

Affordable Housing Trust Fund Advisory Committee

The role of Affordable Housing Trust Fund Advisory Committee is to advise City of Eugene staff on: the development of goals and programs related to the use of Affordable Housing Trust Fund resources, the allocation of Affordable Housing Trust Fund resources, and review of specific project proposals to be supported by the Affordable Housing Trust Fund resources.

Agenda

November 18, 2020, 1:00 – 2:30

To join from a computer, tablet or smartphone:

Join Zoom Meeting

<https://eugene-or-gov.zoom.us/j/91444264074>

Meeting ID: 914 4426 4074

Passcode: AHTF2020

Or call in:

888 475 4499 US Toll-free

I.	Welcome and Introductions	Information	5 minutes
II.	Public Comment	Information	10 minutes
III.	Minutes Approval (Oct 21, 2020)	Action	5 minutes
IV.	Consensus Decision Making	Discussion	15 minutes
V.	Request for Proposals Criteria	Discussion/Action	50 minutes
VI.	Next Steps	Discussion	5 minutes

Affordable Housing Trust Fund Advisory Committee Members :

Sarah Pishioneri (Co-Chair) · Scott Rogers (Co-Chair) · John Barofsky · Dane Butler · Paula Farquhar-Stout · Isaac Judd · Pete Knox · Kaarin Knudson · Carmel Snyder

Affordable Housing Trust Fund Advisory Committee Staff:

Josh Berman, City of Eugene • 541-682-5475 • JBerman@eugene-or.gov

Ellen Meyi-Galloway, City of Eugene • 541-682-5532 • EMeyi-Galloway@eugene-or.gov

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For information about minutes, agendas, or materials, please contact Josh Berman at JBerman@eugene-or.gov or 541-682-5475. Mail inquiries can be directed to City of Eugene Planning and Development Department, 99 W. 10th, Eugene, OR 97401.

NAME OF MEETING: City of Eugene Affordable Housing Trust Fund Advisory Committee

DATE OF MEETING: October 21, 2020

TO: Josh Berman

RECORDED BY: Lydia Dysart

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ROUTING INFORMATION

(11/03/2020 lld)
(Date and initials)

Draft Minutes
Affordable Housing Trust Fund Advisory Committee
Wednesday, October 21, 2020 – 1:00 pm – 2:30 pm
Conference Call via GoToMeeting

Affordable Housing Trust Fund Advisory Committee Members

Members

John Barofsky, Dane Butler, Paula Farquhar-Stout, Isaac Judd, Pete Knox, Kaarin Knudson, Sarah Pishioneri; co-chair, Scott Rogers; co-chair, Carmel Snyder.

City of Eugene Staff

Josh Berman, City of Eugene
Ellen Meyi-Galloway, City of Eugene

PRESENT

Scott Rogers	Paula Farquhar-Stout
Carmel Snyder	Isaac Judd
Pete Knox	Kaarin Knudson
Sarah Pishioneri	John Barofsky
Josh Berman	Ellen Meyi-Galloway

Others:

Jackie Low

ABSENT

Dane Butler.

I. Welcome and Introductions

Mr. Rogers opened the meeting of the Affordable Housing Trust Fund Advisory Committee (AHTF AC) at 1:05 p.m. Everyone present introduced themselves.

II. Public Comment

There was no public comment.

III. Minutes Approval (July 14, 2020, July 21, 2020, and September 15, 2020)

Mr. Rogers thought it would be best to go through each set of minutes and approve them individually.

Mr. Rogers asked if anyone had changes for the July 14, 2020 Minutes. There were none. Mr. Rogers approved the minutes as presented.

Mr. Rogers asked if anyone had changes for the July 21, 2020 Minutes. There were none. Mr. Rogers approved the minutes as presented.

Mr. Rogers asked if anyone had changes for the September 15, 2020 Minutes. There were none. Mr. Rogers approved the minutes as presented.

Mr. Barofsky noticed that Dane Butler had not been at their last three meetings. He wondered if they should address this issue. Mr. Rogers mentioned that he had talked with staff about it and he had tried to reach out. He would try one more time. Ms. Knudson said that she spoke with Mr. Butler in July and he felt very behind. She said that if they found someone else to fill his seat that they should also be in the building industry. Ms. Knudson stated that that was a very important perspective for them to have on the Committee.

IV. Request for Proposal Criteria

Ms. Meyi-Galloway said that they would be working to create their request for proposal (RFP) criteria. It was always exciting to see all the projects that applied for previous RFPs, but realistically they would only be allowed to fund one or two projects. Ms. Meyi-Galloway pointed out that creating criteria would help them make a fair decision and help applicants know what the RFP was focused on. Criteria could also deal with situations where they would compare projects. They could have required criteria as well as preferred criteria. She reminded everyone that they could change the criteria each year.

Ms. Farquhar-Stout thought it was important to make a clear distinction between shelter and housing. The community had concerns about the coming winter, and they needed to have firm definitions. Ms. Meyi-Galloway replied that the Affordable Housing Trust Fund (AHTF) was supposed to be for permanent housing and not shelters but could be used on transition housing. Ms. Knudson added that the construction excise tax (CET) was created to build enduring housing and the money had to be put towards lasting outcomes. Ms. Pishoneri stated that when CET was created it did not have any limitations and that the idea of using it for permanent housing came from City Council. Therefore, she said they could potentially fund shelters in the future. Ms. Meyi-Galloway mentioned that City Council and Lane County had a work session recently about their winter strategies to help the homeless during COVID-19.

Ms. Meyi-Galloway said that at their next meeting they would discuss leveraging, income and rent restrictions, and impact for projects. In December they were hoping to have staff present a draft RFP to the Committee before the RFP went out in January.

Mr. Berman reported that staff had talked to Mr. Rogers and Ms. Pishoneri about decision making surrounding criteria. They wanted to reach a consensus around criteria instead of voting. Mr. Barofsky

thought it might be a good idea to vote since they were not a decision board. When they made their recommendation to City Council and they voted then the Council could see that there were some people that did not vote for the criteria and the Council could ask for information on why that Committee member voted that way. He said that if they did not do that then City Council would not see what they disagreed on. Mr. Berman noted that they could just add a note to their recommendations on what was left out. Ms. Meyi-Galloway emphasized that RFP criteria would not be going to City Council for approval. They would only receive recommendations on the projects the Committee wanted funded.

Mr. Berman shared the results of the poll that was sent out. The first question asked what population/tenure should be prioritized for development in the AHTF RFP. The Committee members had to rank from first choice to fourth choice what they wanted to focus on. Most people ranked first having renters at 60% AMI or below, second renters at 60-80% AMI, third, third housing for the unhousing (very low or no income), and fourth homeownership development.

The second question asked which project Committee members would prefer to be funded by the AHTF. 71.4% said they wanted a project with more units but with less supportive services, 14.3% said they wanted a project with fewer units but with more supportive services, and 14.3% said that it depended on which population they were serving. For at 60% or below, more units, for very low to no income, fewer units with more support.

The third question asked if Committee members would approve of a project if it was near a railroad or other noisy environment. 71.4% said yes, 14.3% said yes if there were strict noise abatement, and 14.3% said yes, but not for veterans.

The fourth question asked if Committee members would approve of a project if it was located within a flood plain. 71.4% said that yes, 14.3% said no, and 14.3% said that they did not think it was a good idea amid climate change and in the name of environmental justice.

The fifth question asked if Committee members would approve of a project that required alterations to a 45-year old or older structure. 100% of responses said yes.

The sixth question asked if Committee members would approve of a project that required demolition of a 45-year old or older structure. 85.7% said yes and 14.3% said that in general they did not support tearing structures down because it was wasteful.

Mr. Barofsky asked how many responses there were to the poll. Ms. Meyi-Galloway replied that there were seven responses.

Mr. Barofsky said that some of the questions around floodplains and noise restrictions were not important for their criteria. If they wanted to build in those areas, there were already code restrictions put in place by the City.

Ms. Farquhar-Stout noted that many HUD housing projects had historically been put in noisy areas. She wanted them to be aware of the importance of where they put housing and how it affected people. Ms. Meyi-Galloway said that they could make it a preferred requirement that if a project is close to the railroad then they applicants should use construction techniques to lower interior noise.

Mr. Judd asked if they were talking about what they did not want to see from projects. Ms. Meyi-Galloway replied that if they wanted noise prevention to be included in projects then they should include that in the criteria because it would cost more. She said that it could be included as a preference but not a

requirement. Mr. Berman noted that they needed to know what the Committee was comfortable or uncomfortable with and then they could get into more details later.

Mr. Barofsky said that the flexibility of the CET funds was part of what made the Committee great. He thought they should not be too restrictive and do what they could to create more door fronts.

Ms. Meyi-Galloway wanted to talk about the type of project they were interested in. They could target any income levels, creating rentals for specific groups, or anything they wanted. She said that it seemed like the Committee was leaning towards creating rentals.

Ms. Farquhar-Stout mentioned that they heard a lot about building equity for renters from other communities. She wanted to hear more about their options surrounding that. Mr. Judd said that getting people into housing was the most important thing they could do now, and they could come back to equity later.

Ms. Knudson said that she wanted the greatest number of units at the lowest possible price. Mr. Barofsky thought they should consider the 1059 Willamette project. It was presented to City Council that CET could help gap fund the project. He thought that whatever criteria they created 1059 Willamette should fit into. If they did not consider it and give the project a chance, they ran the risk of City Council not taking their recommendations seriously.

Mr. Berman said that the Committee still seemed unsure of what they wanted to do. He said that they had to make decisions quickly or staff would have to go about the process blindly. Mr. Judd thought it might help to see a draft RFP. He said that they should all think about what they wanted outside of these meetings, so they did not waste time talking.

V. Adjourn

Mr. Rogers adjourned the meeting at 2:31 p.m.

(Minutes recorded by Lydia Dysart)

Affordable Housing Trust Fund Advisory Committee- Proposed Consensus Guidelines

Consensus is a process of decision making that works to ensure that no decision is made against the will of an individual or a minority. Reaching group consensus requires that all members of the group actively support or are at least “OK” with group decisions. The goal is not necessarily to achieve unanimity, but rather to find a solution that is acceptable to everyone in the group. When approaching decision making, AHTF-AC members will be able to express support or disagreement for a proposal along a spectrum:

Agreement- Agreement with the proposal without reservations. Willing to implement if necessary

Agree with Reservations- Have some reservations about the proposal but willing to move forward

Stand aside- Stronger reservations or even disagreement with the proposal but do not want to block the proposal from moving forward

Block- A block always stops a proposal from moving forward. It expresses a fundamental objection going forward

When there is a disagreement during group deliberations around a proposal, the disagree-er is responsible for proposing an alternative solution that can achieve consensus.

Ideas and material borrowed from: <https://www.seedsforchange.org.uk/shortconsensus>



MEMORANDUM

Date: November 18, 2020

To: Affordable Housing Trust Fund Advisory Committee

From: Community Development Staff

Subject: Request for Proposals Criteria

Background

City Council allocated \$300,000 of the FY21 Affordable Housing Trust Funds (AHTF) to be used for affordable housing development projects. The AHTF-AC submitted a letter to City Council in July outlining all the types of projects that would be potentially eligible for funds. The letter outlined the vision that the AHTF could create new affordable housing; protect existing affordable housing; support housing equity and expand ownership opportunities; and facilitate innovative housing solutions.

The open, competitive Request for Proposals (RFP) process allows project proposals to be scored and ranked to choose the strongest proposal(s) to receive funding. The difficult part of the RFP process is that many projects are strong and worthy of funding. RFP Criteria serve several purposes in project selection:

1. inform applicants of the minimum standards for projects.
2. inform applicants of project characteristics that are most desirable.
3. narrow what kinds of projects would be prioritized through the RFP.
4. develop parameters so that projects can be more fairly compared.

The AHTF-AC will define criteria so that the evaluation committee is able to compare and score proposals and work with the whole AHTF-AC to determine which proposal should be recommended to City Council for funding. Staff would work with a subcommittee or the whole AHTF-AC to make decisions about RFP criteria for AHTF. Examples of RFP criteria include: site requirements, housing tenure, target populations, financing requirements, readiness to proceed, developer experience, leveraging, and more. RFP criteria can be altered from year to year, to target funds to current priorities. For example, one year the RFP could focus on housing solutions for unhoused populations; another year the RFP could target new homeownership development. RFP criteria can differentiate between required components and preferred components. The RFP criteria is an important tool in selecting the most appropriate use of public funds.

RFP Components

The City of Eugene has a general outline for its Request for Proposals processes. The award process could be changed in future years after the program is evaluated.

1. When the RFP document is ready for release, it is posted on the City's website, sent to various lists of interested parties, and advertised in the Register Guard.
2. Potential applicants usually have approximately 60 days to submit responses to the RFP.
3. Proposals are posted on the City website and announced in the Register Guard, with an announcement of a public hearing.
4. A 4- or 5-member Evaluation Committee and staff review the proposals in depth. The Evaluation Committee holds a public hearing for comments on the proposals and scores the proposals based on the RFP criteria.
5. In the case of the AHTF-AC, the Evaluation committee would discuss the proposals with the full AHTF-AC. The AHTF-AC would determine the final scores and rankings of the proposals to provide to City Council.
6. Staff would present the proposals to City Council with the AHTF-AC scores. Council makes the final funding decisions.

There are three parts to the RFP:

- The RFP document itself includes a description of the process, the amount of resources available, and the RFP criteria explaining how proposals would be scored and prioritized.
- The application document is where prospective developers describe the project proposal in detail.
- The proforma is a spreadsheet explaining the financing proposal in detail.

Developing the RFP Criteria

Over the next two months, staff will work with the AHTF-AC to develop the RFP criteria to integrate into an RFP document. Please see Attachment A for the proposed timeline. The AHTF-AC is using a consensus model for decision making.

The questions to be discussed at the November meeting continue to discuss the priorities for types of projects, the income levels, and tenure targeted. Discussion topics may also include leveraging requirements, relocation, and impact per project. The survey provided to you before the meeting was to get an idea of the preferences of AHTF-AC members for these topics prior to the discussion. The survey questions are in Attachment B.

With these discussions, staff will draft the RFP and the December meeting would include discussion of the draft.

Action Requested

1. To determine priorities for the types of projects, the income levels and tenure targeted for the FY21 RFP criteria.
2. To determine priorities for other topics around leveraging, relocation, and impact per project.

Attachments

- A. Tentative Timeline for FY21 Affordable Housing Trust Funds RFP
- B. November Project Preferences survey questions

Attachment A
Timeline for FY21 Affordable Housing Trust Funds RFP

Month	Activities
October 2020	<ul style="list-style-type: none"> • Staff works with AHTF-AC to develop the RFP criteria.
November 2020	<ul style="list-style-type: none"> • Staff continues work with AHTF-AC to develop the RFP criteria.
December 2020	<ul style="list-style-type: none"> • Staff provides draft RFP to AHTF-AC for review and discussion.
January 2021	<ul style="list-style-type: none"> • Staff adjusts draft RFP with AHTF-AC comment and finalizes • RFP is released to public to solicit development proposals
March 2021	<ul style="list-style-type: none"> • Developers submit project proposals in response to RFP
April 2021	<ul style="list-style-type: none"> • Sub-committee of AHTF-AC reviews and scores proposals. • Sub-committee presents evaluations to full AHTF-AC and determines funding recommendation.
May 2021	<ul style="list-style-type: none"> • Staff presents proposals and AHTF-AC recommendation to City Council. • City Council makes final funding awards.
Summer 2021	<ul style="list-style-type: none"> • Staff works through legal agreements to award AHTF to selected project proposal(s).

Attachment B

November Project Preferences Survey Questions

This survey provided prior to the AHTF-AC November meeting, was to get an idea of the preferences of the members in order to begin the discussion. It is not considered a vote for preferences. The survey also had opportunities with each question to write alternative answers.

Development Scenarios

The following questions are a series of “would you rather” that will help give insight into which projects the AHTF-AC is interested in funding.

Which project would you rather support?

- A 70-unit development for residents earning 80% of the area median income (AMI) or
- A 50-unit development for residents earning 60% of AMI

Which project would you rather support?

- A 50-unit development for residents earning 50% of AMI
- A 25-unit development for residents earning 30% of AMI

Which project would you rather support?

- A 50-unit development for residents earning 50% of AMI
- A 25-unit development for residents earning 30% of AMI

The AHTF allows funding of proposals with income levels up to 100% AMI, but the RFP criteria could limit income limits further. What income level should proposals in this RFP be limited to?

- Affordable for residents making 80% of AMI or below
- Affordable for residents making 100% AMI or below

The survey also had an opportunity to add any other thoughts about income limits and number of units.

Resident Displacement and Relocation

In general, displacement of existing residents is discouraged, but it would be helpful to know the committee’s thoughts about displacement and relocation as it relates to site eligibility.

Would you support relocation of existing residents if...? Please respond with Yes or No for each topic.

- The developer provided money for relocation assistance.
- An occupied single detached house on a large property was acquired to be demolished to build 20+ units.
- An occupied single detached house was acquired to convert into a group home of Single Room Occupancy (SRO) units for persons experiencing homelessness.
- The residents were not low income (incomes were greater than 80% of AMI) and the proposed housing was for low-income residents (incomes were less than 80% of AMI.)

The survey also had an opportunity to add any other thoughts about resident displacement and relocation.

Miscellaneous Questions about AHTF funding priorities

Should this year's RFP allow awards up to \$300,000 (one award) or limit awards to \$150,000 (two awards)?

- Allow awards up to \$300,000 (one award)
- Limit awards to \$150,000 (two awards)

How soon should AHTF projects be expected to start construction?

- Start construction within 6 months
- Start construction within 12 months
- Start construction within 18 months
- No concern about construction timing

Is an energy efficient building a preference? Yes or No.

Would it be preferable for the developer to agree to a repayable loan as opposed to a grant? Yes or No.

What leverage (if any) should projects have to be eligible for AHTF money?

- Projects should derive at least 25% of total development costs from sources other than the AHTF.
- Projects should derive at least 50% of total development costs from sources other than the AHTF.
- No leverage should be required.