

**Minutes of the Board of Commissioners
Multnomah Building, Board Room 100
501 SE Hawthorne Blvd., Portland, Oregon
Tuesday, February 6, 2018**

BOARD BRIEFING

Chair Deborah Kafoury called the meeting to order at 10:06 a.m. with Vice-Chair Jessica Vega Pederson and Commissioners Sharon Meieran and Loretta Smith present. Commissioner Lori Stegmann was excused.

Also attending were Jenny M. Madkour, County Attorney, and Marina Baker, Assistant Board Clerk.

Chair Kafoury: GOOD MORNING. GOOD MORNING, COMMISSIONER CHASE

B.1 Metro Equitable Housing Briefing. Presenters: Emily Lieb, Metro Equitable Housing Project Manager; Sam Chase, Metro Councilor; and, Jess Larson, Metro.

Sam Chase: I'M SAM CHASE. METRO COUNCIL REPRESENTING NORTH NORTHEAST, NORTHWEST, DOWNTOWN PORTLAND, A LITTLE WASHINGTON COUNTY AND WE WANT TO REMEMBER MAYWOOD. THANK YOU SO MUCH FOR HAVING US. YOU ARE A BODY THAT IS VERY ACTIVE AND ENGAGED IN OUR AFFORDABLE HOUSING CRISIS AND RESOLVING IT AND WORKING ON HOME LESS ISSUES. YOU HAVE DONE A TREMENDOUS AMOUNT ON THAT. I AM ON THE COORDINATING BODY FOR HOME FOR EVERYONE AND THAT HAS BEEN AN EFFORT THAT HAS BEEN I THINK SUCCESSFUL SO FAR. YOU'VE BEEN GENERATING RESOURCES, DOING EVERYTHING YOU CAN TO TRY TO ADDRESS THESE ISSUES. ONE THING WE DO KNOW THIS IS REGIONAL HOUSING AND HOMELESSNESS IS A REGIONAL CRISIS AND OF COURSE A NATIONAL CRISIS BUT ONE THAT WE REALLY NEED TO BE LOOKING FOR REGIONAL SOLUTIONS AROUND MULTNOMAH COUNTY AND PORTLAND CONTINUING TO WORK ON THIS PROBLEM IS NOT GOING TO GET THE JOB DONE. IT'S NOT GOING TO HAPPEN ALL ON YOUR OWN.

AS YOU KNOW. WE NEED THE REST OF OUR REGIONAL PARTNERS TO STEP UP AND BE PART OF THIS SOLUTION AND I THINK THAT'S WHAT WE'RE HERE TODAY TO TALK ABOUT, HOW DO WE BRING FORWARD SOME STRATEGIES WILL TRULY ENGAGE THE REST OF OUR REGION AND ADDRESSING THESE ISSUES. I'M GOING TO TURN IT OVER TO TALK A LITTLE BIT ABOUT WHERE WE ARE AND THIS IS NOT SOMETHING ALL NEW TO METRO. METRO HAS BEEN ENGAGED IN AFFORDABLE HOUSING SINCE THE '90S. I USED TO WORK FOR CITY COMMISSIONER GRETCHEN KAFOURY AND WE WERE REALLY LOOKING INTO SEEKING TO ADDRESS REGIONAL HOUSING STRATEGY AT THAT TIME. REAL ESTATE TRANSFER TAX, PUSHING TO SEE IF THAT COULD HAPPEN AT THE REGIONAL LEVEL.

Sam Chase: THE TIMING WASN'T QUITE RIGHT TO GO TO VOTERS THEN BUT WE HAVE CONTINUED TO WORK, TRY TO WORK REGIONALLY AND METRO HAS BEEN ENGAGED IN REGIONAL NEEDS ANALYSIS AND DEVELOPING AN IMPLEMENTATION PLAN ON HOW WE COULD ADVANCE REGIONAL SOLUTIONS AND HAS CONTINUED TO REALLY IMPROVE THEIR PROGRAMS IN A NUMBER OF DIFFERENT PLACES WHERE WE HAVE SUPPORTED HOUSING STRATEGIES. SO THIS IS REALLY IN LINE WITH A LONG HISTORY OF ADDRESSING HOUSING AND FRANKLY METRO, YOU NEED TO DO MORE ON HOUSING, SO IT'S A RESPONSE IN A LOT OF WAYS TO THAT COMMUNITY ENGAGEMENT INPUT THAT IS VERY STRONG RIGHT NOW SAYING WE NEED TO ADDRESS THAT REGIONAL NEED.

Emily Lieb: I'M EMILY LIEB, WITH METRO'S PLANNING DEPARTMENT. I'M GOING TO START WITH JUST FRAMING SOME OF THE DATA THAT REINFORCE WAS COUNCILOR CHASE WAS DESCRIBING IN TERMS OF THE REGIONAL NATURE OF THE PROBLEM. I'LL SHARE A LITTLE BIT OF INFORMATION ABOUT OUR EQUITABLE HOUSING INITIATIVE FRAMEWORK, WHICH IS THE BROAD FRAMEWORK THAT WE HAVE BEEN USING TO TALK ABOUT HOUSING AFFORDABILITY ISSUES REGIONALLY AND TALKING ABOUT STRATEGIES THAT CAN BE IMPLEMENTED LOCALLY, REGIONAL SOLUTIONS, STATE ADVOCACY. SO KIND OF LAY OUT THAT FRAMEWORK. I WAS HERE TWO YEARS AGO TO PRESENT TO THE COMMISSION ON THAT FRAMEWORK AND WAS TOLD IT WAS HELPFUL WAY OF TALKING ABOUT IT. I THINK IT'S BEEN A HELPFUL WAY OF TALKING ABOUT HOUSING AFFORD ABILITY WHICH AS YOU ALL KNOW IS A MULTIFACETED ISSUE. THERE'S NO ONE SIZE FITS ALL SOLUTION. WE NEED A RANGE OF TOOLS IN THE TOOL BOX. FIRST SIDE IS SHOWING RENT INCREASES BETWEEN 2011 AND 2015, AND REINFORCES THAT THIS IS NOT A PROBLEM THAT'S CONFINED TO MULTNOMAH COUNTY. YOU CAN SEE SOME OF THE MOST SEVERE RENT INCREASES IN MULTNOMAH COUNTY, PARTICULARLY IN NORTH PORTLAND WHERE THERE ARE OVER 70% RENT INCREASES DURING THAT FOUR-YEAR PERIOD BUT ANYWHERE IN THE REGION THERE WAS ON AVERAGE A 25% RENT INCREASE ACROSS THE REGION.

RENTERS ARE BEING DISPLACED FROM AREAS THAT ARE SEEING THE HIGH EST PRICE PRESSURES, THEY ARE BEING PUSHED OUT TO OTHER PARTS OF THE REGION THAT ARE ALSO SEEING INCREASING RENT INCREASES. CURRENTLY ONE IN TWO RENTERS IN THE REGION ARE A COST BURDENED, THEY ARE PAYING MORE THAN 30% OF THEIR INCOME. ONE IN FOUR ARE PAYING MORE THAN HALF THEIR INCOME TOWARDS HOUSING COSTS. THESE NEXT TWO SIDES SHOW THE GAP IN AFFORDABLE HOUSING FOR FAMILIES OF DIFFERENT INCOME LEVELS AND WE TYPICALLY DEFINE THE MOST TRADITIONAL DEFINITION IS PAYING 30% OF YOUR INCOME TOWARD RENT, SO THIS SHOWS HOUSEHOLDS THAT MAKE ZERO TO 30% OF MEDIAN INCOME, WHICH IS ABOUT 16,000 FOR A HOUSEHOLD OF ONE AND 22,000 FOR A

HOUSEHOLD OF FOUR, WE HAVE ABOUT 55,000 RENTER HOUSEHOLDS IN THE REGION WITHIN THAT INCOME BRACKET. WE HAVE 19,000 UNITS AVAILABLE FOR THEM. SO OUR GAP AT THAT LEVEL IS 36,000 UNITS SHORT OF MEETING THE NEED FOR FAMILIES ZERO TO 30 IN IN THE EQUITABLE HOUSING INITIATIVE HANDOUT THAT YOU HAVE, IN THE INSERT IT LAYS OUT DIFFERENT SALARY LEVELS SO WHAT DOES THAT MEAN IN TERMS OF 30 % OF MEDIAN INCOME DOES MEAN YOU ARE WORKING AND HAVE AN INCOME.

Emily Lieb: THAT'S ABOUT MINIMUM WAGE JOB. THAT'S A NICE REFERENCE POINT IF YOU'RE LOOKING AT WHAT ARE THE POPULATIONS WE'RE TALKING ABOUT IN THESE CATEGORIES. THIS NEXT GROUP IS HOUSEHOLDS MAKING 30 TO 50% OF MEDIAN INCOME, SO THAT'S ABOUT 26,000 FOR A ONE-PERSON HOUSEHOLD UP TO 37,000 FOR A FOUR-PERSON HOUSEHOLD. WE HAVE 43,000, JUST OVER 43,000 HOUSEHOLDS IN THAT INCOME BRACKET REGIONALLY, 32,000 UNITS, SO A SHORTAGE OF ABOUT 11,000 HOMES AFFORDABLE AT THIS LEVEL. IN TOTAL WE HAVE A SHORTAGE OF ABOUT 47,000 HOMES AFFORDABLE TO HOUSEHOLDS MAKING LESS THAN HALF OF MEDIAN INCOME REGIONALLY AND 28,000 OF THOSE ARE LOCATED IN MULTNOMAH COUNTY. SO WHILE THERE IS A SIGNIFICANT SHORTAGE IN MULTNOMAH COUNTY THE CHALLENGE IS THROUGHOUT THE REGION.

THIS IS EQUITABLE HOUSING FRAMEWORK THAT WE DEVELOPED IN 2015 AFTER A YEAR OF LISTENING SESSIONS AND WORK GROUPS WITH AFFORDABLE HOUSING EXPERTS FROM DIFFERENT SECTORS COMING TOGETHER TO HELP DEVELOP A FRAMEWORK FOR HOW WE THINK ABOUT THE DIFFERENT KINDS OF IMPLEMENTATION TOOLS FOR ADDRESSING HOUSING CHALLENGES. SO STARTING AT THE TOP, MITIGATE DISPLACEMENT AND STABILIZE COMMUNITIES, WE WANT TO BE THINKING ABOUT FIRST ABOUT PEOPLE AND HOW PEOPLE ARE EXPERIENCING HOUSING AFFORDABILITY CHALLENGES AND FINDING PEOPLE FOCUSED SOLUTIONS MULTNOMAH COUNTY, CITY OF PORTLAND HAVE LED THE WAY IN THINKING ABOUT HOW WE PROTECT TENANTS AND THE STATE OF EMERGENCY SOLUTIONS THAT HAVE ALSO BEEN IMPLEMENTED IN OTHER SMALLER CITIES AROUND THE REGION LIKE MILWAUKIE HAS DONE. THINKING ABOUT TENANT PROTECTIONS AND STRATEGIES TO HELP STABILIZE COMMUNITIES AND PREVENT DISPLACEMENT. SECOND ON THE BOTTOM, LEVERAGE GROWTH FOR AFFORDABILITY.

METRO WORKS ON LOTS OF REGIONAL INFRASTRUCTURE INVESTMENTS, AND WE KNOW THAT THOSE INVESTMENTS CAN SOMETIMES INCREASE THE VALUE OF PLACES, WHICH CAN LEAD TO DISPLACEMENT. SO AS WE ARE THINKING ABOUT INVESTMENTS THAT ADD VALUE TO COMMUNITIES WE ALSO WANT TO THINK ABOUT WAYS TO CAPTURE THAT VALUE FOR THE PEOPLE WHO LIVE THERE NOW. SO ANOTHER WAY OF THINKING ABOUT DISPLACEMENT. ONE EXAMPLE OF THIS STRATEGY IS METRO HAS A TRANSIT ORIENTED DEVELOPMENT GRANT PROGRAM THAT PROVIDES THAT ACQUIRES LAND

NEAR OUR TRANSIT LINES AND PROVIDES GRANTS TO DEVELOPERS TO BUILD UNITS. ONE EXAMPLE OF A PROJECT FUNDED IN THE LAST FEW YEARS IS THE FURNITURE STORE SITE AT 82ND AND DIVISION WHERE WE ARE WORKING IN PARTNERSHIP WITH ROSE CDC AND APANO TO DEVELOP AFFORDABLE HOUSING WITH COMMERCIAL SPACE ON THE GROUND FLOOR FOR COMMERCIAL USE BY APANO.

Emily Lieb: THAT PROGRAM HAS SHIFTED TO PRIORITIZE AFFORDABLE HOUSING PARTICULARLY IN PLACES WHERE IT'S REALLY HARD TO BUILD AFFORDABLE HOUSING BECAUSE THE LAND COSTS ARE HIGH. THE THIRD STRATEGY IS AROUND INCREASING AND DIVERSIFYING OVER ALL SUPPLY. WE KNOW THAT PART OF THE RECENT PRESSURE ON THE HOUSING MARKET HAS BEEN THAT WE HAVEN'T BEEN BUILDING ENOUGH TO KEEP UP WITH ALL THE PEOPLE WHO ARE MOVING HERE, SO WE WANT TO THINK ABOUT STRATEGIES TO MAKE IT REALLY EASY TO DEVELOP NEW HOUSING OF ALL KINDS FROM REGULATED AFFORDABLE HOMES TO MARKET RATE. EVERYTHING WE CAN ADD TO THE SUPPLY CONTRIBUTES TO OUR MARKET BEING INCLUSIVE AND ACCESSIBLE TO EVERYONE. METRO PROVIDES PLANNING GRANTS TO CITIES AND COUNTIES TO LOOK AT ELIMINATING BARRIERS TO EQUITABLE HOUSING DEVELOPMENT AND MANY OF THOSE HAVE BEEN USED TO LOOK AT REGULATORY BARRIERS. TO THINGS LIKE MISSING MIDDLE HOUSING, FOR EXAMPLE.

FINALLY, MAXIMIZE AND OPTIMIZE RESOURCES FOR AFFORDABLE HOUSING I THINK THIS IS WHAT WE'RE MOSTLY HERE TO TALK TO YOU ABOUT TODAY, WHICH IS THERE ARE CERTAIN PORTIONS OF THE MARKET THAT WE KNOW ARE NOT GOING TO BE SERVED BY A PURELY INCENTIVE OR REGULATORY STRATEGY. WE REALLY NEED TO HAVE PUBLIC RESOURCES TO INVEST IN REGULATED AFFORDABLE HOMES. WE THINK THERE IS A ROLE FOR METRO TO PLAY IN HELPING TO THINK ABOUT HOW WE CAN GENERATE THOSE RESOURCES ON A REFUGEE NEWS AT 11:00 SCALE. ON A REGIONAL SCALE. ONE GRANT AWARDED LAST YEAR WAS TO MULTNOMAH COUNTY TO WORK WITH THE OTHER TWO COUNTIES ON STRATEGY FOR ALIGNING OUR SUPPORTIVE SERVICE RESOURCES AROUND A COORDINATED PERMIT SUPPORTING HOUSING STRATEGY. WHEN THAT GRANT APPLICATION CAME IN LAST SPRING WE DIDN'T KNOW THAT THIS YEAR METRO WOULD BE LOOKING AT A REGIONAL AFFORDABLE HOUSING MEASURE, WHICH WE SEE A GREAT OPPORTUNITY TO COMPLEMENT, TO ALIGN THE WORK HAPPENING THROUGH THAT PERMANENT SUPPORTIVE HOUSING GRANT TO LOOK AT SOCIAL SERVICE FUNDING WITH THE CONVERSATION THAT WE ARE STARTING TO EXPLORE AROUND A REGIONAL HOUSING BOND.

SO JUST TO RECAP, EQUITABLE HOUSING INITIATIVE LAUNCHED IN 2015. WE DEVELOPED THAT FRAMEWORK AND HAVE BEEN WORKING OVER THE LAST SEVERAL YEARS TO INCREASE THE FOCUS OF METRO'S EXISTING PROGRAMS AROUND INVESTING IN AFFORDABLE HOUSING SO THE PLANNING GRANT

PROGRAM THAT'S FUNDED BY OUR REGIONAL CONSTRUCTION EXCISE TAX, WE HAVE THE COUNCIL HAS DECIDED TO INCREASE THE FOCUS OF THAT PROGRAM ON PROJECTS RELATED TO EQUITY AND HOUSING AND WE HAVE A NEW ROUNDS OF PLANNING GRANTS COMING UP IN THE NEXT FEW MONTHS WE HAVE DONE HOUSING NEEDS ANALYSIS AND SHARED A LITTLE BIT OF THAT DATA. THERE'S MORE IN REPORTS AND SNAPSHOTS THAT OUR COMMUNICATIONS TEAM HAS PUT OUT. OUR TRANSIT ORIENTED DEVELOPMENT GRANT PROGRAM WE ARE CONVENING A BUILD SMALL COALITION, A STATEWIDE COALITION FOCUSED ON ELIMINATING BARRIERS TO SMALL BUILDING AND FINALLY THIS CURRENT CONVERSATION THAT JES IS GOING TO FRAME FOR YOU AROUND THE POSSIBILITY OF A REGIONAL HOUSING MEASURE. I'M GOING TO TURN IT OVER TO JES

Jes Larson: GOOD MORNING, CHAIR KAFOURY, COMMISSIONERS. I'M JES LARSON WITH METRO. HAPPY TO BE HERE WITH YOU THIS MORNING TO WALK BRIEFLY THROUGH SOME OF THE BEGINNING FRAMEWORK AROUND THIS REGIONAL HOUSING MEASURE DISCUSSION THAT METRO IS CONVEINE SHOOTING THEN THE WORK FROM NOW UNTIL MEASURE REFERRAL AT WHICH TIME OUR COUNCIL WILL TAKE UP THAT QUESTION OF WHETHER OR NOT TO REFER THE MEASURE TO VOTERS FOR THE NOVEMBER 2018 ELECTION. WHAT WE KNOW SO FAR IS THAT WE ARE CONSIDERING A GENERAL OBLIGATION BOND AS THE REVENUE TOOL TO HELP FUND MORE AFFORDABLE HOUSING DEVELOPMENT ACROSS THE REGION. WE'RE LOOKING BOTH AT NEW CONSTRUCTION, MORE AFFORDABLE HOMES, ALSO ACQUISITION OF LAND THAT COULD SITE FUTURE AFFORDABLE HOUSING AND HOMES, ACQUISITION OF MULTI-FAMILY APARTMENT BUILDINGS THAT ARE CURRENTLY AFFORDABLE ON THE MARKET BUT AT RISK OF BEING LOST THROUGH INCREASING RENTS AND GENTRIFICATION OF NEIGHBORHOODS AND WE CAN INTERVENE AND HELP PROTECT THESE AFFORDABLE HOMES AND THE TENANTS WHO LIVE THERE.

WHAT WE ALSO KNOW IS CURRENTLY METRO HAS SOME EXPERTISE IN LAND ACQUISITION ALONG WITH OUR TRANSIT ORIENTED DEVELOPMENT BUT WE NEED TO RELY ON AND INTEND TO SIGNIFICANTLY PARTNER WITH OUR AGENCY PARTNERS ACROSS THE REGION WHO DO THE DEVELOPMENT, OWNERSHIP AND OPERATIONS OF AFFORDABLE HOUSING. THESE PARTNERS ARE OUR HOUSING AUTHORITIES, SOME OF OUR ENTITLEMENT CITIES, THE CITIES LIKE HILLSBORO, BEAVERTON AND GRESHAM, AND THE CITY OF PORTLAND WHO RECEIVE FEDERAL FUNDING TO PASS THROUGH TO AFFORDABLE HOUSING DEVELOPMENT. OF COURSE OUR MANY NONPROFIT PARTNERS WHO DEVELOP AFFORDABLE HOMES. THERE'S ONE CAVEAT TO BEING ABLE TO WORK WITH THE NONPROFIT PARTNERS IS THE CONVERSATION ALSO UNDER WAY SIMULTANEOUSLY ACTUALLY AS OF OFFICIALLY AS OF YESTERDAY, THE WORK TOWARDS A CONSTITUTIONAL AMENDMENT THAT IS BEING LED AT THE STATE LEGISLATURE UNDER SPEAKER KOTEK'S OFFICE TO HELP MAKE BOND FINANCING FOR

AFFORDABLE HOUSING MORE FLEXIBLE TO BE PAIRED WITH OUR MANY OTHER FINANCING TOOLS, PRIMARILY LOW-INCOME HOUSING TAX CREDITS AND OUR PARTNERS PRIMARILY NONPROFIT AND FOR-PROFIT PARTNERS WHO WORK TO DEVELOP TO OWN AND OPERATE AFFORDABLE HOMES PERMANENTLY.

Jes Larson: ALL THAT WORK WE HOPE WILL CONVEINE TOGETHER TOWARDS A MEASURE THAT ALSO ACHIEVES THE COMMUNITY VALUES THAT OUR STAKEHOLDERS AND PUBLIC PARTNERS ACROSS THE REGION ARE INTERESTED AND PRIORITIZING THAT SHOULD BE INTEGRAL INTO THIS MEASURE FOR VOTERS. TO THAT POINT WE ARE CONVENING ADVISORY TABLES TO HELP INFORM THAT WORK. THEY KICKED OFF LAST WEEK AND WE'LL BE WORKING FROM THE END OF JANUARY THROUGH JUNE, OR LATE MAY, WHEN A MEASURE WILL BE PUT TOGETHER. THOSE ADVISORY TABLES ARE BOTH COMMUNITY STAKEHOLDERS WHO CARE DEEPLY ABOUT THIS WORK IN ADDRESSING THE NEEDS OF OUR COMMUNITY MEMBERS AND WILL HELP INFORM THOSE VALUES AND PRIORITIES AND PRINCIPLES THAT SHOULD SHAPE THE MEASURE, ALSO TECHNICAL EXPERTS WHO KNOW HOW TO PUT TOGETHER A PROJECT THAT BECOMES PERMANENT AFFORDABLE HOUSING AND UNDERSTAND THE TECHNICAL ASPECTS OF FINANCING AND OWN SHOOTING OPERATING AFFORDABLE HOUSING.

ADDITIONALLY METRO WILL BE GOING OUT TO ENGAGE THE PUBLIC MUCH MORE BROADLY THROUGH FORUMS AND MUCH MORE INDIVIDUALLY THROUGH ONE ON ONE CONVERSATIONS WITH ELECTED OFFICIALS, FULL COMMISSIONS LIKE YOURSELF, AND IMPORTANT STAKEHOLDERS THROUGHOUT THE REGION. THEN FINALLY, IN LATE SPRING BETWEEN MAY AND JUNE OUR COUNCIL WILL TAKE UP THE DRAFT FRAMEWORK THAT IS PROPOSED THROUGH ALL OF THAT WORK AS A RECOMMENDATION FROM OUR COO TO COUNCIL FOR A MEASURE AND DETERMINE WHETHER OR NOT TO REFER IT TO VOTERS. THERE IS A VERY COMPLICATED CHART TO DESCRIBE ALL OF THAT WORK FROM BEGINNING IN DECEMBER AND CONTINUING UNTIL MID JUNE. SO AGAIN WE ARE OUT THERE ACTIVELY SEEKING FEEDBACK FROM OUR KEY PARTNERS THROUGHOUT THE REGION AND THAT IS WHY WE'RE HERE TODAY, TO HEAR FROM YOU ABOUT YOUR RECOMMENDATIONS, QUESTIONS, CONCERNS, FEEDBACK TO US AND SO COUNCILOR CHASE CAN TAKE IT BACK TO HIS COLLEAGUES AND WE CAN TAKE IT BACK TO OUR STAFF TO HELP INFORM THE CONTINUED WORK TOWARD THE JUNE DEADLINE. THANK YOU.

Commissioner Vega Pederson: THANK YOU, CHAIR. THANK YOU ALL FOR COMING AND TALKING TO US ABOUT THIS. THE REGIONAL HOUSING MEASURE. THIS IS SUCH AN IMPORTANT THING THAT WE NEED TO DO TO ADDRESS THE HOUSING SHORTAGE THAT'S AFFECTING THE ENTIRE REGION, NOT JUST THE CITY OF PORTLAND, NOT JUST MULTNOMAH COUNTY BUT OUR ENTIRE REGION. I HAD A COUPLE OF QUESTIONS. ONE IS, YOU TALKED ABOUT THE

NEED FOR THE CONSTITUTIONAL AMENDMENT TO ADD MORE FINANCING FLEXIBILITY FOR THIS TO BE SUCCESSFUL. DO YOU HAVE THE BILL NUMBER FOR THAT?

Jes Larson: YES. INDEED, COMMISSIONER VEGA-PEDERSON. HR201.

Commissioner Vega Pederson: THANK YOU. THEN I THINK YOU TALKED ABOUT THE GAPS BETWEEN UNITS FOR FROM ZERO TO 30 AND 30 TO 50%. THAT'S VERY SIGNIFICANT. IS THAT THE MAIN TARGET OF THE REGIONAL HOUSING FUND DOLLARS? OR WILL THAT DEPEND ON WHETHER YOU'RE ABLE TO MAKE SOME OF THE FINANCING?

Emily Lieb: WE HAVEN'T HAD THAT DECISION HAS NOT BEEN MADE. THAT'S ONE OF THE AREAS WHERE WE'RE LOOKING TO THE STAKEHOLDER TABLE TO HELP US HAVE A CONVERSATION. ONE THING IS THE DEFINITION OF AFFORDABLE HOUSING SO FOR THE CITY OF PORTLAND'S GENERAL OBLIGATION BOND AFFORDABLE HOUSING WAS DEFINED AS 60% AND BELOW. BUT WE ARE LOOKING TO OUR STAKEHOLDERS TO HELP US UNDERSTAND WHERE THEY THINK THAT DEFINITION SHOULD BE AND WE KNOW THAT THE MORE DEEPLY AFFORDABLE THE UNITS ARE THE MORE THEY COST TO BUILD SO THERE ARE TRADEOFFS BETWEEN NUMBER OF HOMES CREATED AND HOW DEEPLY AFFORDABLE THEY ARE. THAT'S A CONVERSATION WE WANT TO HEAR FROM STAKEHOLDERS AND ULTIMATELY COUNCIL WILL MAKE A DECISION IN MAY.

Commissioner Vega Pederson: I CAN TELL YOU IN THE CONVERSATIONS THAT I HAVE HAD WITH FOLKS IN EAST PORTLAND WHERE I LIVE THERE'S AN ACKNOWLEDGMENT THAT THERE'S A SEVERE AFFORDABLE HOUSING SHORTAGE. EVEN YOUR CHART WENT THROUGH 20 15 BUT I WOULD SAY EVEN IN THE LAST THREE YEARS IN EAST PORTLAND WE'RE SEEING UPWARD PRESSURE ON RENTS. FROM THE DAVID DOUGLAS SCHOOL DISTRICT ARE GETTING PUSHED OUT FURTHER BECAUSE THEY CAN'T AFFORD THEIR RENT. DAVID DOUGLAS ENROLLMENT HAS ACTUALLY DECREASED BECAUSE OF THAT. SO THERE'S ACKNOWLEDGMENT THAT WE NEED TO CREATE AFFORDABLE HOUSING BUT THERE'S ALSO AN INTEREST IN MIXED INCOME HOUSING AND WORK FORCE HOUSING. SO AS CHANGES HAPPEN YOU'RE PROTECTING AFFORDABLE HOUSING FOR LOWER MFIS BUT ALSO FOR FOLKS WHO WANT TO HAVE THE JOBS AND WORK THERE TOO. THAT'S MY 2 CENTS. SHARING WHAT I HAVE BEEN HEARING AS WELL. THANK YOU.

Commissioner Smith: THANK YOU FOR DOING THE REPORT AND GIVING US THIS PRESENTATION. IT'S A HUGE ISSUE, AFFORDABLE HOUSING. I WANT TO GO BACK TO THE DEFINITION OF WHAT AFFORDABLE HOUSING IS AT THE 60 PERCENTILE. I WOULD ALSO LIKE TO ADD MY 2 CENTS BECAUSE WE KNOW THAT EVEN AT THE 80 AND THE 100 PERCENTILE IT'S VERY HARD TO PURCHASE HOUSING BUT THAT WORK FORCE HOUSING BETWEEN THE 60 AND

80 PERCENTILE, IT'S SO IMPORTANT AS WELL. ONE CONCERN THAT I'M ALSO HAVING IS THAT AS WE TRY TO MOVE TOWARDS AFFORDABLE HOUSING THE ABILITY TO GET INTO AFFORDABLE HOUSING AND TO PURCHASE HOUSING IS ALSO EQUALLY DIFFICULT, SO IT'S JUST GOING TO BE FOR RENTAL OR HOME BUYING OPPORTUNITIES?

Jes Larson: I MEAN THAT'S ALSO SOMETHING THAT IS OPEN TO DISCUSSION. WITH GENERAL OBLIGATION BONDS THERE ARE SOME LIMITATIONS PARTICULARLY UNDER THE CURRENT CONSTITUTIONAL IN THAT THERE'S A REQUIREMENT FOR PUBLIC OWNERSHIP AND OPERATION, SO IT ISN'T AN IDEAL FUNDING MECHANISM FOR FUNDING HOMEOWNERSHIP STRATEGIES. THERE COULD BE SOME CREATIVE WORK AROUNDS. TO BE EXPLORED SO WE HAVEN'T CLOSED THE DOOR ON THE POSSIBILITY OF HOMEOWNERSHIP BUT WE KNOW THERE ARE SOME REAL TECH ALLEGE CHALLENGES WITH THIS PARTICULAR FUNDING TOOL. DO YOU WANT TO ADD ANYTHING ELSE

Emily Lieb: THANK YOU FOR THAT QUESTION. TO THE QUESTION OF AFFORDABLE HOMEOWNERSHIP, IF THE GENERAL OBLIGATION BOND PROVES NOT TO BE AN IDEAL TOOL TO FUND HOMEOWNER SHIP IT DOES OFFER THE OPPORTUNITY TO USE MORE FLEXIBLE FUNDING THAT OTHER JURISDICTIONS MIGHT HAVE TO RE PRIORITIZE RESOURCES TO CREATE MORE HOMEOWNERSHIP OPPORTUNITIES RECOGNIZING THIS REVENUE TOOL WOULD BE CREATING MORE RENTAL OPPORTUNITIES. AS SHE DESCRIBED IT HAS A LOT TO DO WITH THE CONSTITUTIONAL AMENDMENT ALSO.

Commissioner Smith: CAN YOU EXPLAIN THAT CONSTITUTIONAL AMENDMENT IN GREATER DETAIL? WHAT ARE WE TRYING TO CHANGE AND MAKE HAPPEN WITH THAT? SOUNDS LIKE A GREAT OPPORTUNITY.

Sam Chase: THE CHALLENGE IS THAT UNDER THE CURRENT INTERPRETATION OF THE BONDING RULES IS THAT THE BOND CAN'T LEVERAGE OTHER PRIVATE DOLLARS, WHICH MEANS WHEN YOU GO GET TAX CREDITS AND YOU WANT TO SELL THOSE TAX CREDITS TO SUBSIDIZE THE PROPERTY FINANCING FOR AFFORDABILITY WORKS. YOU HAVE TO HAVE PUBLIC OWNERSHIP. 100% OWNERSHIPS WHICH MEANS YOU'RE VERY LIMITED IN WHO CAN DEVELOP AND BUILD THAT. FOR PRIVATE DEVELOPER COULDN'T DO THAT, EVEN NONPROFITS, WHICH ARE PRIVATE ENTITIES. IT WOULD ALLOW LOCAL GOVERNMENT, THE CONSTITUTIONAL AMENDMENT IS NOT A NEW TAX, NOT A CONTINUING TAX. IT'S NOT A TAX. IT'S JUST GIVING LOCAL JURISDICTIONS THE AUTHORITY TO ADMINISTER THOSE BONDS IN A FLEXIBLE WAY.

Commissioner Smith: IS THIS A NEW AMENDMENT?

Sam Chase: NO, THIS WAS WRITTEN INTO THE CONSTITUTION AT THE --

Commissioner Smith: AT THE BEGINNING?

Sam Chase: AT THE BEGINNING. IT WAS RELATED TO RAILROADS AND TELEGRAPH AND NOT WANTING --

Commissioner Smith: NOT SEEING THIS BIG PROBLEM COMING IN OUR FUTURE.

Sam Chase: YEAH. YEAH.

Commissioner Smith: GREAT. THANK YOU FOR THIS. I WAS REALLY CURIOUS ABOUT THIS. I THINK WE HAVE TWO OPPORTUNITIES IN THE SHORT SESSION OF THE LEGISLATURE TO PUT IN CONSTITUTIONAL CHANGES THAT WOULD HELP WITH THE HOME LESS AND HOME AFFORDABILITY ISSUES. SO THANK YOU FOR PUTTING THIS TOGETHER. THIS IS SOMETHING THAT I CAN CERTAINLY SUPPORT.

Commissioner Meieran: THANK YOU FROM ME AS WELL. I REALLY APPRECIATE THE COUPLE OF BRIEFINGS THAT WE HAVE HAD AND ALL THE WORK THAT YOU'RE DOING IN THIS AREA. I WOULD JUST PUT IN MY 2 CENTS AS WELL FOR DEEPLY AFFORDABLE HOUSING. JUST SUCH A NEED, RECOGNIZING THE CHALLENGES AND HAVING TO BALANCE THE HIGHER COSTS FOR BUILDING BUT IT'S SUCH A CRUCIAL MISSING LINK THAT NO ONE ELSE FOCUSES ON. SO IT WOULD BE GREAT.

Chair Kafoury: ECHO COMMISSIONER MEIERAN'S COMMENTS. WE KNOW THERE'S NO WAY THAT THE MARKET IS GOING TO BUILD THE UNITS THAT ARE THE MOST NEEDED IN OUR COMMUNITY. THOSE ARE FOR FOLKS AT THE ZERO-30. I WOULD ARGUE THOSE ARE IN FACT WORK FORCE HOUSING BECAUSE WE KNOW A LOT OF PEOPLE LIVING IN THOSE DEEPLY AFFORDABLE UNITS ARE WORKING. THEY ARE DOING VERY IMPORTANT WORK IN OUR COMMUNITY. ALSO I THINK THAT THE CHART SHOWS US THAT THE 36,000 UNITS THAT WE'RE SHORT REGIONWIDE, THOSE FOLKS ARE LIVING IN THE HOUSING THAT IS TOO EXPENSIVE FOR THEM. THAT'S NOT SAYING THEY ARE LIVING IN-HOUSING. IF WE CREATE HOUSING SPECIFICALLY FOR THAT INCOME LEVEL THAT WILL FREE UP MORE EXPENSIVE HOUSING FOR THE REST OF THE COMMUNITY WHO CAN AFFORD THOSE UNITS. THAT'S REALLY A BIG SURPRISE TO YOU I'M SURE TO HEAR WHERE MY PREFERENCE IS IN THIS MATTER BUT I KNOW EVEN BUILDING THAT LEVEL OF AFFORDABILITY IS REALLY COMPLICATED. THAT'S WHY HAVING THIS CONSTITUTIONAL AMENDMENT WILL BE HELPFUL FOR US IN THAT ENDEAVOR.

Chair Kafoury: I JUST WANT TO THANK YOU FOR COMING IN. I REALLY APPRECIATE SEEING THE NUMBERS BECAUSE I THINK WE ARE IN OUR LITTLE SILO OF MULTNOMAH COUNTY AND WE STUDY HOW MANY UNITS ARE NEEDED IN OUR COUNTY AND HOW OUR COMMUNITY MEMBERS ARE DOING BUT LOOKING AT IT FROM A REGIONWIDE PERSPECTIVE GIVES US A DIFFERENT LOOK. WE HAVE SOME OF THE UNITS HERE THAT THEY DON'T HAVE

ELSEWHERE. MY CONVERSATIONS WITH OUR PARTNERS IN CLACKAMAS COUNTY, WASHINGTON COUNTY, THEY ARE COMING TO THE POINT WHERE WE HAVE BEEN FOR A WHILE OF REALIZING THAT THE WORKERS WHO ARE NOT THE HIGH PAID INTEL WORK THERE'S WE THINK OF BUT A LOT OF PEOPLE WHO WORK AT INTEL CAN'T AFFORD TO LIVE ANYWHERE NEAR WHERE WE WORK. THAT CLOGS OUR FREEWAYS AS THEY DRIVE TO WORK. THIS INTERCONNECTEDNESS FROM ALL OUR COUNTIES. I APPRECIATE YOU UNIQUELY CAN TAKE ON THAT ROLE. WHILE IT'S NICE TO SAY THAT METRO HAS BEEN WORKING ON HOUSING SINCE THE 90S, WE KNOW THERE'S AN REINVIGORATED ATTENTION SINCE YOU BECAME A COUNCILOR, SAM, AND SINCE THE TWO OF YOU STARTED WORKING THERE. SO GLAD THAT YOU'RE HEADING IN THIS DIRECTION.

Sam Chase: THANK YOU SO MUCH. I WANT TO ADD ONE THING, THAT YOU MENTIONED, WHICH IS YOU REALLY HAVE BEEN ADDRESSING AND STRUGGLE SHOOTING UNDERSTANDING THE MARKET AND THE AFFORDABLE HOUSING NEEDS AND WHERE THE MARKET IS JUST UNABLE TO GET TO AND ADDRESSED THE NEED. AS WE'RE GOING THROUGH THIS PROCESS YOUR HELP IN EDUCATING OTHER FOLKS AROUND THE REGION, BRINGING THEM ALONG TO REALLY UNDERSTAND HOW THESE PIECES FIT TOGETHER IS GOING TO BE REALLY IMPORTANT BECAUSE FOR SOME FOLKS EVEN THOUGH WE HAVE BEEN HAVING THESE DISCUSSIONS FOR A LONG TIME REGIONALLY THERE ARE STILL FOLKS REALLY STARTING TO DIG IN AND GET INVOLVED AND MAKING SURE THAT THEY ARE GETTING ALL OF THE PERSPECTIVES IS GOING TO BE REALLY IMPORTANT.

Chair Kafoury: ANY QUESTIONS OR COMMENTS FROM OUR BOARD MEMBERS? THANKS AGAIN FOR COMING. I THINK WE SHOULD DO THIS MORE FREQUENTLY BECAUSE IT IS REALLY IMPORTANT FOR US TO KEEP REMINDING OURSELVES OF THIS NEED, THAT THERE'S A REGIONAL EFFORT, NO THE JUST US IN OUR WORKING REALLY HARD IN MULTNOMAH COUNTY. IT'S ALL OF US TOGETHER IN OUR REGION. THANK YOU. THAT'S IT. QUICK MORNING. [GAVEL]

ADJOURNMENT – 10:36 a.m.

[CAPTIONS PROVIDED BY LNS CAPTIONING AND MAY INCLUDE INACCURATE WORDS OR PHRASES DUE TO SOUND QUALITY, OTHER TECHNICAL DIFFICULTIES AND/OR SOFTWARE ERRORS.]

For access to the video and/or board packet materials, please view at: http://multnomah.granicus.com/ViewPublisher.php?view_id=3

Submitted by:
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Board of County Commissioners
Multnomah County, Oregon