

## Housing Bond Oversight Committee Meeting Summary

Meeting:	Housing Bond Oversight Committee Meeting
Date:	Monday, May 13, 2024
Time:	3:00 p.m. to 5:30 p.m.
Place:	Virtual meeting (Zoom)
Purpose:	Staff presentation and committee discussion of regional trends and key findings for 2023 annual report

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### Attendees

Jeffery Petrillo (he/him), Karen Shawcross (she/her), Jesse Neilson (he/him), Katherine Rozsa (she/her), Andrea Sanchez (she/her), Mara Romero (she/her), Co-chair Jenny Lee (she/her), Co-chair Steve Rudman (he/him), Scott Greenfield (he/him), Ex-officio Councilor Mary Nolan (they/them), Ann Leenstra (she/her)

### Metro staff

Patricia Rojas (she/her), Emily Lieb (she/her), Jimmy Oporta (he/him), Alison Wicks (she/her), Sandi Saunders (she/her), Mercedes Evangelista (she/her)

### Facilitator

Ben Duncan, Kearns & West (she/her)

*Note: The meeting was recorded via Zoom; therefore, this meeting summary will remain at a high-level overview. Please review the recording and archived meeting packet for details and presentation slides.*

### Welcome and Introductions

Co-chair Jenny Lee shared appreciation for the in-person space.

Co-chair Steve Rudman thanked the group for their continued work.

Ben Duncan, Kearns & West, facilitated introductions between the Committee members, reviewed the agenda, in-room safety details, and thanked the Committee members for their participation.

Ben asked for the Committee's approval of the April 1 and April 15 Oversight Committee Meeting Summaries. Karen Shawcross asked that the project team make a correction to the April 1 Meeting Minutes.

- Page 6: Change "Development Fees" to "Developer Fees"

Karen Shawcross motioned to approve the April 1 and April 15 Meeting Minutes. Jenny Lee seconded the motion. The Meeting Minutes were unanimously approved.

### Public Comment

No public comment was received.

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### Director Update

Patricia Rojas, Metro Regional Housing Director, provided a staffing update and announced that Metro hired six new Housing Department positions. She shared a budget update and noted that the FY2025 proposed budget includes a request for additional Affordable Housing Bond (AHB) funds as well as an additional communications staff position. She shared that Metro will be adding \$950,000 annually moving forward to balance the deficit.

Patricia shared a brief update from the Stakeholder Advisory Table (SAT) on Friday, May 10 as well as next steps for engagement with partners.

Co-Chair Steve Rudman added that the (SAT) meeting ended with more alignment between Metro and the County partners.

### Conflict of Interest Declarations

Co-chair Jenny Lee declared that she works for the Coalition of Communities of Color which is contracted with Metro.

Andrea Sanchez declared that she works for the Housing Development Center and has clients that receive Bond funds from Metro.

### Metro Staff Presentation and Committee Discussion: Regional Trends and Key Findings for Annual Report

Alison Wicks, Metro, shared that Committee members will hear an update on the AHB progress which will be shared with Metro Council in July. She shared that a draft report was included in the meeting packet and provided an overview of the AHB guiding principles.

#### ***Section 1 (Unit Production, Geographic Distribution, and Community Engagement)***

Jimmy Oporta, Metro, introduced himself and shared an overview of AHB production including the total number of homes, number of very affordable homes, and family sized homes. He shared the projections for the number of community members housed by the AHB program and provided an overview of the number of units in production by jurisdiction. Jimmy added that the partners are expected to complete all projects by 2029 and that the program is expected to achieve 120% of its production target. Jimmy described the geographic distribution of AHB funds around the region and noted that the majority of sites are highly walkable with good access to transit.

Co-chair Steve Rudman asked for the locations of the four projects that do not have affordable housing within a 1-mile radius.

*Jimmy Oporta, Metro, shared that Metro will follow-up with that information.*

Jimmy Oporta, Metro, shared an update on the program's community engagement effort and how key feedback was incorporated into the projects.

Scott Greenfield asked if funding allocations were predefined.

*Emily Lieb, Metro, shared that allocations were based on where property tax revenue is generated.*

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Karen Shawcross noted a discrepancy between the number of residents listed in the report and the presentation.

*Alison Wicks, Metro, shared that the project team will make the necessary correction.*

Co-Chair Steve Rudman asked whether the jurisdictions would meet their goals if there were a deficit in funding.

*Jimmy Oporta, Metro, shared that the jurisdictions are expected to meet their goals.*

### **Section 2 (Equitable Access, Equitable Contracting and Workforce, Permanent Supportive Housing)**

Mercedes Evangelista, Metro, described the percentage of construction costs allocated to COBID certified firms as well as workforce diversity utilization that was tracked for four projects. She shared a list of communities defined as priority communities and detailed a breakdown of the number of units designated for communities of color, families with children, multiple generations, senior and older adults, veterans, people experiencing or at risk of homelessness, people with disabilities, and people experiencing or at risk of displacement.

Mercedes informed the group that the AHB projects are required to prove the use of affirmative marketing and low barrier screening in order to reduce barriers to access. She shared a report on leasing outcomes and described the total units available, total rental applications received, and total percentage of applicants housed. Mercedes shared the demographics of bond-funded unit residents and described the breakdown of Permanent Supportive Housing (PSH) units for the different jurisdictions.

Mara Romero commented that the disability statistics look to be under reported. She asked what Metro is doing to encourage people to report their demographics.

*Mercedes Evangelista, Metro, clarified that the percentages are compared to regional census data and that Metro has improved the form for collecting demographics.*

*Jimmy Oporta, Metro, shared that post-occupancy forms ask for ADA accommodation requests and responses but noted that there is a delay in including that data in reporting.*

Andrea Sanchez asked for clarification on the number referenced in the regional demographics comparisons. She asked for clarification on the takeaway from the “Disability Status” slide.

*Alison Wicks, Metro, shared that the statistic references demographics data from the American Community Survey (ACS). She shared that Metro can add disclaimers to the “Disability Status” slide to clarify the data source and noted that the comparison is intended to serve as a benchmark for understanding the degree to which people experiencing a disability are served by the program.*

Jeff Petrillo asked whether the statistics in the report include projects that have been completed, are under construction, and are in pre-development.

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*Alison Wicks, Metro, shared that it depends on the statistic and the subset of projects it is referencing.*

Karen Shawcross asked whether the statistics will be shared with Metro Council.

*Alison Wicks, Metro, shared that they will.*

Co-Chair Jenny Lee asked whether Metro has the ability to track applications geographically and if there is any relationship to other regulated affordable housing within a mile.

*Mercedes Evangelista, Metro, shared that data is tracked by the property managers and that Metro can follow up with that information.*

Katie Rozsa asked how many residents have participated in the North/Northeast Preference Policy.

*Mercedes Evangelista, Metro, shared that that data will be included in the next annual report.*

Andrea Sanchez shared that often times the time it takes to lease up a unit can be dependent on communities sharing the opportunity among themselves. She added that communities can be a big driver of applicant make up.

*Emily Lieb, Metro, shared that Metro looks at demand across unit sizes.*

Scott Greenfield asked for clarification on the low-barrier screening and asked what the target and strategy is for the screening.

*Emily Lieb, Metro, shared that Metro's policy framework includes an intention to support low-barrier screening and that Metro has included that as a requirement for partners as well. She shared that there is a range of best practices that have been discussed with partners. She added that the tenant screening plans are detailed and that it can take significant work to get an agreed upon standard.*

Mara Romero shared that the Fair Housing Council of Oregon has guides on low barrier screening.

Jeff Petrillo shared a recommendation to call out the Opal Project's focus on serving LGBTQ+ seniors and noted that it is a pioneering project for the region.

Karen Shawcross asked how long Metro will monitor annual progress on the projects.

*Emily Lieb, Metro, shared that Metro will be monitoring for 10-years, or until the project has been completed.*

### ***Section 3 (Sustainability and climate resilience, Efficient use of funds)***

Alison Wicks provided an overview of the 2021 policy guidance that set aside funds for in-unit cooling. She provided an overview of strategies that lead toward sustainable development and noted that the AHB portfolio represents \$2.18 billion in investments. She shared a breakdown of

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the capital funding sources and noted that low-income housing tax credits, Metro AHB funds, permanent loans and sponsor contribution represent the four largest funding sources.

Alison shared that the average cost of Metro bond units is \$447,053 and showed the Metro Bond subsidy associated with those costs. She shared that development costs have increased and shared the number of units designed for very low income, project-based rental assistance, and wraparound services.

Alison shared an overview of the economic impact of the bond program. She added that Bond funded units have represented approximately 15% of multifamily housing construction in the region and have supported 3,203 construction jobs annually.

Karen Shawcross asked what the Metro Council's reaction to this section of the report will be.

*Councilor Nolan shared that the Metro Council understands that long term affordability needs to be funded up front. They added that the public might need more information to understand the details of the costs.*

Andrea Sanchez asked how the connection between policy goals and other costs can be identified.

*Councilor Nolan shared that there are policies that are internally conflicting. They shared that the Committee could highlight the cost of policies to inform the public on the additional services included with the projects. They shared that without that context it can be hard to justify the project per-unit costs when they are compared with the median cost of units regionally.*

Jeff Petrillo shared that the issue of explaining low-income housing costs has been a challenge in the past. He shared that the costs should be framed as long-term investments and public assets and noted that housing is a stabilizer and provides a public benefit.

Co-Chair Steve Rudman shared that it is important for taxpayers to understand the costs associated with low-income housing.

Scott Greenfield shared that almost 40% of funding comes from low-income tax credits. He shared examples of additional strategies for building low-income housing and noted that the AHB is one tool in the toolbox.

Co-Chair Jenny Lee shared that the benefit of AHB units is that you can fill in missing gaps in the housing supply.

Karen Shawcross suggested that Metro develop a cost breakdown to show how the average per-unit price for affordable housing is calculated.

Jeff Petrillo asked whether the permanent loans represent bank debt or bond debt.

*Allison Wicks, Metro, shared that permanent loans are typically bank loans.*

Jeff Petrillo suggested that Metro include a cost breakdown of the average private sector deal.

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### *Section 4 (Adapting our program to respond to challenges and opportunities)*

Emily Lieb, Metro, reviewed the Committee's recommendations on maximizing housing bond resources and shared that the recommendations will go to Metro Council in June of 2023. She shared that Metro will be coordinating with partners and stakeholders to advance the Committee's recommendations. She provided an update on Metro's efforts to regionalize best practices around post-occupancy reporting and affordable homeownership standards and templates, and the Tri-County Planning Body's work on regional training and technical assistance.

Emily shared Metro's strategy for strengthening system integration and alignment. She noted that Metro earmarked funding to support additional investments in expanding affordable housing and has coordinated with Oregon Housing and Community Services to advance funding alignment. Emily described the PSH Pilot funding and described the resulting efforts in Clackamas County, Washington County, and Multnomah County. Emily shared that Metro convened a Stakeholder Advisory Table to advise the Metro Chief Operating Officer (COO) on a recommendation to Metro Council in June.

Emily provided an overview of the lessons learned from the Committee as well as the strategic partners and shared a report-out on themes for continued focus areas.

Co-Chair Steve shared that the idea of community assets needs to be defined. He shared that the difficulty of managing properties needs to be tracked for potential corrections. He shared the importance of keeping funds nimble.

Karen Shawcross shared concern for the operation of properties after lease-up. She shared concern that the people with the most need are not signing leases and suggested adding monitoring into the IGAs.

Jeff Petrillo shared that most of what will be built will require more subsidy due to reduced Low-Income Housing Tax Credit (LIHTC) pricing, increased interest rates, and insurance availability.

Co-Chair Steve Rudman shared that long term funding should be a consideration as Metro integrates SHS with Bond Funds.

Karen Shawcross shared that the budgeted resident services per unit could be tracked to provide a helpful data point. She added that she is waiting on follow-up from an action item regarding feedback from property managers.

### **Closing and Next Steps**

Co-chairs Steve Rudman and Jenny Lee provided closing remarks.

Ben Duncan, Kearns & West, shared that next steps include:

- Committee members to review annual report and send comments by 5/20
- Metro to send Findings and Recommendations in advance of June 10 Meeting
- Metro to follow-up on Advisory Table
- Metro to share the locations of the four projects that do not have affordable housing within a 1-mile radius

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- Metro to update number of residents statistic in the 2023 annual report.
- Metro to clarify data used for regional demographics charts.
- Metro to follow up with any geographic focuses for housing applications and any relationship to other regulated affordable housing within a mile.
- Metro to provide feedback from property managers on lease up and building management experiences.

Karen Shawcross asked if the committee can review draft pages 53-54 in advance of the June 10 meeting.

*Allison Wicks, Metro, shared that Metro will be providing those pages in advance of the meeting.*

### **Adjourn**

The meeting adjourned at 5:30 p.m.