

July 23rd GCDC Committee Meeting

Attending: Phillip, Paddy, Ross, Paul, Cameron, Becky, Ross, Stephen, Jenny and Nancy

Guest: Julie Livingston, Home Forward

Ross recapped our meeting with Jonathon Trutt from Home Forward and introduced Julie Livingston, Sr. Project manager with Home Forward.

Julie told us a lot was at play in the Portland development arena. We have plenty of time to plan because of this.

125,000 households will move to Portland in the next 25 years. The city is considering ways to build housing that is dense and close to services.

Workforce housing is for families that are at 80-100% of Area Medium Income (AMI). There is currently no support for households in this category.

Because Portland is dedicated to inclusivity, a law passed 2/17 required that projects with 20+ units had to include 20% affordable housing. 5,000 units were permitted to be built in the central city as of 2/17. Not many have been permitted since because some big developers do not want to build affordable housing. To buy back these units from the city costs a developer \$28-\$29 per the total square footage of the development.

-Home Forward developments are targeted at households at 60% of AMI. Rent should be 30% of their income. However, all landlords are required to accept vouchers, so there may be people well below 60% AMI

-Home Forward builds housing the market won't build.

-Home Forward partners with more than 100 social service organizations.

-Home Forward determines the population that will be housed before building. Their projects have included Head Start, gym membership, after school care. They look to deliver services close to home.

Joint developments are not uncommon. Home Forward built the St. Francis Apartments on 12th and Stark for Catholic Charities. **We are planning a tour of these apartments in the next couple of weeks.**

Julie talked about our property and how it doesn't "pencil" and financing the "gap". I spent some time talking to Ross yesterday because I didn't understand what this all meant. This is some of Ross's short course on **Affordable Housing Financing**:

Financing: 1/3 Debt (rent, cost of operation) 1/3 Equity (Usually 4% Tax credits that we could get for free and then sell to a for profit company with tax liability) and 1/3 Subsidy (various governmental sources, Federal and State).

So, the Equity part of this doesn't have to be paid back. The for profit company has most of the ownership of the project, but the non-profit developer has control of the project. So, this is what Julie was talking about when she referred to "financing the gap".

Another possibility that was discussed was that Grace could possibly partner with the O'Brien Group which owns most of the car dealerships on the Broadway Corridor and has also bought 7-8 blocks in the Lloyd Center area to develop market rate apartments (you know, the expensive ones). In order to buy back the affordable housing requirement from the City of Portland, it would cost them \$20,000,000. This kind of partnering has not taken place before, but Julie is going to set up a meeting with Mike O'Brien (or his real estate agent) for further discussion.

Now, I'm just going to skip to the things we need to do next.

- Figure out who the Parish wants for neighbors. On one end of the spectrum is Permanent Supportive Housing which is basically people who have been on the streets - they have a case manager and are the most vulnerable. On the other end is Market Rate Housing with 20% affordable included.

- Ross thinks it is time to do some planning with an architect who specializes in space management. He has asked Brian Carlton to give us a proposal as to what this would cost. If we split this cost between Grace, GI, and PHAME, it would be around \$2,000 each.

- Meet with the O'Brien Group to see if there is a possibility of working with them on the Grace Project.

- Begin working on a Request For Proposal (RFP). Also know as a RFI (request for interest) or a RFQ (request for qualification) Just so you don't get confused. hahahaha

- Tour St. Francis Apartments.

Is your head spinning yet???? We should meeting again soon. Let's tour St. Francis Apartments and then when Martin is back we will get together and figure out a plan.

Nancy