

Meeting: Housing Oversight Committee (Meeting 17)
Date: Wednesday, April 7, 2021
Time: 9 a.m. to 11 a.m.
Place: Virtual Zoom meeting
Purpose: Conclude Committee's annual report process.
Outcome(s): Finalize and vote on annual report memo to Council, agreement on next steps and upcoming meeting sequence.

9 a.m. Welcome and housekeeping

9:10 a.m. Public Comment

9:20 a.m. Committee Discussion: draft report memo to Council

10:00 a.m. Break

10:10 a.m. Committee vote on report memo to Council

10:35 a.m. Next steps and upcoming meetings

11:00 a.m. Adjourn

Meeting minutes

Meeting: Metro Housing Oversight
Committee Meeting 16

Date/time: Wednesday, March 24, 9 AM – 12:00 PM

Place: Zoom Virtual Meeting

Purpose: Finalize annual review process.

Attendees

Melissa Erlbaum, Jenny Lee, Ed McNamara, Mitch Hornecker, Steve Rudman, Nicole Stingh, Juan Ugarte Ahumada,

Metro

Marissa Madrigal, Elissa Gertler, Patricia Rojas, Emily Lieb, Michaela Skiles, Choya Renata, Valeria McWilliams, Ash Elverfeld, Joel Morton

Facilitators

Allison Brown, JLA Public Involvement

Minutes

Hannah Mills, JLA Public Involvement

Note: The meeting was recorded via Zoom and therefore details will be focused mainly on the discussion, with less detail in regards to the presentations.

Welcome and Reorientation to Annual Review

Co-chairs, Jenny Lee and Steve Rudman, welcomed the Committee and thanked them for their participation. Patricia Rojas, Metro, introduced herself as the agency's Regional Housing Director and explained her personal investment in the committee's effort towards affordable housing.

Emily Lieb, Metro, reminded the Committee of the annual review process and timeline. Emily noted the annual review and reporting documents, including: local progress reports, the 2020 annual program draft report, and the Housing Oversight Committee memo to Metro Council.

Emily reviewed the charge of the Committee and the guiding principles.

Allison Brown, facilitator with JLA reviewed the agenda, confirmed the meeting summary from Meeting 15, and asked the group to disclose any conflicts of interest. No conflicts of interest were disclosed at this time.

Public Comment

Allison opened the floor for public comment. No comments were submitted at this time.



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Annual Progress Reports

The three jurisdictions gave presentations on their progress since the LIP process. Each presentation was followed by a Q&A period with the Committee. Below is a summary of the presentations and committee discussion.

City of Hillsboro

Presenter: Chris Hartye

Using a PowerPoint, Chris Hartye, City of Hillsboro, presented Hillsboro's progress and response to the recommendations and considerations suggested by the Committee for the LIS. Below is a summary of the presentation.

- The current targets include 117 deeply affordable units and 142 family-sized units. This is aligned with the feedback received by the community.
- The City estimates using bond funds to assist in completing 2-4 projects.
- The 55th Ave Site project is underway and has received concept endorsement from Hillsboro City Council.
 - This property is controlled by the City and will be donated and repurposed for affordable housing.
 - This type of site is becoming difficult to find in Hillsboro.
 - This site is conveniently located close to parks and a community center.
 - A competitive project selection process was held for this site location.
 - \$18 million of the bond funds for the City are being directed to this project, in addition to vouchers, property tax exemptions, and reduced parking requirements.
 - An evaluation committee was formed to review the five proposals submitted for this location. A single project was selected for the full six-acre site.
- The Nueva Esperanza site has received concept endorsement from Metro
 - The Nueva Esperanza is being developed by Bienestar and Housing Development Center (HDC).
 - This site focuses primarily on low-income family units and will serve as an asset to the community. A total of 70% of the units are family-sized.
 - \$17 million of the bond funds for the City are being directed to this project in addition to vouchers.
 - There will be one fulltime, on-site employee at this location.
 - The HDC will be co-owner through the development of this project and for the first three years following completion, after which ownership will be transferred in its entirety to Bienestar.
 - The project delivers more than half the City's unit production target and deeply affordable units using only 42% of the City's bond allocation.
- The City has led with racial equity through:
 - Community outreach informed approaches
 - A racially-diverse evaluation committee
 - Amenity rich locations for affordable housing
 - A culturally-specific developer



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- Highlighting family-sized and deeply affordable units.
- Targeted engagement to inform design.
- Aspiration to exceed the MWESB-DV goals by 15% (the initial goal was 20%).
 - B2Gnow software will assist in tracking MWESB-DV and workforce goals
- Working with developers and companies to determine the best way to assist minority contractors.
- Partnering with Bienestar to help guide the affirmative marketing strategy
- Outlined plans for lowering tenant barriers and screening of residents through a culturally responsive lens.
- Using the FTE and other organizations to assist in providing resident services and design amenities to suit the needs of those occupying these locations.
- The Nueva Esperanza project is expected to be completed and fully leased by July 2023.
- The Supportive Housing Services (SHS) bond passage opened many opportunities to work with Washington County on the Nueva Esperanza site to provide rent assistance and wraparound services.

Committee members were given the opportunity to provide comments and ask questions.

Below is a summary of the discussion.

- Consider taking better advantage of the project-based vouchers.
- Based on the development stage of Nueva Esperanza, the project could lend increased funding from other sources. Will this be considered and will the Metro bond funding for the City be reduced as a result of any increased investment?
 - Chris responded: *Conversations with the developer have begun regarding this issue. It will be dependent on how the Low-Income Housing Tax Credit (LIHTC) is distributed to these projects. Conversations have considered reduced rents to better serve need.*
- Does the City have property tax exemptions for affordable housing developments?
 - Chris responded: *Yes, that was put in place prior to this process.*
- Will the City be tracking workforce diversity and identify opportunities for women and people of color to be employed at those sites?
 - Chris responded: *Yes, we will be receiving reports from our partners on our workforce goals.*

City of Beaverton

Presenter: Javier Mena

The presenter from the City of Beaverton used a PowerPoint to run through the City's progress and response to the recommendations and considerations suggested by the Committee. Below is a summary of the presentation.

- The Mary Ann is forecasted to be completed within the year.
- The RFP for the Elmonica is set to be released in May/June 2021.



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- The South Cooper Mountain location solicitation was released in 2019. The initial forecast was to produce 68 units at this location, however the developer is planning to build a total of 109 units with an increased number of deeply affordable units without funding from Section 8 vouchers.
 - The City is currently assessing and refining the screening criteria to be more inclusive.
- The City is exceeding the initial unit projection of 218 units and is now projecting to complete 489 units with the help of Metro bond funds.
- The City predicted that the bond funds would need to be supplemented and the City and developers have sought additional funding to support these projects.
- There are additional affordable housing projects not funded by the bond that will be constructed in Beaverton.
- Prior to the bond, the City partnered with Unite Oregon to assist with meeting the City's equity goals. Monthly meetings take place to discuss the Metro bond and affordable housing.
- The technical advisory committee has been working with the mayor to help give advice on equity decisions.
- Partnerships with Latino Built and The Partners' Group to assist in meeting workforce and contracting goals. Beaverton is expecting to exceed the initial 20% MWESB-DV goal. Tracking workforce and contracting is still in development, but the goal is to develop a tracking system for workforce, training, and contracting.

Committee members were given the opportunity to ask questions of the presenter. **Below is a summary of the discussion.**

- Will future developments be able to achieve as low cost per unit as the South Cooper Mountain project?
 - Javier responded: *It seems unlikely due to the number of units. Developments with a high number of units naturally cost less to build. The internet and affordable/free/accessible childcare is increasingly critical to livability and success. Projects should consider including head start program t and partner with community organizations that provide these services.*
- There seems to be a high amount of low-income housing despite developers not using vouchers. How is this being accomplished?
 - Javier responded: *We offered vouchers to the developers, but they declined.*

Clackamas County

Presenters: Jill Smith, Devin Ellin

The presenters from the Clackamas County gave a presentation on the City's progress and how they've responded to the recommendations and considerations suggested by the Committee for their LIS. Below is a summary of their presentation:

- In addition to the bond funding being used for unit production goals, the plan sets aside approx. \$60 million of the bond funding to assist in financing the



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redevelopment of existing public housing units. The County is on track to exceed the unit production goals.

- A new plan was just approved by the Milwaukie Planning Commission that will create an additional 300-400 new units. This accomplishment is in part thanks to the Metro bond.
- Currently, Clackamas County is tracking towards 57% of the unit production goal using only 43% of the total bond allocation, and is additionally on track to meet 63% of the deeply affordable unit goal and 73% of the family-sized unit goal.
- The County has been diligent in:
 - Leveraging the bond to receive additional funding.
 - Reducing screening criteria barriers.
 - Prioritizing homeless and high needs populations when supplying vouchers.
 - Meeting/exceeding the 20% MWESB-DV contracting goals.
 - Awarding 12% of the total unit production to Permanent Supportive Housing (PSH).
 - Promoting housing opportunities using affirmative marketing strategies developed through partnerships.
- The County is working to capitalize on opportunities to advance racial equity, increase PSH units, and develop a system to track the workforce to support equity.
- The County established an office of Equity and Inclusion in 2020.
- The County is reviewing all policies through an equity lens.
- There are a series of projects that are not funded by the bond that will support homeless and high-needs populations.

Committee members were given the opportunity to ask questions of the presenters. The Committee took the time for questions to commend Clackamas County on their progress.

Metro Staff Report

Using a PowerPoint, Metro staff Valeria McWilliams, Michaela Skiles, Choya Renata and Emily Lieb gave a presentation on the 2020 Housing Bond Annual Progress Report. Key points from the presentation include:

- Funding allocation throughout the Metro area
- Unit production progress
- Regional project distribution
- Project distribution in areas with limited affordable housing
- Project distribution in equity areas
- Engagement efforts and results
- The equity and economic opportunities through construction of the projects
 - MWESB-DV goals and achievements
 - Workforce diversity tracking
 - Technical assistance
- Methods for reducing barriers to accessing housing
- Use of funds and funding sources
- Supportive housing service integration



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The group was given the opportunity to ask questions and discuss the content of the presentation. Members were asked to highlight gaps they identified in the progress report, as well as express any concerns or questions that arose. Below is a summary of the conversation.

- Consider how this effort and report can act as a catalyst for other communities to pass housing bonds.
- This is a critical time for taking advantage of funding and do more to build equity into further efforts, especially with partners and developers.
- How could we use the administrative cap for targeted technical assistance?
- It's important to consider how the various elements and resources change over time, especially when presenting this to Metro Council. The goals should be revised to reflect the existing resources. This can't be a static document.
- It would be helpful to include language in the report that explains why the unit goals have been exceeded by as much as they have. The reasons that have led to achieving higher numbers of units could assist in funding other projects and future affordable housing.
 - Emily responded: *We are currently trying to determine the factors that have assisted in exceeding the unit production and schedule predictions. There are various factors that may have been at play, including the acceleration by developers in acquiring materials in order to avoid the cost of inflation.*
- Address the misinterpretation/miscommunication of "operating reserves" and their capability in the memo. Explain what the data means.
 - Emily responded: *This is something that has been discussed internally and will work on to incorporate in the final version of the report.*
- The report has too many lagging indicators, while lacking leading indicators. We need to use the information available to develop leading indicators that will help ensure confidence in our decisions.
- It's important to provide clarification on how PSH funding can be spent.
 - Patricia responded: *75% of the PSH funds will be reserved for those experiencing long term homelessness, frequent consecutive homelessness, and/or that have a disability. The vouchers, wraparound services, etc. cover the chronically homeless, but also people that are recently homeless, intermittently homeless, and do not have a disability. It's important to see how these two measures can work together and capitalize on opportunities to expand the benefit.*
- It would be helpful for both the Affordable Housing Oversight Committee and the PSH Committee to get a briefing on PSH.

Metro Audit Discussion

Allison welcomed Marissa Madrigal, Metro, and Metro Councilor Christine Lewis. Councilor Lewis briefly spoke to the Committee. Below is a summary of her remarks.



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- The Council is supportive of the decision to focus on building relationships with jurisdictions and getting funding distributed rather than focusing on documentation and procedure.
- The management's response to areas of improvement has been swift and appears to be leading in the right direction.
- It's clear there is a need for more staff in order to effectively execute this effort, but there is confidence in the current staff to accomplish the work and make the necessary improvements.
- The Committee should feel empowered to express when they feel there are operational and procedural improvements that would provide more transparency and accountability.
- It's important to note that this doesn't just fulfill our commitment to voters, but that it exceeds them because housing is a resource that is needed now more than ever.

Marissa continued the presentation on the Metro audit, notably mentioning the effort by Metro to remain transparent and committed to the promised goals. Other key points from her presentation include:

- Metro is working to increase employee capacity to better serve this bond.
- Work is underway to address Metro's procedural gaps.
- The financial team is working on additional financial reporting tools in response to the auditor's recommendations.
- Metro staff was mainly in agreement with the auditor's findings, any disagreement staff had resulted in developing potential different approaches.

The group was given the opportunity to respond and/or ask questions of Councilor Lewis and Marissa. Below is a summary of the conversation.

- It's important that we're not just focused on keeping this bond, but also making sure we're in the position to achieve bonds in the future. We need to consistently report back to the community to show progress and that we're delivering on our commitments.
 - Marissa responded: *We will put together some rough numbers to help show that we are on track to deliver on our commitments in terms of funding.*
 - Emily continued: *At this point, we are relatively confident we are ahead of schedule for accomplishing what is laid out in the report. It would also be relatively simple to develop a tracker that shows when the different elements of the audit response have been completed.*
- It was disappointing to see the strong focus on procedures and metrics in the audit report while seemingly ignoring how much we have exceeded our unit goal with reduced bond investment. Metro has been effective in their efforts on this bond process and their response.
- The issue that seems to continue to exist is workforce diversity and tracking. Jurisdictions have expressed the desire to address this, but don't always know how to go about it. We have the funding to help the jurisdictions and we need to highlight the link between the end goal of the bond and this effort.

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- Councilor Lewis responded: *The goals have been explicit, but there is a need to make the plan for achieving those goals more explicit and the tools and methods available.*

Marissa shared that the relationships Metro has with jurisdictions have been critical, but also tested. She explained that it's becoming clear that the expectations for jurisdictions need to be communicated from the beginning, but also followed-up on. She continued noting that it will benefit the process if expectations are set now and jurisdictions are held to those expectations going forward. Marissa wrapped up by highlighting Metro's commitment to ensuring the funds benefit the community.

Next Steps and Close

Allison explained that due to time challenges, the group was not able to spend time discussing the preliminary themes at this meeting. The group was informed that they would be continuing the conversation at a meeting outside their regular schedule. Allison also noted the survey that was sent out to committee member prior to this meeting. The results of the survey were presented to the Committee in a PowerPoint.

Allison asked the co-chairs and committee members to provide guidance on how to make the preliminary themes discussion more effective. Below is a summary of the discussion.

- It would be helpful to have the results of the community feedback meetings from each jurisdiction.
- Committee members should take the time to review the Metro staff report again before the meeting.
- There is still concern about whether this is a living document and whether we should suggest that we take a more ambitious approach given the fact that we will meet, if not exceed, the goals.

The group was reminded of the timeline for upcoming meetings.

The meeting was adjourned.

Date: April 2021

To: Metro Council

From: Metro Affordable Housing Bond Community Oversight Committee

Re: 2020 Annual Report

A report to the community from the Metro Affordable Housing Bond Community Oversight Committee

Over the past two months, the Metro Affordable Housing Bond Community Oversight Committee has reviewed progress reports from all eight implementation partner agencies, as well as an analysis of regional progress and performance presented by Metro staff. We are happy to report that, in a year of unprecedented challenges, the Metro affordable housing bond program is **on track to exceed the promises made to voters**. What's more—there are opportunities to go above and beyond. And we should.

So much has changed in the past year. The housing crisis has been intensified by the ripple effects of the global pandemic, increasing the urgent need for more affordable homes and other services to ensure that everyone in our community has access to safe, stable affordable housing.

From the passage of the Metro supportive housing services measure in May to economic recovery efforts at the state and federal level, there is an influx of new resources in the system of funding that layers and intersects with affordable housing development. Additional federal funding for housing development is anticipated in forthcoming federal infrastructure funding packages. Interest rates are low, meaning projects can leverage more private debt than initially anticipated. Finally, housing bond implementation partners have moved quickly to deploy resources. In addition to responding to the urgent need for housing, these rapid efforts to advance implementation are reducing the impact of construction cost escalation.

Combined, this early progress and market/policy changes impacting leveraged funding opportunities mean that the average per unit need for Metro bond funding required to achieve our targets is lower than initially forecasted.

With the region on track to exceed the unit production goals established for the measure, we believe there is not only an opportunity, but an imperative, to do more with these resources – whether that means going broader to achieve more overall units and/or going deeper to support the most challenging-to-fulfill needs such as permanent supportive housing and larger, family-sized units. There are also opportunities to look for synergies that allow housing bond investments to be integrated with complementary investments, such as co-location with early learning facilities. **We need to ensure that, as a system, we are working toward “doing more with more.”**

Along these lines, there is an important opportunity to support **integration of Metro supportive housing services funding with affordable housing bond investments** to ensure that these voter approved funding sources can fulfill their game-changing potential to address the needs of community members who are experiencing or at risk of homelessness. It is essential that supportive housing implementation plans include prioritization of long-term rental assistance funding in the form of project-based vouchers that can be integrated early in the development process, so that we are designing and programming affordable housing buildings specifically to meet the needs of individuals and families exiting homelessness. There's a critical opportunity for

ongoing coordination between Metro bond implementation and supportive housing implementation within each county, as well as between Metro and implementers.

As an oversight committee, we have also been charged not only with ensuring progress toward the unit production targets, but also with ensuring that implementation is aligned with the core values established by the Metro Council, including the charge of leading with racial equity throughout implementation. Early indicators show that jurisdictional and development partners are taking these commitments seriously—with much more remaining to be seen as projects begin to lease up.

Key highlights of progress on advancing racial equity include:

- *Fair housing access:* Projects are distributed across the region and are incorporating strategies for fair housing access through thoughtful approaches to low-barrier screening and affirmative marketing—consistent with the expectations established in Metro’s program work plan. Continued monitoring will be needed to evaluate fair housing outcomes once projects start to lease up. And beyond lease up, Metro should work with partners to explore creative approaches to monitor stability and resident satisfaction over time.
- *Culturally responsive programming and services:* Local progress reports reflect robust community engagement throughout planning. It will be important for those relationships to continue beyond development to operations. Implementing partners need to think about who is providing services for residents, as well as the need to invest in capacity building (i.e. cultural competency) among property managers.
- *Equitable contracting and workforce:* We are seeing good progress on equitable contracting commitments, which was emphasized by the committee in the local implementation strategy review process. More work is clearly needed to invest in ensuring economic opportunities for women and people of color through construction. Tracking workforce diversity may be a positive first step, but requirements could have unintended consequences, particularly for smaller subcontractors. Workforce strategies are a priority area that should be considered for technical assistance.

The Metro affordable housing bond is already catalyzing new regional coordination and partnership to respond to the region’s housing crisis. There are opportunities for Metro to engage local jurisdiction partners in a conversation about how to expand the impact of our investments beyond initial targets. These conversations need to acknowledge that jurisdictions face different challenges, are participating in implementation at varying scales and with varying internal capacity.

It is our recommendation that Metro provide funding and technical assistance to increase the region’s capacity to implement permanent supportive housing and equitable workforce strategies.

Finally, we want to underscore the need for Metro to further staff up to support this work. The housing bond team has accomplished so much with limited capacity, but, as noted in the recent audit, additional investments in staff are essential to ensure that Metro can take advantage of the opportunities outlined above. We are excited for the recent arrival of a new regional housing director, who can support those conversations with partner jurisdictions about opportunities to elevate commitments together. We look forward to continuing to build on this progress in 2021.

2020 Housing Oversight Committee Members
[List of current members]