

# Portland's Housing Bond

Bond Oversight Committee  
 Thursday, October 1, 2020  
 9:30 – 11:00 am  
 Via Zoom

## Meeting Summary: October 1, 2020

**Members attending via Zoom:** Susan Emmons, Anneliese Koehler, Allan Lazo, Todd Struble, Dr. Steven Holt (facilitator)

**Staff attending via Zoom:** Shannon Callahan, Jennifer Chang, Jill Chen, Mike Johnson, Molly Rogers, Tanya Wolfersperger, Stacy Jeffries (recording, meeting support)

Agenda Topic	Speakers / Key Topics Covered	Clock Time
<b>Welcome: Call to Order, Roll Call, Administrative items</b>	<ul style="list-style-type: none"> <li>Roll call was taken and recorded.</li> <li>After a motion from Susan Emmons and a second from Anneliese Koehler, the meeting summary from the July 16, 2020 meeting was unanimously approved by the BOC Committee Members in attendance: <b>Susan Emmons, Anneliese Koehler, and Allan Lazo.</b> (Todd Struble abstained, since he did not attend the July 16<sup>th</sup> meeting.)</li> </ul>	09:26:54– 09:38:11
<b>Public Testimony</b>	<ul style="list-style-type: none"> <li>There was no public testimony.</li> </ul>	09:38:14– 09:39:36
<b>Portland Housing Bond Updates:</b> <ul style="list-style-type: none"> <li>Year in Review</li> <li>Bond Project Progress Dashboard Report</li> <li>Expenditure Report</li> </ul>	<p><b>Tanya Wolfersperger, Program Coordinator for the Housing Bond,</b> presented the year in review, highlighting the progress made over the past 12 months:</p> <ul style="list-style-type: none"> <li><b>Production goals met and exceeded,</b> including:             <ul style="list-style-type: none"> <li><b>Goal:</b> 1,300 total units; <b>EXCEEDED:</b> 1,494 units</li> <li><b>Goal:</b> 600 units at 30% AMI; <b>EXCEEDED:</b> 622 units</li> <li><b>Goal:</b> 300 units of PSH; <b>EXCEEDED:</b> 313 units</li> <li><b>Goal:</b> 650 family-size units; <b>EXCEEDED:</b> 689 units</li> </ul> </li> <li><b>Total units increased for two projects:</b> 3000 SE Powell and Anna Mann House</li> <li><b>Positive findings and recommendations from two audits</b> (a performance audit and a financial audit)</li> <li><b>New templates</b> drafted for financial and regulatory documents for all of the bond-funded projects</li> <li>Partnership with Prosper Portland to <b>increase representation of DMWESB-SDV</b> (<i>Disadvantaged, Minority-Owned, Women-Owned, Emerging Small Businesses, Service Disabled Veterans</i>) <b>contractors on those projects</b></li> </ul>	09:39:40– 10:02:38

	<p><b>Jill Chen, Housing Investments and Portfolio Preservation Manager,</b> presented the Bond Project Progress Dashboard Report. Key points include the following:</p> <ul style="list-style-type: none"> <li>• Council approval of the first Bond-funded project – Crescent Court Apartments. Closing and start of construction in November 2020.</li> <li>• Projects are on target, but there are tight closings – 8 over the next 6 months. Changes in unit count will require approval.</li> <li>• One project is experiencing extraordinary site costs due to: <ul style="list-style-type: none"> <li>○ COVID (affecting construction timelines);</li> <li>○ Construction costs (cost of timber, drywall); and</li> <li>○ Financing (Low-Income Tax Credits softening, from \$0.95/dollar to the low \$0.80s/dollar)</li> </ul> </li> </ul> <p><b>Mike Johnson, Finance and Accounting Manager,</b> provided expenditure report highlights. Key takeaways include the following:</p> <ul style="list-style-type: none"> <li>• One significant change is that our interest/credits amount has jumped to a larger percentage due to Bond sales; we sold \$164M in bonds recently, which is generating significant interest earnings</li> <li>• With eight project closings over the next 6 months, we will start to see some significant draws on bond funds</li> <li>• Still a fair amount of funds not yet committed, and we’re earning interest on the funds in place</li> </ul>	
<p><b>Project Updates</b></p> <ul style="list-style-type: none"> <li>• Cathedral Village – Related NW and Catholic Charities</li> <li>• Las Adelitas – Hacienda CDC</li> </ul>	<p><b>Stef Kondor from Related NW and Travis Phillips from Catholic Charities of Oregon</b> gave an update on the Cathedral Village project.</p> <ul style="list-style-type: none"> <li>• Project located in North Portland (priority location); will house 250 – 300 people (conservative estimate)</li> <li>• 110 units, 50% of which are family-size</li> <li>• 8 units of permanent supportive housing (PSH), with Catholic Charities providing services and case management for those 8 units</li> <li>• Project features a music technology room for kids, and grants are being pursued for murals on the front of the building by Portland-based artists</li> </ul> <p>Issues and Challenges:</p> <ul style="list-style-type: none"> <li>• Increase in total project costs due to increased lumber prices, complications due to the COVID-19 pandemic, and increased insurance costs</li> </ul> <p>Community Engagement:</p> <ul style="list-style-type: none"> <li>• Partnership with VIBE PDX will provide after school youth music and arts program</li> <li>• Feedback from partners resulting in the following unit amenities:</li> </ul>	<p>10:03:19 – 10:42:21</p>

	<ul style="list-style-type: none"> <li>○ Bathtubs (varying sizes in units whenever possible)</li> <li>○ Multiple laundry rooms</li> <li>○ Improved family-size units to accommodate 2 twin/bunk beds and a queen-sized bed</li> <li>○ Space planning for community and teen room</li> <li>○ Office and meeting spaces for PSH services in addition to resident services space</li> </ul> <p><b>Kevin Kellogg and Traci Manning from Hacienda CDC</b> gave an update on the Las Adelitas project.</p> <ul style="list-style-type: none"> <li>● Project will house between 400 – 450 people</li> <li>● Planned closing January 14<sup>th</sup>, with construction to start soon after and continue into 2022</li> <li>● Site of the former Sugar Shack strip club; highly sustainable building designed by Salazar Architects</li> <li>● 7,000 sq. ft. common area on the first floor is purely non-commercial and includes event space and private areas for residents</li> <li>● Hacienda CDC will provide resident services on site</li> <li>● Cascadia Behavioral Health and Familias En Accion will provide services for 18 units of permanent supportive housing (PSH)</li> <li>● Planned competition for murals</li> </ul> <p>DMWESB-SDV Updates:</p> <ul style="list-style-type: none"> <li>● Contractor is in the process of finalizing bids; estimate is 30% DMWESB-SDV sub-contractors (<i>Disadvantaged, Minority-Owned, Women-Owned, Emerging Small Businesses, Service Disabled Veterans</i>). There was also a high percentage of minority contractors in the predevelopment phase.</li> </ul> <p>Issues and Challenges:</p> <ul style="list-style-type: none"> <li>● Same as Cathedral Village - supply chain disruptions; insurance and lumber cost spikes; lottery bonds un-funded by COVID; debt, equity markets very tight</li> </ul> <p>Community Engagement:</p> <ul style="list-style-type: none"> <li>● Las Adelitas project is a partnership of 4 community organizations that teamed up to purchase the former Sugar Shack site: Hacienda CDC, Habitat for Humanity, Verde, and NAYA.</li> <li>● Cully and prospective residents deeply involved in the design process from the uses to environmental features</li> </ul>	
<b>Closing Remarks</b>	<b>Mayor Ted Wheeler</b> provided closing remarks.	10:42:27 – 10:54:05

- The Mayor acknowledged the unprecedented challenge posed by the housing crisis and the huge accomplishment of providing housing for over 3,000 Portlanders through Bond-funded projects.
- He also thanked Director Shannon Callahan for her leadership and for exceeding the production goals promised to taxpayers.

**Susan Emmons** (BOC Committee Member) thanked PHB staff, calling them “the brightest and the best.”

**Todd Struble** (BOC Committee Member) thanked Mayor Wheeler for taking time in the beginning to make sure equitable guidelines were created for the Housing Bond despite the time pressure.

**Allan Lazo** (BOC Committee Member) echoed Todd’s remarks and added praise for the resiliency of the community and how rooted it is in the work being done through the Housing Bond.

**Anneliese Koehler** (BOC Committee Member) referred to the work done so far as “a moment of hope and excitement in the midst of what has been a tough 2020” and added that she is hopeful about what can be accomplished in the future with additional investment coming down the pipeline from the Metro Bond.