

Housing Bond Oversight Committee Meeting Summary

Meeting: Housing Bond Oversight Committee Meeting
Date: Wednesday, April 16, 2025
Time: 3:00 p.m. to 5:30 p.m.
Place: Hybrid Meeting: Metro Council Chambers and Zoom Webinar
Purpose: Staff presentation and committee discussion of regional trends and key findings for the 2024 annual report.

Attendees

Co-chair Andrea Sanchez (she/her), Co-chair Jeff Petrillo (he/him), Karen Shawcross (she/her), Katherine (Katie) Rozsa (she/her), Noah Goldman (he/him), Theo Hathaway Saner (he/him), Ann Leenstra (she/her), Jay Tomlinson (they/them), Sushmita Poddar (she/her), Jesse Neilson (he/him), Clayton Woullard (he/they)

Absent members

Maritza Kritz (she/her), Brady Penner (she/her), Ex-Officio Councilor Nolan (they/them),

Metro staff

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

Facilitation team

Josh Mahar, Kearns & West (he/him), Ariella Dahlin, 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

Josh Mahar, Kearns & West, introduced himself as a neutral, third-party facilitator.

Co-chairs Andrea Sanchez and Jeff Petrillo provided opening remarks.

Patricia Rojas, Metro, introduced herself and noted she is stepping down from her role as Housing Director and that her last day will be May 2. She thanked Committee members for their service.

Josh facilitated introductions between attendees and reviewed the meeting agenda. He reminded the Committee of its role and reviewed the Annual Report Process and timeline.

Decision: Co-chair Sanchez, Co-chair Petrillo, Karen Shawcross, Katie Rozsa, Noah Goldman, Theo Hathaway Saner, Jay Tomlinson, Sushmita Poddar, and Jesse Neilson **approved the March 3 and March 17 meeting summaries.** There were no objections or abstentions.

Public Comment

Written public comment was received from a Greenbrae Apartment resident. The full comment text is available on [page 4 of the meeting packet](#).

Housing Bond Oversight Committee Meeting Summary

Joe Thompson, Mercy Housing NW, provided oral public comment.

Conflict of Interest Declaration

Co-chair Sanchez declared that she is the Deputy Director at Housing Development Center, which has clients that receive Metro Bond funds.

Noah declared that he places individuals into Bond-funded properties as part of his work as a housing case manager.

Interest Earnings Conversation

Josh shared that Martiza Kritz was not able to attend the meeting but provided written feedback on the Metro Staff Recommendation on Interest Earnings. Martiza's full comments were included on [page 107 of the meeting packet](#).

Emily Lieb, Metro, provided an overview of how Bond interest earnings have been used. The first allocation of interest-earning funds was in 2022, when \$14 million was proportionally distributed to all jurisdictions for in-unit cooling. In 2023 and 2024, \$20 million was allocated for Permanent Supportive Housing (PSH) investments to the three county partners. She noted there is now \$23.4 million in accrued interest earnings for allocation, which Metro recommends being allocated to support projects at risk due to cost increases and state funding limitations.

Jimmy Oporta, Metro, noted that \$26.9 million has accrued, but 5% is reserved for administration, making \$23.4 million available. He reviewed Metro Council's approved work plan allocation percentage for each jurisdiction. He shared that Metro has met with the jurisdictions to understand where their greatest needs are and provided an overview of what each jurisdiction would use their allocation for. He highlighted that Clackamas County's El Nido project has an immediate funding need in order to receive state funding.

Alison Wicks, Metro, clarified that if Metro allocates funding within the approved work plan formula, approval is only needed from Metro's Chief Operations Officer (COO), but if funding is allocated outside of the work plan formula, Metro Council will need to discuss and approve. Alison asked for Committee feedback on the Metro staff recommendation to the COO.

Committee members had the following questions and comments:

- **Question, Co-chair Sanchez:** For the Portland Housing Bureau (PHB) projects in the process of stabilization, will the funds be used for expenses allowed under the Bond?
 - **Metro response, Jimmy:** Yes, Bond funding would only go towards eligible costs.
 - **Metro response, Alison:** Yes, it would be an opportunity for those projects that are experiencing leasing delays from the N/NE preference policy to cover eligible costs where they have not reached permanent financing.
- **Comment, Co-chair Sanchez:** It would have been nice to have more time to think about the allocation given the demand for dollars, but I support moving forward with the staff recommendation and having a future conversation for the remaining forecasted allocation.
- **Comment, Co-chair Petrillo:** I support the staff recommendation.
- **Question, Theo:** Will this approval timeline be realistic to meet the El Nido project's needs?

Housing Bond Oversight Committee Meeting Summary

- **Metro response, Jimmy:** Yes, this method is the fastest way to secure funding.
- **Comment, Karen:** I support the staff recommendation for El Nido in particular. I worry about previous feedback where projects shared they did not receive additional funds and wonder if we will hear about that. I appreciate Martiza's comments about having more time and being more thoughtful about the remaining funds.
- **Question, Noah:** Did staff have a response to Martiza's comments?
 - **Metro response, Emily:** We realize the context and timing constraints that were missing from the recommendation. Metro Council has delegated authority for approval to the COO following the work plan. We plan to brief Metro councilors on the feedback received today and see if they have any additional feedback. El Nido is at risk if state funds are surrendered. Ideally, there would be more time for discussion. Our recommendation for anticipated future funding would be allocated through the Council, and with longer conversations with this Committee.
 - **Metro response, Alison:** The conversation about additional interest earnings is not well defined, and staff will need to figure that out with the Committee.
- **Question, Noah:** Would there be a way to focus these resources to prevent value engineering out features that are valuable from a tenant perspective, such as thicker walls?
 - **Metro response, Alison:** For Metro's final approval for projects, there is a criterion set for value engineering that asks if that was completed with consideration of not removing important features.
 - **Metro response, Jimmy:** We want to ensure tenant preferences are acknowledged. El Nido has received concept endorsement, and we can follow up next month to see what value changes were made from a tenant perspective.

The Co-chairs clarified that the Committee does not make a decision regarding the Bond interest earnings but provides feedback on the staff recommendation to the COO. They noted that feedback will be documented and forwarded to the COO for her to make a decision.

Josh confirmed the conversation will be documented and shared with the COO and noted that Committee members can provide additional written comments by Friday, April 18.

Metro staff presentation and committee discussion: Regional trends and key findings for annual report

Emily reflected that the Committee received jurisdiction presentations, and now Metro staff will present preliminary findings for the year. She noted that the goal is to support the Committee in evaluating and discussing their recommendations to Council through the cover memo that is included in the annual staff report. Emily reviewed the guiding principles of the Bond.

Jimmy presented an overview of unit production, residents, geographic distribution, and pipeline forecast data. He shared that the Bond is on track to exceed its goals and the 60 projects in the current portfolio will provide homes for 9,500-16,000 people, and that 3,877 people have moved in as of December 2024. He highlighted outcomes related to fair housing and access to transit, and reviewed engagement opportunities projects provided in 2024. He provided an overview of funding commitments, noting that over 85% of funding is committed or underway.

Mercedes Evangelista, Metro, presented an overview of equitable access, equitable contracting and workforce, and PSH outcomes. She shared that COBID-certified firms were representing 29.1% of total construction costs, and that for the 12 projects completed, 60% of labor hours were worked

Housing Bond Oversight Committee Meeting Summary

by people of color. She reviewed the priority communities the Bond seeks to serve and reviewed how many projects and units are dedicated to serving those priority communities. She reviewed techniques implemented to reduce access barriers, highlighted leasing outcomes for projects completed in 2024, and shared that the portfolio includes 831 PSH units.

Committee members had the following questions and comments:

- **Question, Clayton Woullard:** How do you determine the unit allocation of people with disabilities? Is it based on how units are constructed and anticipated individuals moving in?
 - **Metro response, Alison:** The data we shared is self-reported per unit. The property manager fills out the demographic survey.
 - **Metro response, Mercedes:** The data comes from the 12 projects that have completed the form.
- **Question, Karen:** The estimated number of people that have been housed, 9,500-16,000, is broad. Do we have a number for this current year? How many projects are 100% for seniors?
 - **Metro response, Jimmy:** The range is large, as we use a formula to determine the range of bedroom types to estimate the number of people. As of December, 3, 877 have moved into bond projects. Once all the projects are complete, we will have the final number and hope we reach the higher end of the range.
 - **Metro response, Alison:** Of the projects that competed leasing in 2024, one has 98% tenants over the age of 62, and the Opal apartment building is 100% over the age of 62.
 - **Metro response, Mercedes:** Meadowlark is designated for seniors and is currently under construction.
- **Question, Co-chair Petrillo:** What does universal design mean? I would be interested to see the demographics over the lifetime of the building, for the next 30-60 years.
 - **Metro response, Jimmy:** Universal design is a term and standard used in the construction industry indicating design principles that allow folks with all abilities to access buildings.
 - **Metro response, Emily:** Not all buildings meet universal design since we have acquired buildings that do not have elevators.
- **Question, Karen:** Does universal design include principles of trauma-informed care?
 - **Metro response, Jimmy:** I am not sure, I can look into that.
- **Question, Jay:** Are tenant applications required to be available in multiple languages?
 - **Metro response, Jimmy:** It is not a Bond requirement, but as part of the project review and approval process, we have seen developers hire culturally specific organizations to help translate materials.
 - **Metro response, Emily:** It is best practice, but not a requirement. Metro set a high-level policy framework that included multilingual materials, and jurisdictions have shared their intention and commitment in their local implementation plans, but compliance is handled at the local level.

Alison presented an overview of the efficient use of funds. She reviewed a chart detailing development costs, noting there has been \$2.56 billion in total investments to affordable housing development, the Bond being \$521 million or 20% of the total investment. She reviewed the average project cost and the subsidy the Bond provides. She reflected that development costs have increased in line with regional and national trends due to labor issues, interest rates, and potentially tariffs. She highlighted that Bond funding has supported an average of 2,283

Housing Bond Oversight Committee Meeting Summary

construction jobs annually and represented 13% of the Portland region's multifamily housing construction.

Emily presented on how the Bond program adapted to respond to challenges and opportunities. She reflected on the Committee's previous recommendation for funding coordination and alignment, and shared that Metro continues to coordinate with partners on the funding process. She highlighted the interest earnings allocation for the creation of additional PSH units. She reflected that Metro has heard through their engagement about escalating operating costs and developed a report on its findings. [HERE](#) She shared that Metro has initiated an asset management and monitoring assessment to report on needs and gaps, which the Housing Development Center (HDC) will present to the Committee in May.

Emily reviewed the plan for the future and shared that the Metro Council President has formed a President's Workgroup to discuss the future of Supportive Housing Services (SHS) funds. Metro has also begun to create a regional housing coordination strategy as part of a state-mandated plan to further local housing strategies, production, and access.

Committee members had the following questions and comments:

- **Comment, Co-chair Petrillo:** I want to highlight that the Bond is the second largest capital funding source for development, which shows how significant and successful this program has been.
- **Comment, Karen:** I am excited to read about the Tri-County Planning Body's study on mission-driven property management and disappointed to learn they just started it. I am looking forward to hearing HDC's presentation next month.

Committee discussion: Formulate preliminary findings and recommendations to inform the Committee's annual report to Metro Council

Josh shared that the goal of this discussion is for the Committee to elevate themes they would like to highlight and begin creating a set of recommendations for the annual report.

Alison shared that Metro heard supporting the project pipeline, problem-solving in operations, and planning for the future as key themes.

Josh facilitated a discussion between Committee members regarding thoughts and feedback on themes for 2025 recommendations.

- **Comment, Jay:** The number of people who have applied for housing versus the number of people who can get into housing stuck out to me. It seems we are doing well on studios, but for units with two or more bedrooms, there are twice as many applicants as units.
- **Comment, Karen:** The federal administration will have an impact on these projects and should be considered. I support the idea of the Bond being combined with SHS funds. I hope we can be clear about what our role is with completed projects, and have the Council somehow continue to monitor completed projects for operating costs and resident services. The staff reports are excellent but contain a lot of information. I need staff to develop an elevator pitch about the progress of the Bond that group members can use to share out about its success.

Housing Bond Oversight Committee Meeting Summary

- **Comment, Co-chair Sanchez:** Themes I heard from the jurisdiction presentations are that there are no funds for operation, and PSH is more expensive than anticipated due to increases in insurance rates and utility costs. I also heard about projects not being able to lease up and pay off their construction loans because they cannot stabilize. One of the ways we can solve these issues is by using Metro dollars to buy down permanent debt. Nonprofits are on the hook for paying their debt, and we can reduce their dollar amount. My gut feeling is to use the remaining interest earnings to buy down debt to pay mortgages for nonprofits that cannot pay their construction loan back, which I think is the best use of public dollars.
- **Comment, Noah:** Building rehab may lead to resilience. The future measure or recommendation could include rehab for new construction processes.
- **Comment, Katie:** I am curious about the disability metrics process and if it can be more streamlined to ensure we are getting metrics from all the buildings. I heard the issue of the instability of rising operating costs and the issue of lease ups. I am curious why some projects have excess applications and others struggle to meet lease up, and what Metro's part is in supporting lease up.
- **Question, Noah:** The low-income housing tax credit (LIHTC) lease-up paperwork has a disability reporting page. I am confused, there is no more consistent reporting since it is required for LIHTC. The supply of 30% Area Median Income (AMI) units is being diluted as the initial Bond had 30% AMI goals, and attaching regional long-term rent assistance (RLRA) vouchers to those dilutes the supply, as there are people who need supportive housing and people who need 30% AMI units. These groups of people do not necessarily overlap.
 - **Metro response, Mercedes:** Metro tracks total accessible units and the number of households that request Americans with Disabilities Act (ADA) units. We can provide that information for those that are in lease up. We can share the lease up outcome forms with this Committee for any feedback on improving those forms.
 - **Metro response, Jimmy:** We are relying on the state for long-term monitoring and compliance. Metro does not have access to all forms due to personal information regulations. We can revisit what monitoring looks like. We will look with HDC at the physical condition of properties.
 - **Metro response, Emily:** Metro is not legally able to spend dollars on monitoring. The data we have is one time post lease up data, which applies to our role as a capital funding source and is restricted to the building. There is no current funding source for Metro to do long-term monitoring. Disability information is sometimes underreported, as some people do not self-report. The 30% AMI unit goal modeling did assume ongoing rental assistance would be available, so the goal had that baked in.
- **Question, Clayton:** To what extent will the filled PSH units remain permanent? We received written comment discussing the issues with mixing units and evictions. What is being done by agencies to retain individuals to stay housed? What is the turnover rate in units? Do we track rates of individuals who are evicted versus those who transition to market rate or other types of affordable housing?
 - **Metro response, Emily:** There is ongoing work through the SHS fund to improve data and to make that data available. The Bond team looks at capital funding, and we do not collect that through the Bond program. The SHS program is starting to look at that data, but these units are designated as permanent, and there is no time limit.
- **Comment, Co-chair Petrillo:** I want to thank everyone for attending in person and for all the effort to make this happen. I found it valuable and hope we do it again. The jurisdiction presentations are the richest part of what we do, and I hope the process can be extended to

Housing Bond Oversight Committee Meeting Summary

three or four meetings instead of two, as it is too much information to engage in discussion. I am fine with proceeding with the staff recommendation for the interest earnings. I think for the remaining allocation; the Committee should collaborate and develop priorities for spending. As many Committee members have noted, we should strategize for the next round of allocation. We should be politically sensitive and provide context in discussions regarding costs per unit. As stewards, we should be informed about the costs and be able to speak articulately about it when there is criticism. I am honored to be part of this Committee and am impressed by the quality of my colleagues and Metro staff, and committee members. This is a great example of a successful program that serves communities.

- **Question, Theo:** How much of the Bond went towards existing building and rehab of existing affordable housing?
 - **Metro response, Emily:** When the Bond framework was developed, it was decided to focus on the creation of new units and did not include preservation of existing regulated housing. It did include a recommendation for future funding to include preservation of existing housing at risk of losing its affordability.
 - **Metro response, Alison:** We have two projects that were acquisitions from former hotels or market rate buildings.
 - **Metro response, Jimmy:** Portland Housing Bureau and Home Forward were intentional in buying market rate buildings that required minimal rehab.
- **Comment, Noah:** I appreciate having this open discussion time, which helps me process. I support the idea of expanding the jurisdiction presentations over additional meetings to have time for discussion. I asked in an earlier meeting about what the advertising of these units looks like, and the answer I received was that Metro has guidelines, but it is up to the providers to implement them. I think more could be done and Metro is in the position to put together a comprehensive newsletter of these properties that are opening up for providers, which could also help increase the visibility of the good work that the Bond is doing.
- **Question, Jay:** How will the regional housing coordination plan passed by the state feed into the work that is happening with the Bond?
 - **Metro response, Emily:** The regional housing coordination plan is part of the Oregon Housing Needs Analysis, which requires every city and unincorporated county to have six-year housing production strategies and production targets, including affordability and fair-housing components. Metro's role is less defined.

Next Steps

Co-chair Sanchez reflected that the Committee's perspectives complement each other as folks are bringing financial perspectives and others on-the-ground perspectives to report the success of the Bond.

Alison stated that James Lee is no longer able to participate on the Committee and an additional person will be added in the fall during the standard recruitment process.

Josh thanked everyone for participating and shared that the next steps include:

- The Committee to have a future conversation regarding the remaining forecasted interest earnings allocation.
- Metro staff to follow up with the El Nido project to understand the outcomes of the value engineering that was done and how it could impact tenant preferences.

Housing Bond Oversight Committee Meeting Summary

- Committee members to provide additional written comments regarding the interest earnings recommendation and the annual report by Friday, April 18.
- Metro staff to confirm the definition of universal design and if it includes principles of trauma-informed care.
- Metro to share lease up outcome forms for the Committee to review and potentially provide feedback on.
- Next meeting: May 21, 2025, 3:00 – 5:30 p.m.
 - Asset management and monitoring assessment to report presentation.

Adjourn

The meeting adjourned at 5:45 p.m.