



Affordable Housing Bond: Executive Summary

Early projects align with Local Implementation Strategy; offer opportunity for expanded performance metrics and reporting

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A Report by the County Internal Auditor

Jodi Cochran, CPA, CIA, CGMA, CRMA
Clackamas County Chief Audit Executive

Brian T. Nava
Clackamas County Treasurer

Early projects align with Local Implementation Strategy; offer opportunity for expanded performance metrics and reporting

The Housing Authority of Clackamas County (HACC) sought early implementation of the Affordable Housing Bond (Bond) program for expedient community impact and expansion of affordable housing within Clackamas County. Clackamas County's Webster Road project in Gladstone was the first Metro Affordable Housing project to receive a portion of the \$652.8 million in regional eligible funding. In addition to receiving approval for this pilot project, HACC's early efforts resulted in the development and approval of HACC's Local Implementation Strategy (LIS) and Round 1 Notice of Funding Availability (NOFA).

Criteria established within the HACC LIS and Round 1 NOFA are in alignment, represent Metro's four guiding principles and support HACC's strategic plan. The three projects selected in Round 1 present the ability to meet the LIS expectations and, ultimately, comply with the intergovernmental agreement between HACC and Metro for use of Bond dollars.

Continued program oversight and project management will be essential throughout the Bond program. HACC's governance structure facilitates these critical activities, including transparent and accountable performance measurement and reporting.

HACC's approved LIS and Round 1 NOFA reflect the Metro guidance addressing performance targets and outcomes available at the time. Some program and project criteria are supported by clear performance metrics within the LIS and NOFA. Opportunities exist to strengthen others and design metrics where there are gaps. Enhancing and establishing specific metrics early in the projects will allow for timely, transparent communication and demonstration of progress; trend analysis in determining whether activities are achieving expected results; and implementation of adjustments, if appropriate, to successfully meet goals.

Clackamas County relies on the service, professionalism, integrity, respect, individual accountability, and trust of each staff member as key points of control activity and risk management. These organizationally-defined core values provide the foundation for all expenditure decisions, actions and practices, including HACC's use of Bond dollars to capitalize development opportunities and its efforts to reduce chronic homelessness.

Recommendations

This audit resulted in the following six recommendations to support the continuing, successful implementation of the Bond program and use of targeted public funding. These recommendations do not reflect deficiencies, but rather opportunities for greater impact through governance structures and performance metrics. Detailed observations and recommendations are included in this report.

HACC Governance

1

Publish the HACC Board meeting dates on the HACC website

2

Appoint a HACC At-Large Commissioner

3

Expand the Housing Advisory Board membership to 11 members

Performance Metrics

4

Continue to develop performance metrics and indicators where gaps exist

5

Broaden the HACC Board Bond progress report

6

Enhance the HACC Metro Housing Bond webpage

Management Response

The HACC management team has reviewed this report and recommendations and generally agrees with the recommendations. Full responses have been included in the report.

Supportive Partners

Many staff members generously contributed their time and effort to gathering and analyzing the background information and data cited. The accommodations and assistance of the Housing Authority of Clackamas County were very much appreciated. HACC's collaborative approach is recognized in its relationships with other Affordable Housing Bond LIPs, community providers and stakeholders; as well as its early achievement of project concept endorsements. This partnering nature was also demonstrated in its willingness to engage with the audit. HACC's commitment to process improvement and its openness to independent assessment was instrumental in the endeavor.

All contributions have significantly enhanced this audit's development, results and impact. As a county team, such collaborative efforts are vital to HACC's and the county's ability to successfully meet objectives, as well as identify, thoroughly analyze and appropriately respond to risks. We demonstrate our core values — SPIRIT — when we collectively and proactively identify steps to streamline processes, strengthen controls and mitigate risks.

