

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 5/1/18 **Approx. Start Time:** 3 p.m. **Approx. Length:** 1 hour
Presentation Title: Metro Regional Housing Bond
Department: Public and Government Affairs, Health and Human Services
Presenters: Chris Lyons, Metro staff
Other Invitees: Rich Swift, Jill Smith

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

This is an informational update on Metro's work to develop a regional housing bond measure for possible inclusion on the November ballot. No action is required.

EXECUTIVE SUMMARY:

Across the region and state, housing affordability is a top-tier concern for residents. Today, only one in three low-income families in the Portland metropolitan area can find an affordable rental home. In light of this growing crisis, Metro is working with regional partners and the community to develop a potential regional funding measure with the following goals:

- Create more permanently affordable homes throughout the region through construction and acquisition
- Increase housing stability and opportunity for working families, seniors, communities of color, veterans, and people experiencing homelessness
- Collaborate with community stakeholders and local government partners to structure programs based in best practices, innovation and equitable outcomes

Since January, the County has been actively engaged with Metro and regional partners through multiple forums and advisory committees to provide input into the potential housing measure. This work culminated last week in the release of the attached draft framework, on which Metro is now seeking feedback. The Metro Council is expected to consider referral of a final measure in mid-to late-May.

FINANCIAL IMPLICATIONS (current year and ongoing):

If referred to the ballot and passed by voters, the bond measure has the potential to provide significant new funds to the Clackamas County Housing Authority for the purpose of creating more affordable housing for county residents.

STRATEGIC PLAN ALIGNMENT:

- This item aligns with the Public and Government Affairs Strategic Business Plan goals to provide intergovernmental connections and relationship building, strategic policy development and messaging, legislative, advocacy, and outreach services to county elected officials and departments so they can build key partnerships to achieve policy goals important to Clackamas County, with special emphasis on the strategic results in the BCC Strategic Plan.
- This item aligns with the following Performance Clackamas goals:
 - Build a strong infrastructure
 - Ensure safe, healthy, and secure communities

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

PGA and H3S have been coordinating with regional partners and providing input into Metro's process to develop a potential regional housing bond measure.

OPTIONS:

N/A

RECOMMENDATION:

N/A

ATTACHMENTS:

Regional Housing Bond Draft Framework

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval s/Gary Schmidt

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Chris Lyons @ 503-742-5909



Homes for greater Portland

Regional housing measure: Draft framework

Everyone deserves a safe, stable, affordable place to call home. Working together, we can give more families the housing opportunity they need.

Metro has a long history of working with partners to protect our quality of life by support new homes and jobs where it makes sense – places with good access to jobs, schools, transportation, parks and nature.

As in many metropolitan areas, thousands of Portland-area families are struggling to find a stable, affordable home. This challenge affects every community in the region.

The Metro Council is considering a regional general obligation bond measure that would help partners build and protect affordable homes throughout the region.

Creating a draft framework

In January, Metro convened stakeholder and technical advisory tables with nearly 50 total members, each with unique experience in housing, community, business and related topics.

The stakeholder advisory table has identified values to guide creation and implementation of the measure framework. The technical advisory table has advised on feasibility, costs, modeling, implementation, and other technical considerations.

To explore need and opportunity, Metro has also funded community partner engagement with diverse communities, conducted detailed analysis of capacity and need, and listened to input from jurisdictional partners, housing providers and other key stakeholders.

The draft framework is a major milestone in that effort. It is a vision of what we can achieve together, and how. It is now being released for review and discussion by the advisory tables, jurisdictional partners, advocates, impacted communities and the general public.



What happens next

In late May or early June, the Metro chief operating officer will recommend to the Metro Council what should be included in a regional affordable housing measure that creates homes for people who need them, reflects community values, and ensures technical feasibility and accountability. The final measure framework will be a central part of the COO's recommendation.

The council is expected to make a referral decision in mid-late June. The measure would appear on the November 2018 ballot. If voters approve, Metro's goal is to achieve the measure's outcomes within five to seven years.

Learn more

Visit oregonmetro.gov/housing to learn more and sign up for emails to stay informed.

Share your thoughts

Metro has launched an online survey to ask for the public's help to refine this framework. The survey will also help provide guidance on implementing the bond if the Metro Council refers a measure that is passed by voters.

Metro is publishing the survey through a partnership with Opt In and DHM Research, an independent public opinion research firm. To add your voice, visit optinpanel.org

Draft framework summary

Regional outcomes

Serving 10,000 people by creating 3,200 affordable homes if a statewide constitutional amendment is approved (see below); 6,300 people and 2,000 homes if amendment disapproved \$516.5 million general obligation bond, less than \$50 annually for average Portland-area homeowner

Strong accountability & oversight

A community oversight committee will monitor bond investments' progress toward regional targets and priorities. Annual reporting and auditing will be required. Seven percent of funds will be reserved for administration of the bond.

Homes throughout the region

Approximately 10 percent of funds will support a Metro program to buy land for affordable homes near transit.

Most affordable homes to be created through local jurisdictions and providers. Homes are planned to be created throughout the region:

- Clackamas County: 21%
- Multnomah County: 45%
- Washington County: 34%

This approximate distribution is based on assessed property value.

Affordable homes for families' needs

- 45% of homes reserved for households at 30% median family income (MFI) or below
- Half of homes large enough for families (2+ bedrooms)
- All homes affordable for families and individuals with less than 80% MFI.
- Maximum 10% of homes reserved for 60-80% MFI

How we'll create affordable homes

Through regional programs and supporting local action, the bond will create affordable home opportunities in several ways:

- Buying land for affordable homes
- Buying and renovating low-cost market rate housing to create permanently affordable homes
- Construction of new affordable homes
- Public ownership of affordable homes without Constitutional amendment; potential private/non-profit ownership with amendment

Who to serve, and where to invest

- Prioritize people least well-served by the market, including communities of color, veterans, seniors, families, people with disabilities and people experiencing or at risk of homelessness
- Increase access to transportation, jobs, schools, parks and other opportunities
- Support mixed-income and mixed use communities with a variety of housing types
- Prevent displacement in changing neighborhoods

Potential Constitutional amendment

The Oregon Constitution requires that general obligation bond dollars be used only for publicly owned capital projects. In November, Oregon voters will consider a Constitutional amendment to allow local bonds to support affordable housing created by nongovernmental entities. Depending on whether this potential amendment is approved by voters, a regional bond would have different outcomes and eligible activities.

A commitment to racial equity

This investment can help address generations of barriers faced by communities of color in accessing affordable, stable homes in the region. A racial equity lens can also increase affordable housing opportunity for other marginalized people and low-income residents.

To advance racial equity through this investment, Metro will:

- Include communities of color in decision-making and oversight roles
- Work with partners to conduct further engagement with communities of color
- Consider racial equity as a factor in all investment decisions
- Work with community to track impacts and benefits of investments for communities of color

Looking to the future

Several strategies can help ensure regional investments are efficient, equitable and responsive as the bond is implemented, including:

- Prioritize racial equity and advance fair housing in project selection
- Work with local governments to identify and act on local needs and opportunities
- Require projects to have screening criteria and marketing that reduce barriers to marginalized groups finding a home
- Partner with culturally-specific organizations and community partners for project selection, design and evaluation
- Create equitable workforce targets for investments





Metro

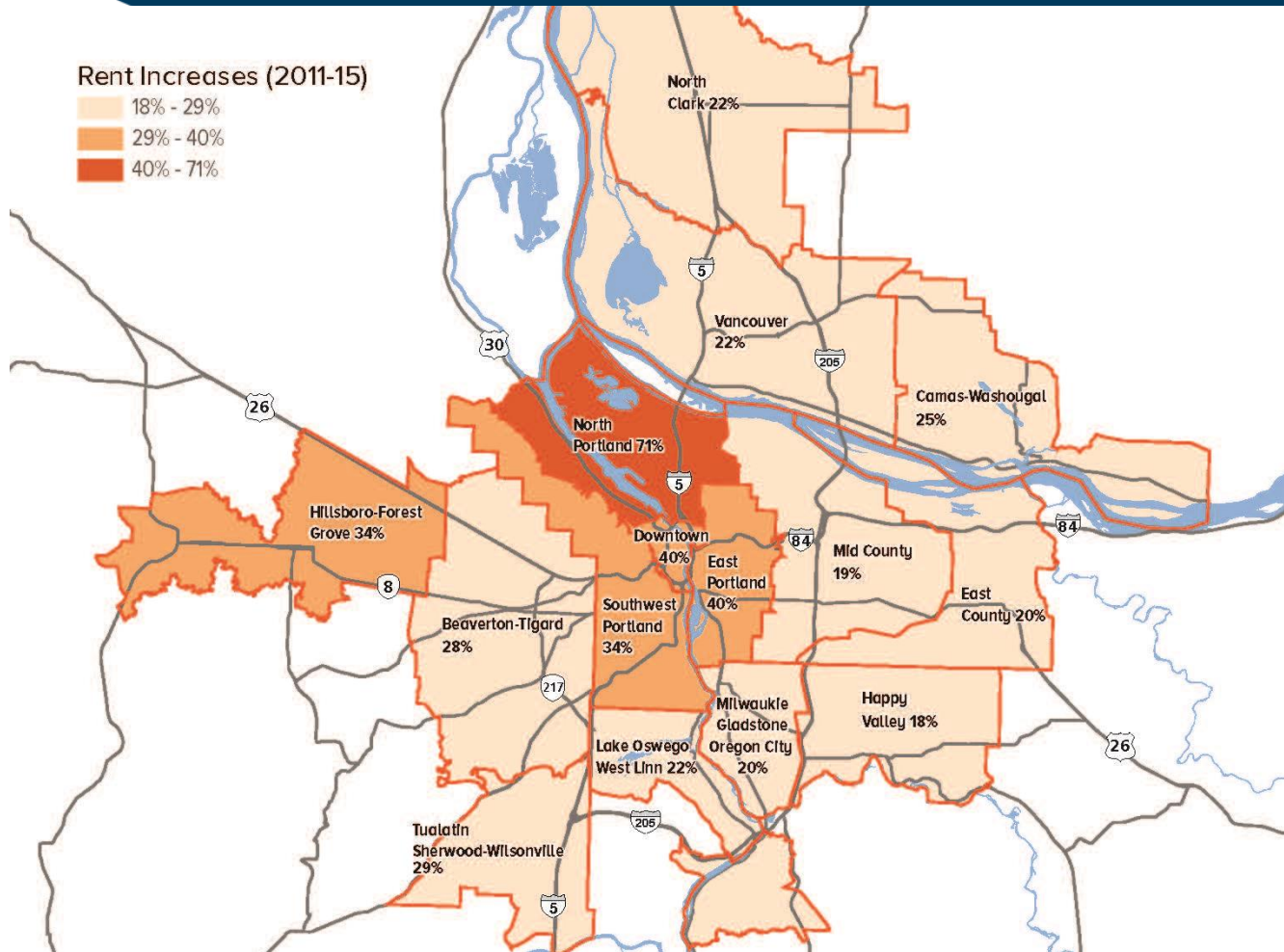
Affordable homes: Draft framework

Clackamas Board of
County Commissioners

Tuesday, May 1, 2018



Regional context



Source: Axiometrics, Multifamily NW, Johnson Economics

Regional housing bond: Where we started

General obligation bond

New homes and acquisition of
land and affordable homes

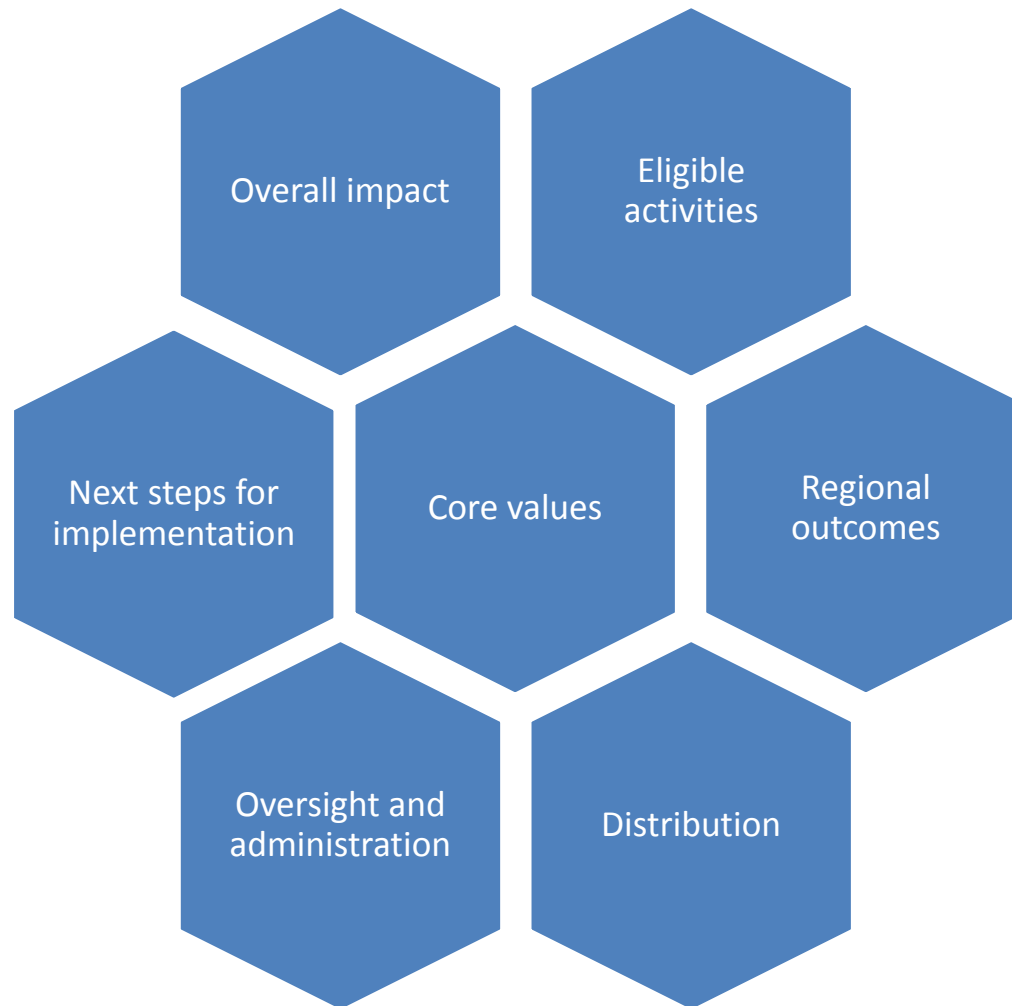
Homes created in partnership with
local governments and providers



Creating the framework



What is in the framework?



What is the framework



Core values

- Lead with racial equity
- Prioritize people not served by the market
- Access to opportunities
- Prevent displacement
- Mixed-income communities, variety of housing types
- Make good use of public dollars ⁷



Draft Stakeholder table values

Draft, 3/30/18

Racial equity: Overarching value integrated throughout

People: Who to serve

- Youth, seniors, families and people experiencing or vulnerable to homelessness
- Racial equity as well as equity in age, ability, inclusivity
- Serve those least well served by market

Places: Where to invest

- Increase community access to transportation, employment, education, food and services
- Geographic diversity – regional distribution of revenue
- Support mixed-income communities and mixed housing types
- Protect residents in changing neighborhoods and prevent displacement

Program: How to ensure success

- Ensure fiscally sound projects that permanently preserve affordability
- Accountability, community oversight

Process: How to build a successful framework

- Leverage expertise of private market and non-profit partners

Overall impact

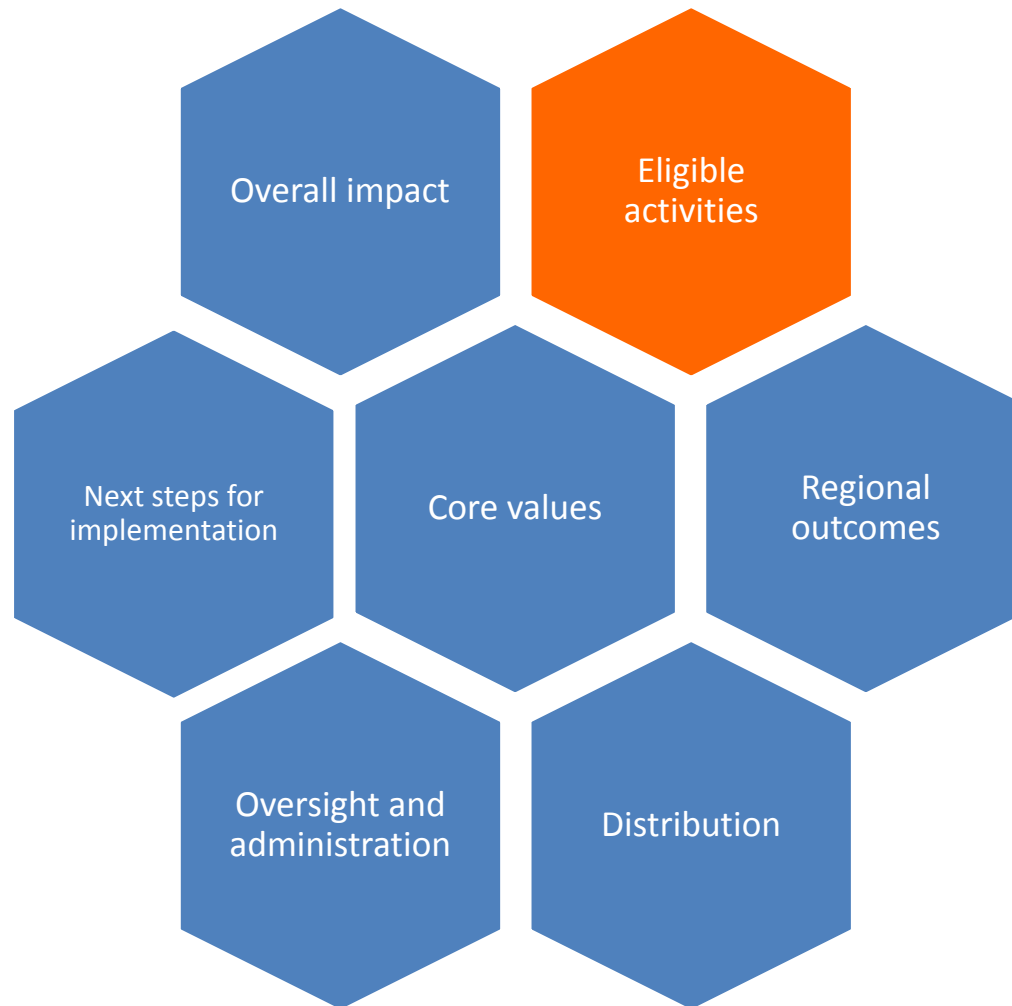


Overall impact

- Total homes / total people
 - Without amendment: 2,000 homes, about 6,300 people
 - With amendment: 3,100 homes, about 10,000 people
- Recommended scope: \$516.5 million general obligation bond
- Average annual cost to Portland-area homeowner: Less than \$50/year



Eligible activities



Eligible activities

Acquisition of land for affordable homes

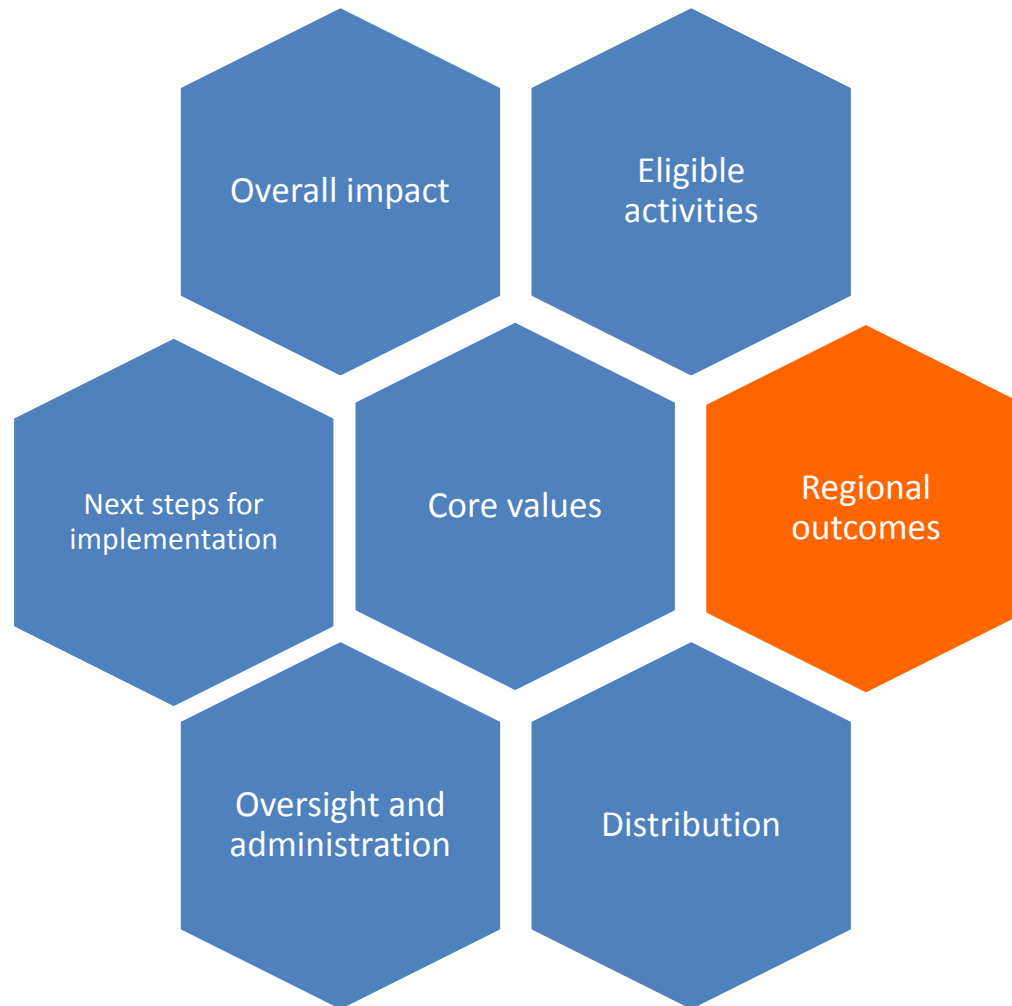
Acquisition and rehabilitation of low-cost market rate housing for conversion to permanently regulated affordable homes

Construction of new affordable homes

Public ownership of affordable homes (subject to change if constitutional amendment is approved by voters)



Regional outcomes

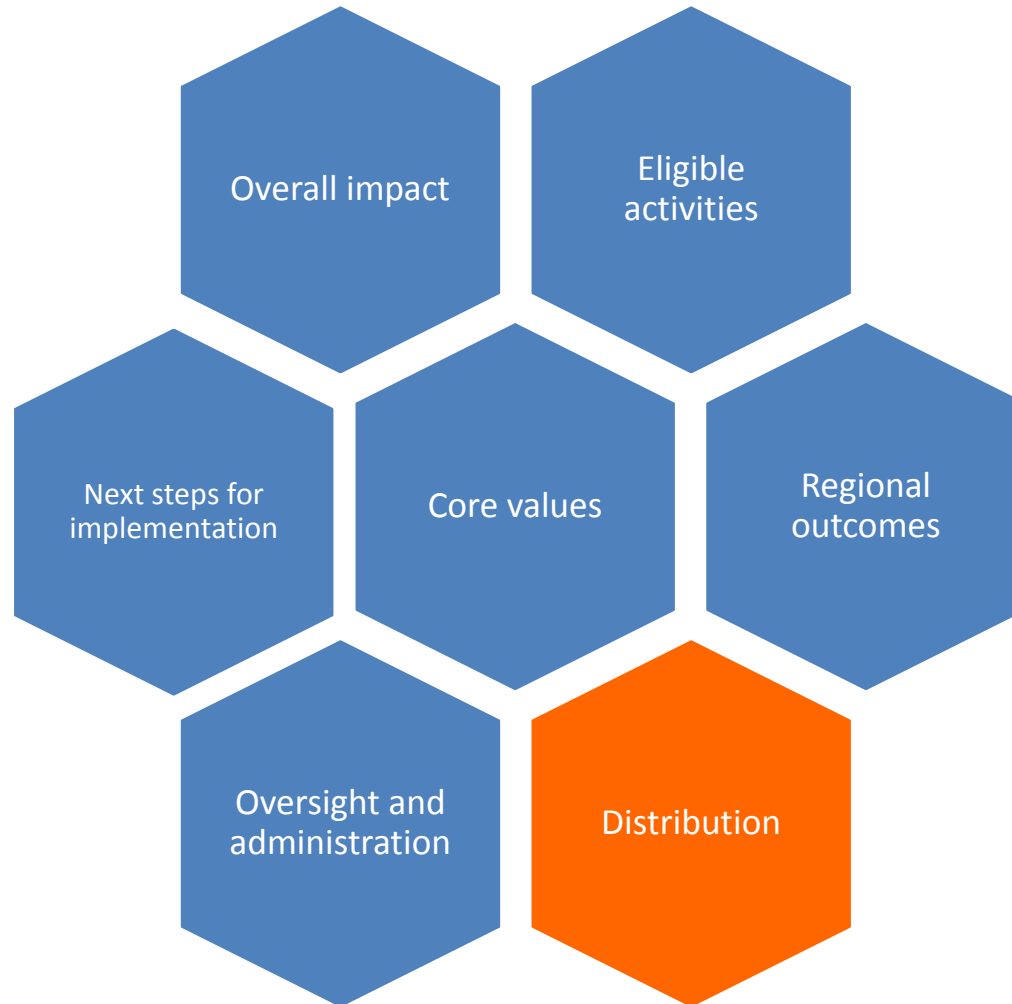


Regional outcomes

- 45% of homes below 30% MFI
- At least half of homes sized for families (two or more bedrooms)
- All homes affordable for families and individuals with less than 80% MFI
- Max 10% of homes at 60-80% MFI



Distribution



Distribution

90% of funds anticipated for homes to be distributed throughout the region based on assessed value:

- Clackamas County: 21%
- Multnomah County: 45%
- Washington County: 34%



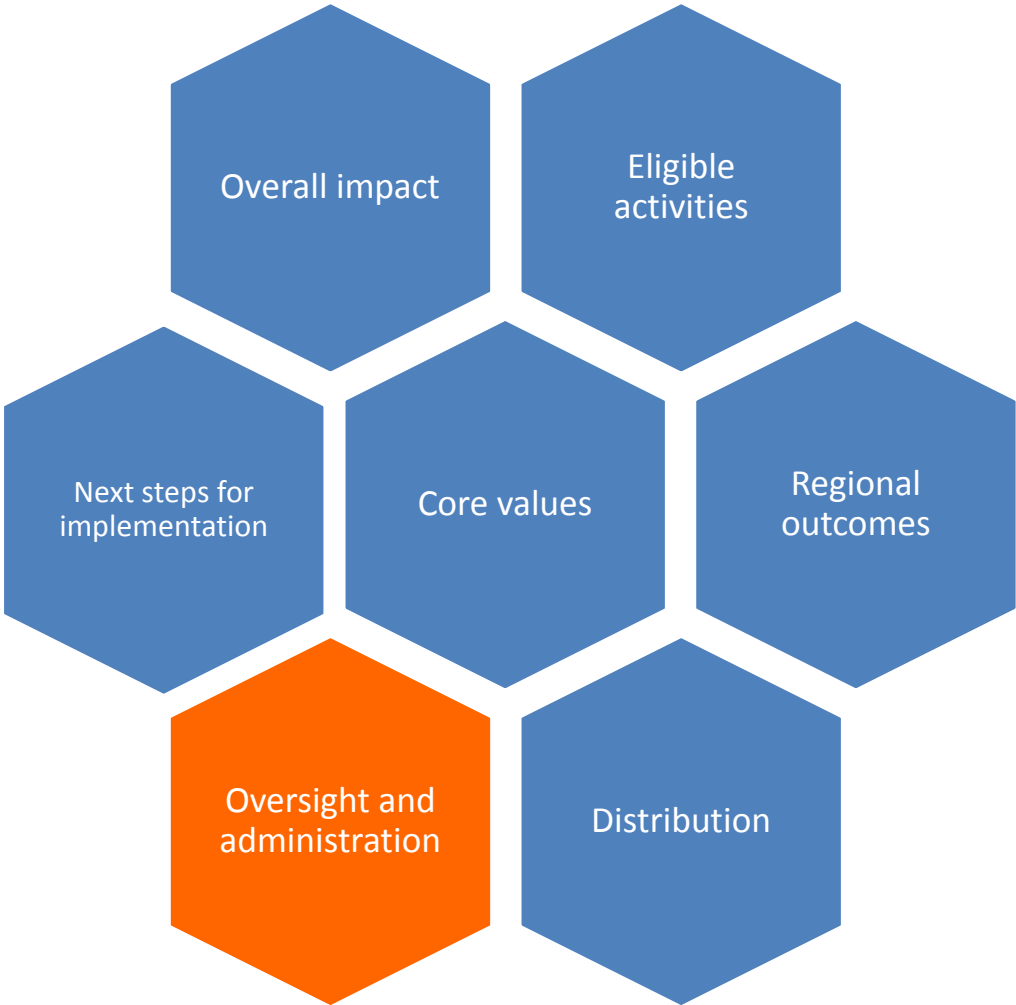
Distribution

90% of funds anticipated to be spent by local partners

10% of funds reserved for regional land acquisition program at Metro



Oversight & Administration



Oversight and administration

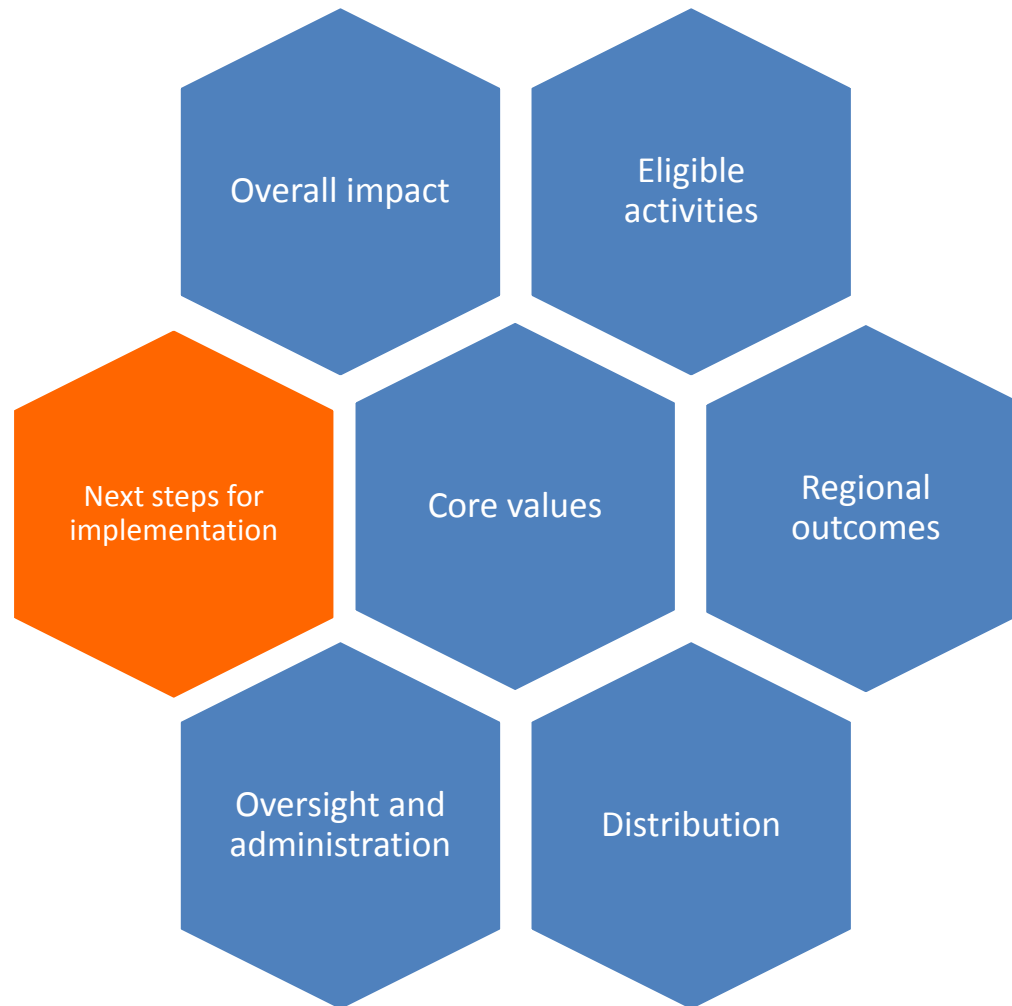
Intergovernmental agreements;
Local implementation strategies

Community oversight committee:
reporting and auditing


7% cap for program administration,
including oversight, compliance,
transaction costs



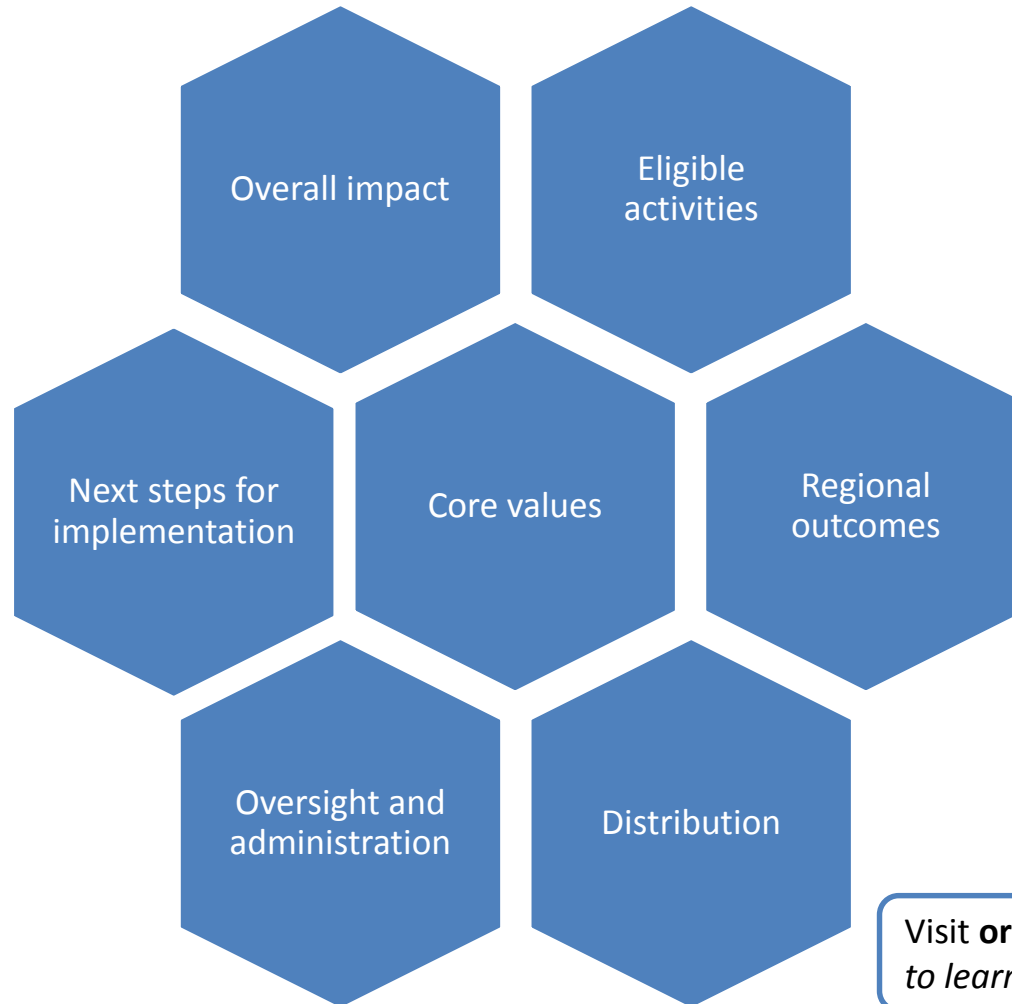
Next Steps: implementation considerations



Referral Decision Timeline

	Week of 4/23	Week of 4/30	Week of 5/7	Week of 5/14	Week of 5/21	Week of 5/28	Week of 6/4	
METRO COUNCIL	Work session			Work session: Framework		Work session: Recommendation		
ADVISORY TABLES	Technical Advisory Table: Draft framework	Stakeholder Advisory Table: Draft framework		Advisory tables: Recommendation				
JURISDICTION PARTNERS			MPAC (not on agenda)		MPAC			
COMMUNITY	Regional Snapshot	Community partners engagement						
		Local partner presentations						
		Opt In survey						

Questions?



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