

December 15, 2022

Housing Authority Board of Commissioners  
Clackamas County

Approval of an Amendment 3 of the Intergovernmental Agreement with Metro for the Affordable Housing Bond Program allocating \$4,164,000 in interest earnings as Rapid Permanent Supportive Housing Funding for the creation of additional Permanent Supportive Housing units with integrated Supportive Housing Services funding commitments.

Funding through Regional Metro Housing Bond Interest.

No County General Funds are involved.

<b>Purpose/Outcomes</b>	To utilize \$4,164,000 in Housing Bond interest earnings rapidly create additional Permanent Supportive Housing (PSH) units that have Supportive Housing Services (SHS) funding commitments.
<b>Dollar Amount and Fiscal Impact</b>	Allocates \$4,164,000 in Housing Bond interest earnings from the Regional Affordable Housing Bond program to HACC to fund the creation of additional PSH units. No Clackamas County General Funds are involved.
<b>Funding Source(s)</b>	Regional Affordable Housing Bond interest earnings
<b>Duration</b>	The IGA will expire ten (10) years after the effective date of 12/10/19.
<b>Previous Board Action/Review</b>	12/13/22 – Amendment 3 presented at Issues 7/21/22 – Amendment 2 approved 5/19/22 – Amendment 1 approved 12/10/19 – Affordable Housing Bond Program Intergovernmental Agreement (IGA) - Fully Executed 11/14/19 - Affordable Housing Bond Program IGA and Local Implementation Strategy was approved by the HACC board.
<b>Strategic Plan Alignment</b>	This funding aligns with the County's strategic priority to ensure safe, healthy, and secure communities by increasing the inventory of affordable housing units in Clackamas County.
<b>Counsel Review</b>	11/03/2022 - Andrew Naylor, County Counsel
<b>Procurement Review</b>	1. Was the item processed through Procurement? yes <input type="checkbox"/> no <input checked="" type="checkbox"/> 2. If no, provide brief explanation: Item is an IGA
<b>Contact Person</b>	Devin Ellin, Director of Housing Development, HACC 971-227-0472
<b>Contract Number</b>	Amendment 3 to the Regional Affordable Housing Bond Program IGA H3S 9530/Metro Contract 936551

**BACKGROUND:**

Housing Authority of Clackamas County (HACC), entered into the Affordable Housing Bond Program Intergovernmental Agreement (IGA) with Metro regional government, effective December 10, 2019. Amendment 3 allocates \$4,164,000 in interest earnings from the Regional Affordable Housing Bond program to HACC for the rapid creation of additional PSH units having integrated Supportive Housing Services (SHS) funding. These funds will be specifically designated as Rapid PSH Funds with limited eligible uses.

Rapid PSH Funds must be used by HACC to support the creation/acquisition of additional PSH Projects and are not intended to fund additional PSH units in existing pipeline projects. Rapid PSH Project unit production is independent of and in addition to existing Unit Production Target commitments from the Regional Affordable Housing Bond program.

Rapid PSH funding will be available for County-identified investment opportunities submitted for Concept Endorsement to Metro by the end of March 2023. If HACC is unable to identify a Rapid PSH Funding project opportunity within that time frame, our Eligible Share of Rapid PSH Funding will return to Metro's Housing Bond unallocated interest earnings account and may be redeployed.

Metro will issue Rapid PSH Project Concept Endorsements upon Metro's determination that:

1. PSH Units produced by the Rapid PSH Project will serve Population A, as defined in the SHS Intergovernmental Agreement, and utilize County coordinated access systems to serve the most vulnerable;
2. The proposed Rapid PSH Project maximizes PSH unit production as appropriate to the specifications of the site, PSH best practices, and population needs;
3. HACC has firmly committed to align ongoing County SHS funding for project-based rental assistance and wraparound services for the residents of the Rapid PSH Project;
4. For acquisition and rehab Projects to be occupied as a shelter on an interim basis during rehab, HACC must have a preliminary plan and capital funding to support the project's completion within 4 years of Concept Endorsement;
5. For all other Rapid PSH Projects, HACC must have a preliminary plan and capital funding to support the project's completion within 2 years of Concept Endorsement;
6. The Project is otherwise consistent with the HACC's Local Implementation Strategy the Work Plan and the Housing Bond Measure.

Metro will issue Rapid PSH Project Approval upon Metro's determination that:

1. The Rapid PSH Project continues to meet the Concept Endorsement Requirements;
2. For acquisition and rehab Projects to be occupied as a shelter on an interim basis during rehab, HACC must have a demonstrably achievable plan, capital funding and construction commitment to support the project's complete rehabilitation and/or conversion to permanent housing within 4 years of receiving Project Approval;
3. For all other Rapid PSH Projects, HACC must have a demonstrably achievable plan, capital funding and construction commitment to support the project's completion within 2 years of receiving Rapid PSH Project approval.

**ATTACHMENTS:**

- Amendment 3 – Regional Affordable Housing Bond Program IGA with Metro

**RECOMMENDATION:**

Staff recommends the Board approval of Amendment #3 to the Regional Affordable Housing Bond Intergovernmental Agreement #9530 allocating \$4,164,000 in Housing Bond interest earnings from the Regional Affordable Housing Bond program to HACC as Rapid PSH Funds for creation of additional PSH units having integrated SHS funding. In addition, staff recommends the Board authorize Commissioner Tootie Smith, Chair, to sign the Amendment on behalf of the Housing Authority Board.

Respectfully submitted,



Rodney A. Cook, Director  
Health, Housing and Human Services

# 3rd Amendment to Intergovernmental Agreement

## Affordable Housing Bond Measure Program IGA



Metro  
600 NE Grand Ave.  
Portland, OR 97232  
(503) 797-1700

Metro Contract No. 936551

THIS 3rd AMENDMENT TO AFFORDABLE HOUSING BOND MEASURE PROGRAM INTERGOVERNMENTAL AGREEMENT ("Amendment") is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 N.E. Grand Avenue, Portland, Oregon 97232-2736, and Housing Authority of Clackamas County ("Local Implementation Partner", "LIP" or "County"), located at 13930 S. Gain Street, Oregon City, Oregon 97045 and is dated effective as of the last day of signature set forth below (the "Effective Date").

### RECITALS

A. Metro and LIP entered into the Affordable Housing Bond Measure Program Intergovernmental Agreement, effective December 10, 2019, providing the terms and conditions under which Metro provides Ballot Measure 26-199 Bond ("Housing Bond") proceeds for the acquisition and construction of affordable housing (the "IGA") within the LIP's jurisdiction.

B. On February 25, 2020, the Metro Council adopted Ordinance No. 20-1442, which imposed business and personal income taxes to fund a supportive housing services ("SHS") program based on its finding that areas within Metro's jurisdictional boundary face a severe housing affordability and homelessness crisis that endangers the health and safety of thousands of Metro's unhoused neighbors, and adopted Resolution 20-5083, which referred the business and personal income taxes in Ordinance No. 20-1442 to voters within the Metro jurisdictional boundary for approval. Ordinance No. 20-1442, designated as Ballot Measure 26-210 (the "SHS Ballot Measure") was placed on the May 19, 2020, primary election ballot, and approved by the Metro area voters On May 19, 2020.

C. In January of 2022, Clackamas, Multnomah and Washington Counties each entered into an Intergovernmental Agreement with Metro setting forth the Parties' understandings and agreements regarding the use by the Counties of the Income Taxes derived from the SHS Ballot Measure to pay for supportive housing services consistent with Counties' SHS Local Implementation Plan (the "SHS IGAs").

D. Following passage of the Metro SHS Ballot Measure and entry into the SHS IGAs, the Metro Council directed staff to seek opportunities to support the integration of Housing Bond and SHS investments, and in their May 2021 memo to the Metro Council, the Affordable

# 3rd Amendment to Intergovernmental Agreement

## Affordable Housing Bond Measure Program IGA

Metro Contract No. 936551

Housing Bond Measure Oversight Committee urged Metro to support integration of Metro SHS funding with Housing Bond investments in Permanent Supportive Housing (“PSH”) projects having the potential to move forward quickly to address the needs of community members who are experiencing or at risk of homelessness.

E. As of June 30, 2022, the Housing Bond has earned over \$32 million in interest earnings and bond premium. Of this amount, \$8 million was allocated to Local Implementation Partners to fill financial gaps for air conditioning in Housing Bond funded projects via the 2<sup>nd</sup> Amendment to the IGA. This 3rd IGA Amendment allocates a further \$20 million in Affordable Housing Bond interest earnings (the “PSH Pilot Funding”) proportionately to Clackamas, Multnomah, and Washington Counties or their designees, to support immediate investments in additional PSH units that integrate SHS funding. “PSH Pilot Projects” are projects for new construction or rehab of unoccupied PSH units intended to be completed and provide PSH units on a timeline of up to 2 years, and projects for acquisition and rehab of existing units that are occupied as a shelter on an interim basis during rehab, intended to be completed and provide PSH units on a timeline of up to 4 years (also, “PSH Projects”).

F. LIP has confirmed interest in utilizing Housing Bond interest earnings to fund the rapid creation of additional PSH units having integrated SHS funding.

G. The parties wish to amend the IGA to provide additional funding for PSH Pilot Projects as follows:

### AGREEMENT

**1. PSH Pilot Funding.** LIP’s PSH Pilot Funding Eligible Share totals \$4,164,000.00. PSH Pilot Funds must be used by LIP to support the creation/acquisition of additional PSH Projects, and are not intended to fund additional PSH units in existing pipeline projects. PSH Pilot Project unit production is independent of and in addition to existing LIP Unit Production Target commitments. PSH Pilot Funding will be available for County-identified investment opportunities submitted for Concept Endorsement to Metro by the end of March 2023. If LIP is unable to identify a PSH Pilot Funding project opportunity within that time frame, LIP’s PSH Pilot Funding Eligible Share will return to Metro’s Housing Bond unallocated interest earnings account and may be redeployed. The above set forth expiration date may be unilaterally extended at the discretion of the Metro Chief Operating Officer in writing.

**2. PSH Pilot Project Concept Endorsement.** Metro will issue PSH Pilot Project Concept Endorsements upon Metro's determination that: 1) PSH Units produced by the PSH Pilot Project will serve Population A (as defined in the SHS IGA's) and utilize County coordinated access systems to serve the most vulnerable; 2) The proposed PSH Pilot Project maximizes PSH unit production as appropriate to the specifications of the site, PSH best practices, and population needs; 3) LIP has firmly committed to align ongoing County SHS funding for project-based rental assistance and wraparound services for the residents of the PSH Pilot Project; 4) For acquisition and rehab Projects to be occupied as a shelter on an interim basis during rehab, LIP must have a preliminary plan and capital funding to support the project's completion within 4 years of Concept Endorsement; 5) For all other PSH Pilot Projects, LIP must have a preliminary plan and capital funding to support the project's completion within 2 years of Concept Endorsement; 6) The Project is otherwise consistent with the LIP's Local Implementation Strategy the Work Plan and the Housing Bond Measure.

**3. PSH Pilot Project Approval.** Metro will issue PSH Pilot Project Approval upon Metro's determination that: 1) The PSH Pilot Project continues to meet the Concept Endorsement Requirements; 2) For acquisition and rehab Projects to be occupied as a shelter on an interim basis during rehab, LIP must have a demonstrably achievable plan, capital funding and construction commitment to support the project's complete rehabilitation and/or conversion to permanent housing within 4 years of receiving Project Approval; 3) For all other PSH Pilot Projects, LIP must have a demonstrably achievable plan, capital funding and construction commitment to support the project's completion within 2 years of receiving PSH Pilot Project approval.

**4. Project Failure and Repayment.** PSH Pilot acquisition and rehab Projects that are occupied as a shelter on an interim basis during rehab, must show substantial progress towards the development of permanent PSH within 4 years of the closing date of the Property Acquisition as set forth in Section 4.4 of the IGA. For all other PSH Pilot Projects, the IGA section 4.4 deadline is accelerated to 2 years. LIP will provide biannual PSH Pilot Project progress updates and notify Metro promptly of PSH Pilot Project delays.

3rd Amendment to Intergovernmental Agreement  
Affordable Housing Bond Measure Program IGA

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Metro Contract No. 936551

5. Except as otherwise set forth herein, the PSH Pilot Funding and PSH Pilot Projects are subject to all requirements of the IGA and Metro Affordable Housing Bond Work Plan. Metro and LIP hereby ratify and confirm this addition and modification to the terms of the IGA. All other terms and conditions set forth in the IGA are hereby confirmed and remain in full force and effect.

6. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

**Metro**

**Housing Authority of Clackamas  
County**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: **Marissa Madrigal** \_\_\_\_\_

Name: \_\_\_\_\_

Title: **Chief Operating Officer** \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

COVER SHEET

- New Agreement/Contract
- Amendment/Change/Extension to \_\_\_\_\_
- Other \_\_\_\_\_

Originating County Department: \_\_\_\_\_

Other party to contract/agreement: \_\_\_\_\_

Document Title:

After filing please return to: \_\_\_\_\_

- County Admin
- Procurement

If applicable, complete the following: \_\_\_\_\_

Board Agenda Date/Item Number: \_\_\_\_\_