

Meeting Summary

Meeting: Housing Bond Oversight Committee Meeting
Date/time: Wednesday, November 9, 2022, 9:30 AM – 11:30 AM
Place: Virtual meeting (Zoom)
Purpose: Quarterly progress and financial updates; follow up on Private Activity Bonds (PAB), Rapid Permanent Supportive Housing (PSH) Funding Allocation, and update on state and federal policy

Attendees

Kira Cador (she/her), Brandon Culbertson (he/him), Melissa Erlbaum (she/her), Co-chair Jenny Lee (she/her), Ann Leenstra (she/her), Mara Romero (she/her), Co-chair Steve Rudman (he/him), Andrea Sanchez (she/her), Karen Shawcross (she/her), Nicole Stingham (she/her), Trinh Tran (he/him), Juan Ugarte Ahumada (he/him)

Absent

Mitch Hornecker (he/him), Tia Vonil (she/her)

Metro

Ash Elverfeld (they/she), Liam Frost (he/him), Jenna Jones (she/her), Rachael Lembo (she/her), Emily Lieb (she/her), Jimmy Oporta (he/him), Patricia Rojas (she/her)

Facilitator

Ben Duncan (he/him)

Note: The meeting was recorded via Zoom and therefore details will be focused mainly on the discussions, with less detail in regards to the presentations. Presentation slides are included in the archived meeting packet.

Welcome and introductions

Co-chairs Steve Rudman and Jenny Lee welcomed the Committee to the meeting and introduced Ben Duncan as a neutral third-party facilitator.

Members approved the meeting summary from May 25, 2022.

Ben facilitated introductions between members.

Director updates

Patricia Rojas, Regional Housing Director, Metro, provided updates. In October, Marisa Madrigal, Chief Operating Officer (COO), added a new deputy COO position for Metro. Over the past four years, Metro housing work has grown in complexity and scale requiring additional staffing and capacity to meet the needs of Supportive Housing Services (SHS) and the Affordable Housing Bond. The Housing Bond and SHS Teams will be moved out of the Planning, Research and Development Department and will be established as Metro's Housing Department.

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Metro Council approved four new Full Time Employees (FTE) in adopted budget and an additional four FTE in the September budget amendment. The first position of eight positions has been filled, Liam Frost as Regional Housing Assistant Director. Liam introduced himself and shared his excitement to join the team.

Public comment

No public comment received.

Presentation and discussion: Production progress, financial report, and updates on private activity bonds and other state funding alignment

Emily Lieb, Affordable Housing Program Manager, Metro, provided a presentation on the third quarter implementation progress. Jimmy Oporta, Housing Analyst, Metro, started the presentation with the Production Progress Report highlighting the construction status of affordable housing units within the region.

Emily provided active funding solicitation updates. Four partners have active solicitations accounting to 60 million dollars in funding. Metro currently has 56% of funds committed to projects and expects that all remaining funds will be committed by 2024. She reminded the group that the email newsletter provides regular updates and highlights of program successes. Emily also covered Home Forward's Troutdale project timeline and plan. The project will potentially experience some delays due to denials of requested variances by the Troutdale Planning Commission. Home Forward hopes to reach negotiated agreement with the Commission soon.

Karen Shawcross asked if post occupancy data can be viewed and if Metro has changed the 90-day requirement for reporting.

Emily responded that Post Occupancy Report preliminary data has been received and is being analyzed. The current plan is to bring any data to the Oversight Committee as part of the Annual Report. Metro is working on getting summary data while being sensitive to privacy needs. However, there needs to be additional work conducted by Metro staff level to appropriately process data.

Jimmy added that the lease-up period is taking longer than normal. Property managers responsible for processing applications are reporting longer times than originally anticipated and are asking for patience. The 90-day requirement begins when lease up is 95% occupancy.

Karen commented that post occupancy data is important, and it ensures that housing goes to people it is intended to. She asked if it would be possible to share raw data with the Committee as it comes in instead of waiting for the summary report.

Emily replied that tenant demographic data needs to be mined for privacy concerns, but Metro is working to share data as quickly as possible.

Kira asked if general contractors (GC) and developers report actual COBID numbers six months after Certificate of Occupancy.

Jimmy replied that numbers will be received six months after Temporary Certificate of Occupancy. This timeline to allows the GC to provide information in terms of COBID contracts.

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Kira followed up to ask how COBID applications are verified if information is not provided until after completion.

Emily responded that Metro receives data once, post-completion. The structure is not set up to capture real-time performance, but rather a look-back at the outcomes for the Committee to ensure accountability and track progress.

Andrea Sanchez stated that the delay of lease-up on projects can be a huge risk in terms of meeting stabilization requirements and permanent financing. She asked if the Committee should understand the rationale behind the delayed lease-up.

Jimmy replied that it is an issue of capacity, having someone collect paperwork and put applicant through the lease-up process involves multiple steps. Usually there is only one site manager responsible for screening, moving tenants, and providing Metro with reporting and summary numbers. This can be a challenging ask for one staff person.

Andrea suggested that there should be adequate protections and necessary capacity clauses in lease-up budgets.

Karen noted the important comments that Kira and Andrea made and suggested the consideration of some intervention and some budget additions. She is concerned about property management companies that are inexperienced in leasing affordable units. The inability to look at data in real time hinders the oversight function of the Committee.

Emily stated that it could be helpful for staff to come back to the post occupancy timeline and reporting in December.

Emily continued with her presentation on private activity bonds (PABs) and other state funding alignment. In August, the Oregon Housing and Community Services (OHCS) came out with a plan that was informed by key stakeholder engagement from housing authorities, jurisdictions, and developers to coordinate project pipelines for 4% low-income tax credit, which requires PABs. Last fall, OHCS paused applications for the 4% tax credit as the State had over committed allocations. The State has also dedicated 35 million of HTF/LIFT funding for Metro bond projects.

Andrea asked if the RFPs mentioned earlier in the presentation are solely funded from Metro bonds or a combination of other sources.

Emily replied that the slide highlighted Metro bond funds that are out for solicitation. In some cases, there are additional resources. Portland also has tax increment funding (TIF) funding for solicitation.

Steve asked if Multnomah County Commissioners or Metro could weigh in on the Troutdale situation.

Emily affirmed that Metro staff and the district Councilor are closely monitoring the situation.

Liam Frost (he/him) added that Commissioner Stegman and staff have been heavily involved in negotiations and working with Troutdale counterparts.

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Presentation and discussion: \$20 million allocation for Rapid PSH investments

Patricia presented on the \$20 million for rapid PSH investments. Metro has established a framework that incorporates lessons learned from local and national turnkey initiatives to ensure sound stewardship of public dollars. The model allows the three counties to partner and leverage shared resources. Metro will continue to work with partners to identify and support continued PSH and SHS integration.

Emily noted that funding must be used to invest in properties that will leverage SHS resources for rental assistance, provide wrap-around services, and serve Population A. Funds are prioritized for acquisition-based models that can support interim shelter use but also support long term PSH. Counties will submit sites to Metro by April 2023.

Brandon asked about the community engagement process regarding funding allocation. He highlighted the importance that local businesses are included in the process along with the community itself if selected sites are in historically underserved areas. He also noted that the Oregon Mayors Association (OMA) plan for 123.5 million dollars has not been proposed to the legislature yet and is concerned that there will be a scramble for preexisting buildings and sites. He suggested that there should be an integration of revenue streams to avoid duplication of services.

Patricia replied that for any kind of development-oriented project, every county does some level of community engagement. The program is acquisition-based, so it is not limited to a certain type building and the county can tailor it to the community that they are serving. The value of the program is rooted in best practices so it's on-going body of work. She noted that the integration of funds is a possibility.

Jenna Jones, State and Regional Affairs Advisor, Metro, stated the OMA letter that was released did not have input from the counties. Last legislative cycle, there was a pilot project where cities and counties paired funding and capital investments, requiring partnership. There will be a response to the OMA letter.

Steve commented that the term “rapid” might not be correct. When this topic was discussed a year ago, it was with a need to provide immediate shelter, and while the creation of long-term permanent housing is important, expediency in creating immediate solutions is integral.

Patricia replied by expressing appreciation for highlighting what it looks like to respond with urgency. It is also important to try to be responsive and do something on an urgent track and meet requirements of the Bond. It's the permanent housing requirements that make it a little complicated, along with ensuring that there are sustainable operations.

Kira asked if SHS is a funding source that goes to support resident services that are required in projects being developed under PSH.

Patricia replied that PSH requires intensive case management focused on supporting populations facing long-term homelessness with one or more disabilities. SHS will provide regional long term rent assistance.

Nicole Stingh added that OHCS was not administrator of a project turnkey but rather Oregon Community Foundation as it is easier for them to disseminate funds as they are a private entity. She noted this is “rapid” for new government funding.

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Presentation and discussion: State and federal policy

Jenna noted that the election will impact legislation and the hope is for housing to be a priority for the next governor. Metro Council has endorsed supporting legislature that increases the proportion of PABs directly to OHCS and reduces technical barriers regarding PABs. Jenna gave updates on other Oregon State policies that relate to housing.

Nicole shared the OHCS submitted their agency request budget which includes historic requests for housing. See snapshot: <https://www.oregon.gov/ohcs/about-us/Documents/ARB%20Summary%209.2.22.pdf>

Next steps

At the December 7, 2022 meeting the Committee will discuss post occupancy data landscape and opportunities for improvement and the 2023 planning calendar.

Karen commented that zero dollars have been committed from the Metro Site Acquisition Program and requested an update at the next meeting.

Emily replied that the Council will be receiving a Site Acquisition Program update on November 10. She noted that a majority of those funds have been earmarked for projects.

Rachael Lembo added that site acquisition commitments have been reflected in the jurisdiction line rather than the site acquisition line. Metro will revise those numbers for next quarter's report.

Kira asked when jurisdictions will complete their spend down forecasting reporting.

Emily replied that all jurisdictions have planned their spend down and their forecasts are based on their plans to issue solicitations that will include unit numbers and specific goals. Metro will complete some forecasting work to ensure consistency in assumptions and also convey expected occupancy.

Adjourn

Meeting adjourned at 11:30 a.m.