

Housing Bond Oversight Committee Meeting Summary

Meeting: Housing Bond Oversight Committee Meeting
Date: Monday, June 10, 2024
Time: 3:00 p.m. to 5:30 p.m.
Place: Virtual meeting (Zoom)
Purpose: Committee discussion and finalization of their findings and recommendations for the Affordable Housing Bond

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 Steve Rudman (he/him), Scott Greenfield (he/him), Ann Leenstra (she/her)

Absent members

Co-chair Jenny Lee (she/her), Ex-officio Councilor Mary Nolan (they/them)

Metro staff

Patricia Rojas (she/her), Emily Lieb (she/her), Melissa Arnold (she/her), Alison Wicks (she/her), Sandi Saunders (she/her), Mercedes Evangelista (she/her), Israel Bayer (he/him)

Facilitator

Ben Duncan, Kearns & West (he/him)

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 Steve Rudman provided opening remarks.

Ben Duncan, Kearns & West, facilitated introductions between the Committee members and reviewed the meeting agenda and objectives.

The Committee approved the May 13th Meeting Summary.

Conflict of Interest Declaration

Andrea Sanchez declared a conflict of interest as a developer for some Metro Bond-funded projects.

Public Comment

No public comment was received.

Housing Bond Oversight Committee Meeting Summary

Staff Presentation: Quarterly Report

Mercedes Evangelista, Metro, provided an overview of the Quarterly Report, highlighting that the Bond has reached 120% of its goals. She detailed the unit amounts of complete, under construction, and pre-construction units.

Karen Shawcross stated that this is good news.

Committee Discussion: Committee Findings and Recommendations to Metro Council

Alison Wicks, Metro, shared that the Recommendation Memo will be the cover page of the 2023 Annual Report and serves as an Executive Summary document. She reviewed the three recommendation categories: funding coordination and alignment, affordable housing operations, and continue to plan for the future.

Ben Duncan, Kearns & West, asked for clarifying questions or if anything needed to be changed.

Jeff Petrillo asked if the report was finalized since there are missing sections.

Alison Wicks, Metro, replied that the memo will be finalized once the lessons learned and looking forward sections are complete. She noted that those sections are almost ready to be shared.

Jeff Petrillo asked if the Committee would see a copy of it when it is finalized.

Alison Wicks, Metro, confirmed it would.

Mara Romero shared that she loved the map and other graphics and noted that the projects were well dispersed. She reflected that the recommendations are almost saying the same thing from three different angles, and appreciated how the Committee's thoughts were captured into large buckets.

Karen Shawcross shared that the report is well-written and has a hopeful tone. She noted she would like to see the lessons learned pages of the report and asked when the Committee could expect a draft.

Alison Wicks, Metro, replied that she can't commit to a specific deadline, but that Metro can share soon.

Jeff Petrillo asked when the presentation date is and to have at least one to two days to review.

Alison Wicks, Metro, replied the presentation is on June 27 and that Metro can communicate the deadline it would want feedback by, and noted that there wouldn't be a meeting before then.

Mara Romero reflected that the missing sections would be informed by the notes the Committee has provided and should be similar to previous years. She asked Metro to share how they got the recommendations in the memo, as those would have come from the lessons learned.

Housing Bond Oversight Committee Meeting Summary

Alison Wicks, Metro, replied that the recommendations came from the Committee's conversations. She noted that the lessons learned also fold in feedback from the jurisdictions. She shared that the looking ahead section is a staff response to the recommendations, so the recommendations need to be finalized before staff can draft.

Andrea Sanchez stated that she needs more time to review than one day.

Co-chair Steve Rudman reflected that the lessons learned and looking ahead are important sections and to allow for a couple of days for the Committee to review. He shared he does not foresee any issues and shared that during the presentations to jurisdictions, the co-chairs will carry the message of the Committee. He asked the group to prioritize and respond to the sections as quickly as possible.

Jeff Petrillo agreed that he does not anticipate anything unexpected, but just wants to review before his signature is on it.

Ben Duncan, Kearns & West, shared that Metro will give the Committee as much time as they can for members to review and respond and for Metro staff to incorporate feedback. He asked the Committee to recenter the conversation on the recommendations.

Jeff Petrillo shared that the tone is good and reflects the positive track record. He noted there is no mention of industry challenges, rising costs, and high insurance.

Andrea Sanchez agreed with Jeff Petrillo and noted that it is a risk if projects have Bond fund allocations but are not under construction yet. She asked if there is a recommendation to look at the cash developer fee cap policy again.

Mara Romero stated that the audience is other committees and political folks and noted that people will still need housing regardless of cost. She shared that the report should be positive but realistic.

Co-chair Steve Rudman reflected that affordable housing are community assets and the Committee does not know much about the long-term operations of the buildings. He noted that the Bond was very successful in meeting its initial goals, but development challenges and operations are ongoing considerations. He wished jurisdictions were also an audience in addition to Metro Council, and noted he would orally state the constraint of governments' ability to react quickly to market conditions.

Karen Shawcross reflected that she would like for the Committee to move into lower-level recommendations, including looking at property managers. She stated that the Committee needs to analyze budgets for resident services and contractors annually and potentially receive Oregon Housing and Community Services (OHCS) annual inspection data. She added that the Committee has talked about convening property managers, but Metro hasn't embraced it.

Ben Duncan, Kearns & West, reflected that could be captured in looking forward, and looked to Metro to confirm the convening role.

Scott Greenfield thought the recommendations could be more specific, including how Metro would coordinate with funding partners. He shared that the affordable housing operations could consider the autonomy that Metro has in decision-making. He shared that for conducting analysis and

Housing Bond Oversight Committee Meeting Summary

convening stakeholders, Metro could think about ways to share property management conversations. He encouraged Metro to think about the recommendations and what plans specifically look like for the future.

Karen Shawcross clarified that it is okay to keep high-level recommendations for the report, but that the Committee should receive outlined lower-level recommendations, including revisiting the developer fee policy.

Ben Duncan, Kearns & West, asked if any of the topics mentioned in the discussion, such as the developer fee, need to be added to the memo, or if they show up in another part of the process.

Emily Lieb, Metro, stated that the Committee's discussion is affirming and the next level detail the Committee is looking for will be in the work plan for next year, which will be shared with the Committee in the fall. She stated that the staff updates agenda item will share the beginning areas of work on operating costs.

Ben Duncan, Kearns & West, asked if anything substantive was missing from the memo.

Mara Romero reflected on the internal struggle of the Committee as its role is to look back on what has happened but push the conversation to look at what to do in the future. She stated she feels comfortable with the memo.

Karen Shawcross stated that she is happy to hear about the work plan and is comfortable with the report and letter but would like several days to review the missing sections.

Andrea Sanchez recommended amending the funding and alignment section to note that the 1,500 units in predevelopment are at risk due to market conditions which connects to the recommendation of flexibility and looking at the developer fee.

Alison Wicks, Metro, stated she could restructure the sentence to narrow in on barriers.

The Committee approved Andrea Sanchez's edits.

Ann Leenstra stated she supports the report and recommendations.

Kathrine Rozsa stated she supports the report and noted that in the future she would like to see how housing is bringing communities of color and displaced communities back in the addressing disparities and racial equity section.

Jesse Neilson shared that he is content with the report and supports Scott's suggestion to bring the recommendations down a level.

Scott Greenfield suggested amending the "*continue to plan for the future*" section so it hits harder, as it currently seems more of a recommendation for more planning and continued funding. He recommended changing the language to say, "plan for the future" and list specifics.

Emily Lieb, Metro, replied that all funding is on track to be committed. She noted that Metro has a state mandate to create a regional housing production strategy by the end of 2025, and that could be more explicit.

Housing Bond Oversight Committee Meeting Summary

The Committee approved Scott Greenfield's edits.

Co-chair Steve Rudman reflected that the letter is good, the regional housing production strategy should be included, and that he looks forward to reading the missing sections.

Jeff Petrillo reflected that the Committee's comments are helpful and that perfect should not be the enemy of good. He supported Kathrine Rozsa and Andrea Sanchez's comments and supported the letter overall. He noted that mentioning Goal 10 could be helpful.

Mara Romero asked for clarification on if the graph showing the units is misrepresented as some units are asked risk.

Andrea Sanchez replied that in her professional opinion, 10-20% or one to two projects could move off the pipeline, but not that the money would go away.

Jeff Petrillo added that this is about due diligence.

Emily Lieb, Metro, reassured the Committee that the 120% exceeding of goals is still a conservative estimate.

The Committee approved the letter.

Staff Updates

Israel Bayer, Metro, presented overview of the communications work underway, including monthly updates to Committees and the public. He highlighted that they are fully staffed and working on their earned media strategy, social media campaigns, and public education campaigns.

Melissa Arnold, Metro, noted that she did not have time to do her presentation as originally planned. She spoke about the technical analysis underway in support of Metro's Chief Operating Officer's (COO) funding recommendation process. She shared that Metro analyzed the portfolio and found that operating costs are escalating and engaged partners and subject matter experts in the discussion. She noted that the COO will provide more information during her presentation.

Andrea Sanchez asked if she is seeing alignment between the issues raised today and what the operators shared with them.

Melissa Arnold, Metro, replied that they are seeing alignment and all the discussions have been affirming.

Mara Romero asked if what she is speaking about would be in next year's report.

Melissa Arnold, Metro, replied that is a great way to put it and that she will be on the next agenda to discuss more.

Housing Bond Oversight Committee Meeting Summary

COO Update: Regional Housing Funding Process Update

Marissa Madrigal (she/her) introduced herself as the COO of Metro and reviewed the purpose of a regional housing recommendation. She detailed the values guiding the process and reviewed the channels funneling into her review. She shared that the greatest areas of alignment between the channels are centering deepest housing needs and impacts, flexibility to create affordable housing along with services, and addressing funding sunset and long-term certainty. She asked the Committee what important considerations are to inform a recommendation and if the Committee has any questions.

Karen Shawcross asked if she could clarify the statement with or without a referral to a ballot.

Marrisa Madrigal, Metro, replied, that is referring to governance and accountability concerning the SHS tax and audit.

Jeff Petrillo asked what the nature of the conversations was with public partners.

Marrisa Madrigal, Metro, replied, that they started the conversation in December due to large amounts of unspent funds on the county side. She reflected that the counties were ramping up and had plans to spend funds down, but since the public would not have an appetite for new taxes, they started talking about using the funds for affordable housing and SHS services. She noted there was tension in the conversations and they discussed flexibility in the program and have work sessions planned. She shared that if they were to put it on the ballot, they would need to put it together before the first week of August.

Co-chair Steve Rudman shared that one big difference is that the Bond had clear roles and noted that accountability is important along with the government's ability to respond quickly. He emphasized to consider a way to streamline processes.

Andrea Sanchez reflected that affordable housing was a major investment of taxpayer dollars and are increasingly hard to operate. She asked if there has been a discussion on linking dollars to support operation expenses.

Marrisa Madrigal, Metro, replied, that she has heard about the challenges of operating costs and one area of exploration is to create flexibility to respond to needs.

Jeff Petrillo reflected that a critique of centering housing at the greatest need level is that the number of units built is less than mixed-income units, which is a policy consideration.

Marrisa Madrigal, Metro, replied, that while mixed-income housing is best practice, this particular source of funding should stay true to the intent of the measure which is predominantly 75% on Population A.

Closing and Next Steps

Co-chair Steve Rudman provided closing remarks.

Alison Wicks, Metro, thanked the Committee for its feedback.

Housing Bond Oversight Committee Meeting Summary

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

- Metro to share lessons learned and looking ahead sections of the report as soon as possible and to allow the Committee to have a couple of days to review and provide feedback for Metro to incorporate into a final version.
- Metro to share the work plan with the Committee in the fall.
- Metro to update the letter to reflect the Committee's edits.
 - Amend the funding and alignment section to note that the 1,500 units in predevelopment are at risk due to market conditions.
 - Change the continue planning for the future to “plan for the future” and list specifics, including the regional housing production strategy.
- Co-chairs to present to Metro Council on June 27.
- Melissa Arnold, Metro, to present at a future meeting.

Adjourn

The meeting adjourned at 5:30 p.m.