

Housing Bond Oversight Committee Meeting Summary

Meeting: Housing Bond Oversight Committee Meeting
Date: Monday, December 9, 2024
Time: 3:30 p.m. to 5:00 p.m.
Place: Virtual meeting (Zoom)
Purpose: Provide committee with updates on Affordable Housing Bond program progress, committee updates, and overall communications.

Attendees

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

Absent members

Ann Leenstra (she/her)

Metro staff

Emily Lieb (she/her), Alison Wicks (she/her), Sandi Saunders (she/her), Jimmy Oporta (he/him), Margot Monti (she/her), Craig Bebee (he/him), Brian Kennedy (he/him)

Facilitator

Madeline Kane, 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

Madeline Kane, Kearns & West, shared that she will be the meeting facilitator moving forward. She relayed parting words from the previous facilitator Ben Duncan, who reflected on the Committee's valuable work and efforts over the past few years.

Metro Councilor Nolan reflected on Steve Rudman and Jenny Lee's last meeting as Co-chairs and thanked them for their leadership and service on behalf of Metro Council.

Emily Lieb, Metro, reflected on Steve and Jenny's work and commitment as Co-chairs.

Co-chairs Lee and Rudman reflected on the success of the Bond and its governance model.

Co-chair Rudman shared that it was Mara Romero's last meeting and reflected on her advocacy work.

Mara reflected on her time living in Portland and being a tenant advocate. She appreciated the Committee for validating her ideas and suggestions.

Committee members thanked the Co-chairs and Mara for their work.

Housing Bond Oversight Committee Meeting Summary

Madeline facilitated introductions between the Committee members and reviewed the meeting agenda and objectives.

The Committee approved the October 14th Meeting Summary.

Conflict of Interest Declaration

Co-chair Lee declared a conflict of interest as an employee of the Coalition of Communities of Color, which has received Metro Bond funds.

Andrea Sanchez declared a conflict of interest as Deputy Developer at Housing Development Center which has clients that receive Metro Bond funds.

Public Comment

No public comment was received.

Staff Update

Alison Wicks, Metro, shared that eight new Committee members will be joining next year, and they received 44 applications. She noted that the two nominations for co-chairs and the eight new members are under Metro Council review and appointments will be made in January 2025. She noted that Metro will be more thoughtful of co-chair rotation and will implement a staggered approach. She also reviewed the 2025 meeting schedule.

Alison reviewed the post-occupancy framework and highlighted that the 2024 annual report will have the most robust set of data. Data will include demographics of occupants, applicant screening outcomes, and summaries of community outreach and marketing outcomes. She shared that Metro is creating a framework to evaluate marketing strategies.

Committee members had the following questions and comments:

- **Comment, Mara:** I like the new structure of staggering the co-chairs. The post-occupancy report has a justice component if we manage to house those who have been historically excluded from accessing affordable housing. Those reports can help us understand who gets into housing and if that aligns with the marketing and outreach components.
- **Comment, Karen Shawcross:** Thank you for initiating an approach to evaluate marketing strategies to ensure we are serving the populations identified in the Bond.
- **Question, Jeff Petrillo:** Are there any performance data points in the post-occupancy report, like debt coverage? Did the Bond require reporting on the portfolio?
 - **Metro response, Emily:** The post-occupancy reports are one-time reports, there is no established ongoing and monitoring performance of the portfolio. In response to this committee's recommendations and the Metro Auditor, there will be an evaluation of asset monitoring available in the coming year. A majority of projects include state funding, and the state and Metro have different roles and responsibilities. Bond funds cannot be used for occupational costs.
- **Comment, Andrea:** I want to acknowledge some tension of the occupancy reports. We can advertise as much as we want, but low-income tax credits require a first-come, first-served approach. Typically, housing cannot be set aside for particular populations.

Housing Bond Oversight Committee Meeting Summary

- **Comment, Jeff:** Data points are needed to support Metro's role in asset management. I understand the Bond has check boxes for targeted housing needs and populations, and I encourage having engagement metrics.

Staff Presentation: Quarterly Report

Jimmy Oporta stated that as of November 2024, the Bond Program has approved 60 projects, representing 5,090 homes, exceeding the goal of 1,190 homes. He reviewed which units were in pre-construction, construction, and completed.

Regional Housing and Supportive Housing Services (SHS) Funding Update

Craig Beebe, Metro, reviewed Metro Council's process, timeline, and project values for updating the regional housing funding. He noted that Council action is scheduled for January 2025. He provided an overview of the stakeholder engagement process, Council work sessions, and peer-to-peer engagement. He highlighted that overall considerations include urgency, stability, and accountability. Craig shared proposed policy changes including:

- Expanding SHS revenue use to include investments in affordable housing and creating a program to fund city investments to address homelessness.
- Extending the SHS tax for 20 years and indexing and adjusting the tax rate for longevity.
- Carrying forward values and improving opportunities for communities and those with lived experience to provide input on the use of revenue.
- Having a single oversight and planning committee to strategically guide investments and develop a regional action plan with key performance indicators that partners are required to advance in local plans.

Brian Kennedy, Metro, reviewed the proposed allocation scenarios that Metro Council has been discussing. He reminded the Committee that the tax is volatile, and the goal is to size the ongoing services and rent assistance to counties in a way to have reasonable certainty, and to have the remaining funds go to other items. The primary allocation goes to SHS services and rent assistance, the secondary allocation goes to affordable housing, the third allocation goes to a city program, and the final allocation goes to one-time services and grants.

Brian reviewed a series of bar charts illustrating scenarios that model potential future allocations ([see 12/09/24 meeting packet pages 35-41](#)). He noted that the bar charts are not forecasts, but scenarios that model historical patterns of volatility. Scenario 0 is the current law. Scenarios 1 and 2 include assumptions for a tax sunset extension to 2050, tax indexing beginning in 2026, and inflation at 3%.

Craig shared that the next steps were for the Council to review a proposed ordinance next week to finalize by mid-January and for Metro staff to continue conducting public research and analysis. He asked the Committee what it believes the Metro Council should keep in mind as it considers upcoming decisions.

Committee members had the following questions and comments:

- **Question, Karen:** What is the difference between the \$50 million for housing and the \$42.2 million in the forecast? What is the priority population? Can we get a copy of the slides and see them in advance? Our questions would be more informed.

Housing Bond Oversight Committee Meeting Summary

- **Metro response, Brian:** The \$50 million is intended to be the maximum cap and the \$42.2 million is the assessment for FY2026-2030 with the application of the state's historic volatility.
 - **Metro response, Craig:** The priority populations will be Population A and B.
 - **Facilitator response, Madeline:** We can send slides in advance for future meetings.
- **Question, Jeff:** There has been conflicting reporting. Local media recently reported a decrease in high-income households, presumably due to local tax fatigue, particularly in Multnomah County. Does your revenue forecast consider this factor?
 - **Metro response, Brian:** We try to be careful about assigning causation to things where there is no evidence for causation. There are a variety of data sources that point to decreases in the region and Multnomah County. There are some confounding factors. Even as the population decreased, high-income earners increased, and some households are moving from Multnomah to Clackamas County. We have lowered our updated SHS forecast to be reflective of trends in livability and economic conditions in the region.
- **Question, Andrea:** Can you please explain in greater detail the city allocations? My understanding is that SHS funds are county focused. How does this reallocation analysis take into account previously committed SHS contracts where both the property performance (ability to pay debt) and tenants' ability to pay rent (non-payment of rent issues) will be avoided?
 - **Metro response, Craig:** For city allocations, cities will be able to receive SHS funding to conduct services such as outreach. Currently, cities can receive funds through intergovernmental agreements with counties and we have heard feedback that the process has been inconsistent, and this aims to address that feedback. Part of the reason for extending SHS funding is to extend rental assistance. There will be a transition period, and operational questions still need to be worked out. The oversight structure will be able to respond to conditions as they change.
 - **Metro response, Brian:** Currently, counties receive all the funds and that is why they experience volatility which impacts their programs. We are looking at sizing the funding for county programs to insulate them from the volatility and have other smaller programs, like city programs, be more responsive to the volatility.
 - **Metro response, Emily:** It is about long-term stability. There is a base level for county allocations set at \$250 million, and we feel confident this accounts for current county spending levels on contracts, programs, Regional Long-term Rent Assistance (RLRA), and permanent supportive housing (PSH) units to sustain tenants and units.
- **Comment, Karen:** If Metro Council decides in January and puts it on the May ballot, the public education about this needs to be brilliant and intense. One public relations factor is how will Metro ensure those experiencing houselessness will live in the new housing. There is a [November article in the Oregonian](#) about Bienestar not serving priority populations. There is a movement among housing advocates that the tax on wealthy individuals should not be shrunk.
- **Comment, Co-chair Rudman:** I am worried that the SHS decision could cause additional confusion and difficulty. Rent assistance and services are crucial. This committee looks at operations and costs which are continuing to increase. It is critical that housing funds are tied to acquisition and stabilization. I am worried about the city program, which complicates things. I recommend tightening SHS funds and doing another Bond in a few years.

Housing Bond Oversight Committee Meeting Summary

- **Comment, Jeff:** I agree with Co-chair Rudman. What do we recommend to Metro Council and staff? Brian alluded to it in the volatility factor. Oregon capital gains increased in 2023 and 2024, which is statistically extraordinary. I urge Metro Council to consider the tax revenue in Oregon's capital gain factors or Brian's caveat about volatility.

Madeline asked Committee members to email Craig with any remaining questions or feedback.

Craig shared that anyone could attend the Council meetings and provide public comment.

Next Steps

Mara provided closing remarks by noting this is an ongoing process and the Committee is not responsible for solving it but cannot abandon it.

Co-chair Rudman provided closing remarks and shared that any lessons learned should be applied to the new regional housing funding oversight committee.

Madeline thanked everyone for their participation and summarized the next steps.

Next steps include:

- Metro to continue providing housing funding updates.
- Metro to provide slides in advance.
- Committee members to provide any additional feedback or questions to Craig.
- Next meeting: February 10, 2025, 3:00 – 5:30 p.m.

Adjourn

The meeting adjourned at 5:00 p.m.