



Meeting minutes

Meeting: TOD Steering Committee
Date: December 12, 2023
Time: 3:00 – 4:30 p.m.
Place: MRC, Room 375, Zoom

Members: Chair Mark Ellsworth, Councilor Duncan Hwang (Zoom), Guy Benn, Derek Abe (Zoom), Rebecca Small, Bob Hastings, Victor Caesar

Staff and Guests: Eryn Kehe, Andrea Pastor, Jon Williams, Patrick McLaughlin, Jack Gronholz, Miriam Hanes, Jessica Martin, Angela Guo and Kerry Hughes with HMS Development, Ryan Hood and Alec Lawrence with Related NW

I. CALL TO ORDER, WELCOME AND INTRODUCTIONS

Chair Mark Ellsworth called the meeting to order at 3:07 p.m. and welcomed members, staff and guests.

II. APPROVAL OF NOVEMBER 14 MEETING SUMMARY

Chair Ellsworth asked if there were any changes to the November 14 meeting summary. Hearing none, he asked for a motion to approve the meeting summaries.

Action: Rebecca Small moved to approve the November 14 meeting summary. Guy Benn seconded the motion. The motion was **approved**.

III. PRESENTATION: HMS DEVELOPMENT – LOMBARD APARTMENTS

Angela Guo and Kerry Hughes from HMS Development appeared before the committee to provide information about the Lombard Apartments. They mentioned that the project's name would likely change once funded.

The presentation covered the following information:

- **Team overview**
- **Location:** 150 ft from bus stop
- **Programming:**
 - 46 total workforce housing units
 - 30 studios at 40-60% AMI
 - 9 1-bedroom units at 60% AMI
 - 7 2-bedroom units at 60% AMI
 - Focus on foster youth, domestic violence survivors, previously incarcerated, and formerly or currently homeless
- **Design detail:**
 - 8 parking spots
 - 55 bicycle parking
 - Seeking national green building standard
 - 30% MWESB goal by GC

- **Changing the project from market rate:** The project was approved for permits in March 2020 and COVID brought uncertainties/cost escalations, so it was put on hold. They approached Portland Opportunities Industrialization Center (POIC) with the opportunity. Some of the design changes included: downgrade to vinyl windows, more cost-effective appliances, and durable materials.
- **Business center:** They imagine a community space (i.e., open to the public), though a community event may prioritize the residents. Similar to the Rockwood, there's a lot of community outreach. There are conversations around public access.
- **Shared community spaces:** Referring to the foyer, Kerry noted that they're trying to get into the space, create a nice open entry, not just a hallway. Natural light, air circulation, an area where people can go outside, maybe a water feature/fire pit, with a closed secure area.
- **Tenant preference:** There's a high demand, so folks get on a wait list. Preference is for DV or people leaving the foster care system, or however the criteria is weighted. Prioritizing the wait list. Turnover isn't as high as market rate. Maybe once every four years. Typically important during lease-up.
- **POIC:** They will offer services at large, but it will be easier access to their community members for openings. POIC wants folks to get into work that's in line with wealth generation. POIC's plan is for folks to graduate beyond the 60%. Focused service to black and Latinx folks.
- **Green building standard:** LED light fixtures, low flow plumbing features, upgraded windows to be more efficient. Windows updated for noise concerns. They can get more information on request. NGES Silver rating?
- **LITEC experience:** The first for HMS. Angela came on with the team experience. They also hired a community consultant, Sharon Nielson.
- **4% vs. 9%:** They ran it but didn't go for the 4% because of the housing authority preferences they don't have. Competition is less stiff and they're hoping to have good results in that set-aside.

IV. PRESENTATION: RELATED NW – HILLSIDE PARK

Ryan Hood and Alec Lawrence of Related NW introduced the Hillside Park redevelopment project, a redevelopment of the oldest public housing in the area. They are replacing, not rehabbing, the existing housing, and the existing residents have the option to return using tenant protection vouchers.

Original Property Details

- 100 units of low density one- and two-bedroom units
- Buildings constructed in the early 1940s
- 13.7 acre parcel

Location

- Neighbors Hillside Manor, a 100 unit, HACC-owned tower renovated in 2021
- One mile northeast of downtown Milwaukie, across the street from Providence Milwaukie

Timeline

- 2018-2019 - Master Plan Engagement by Housing Authority of Clackamas County
- 2022 - HACC solicited development proposals for Hillside Park's redevelopment
- 2022 - Related NW selected as developer
- Q2 2024 - Construction to begin
- 2026 - 275 units of affordable housing should be completed
 - 108 units at 30% AMI
 - 32 units at 50% AMI
 - 135 units at 60% AMI

Community Outreach

It was noted that the project team:

- discussed with key organizations and stakeholders to get information about the local area needs and better inform the services.
- met with existing tenants to discuss the outdoor amenities and unit design.
- offered a public forum to provide project status updates.
- reached out to the Ardenwald Johnson-Creek Neighborhood Association and Southeast Uplift.

Project Team & Partners and Roles

- Related Northwest
- Clackamas County
 - On-site service provider for building C
 - Culturally responsive organization
- Unite Oregon
 - Service provider for the Resilience Center
 - Community programming and classes
 - Culturally specific organization
- Ankrom Moisan
- Community Vision
 - Building B co-service partner for the 21 units focused on people with physical disabilities
 - Culturally responsive organization
- Impact NW
 - Onsite provider for buildings A and B
 - PSH Case Management for buildings B and C
 - Culturally responsive organization, as well as culturally specific to the Slavic community
- Walsh Construction
- Northwest Housing Alternatives
 - Lease-up community outreach
 - Culturally responsive organization

Project Design & Amenities

- Three 4-story buildings
- Substructure/superstructure: Slab on grade, Type V construction, wood frame
- Cladding: Brick and fiber cement
- All building properties will have:
 - Parcel area
 - Bike parking
 - Common laundry
 - Stroll path
 - BBQ area

Building C

- Outdoor:
 - Community garden
 - Off leash pet area
 - Multipurpose room
 - Patio
- Indoor:
 - Resident service office
 - Case management office
 - Property management office
 - Multipurpose room with kitchen
 - Shared conference room

Building B

- Outdoor:
 - Courtyard seating
 - Game area
- Indoor:
 - Multipurpose lounge
 - Case management office

Building A

- Outdoor:
 - Courtyard seating
 - Playground
 - Plaza
 - Multipurpose room deck
- Indoor:
 - Multipurpose room with kitchen
 - Resilience center
 - Classroom space
 - Teen lounge
 - Emergency resource
 - Service office
 - Pantry
 - Property management office

The committee asked questions about and discussed the following topics:

- **HUD Approval:** HUD has approved the redevelopment of Hillside Park under its Section 18 rules.
- **Project:** The developer is exploring different combinations of financing approaches so that the three buildings could be developed as two or three separate projects.
- **Phase II:** They're in discussion with HAAC about phase II, which they're expecting to bring it to 500 total units. Phase II is envisioned as a mixed-use market rate development.
- **Parking:** 185 parking spots including street parking.
- **Connecting to downtown Milwaukee:** Connecting the property to downtown Milwaukee has been considered and the city has master planned it, but it will depend on how the site to the south is redeveloped and there are a few different alignments. **Resiliency Center:** They're envisioning the resiliency center as a multifeatured room during normal times. The purpose of the space is as an area to get to know your neighbors and build community. During emergencies, there'd be a limited number of cots, food pantry, backup water, battery from the solar power, and a diesel generator for the elevators.
- **Street Grid Cost:** Building C is the first one to go from 32nd, they have a federal infrastructure community grant through HUD. So, the infrastructure will already be in for buildings A and B.
- **Certification:** Each building will be Earth Advantage certified, they're aiming for Platinum.
- They'll hear about the 4% in a couple weeks and 9% in Feb March.

V. BUDGET UPDATE

- Jon reviewed the budget. There is \$17,393,447 in the bank with \$5,143,825 uncommitted.
 - Pat clarified that "approved but unpaid" (\$9,323,211) is generally under construction.
 - Jon said that payments aren't made until the building is completed to avoid completion risk, but affordable projects have more oversight and generally carry less risk.
 - Mark asked how the new strategic plan impacts this.
- There is an intent around reserving a little money for land acquisition.
 - We do have the 82nd Avenue fund and want to protect that money. We might want to use the funds to support costs. Do we want to be doing acquisition or start saving for it?
- There was discussion about adjusting the grant cap from \$250,000 or getting more selective.
 - Eryn said next month's conversation will be using this information and they'll have to decide on an amount to cover grants for the year without going into a CD or investments, etc. The TOD has had enough in the bank that it hasn't been an issue, but now will have to be more deliberate in the strategic plan.
 - The team will share the presentation so the committee can evaluate the numbers.
- The committee considers an ambitious target for the budget. Considering new housing measures, how much capacity to move more money?
 - We don't have the answer but we can look at our spending on the site acquisition program.
 - On the housing bond, there's \$65,000,000 for the SAP program now, that was 80% gap financing and acquired 5 properties?

- Guy commented that there's two sides: strong focus on max use of public land for public housing and incentives for nonprofit developers putting more emphasis on the program, so may be outsize demand in FY25. This could be used as an accelerant for TriMet's TOD program and we should try to get as much money and as many sites as possible directly through grants or indirectly through site acquisitions and Requests For Proposals (RFPs).
- Jon commented that we've been in peak development activity, because of the housing bond money, but now we're running into the private activity bond constraint and ramping to a slightly lower plateau.
- The main federal program is a tax credit and the federal requirement is the state has to match the tax credit. Washington and California have been at cap for years. Oregon is joining the club.
 - Eryn: Budget item: "Complicated money"
 - Andrea; maybe we want to say "what is the green building money?"
 - Eryn: maybe we ask, what should the ULI balance be?

VI. STAFF UPDATES

Eryn let the committee know that while we have the zoom platform if needed, it's preferred that folks attend the quarterly meetings in person.

VII. ADJOURN

Chair Ellsworth adjourned the meeting at 4:31 p.m.