

July 1, 2021

Health Housing and Human Services  
Clackamas County

Members of the Board:

Approval to execute a Short-term Revenue Sharing Agreement between Clackamas County and Metro Regional Government to receive revenues collected from Measure 26-210 starting July 1, 2021

<b>Purpose/Outcomes</b>	Requesting approval to execute a short-term Revenue Sharing Agreement between Clackamas County and Metro to ensure Clackamas County is eligible to receive measure revenues July 1, 2021.
<b>Dollar Amount and Fiscal Impact</b>	Clackamas County will receive 21.3% of income taxes collected for this measure. Measure 26-210 is projected to bring in \$32.2M for Clackamas County in FY21-22 with much of it coming in the 4 <sup>th</sup> quarter.
<b>Funding Source</b>	Metro Measure 26-210 – Supportive Housing Services (SHS)
<b>Duration</b>	July 1, 2021 until the SHS IGA between Metro and the County is fully executed.
<b>Previous Board Action</b>	April 13, 2021 – Approval of the Clackamas County Local Implementation Plan (LIP) Policy Session 6/30/21
<b>Strategic Plan Alignment</b>	<ol style="list-style-type: none"> <li>1. Sustainable and affordable housing</li> <li>2. Ensure safe, healthy and secure communities</li> </ol>
<b>Counsel Review</b>	June 10, 2021; Stephen Madkour
<b>Contact Person</b>	Rodney Cook, Interim Director of H3S, 503.650.5677
<b>Contract No.</b>	

**BACKGROUND:**

Health, Housing and Human Services Department (H3S), requests approval to execute a Short-Term Revenue Sharing Agreement between Metro and Clackamas County, Washington County and Multnomah County to ensure Clackamas County is eligible to receive any revenues from Measure 26-210 starting on July 1, 2021 until the full IGA between Metro and the tri-counties is fully executed.

This Revenue Agreement has been reviewed by Stephen Madkour, County Attorney for Clackamas County; Carrie Maclaren Attorney for Metro; Tom Carr, County Attorney for Washington County and Jenry Madkour, County Attorney for Multnomah County and will need to be signed by all attorneys plus a representative from Metro and Clackamas County.

IGA negotiations are underway but will not be executed by all parties by July 1, 2021. Although the anticipated funding may come in slower than originally forecasted, some funding has already been collected and continues to be collected. This agreement is the mechanism needed to allow funding collected and being collected to flow from Metro to Clackamas County without further delay.

**RECOMMENDATION:**

Staff recommends that the Board approve the Revenue Agreement between Metro and Clackamas County to ensure Clackamas County is eligible to receive revenues collected from measure 26-210

beginning on July 1, 2021 and that the Board authorize Commissioner Tootie Smith, Chair, to sign the Revenue Agreement on behalf of Clackamas County.

Respectfully submitted,



Rodney Cook, Interim Director  
Health, Housing and Human Services

## REVENUE SHARING AGREEMENT

This REVENUE SHARING AGREEMENT ("Agreement") is by and between Metro Regional Government, a municipal corporation of the state of Oregon ("Metro"); Clackamas County, a political subdivision of the state of Oregon ("Clackamas"); Multnomah County, a political subdivision of the state of Oregon ("Multnomah"); and Washington County, a political subdivision of the state of Oregon ("Washington"). Washington, Multnomah, and Clackamas each are a "County" and are collectively referred to as the "Counties"; all parties to the Agreement are a "Party" and they are collectively referred to as the "Parties".

### **Recitals**

WHEREAS, on February 25, 2020, the Metro Council adopted Ordinance No. 20-1442, which imposed business and personal income taxes (the "Income Taxes") to fund a supportive housing services program based on its finding that areas within Metro's jurisdictional boundary (generally, the urbanized areas of Multnomah, Washington, and Clackamas counties) face a severe housing affordability and homelessness crisis that endangers the health and safety of thousands of Metro's unhoused neighbors; and

WHEREAS, also at the Metro Council meeting on February 25, 2020, the Metro Council adopted Resolution 20-5083, which referred Ordinance No. 20-1442 to voters within the Metro jurisdictional boundary for approval. The Multnomah County Elections Division designated Ordinance No. 20-1442 as Ballot Measure 26-210 (the "Measure"), and it was placed on the May 19, 2020, primary election ballot (within Metro's jurisdictional boundary); and

WHEREAS, On May 19, 2020, the Metro area voters approved the Measure, thereby approving Ordinance No. 20-1442; and

WHEREAS, the ballot title to the Measure "direct[ed] regional funding to local services agencies, require[d] community engagement to develop localized implementation plans[, and] ... [a]llocate[d] funds to counties by estimated revenue collected [from the Income Taxes] within each county ..."; and

WHEREAS, and as more specifically set forth below, the Agreement sets forth the Parties' understanding that Metro will allocate funding from the Income Taxes to the Counties to pay for supportive housing services consistent with each County's Metro-approved Local Implementation Plan to allow the Parties more time to work on a comprehensive intergovernmental agreement for the that funding (the "SHS IGA"); and

WHEREAS, the Parties have agreed to the Term, defined below, that provides them with additional time to negotiate their respective SHS IGAs, which they plan to collectively negotiate and execute, and, upon mutual agreement, may further extend the Term if additional time is required.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby covenant and agree as follows:

## Agreement

1. **Recitals Incorporated.** All of the foregoing Recitals are true and correct and are incorporated herein as part of the Agreement for all purposes.
  
2. **Effective Date; Term.** Upon approval by the Metro Council and the boards of commissioners for each of the Counties, the Agreement shall be effective on July 1, 2021 ("Effective Date"). The Agreement shall run from the Effective Date until the earlier of October 1, 2021, or full execution of a SHS IGA by a County, unless otherwise terminated by a Party as provided in **Section 5** (the "Term"). To avoid ambiguity, the Parties recognize that any particular County may fully execute its own SHS IGA with Metro before the other Counties do so and at any time. Upon a County fully executing its own SHS IGA with Metro (including approval of that IGA by both Metro Council and the county's board of commissioners), then the Term of this Agreement shall end with respect to that Party and that Party's obligations with respect to use of Income Taxes shall be fully captured in its SHS IGA.
  
3. **Obligation of Metro.** Commencing July 1, 2021, and quarterly during the Term or any extension thereof, Metro will allocate to the Counties the Program Funds, defined below, collected from the Income Taxes as follows: 21.3% to Clackamas County, 45.3% to Multnomah County, and 33.3% to Washington County. Metro may only allocate funding to a County that has a Metro-approved Local Implementation Plan. As described in more detail in **Section 4**, revenue from the Income Taxes allocated to the Counties under the Agreement shall only be used for supportive housing services consistent with the terms of that County's Metro-approved Local Implementation Plan and this Agreement.

As used herein, "Program Funds" means Income Tax revenue, minus Metro's administrative and collection costs, available to a County under the Agreement.

4. **Obligations of Counties.** The Counties shall use the funding received from Metro under the Agreement only for supportive housing services and as consistent with the terms of the Metro-approved Local Implementation Plan. The Counties agree that their use of the allocated Income Tax revenues also will be subject to the terms of the SHS IGA when it is executed by the Parties.
  - a. **Spending On Initial SHS Costs.** Anticipating receipt of Income Taxes revenue, the Counties have incurred certain expenses and costs associated with providing supportive housing services and building administrative and staffing capacity to provide the supportive housing services consistent with Metro Code § 11.01.050 ("Initial Costs"). The Counties may pay for Initial Costs through transfers of funds, loans, or other forms of financing until sufficient Income Tax revenue is received by Metro and allocated to the Counties under the Agreement. By execution of this Agreement, Metro expressly agrees that the Counties may use funds received from Metro under this Agreement for repayment of Initial Costs. Metro further agrees that the Initial Costs shall not be considered a part of the Counties' existing supportive housing services program for purposes of the Measure's prohibition against displacement of funds currently provided.
  
5. **Termination.** The Agreement may be terminated: (a) at any time by mutual written agreement of the Parties; or (b) at any time after a Party has failed to cure a breach of the Agreement after receiving 30 days written notice from the non-breaching Party. To avoid ambiguity, a termination under subsection (b) of this section affects only the Party that has failed to cure a breach of the Agreement. The Agreement shall remain in place for all other Parties in the event of a breach by and termination of one Party. Unless

extended by written mutual agreement of the Parties, the Agreement shall terminate at the end of the Term.

6. **Entire Agreement.** This Agreement contains the entire agreement between the Parties with regard to the matters set forth in it, and any prior negotiations and understandings between the Parties have been merged herein. This Agreement may not be altered, amended, modified or otherwise changed in any respect whatsoever, except by a writing signed by each Party, as provided in **Section 9**. The terms of this Agreement are contractual and not a mere recital.

7. **No Assignment; Successors; Third-Party Beneficiaries.** No Party may assign its interest in the Agreement to a third-party without the prior written consent of the other Parties. The Agreement shall be binding upon and inure to the benefit of the Parties hereto jointly and severally and the heirs, executors, representatives, successors, predecessors and assigns of each. This Agreement shall be enforceable only by each Party in its own right and shall not be enforceable by any person or entity. Nothing contained in this Agreement is intended to or shall confer any rights, benefits, remedies, or entitlements upon any person or entity other than the Parties.

8. **Mutual Preparation.** This Agreement, in all respects, shall be deemed and construed to have been prepared mutually and equally by all of the Parties. No uncertainty or ambiguity herein shall be construed against any Party.

9. **General.** Each Party represents and warrants that it has the power and authority to enter into and perform the Agreement. No modifications or amendment of this Agreement shall be binding unless contained in a writing signed by the Party to be bound thereby and no waiver, promise or representation by a Party shall be binding thereon unless contained in a signed writing. Except as otherwise provided above, the Agreement may only be amended or supplemented by a writing that: (a) is signed by a duly authorized representative of all Parties; (b) clearly recites the Parties' understanding and intent to amend the Agreement; and (c) clearly and with specificity describes the terms to be amended or supplemented. Any notice given hereunder must be in writing, which shall be deemed effective upon deposit in the U.S. mail, postage prepaid, if addressed to a Party at its address of record. If any part of this Agreement shall be deemed invalid, illegal, or unenforceable to any extent, the provision shall be construed to be enforceable to the fullest extent possible, and the remainder of the Agreement shall not be affected and shall be enforceable.

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**REVENUE SHARING AGREEMENT**  
**Signature Page**

The Agreement may be executed in multiple counterparts and may be electronically signed. Any verified electronic signatures appearing on the Agreement are the same as handwritten signatures for the purposes of validity, admissibility, and enforceability. Any reproduction of the Agreement made by reliable means is considered an original.

**Metro**

**Clackamas County**

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

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

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

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

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

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

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

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

**Office of Metro Attorney Review:**

Reviewed: CARRIE MACLAREN, ATTORNEY FOR METRO

**Clackamas County Attorney Review:**

Reviewed: STEPHEN MADKOUR, COUNTY ATTORNEY FOR CLACKAMAS COUNTY, OREGON

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

Assistant Metro Attorney

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

Assistant County Attorney

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

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

**Multnomah County**

**Washington County**

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

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

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

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

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

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

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

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

**Multnomah County Attorney Review:**

Reviewed: JENNY M. MADKOUR, COUNTY ATTORNEY FOR MULTNOMAH COUNTY, OREGON

**Washington County Attorney Review:**

Reviewed: TOM CARR, COUNTY ATTORNEY FOR WASHINGTON COUNTY, OREGON

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

Assistant County Attorney

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

Assistant County Attorney

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

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