



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Meeting minutes

Meeting: TOD Steering Committee
Date: July 11, 2023
Time: 3:00 – 5:00 p.m.
Place: Virtual

Members: Chair Mark Ellsworth, Councilor Duncan Hwang, Guy Benn, Bob Hastings, Derek Abe, Tai Dunson Strane (arrived at 3:30 p.m.)

Staff: Andrea Pastor, Pat McLaughlin, Jon Williams, Laura Dawson Bodner, Eva Goldberg, Eryn Kehe, Joel Morton, Carson Fehrer

Guests: Yohanes Wolday, Colleen Osborn

I. CALL TO ORDER, WELCOME AND INTRODUCTIONS

Chair Mark Ellsworth called the meeting to order at 3:04 p.m. and welcomed committee members and guests. Councilor Duncan Hwang shared that the request for \$5 million from the state passed. He thanked Rep Pham and Metro's government affairs staff.

II. APPROVAL OF JUNE 13 MEETING SUMMARY

Chair Ellsworth asked if there were any changes to the meeting summary for June 13. Hearing none, he asked for a motion to approve the June 13 meeting summary. Bob Hastings made the motion. The motion was seconded by Guy Benn. The motion was **approved** unanimously.

III. PRESENTATION: 146TH AVENUE PHASE II/HOME FIRST DEVELOPMENT

Colleen Osborn of Home First Development noted they built The Bria which received TOD funding. In this project there will be 3 buildings of 3 stories each in the Hazelwood neighborhood. There will be 29 units: six 3 bedroom apartments and twenty-three 2 bedroom units, all at 60% AMI. She showed the site plan. There will be 29 parking spaces including 6 EV-ready and 32 bike parking spaces. Property management will be shared with The Bria. They strive to make the units feel as if they are market rate. Amenities include in-unit washers and driers, air conditioning and quartz countertops. She anticipates that many residents will seek a subsidy.

Home First Development and Green Light Development are the developer/owners, Evergreen Community Partners will provide services, Guardian will provide property management, Eichler Construction is the contractor, Doug Circosta is the architect and the MWESB manager is Terry Jones of Rubitone Development. There is 35% in MWESB participation. She then shared some details on funding.

Discussion included:

- The buildings will be walk-ups. There will be ADA units available.
- What is their experience with Guardian as a property manager? Why did you choose them and how is it going? They came on during lease up of The Bria and they will also manage other upcoming projects. Green Light Development has experience with them. Guardian has an efficient process and is communicative and reliable.
- They are looking for a lender for permanent debt. There are no tax credits on this project - LIFT only. OHCS is providing over \$5.2 million.
- Other than parking, EV charging and bike storage, there are no other external amenities as the site is very small. However, residents will have shared access to The Bria common areas and to a nearby path around Glendoveer Golf Course. Colleen will provide information on other nearby amenities.

IV. EXECUTIVE SESSION

Chair Ellsworth declared an executive session pursuant to 192.660(1)(e), for the purpose of deliberating with persons authorized to negotiate real property transactions to discuss 311 NE Graham and 32 NE Fremont.

Members present: Chair Mark Ellsworth, Councilor Duncan Hwang, Guy Benn, Bob Hastings, Derek Abe, Tai Dunson Strane (arrived at 3:30 p.m.)

Staff present: Jon Williams, Pat McLaughlin, Andrea Pastor, Laura Dawson Bodner, Eva Goldberg, Eryn Kehe, Joel Morton, Carson Fehrer

Time executive session started: 3:25 p.m.

Time executive session ended: 4:01 p.m.

V. ACTION: 311 NE GRAHAM

Staff recommends that the TOD Steering Committee approve \$135,000 in TOD Program funding for the Graham Street Apartments with the following conditions:

1. One three-story building
2. 29 total housing units, seven studios regulated affordable at 60% AMI
3. Zero parking spaces

Action: Bob Hastings moved that the TOD Steering Committee recommend \$135,000 in TOD Program funding for 311 NE Graham. Guy Benn seconded the motion. The motion was **approved** with one abstention, Tai Dunson Strane.

VI. ACTION: 32 NE FREMONT

Staff recommends that the TOD Steering Committee approve \$200,000 in TOD Program funding for 32 NE Fremont with the following conditions:

1. Four-story building
2. 22 residential units regulated at 60% of Area Median Income
3. Zero on-site parking spaces.

Action: Bob Hastings moved that the TOD Steering Committee recommend \$200,000 in TOD Program funding for 32 NE Fremont. Derek Abe seconded the motion. The motion was **approved** unanimously.

VII. TOD WORKPLAN: AFFORDABILITY AND RACIAL EQUITY

Chair Ellsworth said the goal is to have language in the workplan that dovetails with all the program achieves. Andrea showed a slide of the timeline, adopted mission and outcomes, adopted equity desired outcomes and newly adopted recommendations. She asked for feedback on draft contracting requirements focusing on contracting and workforce equity.

Discussion included:

- How to ensure that developers meet the goals – not eligible to apply for a new grant until the project is completed? Staff responded that TOD grants are paid at certificate of occupancy.
- OHCS does monitoring, maybe they monitor on MWESB and COBID. They have the database for it.
- In land acquisition, trickier to do. Ask about past performance for future grants.
- There is an issue if a contractor or prime sub can't get a bid because of the market. In the construction management program, Metro project manager follows all along the way and governing their compliance really helps. This program has not had those resources and

level of involvement. It helps if the project manager is following along on the workforce and COBID sides. If following, can monitor how it turns out, and why.

- Help find resources for monitoring.

Andrea described the draft affordability requirements.

Discussion included:

- On TOD-owned sites, we may want to have more mixed income.
- Andrea said there has been a greater allocation to affordable. Five projects out of 48 or about 10% of projects over the past 5 years would not have met this standard. The most recent was the Tigard Ava Coffee Roaster project, which is market rate, mixed use with no affordable units or covenant. Kaya Camilla, the Burnside Boardwalk and Gresham Civic are residential projects.
- Less innovation in market rate world and more in affordable world?
- Push innovation in affordability that isn't necessarily tax credit. Steer market rate projects to get to 80% AMI.
- The City of Portland has inclusionary requirements, so market rate developers are getting well acquainted.
- Does this take mixed income out of the equation?
- There is an opportunity to encourage the market. We're focusing more strongly on what the program is already doing. Innovation can occur and is in the strategic plan.
- Principles/guidelines to lead in the direction that Metro is going.
- Regional distribution among unit sizes on the TOD grants but not on the TOD owned sites.
- Encourage the use of vouchers – is there a difference in strategies – one side vs the other?
- TOD grant won't be able to use a voucher strategy but we can put higher expectations on Metro-owned sites.
- With developers, market rates are at about 80% AMI so getting them to go for an affordability covenant is not a big ask. 60% AMI is a bigger ask.
- Find something that is possible to do with tax credit/state source.
- The 2nd bullet point- why not add to TOD-owned sites? Do you have more specific guidelines for that? We want to make it flexible but it is a little loose. We have an opportunity to see how it goes and if we want to add stricter requirements in the future.
- Want to give Steering Committee room to approve projects that they want and to push developers a little bit. The Steering Committee can revisit this workplan more regularly, if changes are needed.
- Is there anything in preamble saying reviewed on a periodic basis?
- The new workplan will have a look at grant award amount, how much we use for land acquisition. This is a great time to reflect on regional conditions.
- Staff can provide more information on projects that they determined did not pass the criteria.

Mark proposed that we have staff move forward with the language.

Andrea presented the innovation bonus concept.

- Question - Area to earn innovation credit – can they stack, or not?
- Liked the innovation focus of piloting new construction methods or materials. Andrea said this was in the menu of options for climate mitigation.
- Cost, modular would be another category. With scarce resources, what is the innovation to increase housing production? Fund innovative construction methods.
- Support super pro-innovation. We should be chasing it and rewarding it. Worry that it may be difficult to assess innovation bonuses. The innovation bonus is a large percentage

compared to the total award. Could this be open for abuse? How far do you have to go beyond the minimum to get the bonus?

- From an administration perspective, would it be hard to decide how much to give without making the assessment difficult?
- We are focusing on a cost premium. If you do workforce equity- climate, and maybe other sources, watch for double counting.
- Ensure that they are difficult to get. A lot of developers without emerging small business wouldn't make COBID. It puts more work on us.
- How would the incentive work? Are we just giving away money? It's not just a prize?

VIII. STAFF UPDATES

Jon Williams introduced TOD intern Carson Fehner. Eryn Kehe asked the committee about continuing in-person meetings on a quarterly basis.

IX. ADJOURN

Chair Ellsworth adjourned the meeting at 5:00 p.m.