

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

December 16, 2020, 1:00 – 2:30

Zoom: <https://eugene-or-gov.zoom.us/j/91444264074> | Passcode: AHTF2020

Phone: 888-475-4499 | Meeting ID: 914 4426 4074

I.	Welcome and Introductions	Information	5 minutes
II.	Public Comment	Information	10 minutes
III.	Minutes Approval (Nov 18, 2020)	Action	5 minutes
IV.	Request for Proposals Criteria	Discussion/Action	45 minutes
V.	Select Evaluation Committee	Discussion/Action	20 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:

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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: November 18, 2020

TO: Josh Berman

RECORDED BY: Lydia Dysart

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ROUTING INFORMATION

(12/02/2020 lld)
(Date and initials)

Draft Minutes
Affordable Housing Trust Fund Advisory Committee
Wednesday, November 18, 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
Dane Butler	Ellen Meyi-Galloway
Josh Berman	

Others:

None.

ABSENT

None.

I. Welcome and Introductions

Mr. Rogers opened the Affordable Housing Trust Fund Advisor Council (AHTF AC) meeting at 1:04 p.m. Everyone present introduced themselves.

II. Public Comment

There was no public comment.

III. Minutes Approval

MOTION: Mr. Barofsky moved, seconded by Mr. Judd, to approve the October 21, 2020 AHTF AC minutes as presented. The motion passed unanimously.

IV. Consensus Decision Making

Ms. Pishoneri said that after meeting with Mr. Rogers and staff they proposed that the Committee's decision making should be done through consensus instead of a vote. Ms. Meyi-Galloway stated that the different levels of consensus were listed in the draft and that it would be a good way to gauge interest in topics. The levels were agreement, agree with reservations, stand aside, and block. An agreement signified that they agreed with the proposal without reservations and were willing to implement it if necessary. Agree with reservations meant that they had some reservations with the proposal but were willing to move forward with it. Stand aside meant that they had stronger reservations or even disagreement with the proposal but did not want to block the proposal from moving forward. Ms. Pishoneri stressed that blocking was very serious. It was used if someone believed that the motion went against the values of the group.

Ms. Knudson thought it was good for the group to reach a consensus, however, they had a responsibility to come to a decision in a timely manner. Ms. Pishoneri said that that was why it was important for whoever disagreed to help come up with a solution. She stated that they needed to make sure that minority opinions were not silenced. Mr. Judd hoped that they could get through disagreements quickly since they had a limited amount of time. Ms. Pishoneri shared that she had worked the consensus model with bigger groups, and it had never seriously impeded progress. They just had to be clear and have the tough conversations if needed.

Mr. Barofsky wondered how the consensus process would fit with them scoring RFPs. He said that it would be hard for everyone to agree at that point.

Ms. Meyi-Galloway noted that this group made recommendations to staff and it was up to them if they wanted to vote on decisions. Sometimes staff just used conversations to figure out what the Committee wanted. She said that it was good to vote when deciding on how to allocate funds and when deciding on RFP proposals. The Committee would create a separate group that would oversee scoring the proposals to help the whole committee when deciding on proposals. Ms. Meyi-Galloway said that RFP criteria did not need as much time dedicated to the counter proposal. If they could not come to an agreement, then staff would make decisions based off what they heard.

All Committee members agreed to use the consensus model that was outlined.

V. Request for Proposals Criteria

Ms. Meyi-Galloway said that the committee would continue their conversation on the RFP criteria for the \$300,000 allocation. The criteria would help them prioritize proposals and if done right would help both applicants and scorers.

Mr. Berman would share the second survey results that they got from the Committee. In total they had seven responses.

The first question asked which type of project they would rather support: a 70-unit development for residents earning 80% of area median income (AMI) or a 50-unit development for residents earning 60% of AMI. The survey showed that 42.9% would support the 50-unit project and 57.1% would support the 70-unit project.

The second question asked which type of project they would rather support: a 50-unit development for residents earning 50% of AMI or a 25-unit development for residents earning 30% of AMI. The survey showed that 14.3% would support the 25-unit project and 85.7% would support the 50-unit project.

The third question asked what project they would rather support: a 50-unit development for residents earning 80% of AMI or a 25-unit development for residents earning 50% of AMI. The survey showed that 42.9% would support the 25-unit project and 57.1% would support the 50-unit project.

AHTF allowed funding of proposals with income levels up to 100% AMI, but the RFP criteria could limit income limits further. The fourth question asked what income level proposals in the RFP should be limited to. 42.9% said that they wanted projects affordable for residents making 80% of AMI or below. 42.9% said that they wanted projects affordable for residents making 100% AMI or below. 14.3% wanted projects to have mixed income dwellings including ability to develop equity.

The fifth question asked if the Committee would support relocating existing residents if the developer provided money for relocation assistance. Three people said they would support that, and one person said no. They also asked if they would support relocating existing residents if a single detached house on a large property was acquired to be demolished to build 20+ units. Four people said they would support that. They asked if they would support relocating existing residents if an occupied single detached house was acquired to convert into a group home of SRO units for persons experiencing homelessness. Two people said yes, and one person said no. They asked if they would support relocating existing residents if the residents were not low income (>80% AMI) and the proposed housing was for low-income residents (<80% AMI). Two people said yes, and two people said no.

The sixth question wanted to know if that year's RFP should allow awards up to \$300,000 (one award) or limit awards to \$150,000 (two awards). 71.4% said they would allow one award. 14.3% said they would allow for two awards. And 14.3% said they wanted to see the proposals first. Ms. Knudson had misunderstood that question. She said that she was open to it but was not necessarily interested in only doing one allocation. Ms. Meyi-Galloway shared that that question was put in to make people aware that applicants might apply for the full \$300,000.

The seventh question asked how soon the AHTF projects should be expected to start construction. 14.3% wanted construction to start in six months. 14.3% were okay with whatever timing suited the individual projects. 14.3% had no concern about construction timing. 28.6% wanted construction to start within 18 months. 28.6% wanted construction to start within 12 months. Ms. Knudson had some understanding of the development side and thought no applicants would be ready to start construction in less than a year. It would take three months just to get a permit. They had to be realistic and not expect construction within the year. Ms. Meyi-Galloway shared that this question gauged readiness. Sometimes their funds could be used for final financing, but that would be unlikely.

Ms. Meyi-Galloway said that they were creating draft RFP criteria from the answers that were given to the questions as well as the conversations that took place. The Committee would have a chance to review the criteria before it was finalized.

Ms. Farquhar-Stout noted that they had to be aware of what was currently being built and what was still needed. Ms. Meyi-Galloway told her that the Community Development team had worked on the Consolidated Plan which gave insights into that. They had found that there was a need for development at every level.

Mr. Barofsky asked if they could propose a level of AMI that they wanted the units to be priced at. He knew that City Council wanted to fund the 1059 Willamette project which would have 49% of units at market rate and 51% set at 80% AMI or below. The fund could help fill whatever they needed it too and they might want to think about allowing for up to 80% AMI since there was not a lot of units at that level. Mr. Barofsky emphasized that their criteria should allow for 1059 Willamette to be considered. Mr. Rogers asked if sticking to 50% - 80% AMI would limit them too much from a staff perspective. Ms. Meyi-Galloway replied that they could specify that if they wanted.

Ms. Meyi-Galloway mentioned that they talked about homeownership versus renting last time as well as leverage. They could talk more about that and specify what they wanted in more detail.

Ms. Pishoneri thought that the need for housing was everywhere and that the priority should be keeping people off the streets. She added that people making 80% AMI were not in that group.

Ms. Knudson said that their discussion showed the housing crisis that they were going through. Generally, there was not a lot of housing available and it was even worse for lower AMI. There were many people in their community that were experiencing uncertainty and their funds could help fill those gaps.

Mr. Barofsky thought it was important to create more door fronts. He wanted their criteria to say that if they were between applications, they would pick the one that provided more units. They had need for all types of units (studio, one bedroom, two bedrooms, and three bedrooms).

Ms. Pishoneri asked if they could target 10%-30% AMI and 80%-100% AMI. This way they could be more flexible. Ms. Meyi-Galloway replied that they could allow for 100% AMI but prefer lower AMI. Mr. Knox liked that idea. He noted that the Committee had a lot they wanted to do but it was impossible to do everything.

Ms. Farquhar-Stout said that it would be beneficial to the group to investigate micro-loans and sweat equities. Ms. Meyi-Galloway told her that there were some homeowner developments in the community that they could look at.

Ms. Knudson stated that the point of this fund was to fund projects that fell outside of normal funding requirements. She did not want them to say they would score projects higher if they provided lower AMI units without seeing the projects. Ms. Knudson wanted them to be open to whatever projects came to them.

Mr. Barofsky stated that this was their first RFP so there was a lot to learn. They could target different groups at a later RFP. He noted that \$300,000 was not that much money so they should go as broad as possible and whittle the projects down when scoring. Their main goal had to be creating affordable housing in the community. Mr. Judd wanted to see them move to homeownership at some point but

agreed that renting should be a priority for the first year. Ms. Knudson reminded him that there was already money put aside for homeownership from the City Council.

Ms. Meyi-Galloway asked what the minimum number of units they were willing to accept was. While there were a lot of projects that had more than 20 units, but there were also some ten units. Ms. Pishoneri asked what type of projects had only ten units. Ms. Meyi-Galloway responded that they could be transition houses for people coming out of foster care. Mr. Barofsky thought that type of housing was important and needed to stay flexible for those types of projects.

MOTION: Ms. Snyder moved, seconded by Ms. Farquhar-Stout, to prioritize renters in their RFP. The motion passed unanimously.

Ms. Pishoneri wanted them to prioritize vulnerable populations and historically disenfranchised groups.

MOTION: Ms. Pishoneri moved, seconded by Mr. Barofsky, to prioritize the special needs populations list in the Consolidated Plan. The motion passed unanimously.

VI. Next Steps

Ms. Meyi-Galloway said that staff was drafting the RFP criteria and would send it out to the Committee as soon as possible. They would review the criteria at the December meeting.

They still needed to create the sub-committee that would score the applications. Everyone would review the proposals, but the sub-committee would go through all the details. Ms. Meyi-Galloway asked if anyone wanted to be on the sub-committee. Ms. Pishoneri volunteered. Mr. Rogers said that they could fill out the rest of the sub-committee at their next meeting.

Ms. Knudson noted that racial equity was not included in the special needs population list and that they should talk about adding it.

VII. Adjournment

Mr. Rogers adjourned the meeting at 2:32 p.m.

(Minutes recorded by Lydia Dysart)



MEMORANDUM

Date: December 16, 2020

To: Affordable Housing Trust Fund Advisory Committee

From: Community Development Staff

Subject: Request for Proposals Criteria and Evaluation Committee

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

Please see Attachment A for the timeline of the RFP development. Over the past few months, the AHTF-AC worked to develop the RFP criteria to integrate into an RFP document. The AHTF-AC is using a consensus model for decision making.

Based on the AHTF-AC discussions in the Fall, staff drafted RFP criteria in Attachment B. The December meeting will be to discuss the Draft Criteria and Selection of the Evaluation Committee. Staff will send the full RFP document to the AHTF-AC in December and will aim to release the RFP in January.

Action Requested

1. To review the Draft RFP Criteria and discuss changes or adjustments.
2. To determine the subcommittee of the AHTF-AC that will be the Evaluation Committee for the RFP

Attachments

- A. Tentative Timeline for FY21 Affordable Housing Trust Funds RFP
- B. Draft RFP Criteria

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 criteria 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
Draft RFP Criteria**

CRITERIA FOR PROPOSAL EVALUATION

All proposals will be reviewed by staff and evaluated by the Evaluation Committee. Proposals will be evaluated in six categories described below using a five-point scoring system. Each proposal has the potential to receive a total score of 30 points. Scores will be discussed with the Affordable Housing Trust Fund Advisory Committee, recorded and presented to City Council. In instances of tie scores, proposals will be compared against each other in order to determine which proposal uses the requested resources most efficiently and provides the greatest community benefit while meeting the City goals.

- **5 = Exceptional**
A score of “5” means the proposal significantly exceeds the standards set forth in the criteria and shows some significant innovation or benefit.
- **4 = Very Good**
A score of “4” means the proposal exceeds the standards set forth in the criteria and shows some significant innovation or benefit.
- **3 = Acceptable**
A score of “3” means the proposal meets the standards set forth in the criteria.
- **2 = Needs Improvement**
A score of “2” means the proposal does not meet the standards set forth in the criteria, but could be modified to meet the standards.
- **1 = Unacceptable**
A score of “1” means the proposal does not meet standards set forth in the criteria.

Criteria for Proposal Evaluation

1. Project Concept and Design

Proposals are required to:

- a) present a well-developed design that is suitable for the targeted population(s) and project location;
- b) comply with the applicable City Code,
- c) Increase the existing number of units, through new construction, adaptive re-use, or rehabilitation
- d) must demonstrate readiness to acquire and/or start construction within 12 months from the date of award

Preferred proposals:

- a) demonstrate a significant innovation or benefit through the project design and/or compatibility with surrounding uses.
- b) demonstrate use of cost-effective green building measures.

2. Site Feasibility

The applicant must have site control or an option to purchase at the time of application. Proposals are required to:

- a) demonstrate that the designated project site is suitable for affordable housing and the targeted population(s)
- b) Be free of adverse environmental conditions that cannot be mitigated. (Examples of ineligible sites include but are not limited to sites with, toxic contamination, proximity to above-ground storage of explosive materials, and designated wetlands.) If a site has an environmental condition such as noise proximity, buildings older than 45 years, or land in the 100 year flood plain, it must be possible to mitigate the condition through reasonable measures.
- c) have appropriate zoning for the type of development proposed and demonstrate consistency with the City's Housing Dispersal Policy.
- d) Cover moving costs and expenses for households displaced by the development proposal.

Preferred proposals:

- a) are located near schools, parks, commercial areas, public transportation, services, and jobs.
- b) Do not displace any households from their homes.

3. Targeted Population and Services

Proposals are required to:

- a) target households earning no more than 100% of the area median income.
- b) Include at least 5% of units for people with mobility challenges (such as a wheelchair) and sensory challenges (such as blindness or deafness), rounding up, and one unit as a minimum.

Preferred proposals:

- a) target at least one of the following income levels:
 - a. households with extremely low incomes (30% AMI or less),
 - b. households with moderate incomes (60% AMI – 80% AMI, an income range which has few subsidies available)
 - c. a designated mix of income levels, targeting units at various area median income levels.
- b) designate some units for a high priority special needs population as identified in the 2020 Consolidated Plan (see Exhibit B).
- c) demonstrate a significant innovation or benefit through serving a population that is uniquely needy and significantly underserved.
- d) work with a service provider to provide services to the designated special needs population.

4. Cost Benefit

The proposal's per unit overall cost, and public subsidy per unit will be evaluated.

Proposals are required to:

- a) provide units and rent levels that justify the requested resources;
- b) leverage other resources (at least 50% of total development cost)
- c) meet minimum 20-year affordability period requirements.

Preferred proposals:

- a) create a higher number of affordable units, a higher number of bedrooms (and/or greater number of residents served) for the amount of subsidy provided.

- b) create lower rents/ greater affordability levels because of the requested resources.

5. Financial Feasibility

Acceptable proposals must provide a complete financial pro forma (Attachment D).

Proposals are required to:

- a) propose rents that are affordable to the target population.
- b) demonstrate that all proposed funding sources for construction and long term operations are possible to obtain, and can be committed within a reasonable schedule.
- c) show a proforma with financial stability throughout the entire affordability period with a minimum debt coverage ratio of 1.15.
- d) demonstrate a construction schedule that achieves acquisition or start of construction within 12 months of the potential funding award.

Preferred proposals:

- a) demonstrate at the time of application financial resources that are firmly committed, not just with a letter of interest.
- b) have a significant amount of leverage, greater than 50% of total development cost.
- c) include an innovative financing model that relies less on competitive public resources.

6. Organizational Experience and Performance

Proposals are required to:

- a) demonstrate that the development team and/or lead organization has experience with the proposed form of development
- b) demonstrate that the development team and/or lead organization has experience in serving the targeted population(s).
- c) demonstrate their marketing and outreach plan to increase access to housing opportunities for black, Indigenous and people of color (BIPOC) residents/communities, and to affirmatively further fair housing for all protected classes.
- d) show ability to manage additional projects if other development is in progress.
- e) demonstrate the ability of the property management team to adequately provide services to proposed target population(s) and ability to efficiently maintain the additional property/asset.
- f) demonstrate that the organization is financially viable and able to manage unexpected costs that could arise during development.

Preferred proposals:

- a) will come from development teams with an outstanding track record in the development and management of rental housing.
- b) demonstrate partnerships with organizations serving BIPOC households. Some examples include the following (but it is not expected that a single project would incorporate all of these examples):
 - a. development, sponsorship or management of the property by a culturally specific or culturally responsive organization with a diverse and representative leadership. (Culturally specific organizations are led by individuals of the community being served; culturally responsive organizations are designed to meet the needs of individuals from diverse cultural backgrounds and experiences.)
 - b. an ongoing service partnership with a culturally specific or culturally responsive organization.
 - c. agreements with service providers to engage in culturally appropriate services.