure engagement outcomes. Additionally, Metro Council advised on how to describe and achieve these outcomes. One of the ways to achieve these outcomes is through a location strategy that considers and aims at preventing displacement.

Principle #4 gets at the heart of why this Committee was formed, ensuring regional accountability and that all projects are guided by the implementation strategies. Once the implementation strategies are approved by Metro staff to ensure project-by-project consistency, the Committee will perform an annual review of outcomes to determine how the jurisdictions are achieving their goals. Following the review, the Committee and the local jurisdictions can recommend changes as needed.

Implementation strategies will first be approved by the local jurisdictions before being sent to the Oversight Committee for review and recommendation. If the Oversight Committee

determines necessary changes prior to recommendation, the Oversight Committee will work with the local jurisdiction to make those changes. Once the Committee determines an implementation strategy is ready it is sent to Metro Council for approval. Each implementation strategy is attached to an intergovernmental agreement, which is executed following Metro Council approval.

The Oversight Committee will make one of the following decisions when reviewing implementation strategies:

A. Recommendation for approval

- *Addresses all required elements*

B. Recommendation with considerations

- *Addresses all required elements*
- *Concern about ability to achieve committed outcomes and recommendation for monitoring specific elements*

C. Changes required prior to approval

- *Does not address all required elements*
- *Strategy sent back to jurisdiction*
- *Local program launch delayed pending revision*

Discussion and Questions

Below is a summary of the Committee's discussion and questions.

- How comprehensive does a jurisdiction have to be in regards to the descriptions of how they will distribute deeply affordable units?
 - A staff member responded: *They will need an overall approach and explanation of how they will leverage funding. Additionally, they may need a description of how much of their portfolio will be new construction.*
 - Chair Rudman explained that this is the primary task of the Committee at this time – the Committee will not be evaluating individual projects, but rather reviewing these development plans and guidelines, which will provide the criteria for future project approval.
- Are there expectations in our scope for disadvantaged, minority, women-owned, emerging business enterprises (DMWESB), specifically in regards to builders?
 - Emily responded: *Yes, that is within the scope, and can be found in under item 2c within the Local Implementation Strategy requirements, which calls for “strategies and/or policies, such as goals or competitive criteria related to diversity in contracting or hiring practices, to increase economic opportunities for people of color”. Section 2 of the requirements, focused on advancing racial equity, also includes requirements related to location strategy, fair housing, and culturally specific programming and supportive services.–*
- What kind of input was received during the stakeholder conversations on location criteria?
 - Emily responded: *We received a variety of input, but specifically about the importance of investing in places with access to jobs, transit and amenities, places at risk of displacement, and places that historically have not had affordable housing. Stakeholders expressed the importance of this strategy being tailored to each local community.*

- The Work Plan makes it appear that racial equity is separate from the implementation strategies. Are they integrated? Is racial equity overarching? How do we ensure the organizations applying have actually done the equity work?
 - Emily responded: *The Work Plan has been adopted in this form by Metro Council. Racial equity and all other principles are overarching and should be integrated throughout the implementation. There are a number of ways to determine whether a jurisdiction is effectively implementing racial equity. They are organized under separate headers within the requirements, but the expectation is that these practices for advancing racial equity and supporting inclusive community engagement are embedded within the selection and development of projects.*
- How will the Work Plan make it clear why engaging historically marginalized communities in their strategy is important?
 - Elissa Gertler, Metro, responded: *Metro has had many conversations about how best to ensure jurisdictions understand that the outcomes are intentional. It was decided that rather than laying out how to achieve the outcomes, the Work Plan would provide flexibility with the understanding that racial equity will look different in each jurisdiction.*
- Chair Rudman asked the Committee if they felt there should be more clear expectations for outcomes.
 - A Committee member responded: *Providing expectations may be helpful in supporting symbiotic partnerships with the jurisdictions.*
 - Emily explained: *Part of the thinking behind this was that jurisdictions are in very different places. This is what the Metro Council adopted as requirements. They wanted to avoid setting a baseline that would allow the bare minimum, and instead encourage partners to reach for improvement. Each jurisdiction is in a different place today and the purpose is to see improvement in each and every one over time.*
- Consider developing clear criteria for RFPs.
- Equity needs to be required and expected. The region has been having the conversation around equity for a long time, and it's now critical that we take it to the next level. The guiding principles in the Work Plan are clear and strong, but the requirements seem vague and watered down. It doesn't feel like the requirements are leading with racial equity.

Decision-Making Protocols and Practice

Allison introduced a discussion of the decision-making process, referencing the charter and protocols documents in the meeting packet. Allison reminded the Committee that at the last meeting, they discussed level of agreement, ending with the belief that consensus, while ideal, may not always be possible. The Committee was asked to discuss what they would like to constitute majority as well as any other governance topic. Below is a summary of the conversation:

- A Committee member asked at what point the Committee would make the decision to abandon effort of seeking consensus and move to making a recommendation based on majority.

- Emily responded: *The plan is to meet quarterly once the program is up and running, and therefore it would be challenging for decisions to happen over the course of multiple meetings. There may be some more flexibility during this initial stage of reviewing and approving local implementation strategies, since we anticipate meeting more frequently this year. This is something we could explore if desired by the group.*
- A Committee member noted the importance of making compromises for the sake of upholding the responsibility of the Committee and not dragging out decisions. Additionally, the Committee member suggested that while the Committee should seek consensus, if consensus cannot be reached, that recommendations be made on a 2/3rds majority.
- A Committee member asked if it was typical of Metro Committees to have more than a simple majority.
 - Metro staff responded: *Yes, most Metro committees seek majorities higher than 50%.*
- Allison encouraged the Committee to consider the message it sends to Metro Council if the Committee cannot reach consensus and uses a simple majority. She noted the option of submitting recommendations with considerations to Metro Council, and asked the Committee to consider how those considerations would be captured.
- A Committee member noted the importance of clarifying the opportunities the Committee will have to offer feedback prior to a recommendation.
- A Committee member asked: How will the Committee's considerations be incorporated into the intergovernmental agreements, specifically in regards to racial equity? How much weight does a recommendation with considerations have?
 - Emily responded: *We will be measuring the actual outcomes. For instance, screening criteria – determining the demographics of the tenants in an actual building in comparison with the demographics of the people that actually need affordable housing. If they do not match, we can recommend that no further funding will be approved until the jurisdiction can show better tenant screening.*
- A Committee member asked: How can considerations be made formal when they are submitted to Metro Council with a recommendation? Is there a way to communicate to Metro Council that the jurisdiction needs to make changes based on concrete guidance from the Committee?
 - Eryn Kehe, Metro, responded: *The Committee will only see the implementation strategies once before the annual review, and it is the only chance the Committee has to provide feedback. The option of submitting a recommendation with considerations gives the Committee the opportunity to indicate that the implementation strategy meets the criteria, but that they will be mindful in monitoring whether the jurisdiction is addressing those concerns.*
- A Committee member asked: If the Committee decides to make a recommendation with considerations to Metro Council, could Metro Council require that those considerations be implemented into the proposal before it's adopted?
 - Elissa responded: *The Committee is encouraged to push for change when necessary, and the jurisdiction is responsible for operationalizing and delivering on those changes. If a proposal is approved, the jurisdiction must show delivery on outcomes thought the annual review.*

- A Committee member noted: If this program is to be effective and successful, new units need to be built. It's not enough to just move some units from one area to another. Jurisdictions should be aware of this when submitting their proposals.

Allison asked each Committee member to weigh in on what they felt should constitute a majority if consensus cannot be reached. The majority of the Committee members were comfortable with either a 2/3rds or 3/4ths majority, but several preferred a 3/4ths majority. The Committee agreed to a 3/4ths majority in the event that consensus cannot be reached.

Public Comment

Allison opened the floor for public comment. Miranda Bonifield, Cascade Policy Institute, provided the following comments:

The Cascade Policy Institute shares many of the same goals as this effort including moving the community forward and developing practical ways to do so. This Committee should consider waiving the prevailing wage requirements for contractors. This requirement can price out smaller contractors, as well as contractors that hire high school drop outs, many of whom belong to vulnerable communities. If instead contractors were given the ability to decide how to pay their employees it would increase opportunities in the community, as well as provide Metro with the ability to construct more housing. Other states that have waived the wage requirements have seen increased employment in high school drop outs. Building costs have often been inflated in rural Oregon because of these laws. The contracting work will be the same quality if the requirement is waived, but will provide opportunities to build more affordable housing. Consider strongly making that recommendation to Metro Council.

Next Steps and Close

Emily explained that Metro staff have reserved the first Wednesday morning of the month for the rest of 2019 for Oversight Committee meetings with the understanding that meetings will not be held every month. Emily told the Committee that the next meeting will take place on April 3, 2019. Metro staff will have recommendations regarding the schedule at that time. Additionally, she noted there may be more schedule adjustments including the potential for two meetings in June. A Committee member asked if they would be able to meet with some of the jurisdictions at the next meeting. Elissa explained that she wasn't sure they would be ready to meet with the Committee. A Committee member expressed the importance of having face-to-face time with the jurisdictions to allow for questions and answers. Metro staff committed to exploring how best to provide the space and time for those interactions and would come back with more information at the next meeting. A Committee member expressed concern about whether the scheduled meetings allowed enough time for the Committee to reach consensus.

Emily noted that the first Phase 1 project had been submitted. Staff are hoping to talk through protocols for reviewing projects at the next Committee meeting. She said staff seek three Oversight Committee members to review the staff's draft recommendations to Metro Council. This project would offer an opportunity to test the recommendations out and help inform the conversation. Emily said the Committee would receive more information about this opportunity.

Allison thanked the Committee and adjourned the meeting.