



Metro



# Housing bond program update

## November 2018

# Election Results

**Voters approved both housing measures**

**Measure 26-199 (Metro)**

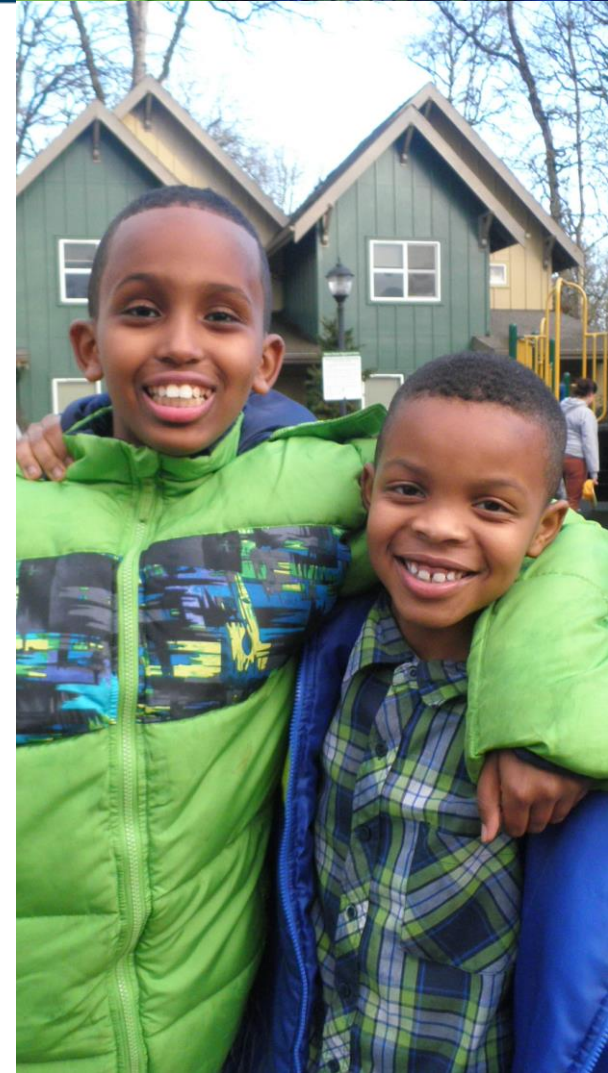
**Yes: 59%**

**No: 41%**

**Measure 102 (statewide)**

**Yes: 56%**

**No: 44%**



# Framework: Production targets

3,900 affordable homes:

- 1,600 deeply affordable (<30% Area Median Income)
- At least half sized for families (2+ bedrooms)



# Framework: Core values

Lead with racial equity.

Create opportunity for those in need.

Create opportunity throughout the region.

Ensure long-term benefits and good use of public dollars.



# Preparing for implementation

**Nov-Dec. 2018:** Stakeholder engagement to inform Metro plan for accountability/oversight

**Jan. 2019:** Metro Council work plan adoption, oversight committee appointment

**Spring 2019:** Implementation Strategy development and community engagement; Phase 1 projects

**Summer 2019:** Implementation Strategy adoption and IGAs; full program launch

# Metro's role

Community Oversight Committee

Expectations for community engagement and advancing racial equity

Funding requirements and process

Compliance/monitoring and reporting

Regional site acquisition program

# Implementation partners' role

## **Implementation Strategies**

Plan for achieving production targets

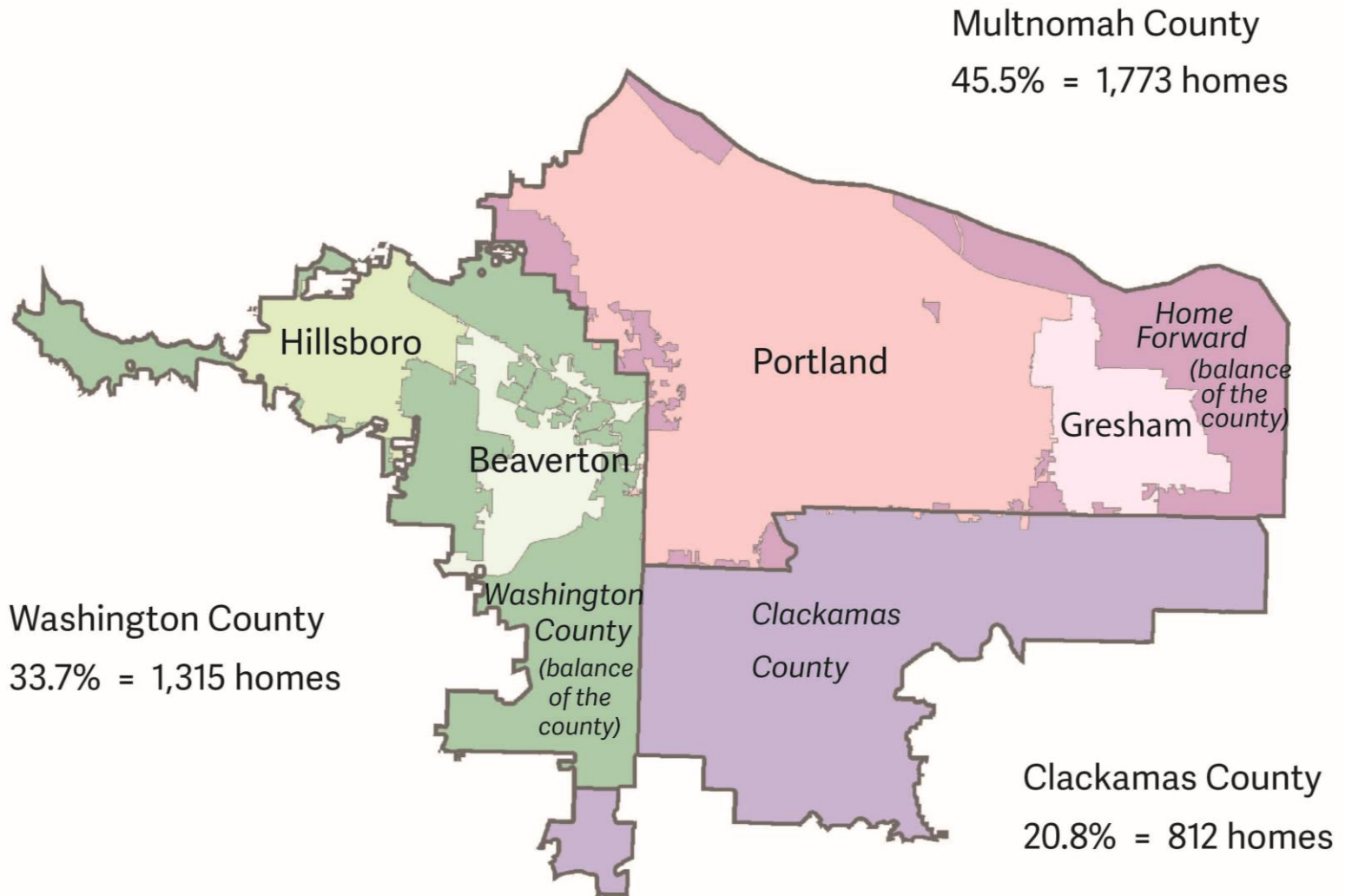
Advancing racial equity

Community engagement

Compliance/monitoring and reporting

## **Phase 1 Projects**

# Eligible Implementation Partners





# Community Oversight Committee

Ensures program outcomes and accountability to voters

Members appointed by Council, diverse in perspective and expertise

Reviews Implementation Strategies

Ongoing project review and annual program report



# Launch timeline (simplified)

November

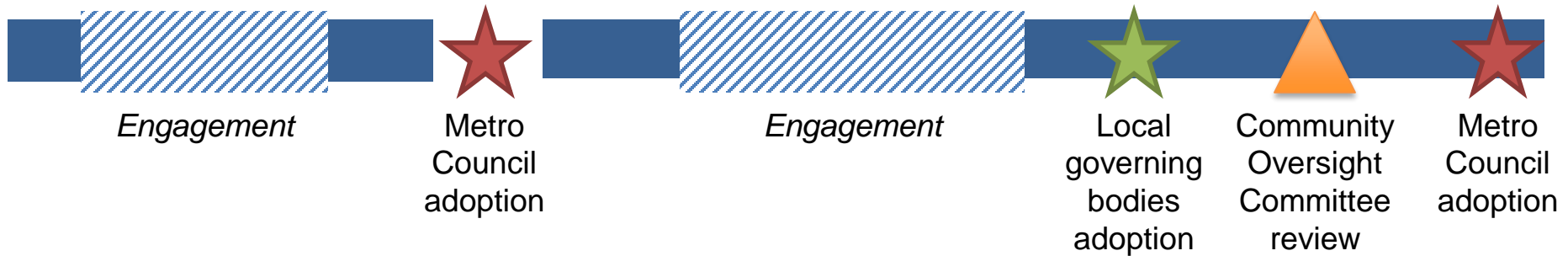
January

Late  
spring

Early  
summer

## Metro's work plan

## Implementation Strategies development



## Phase 1 projects (optional)

*Phase 1 project concepts reviewed by Oversight Committee & approved by Metro Council*

# Discussion



**oregonmetro.gov**





## Recommendation development framework

**FOCUS AREA:** Housing Stability

**FOCUS AREA GOAL:**

- .....

**WHAT ARE THE MOST SIGNIFICANT CHALLENGES IN THIS AREA THAT WE WANT TO ADDRESS?**

- .....

Identified Actions:	Existing County efforts/policies:	Funding and strategy considerations:	Equity and engagement considerations:
<ul style="list-style-type: none"> <li>• Implement landlord/owner reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Provide relocation assistance</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Need better reporting mechanisms to identify when people feel the “breaking point”/stresses that lead to eviction and homelessness. Define this “breaking point” when interventions are needed</li> </ul>	<ul style="list-style-type: none"> <li>• Outreach to understand the “breaking point” and times when interventions are needed;</li> <li>• Need more outreach staff</li> <li>• Meet people where they are</li> </ul>
<ul style="list-style-type: none"> <li>• Look at upstream interventions as preventions</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Eliminate no-cause evictions</li> </ul>	<ul style="list-style-type: none"> <li>• Lobbying needed on the state level</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Implement a rental unit registration program</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Support tenant organization and representation efforts</li> </ul>	<ul style="list-style-type: none"> <li>• High cost and barriers to access to legal representation</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Develop an eviction prevention/acute housing financial assistance fund</li> </ul>	<ul style="list-style-type: none"> <li>• Need data to show tenant protections work</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Provide short-term financial assistance to homeowners at risk of losing their homes</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

## **Regional Affordable Housing Bond Advancing Racial Equity: Expectations for Implementation Partners Discussion Draft 11/6/2018**

Adopted by the Metro Council in 2016, Metro's Strategic Plan to Advance Racial Equity, Diversity and Inclusion prioritizes racial equity as the best approach to ensuring the success of all in the greater Portland region. The Metro Council has made advancing racial equity a priority for the regional affordable housing bond.

Housing policies from federal to the local level have contributed to a racial wealth and power gap in the Portland region. Across the region, communities of color struggle disproportionately with unaffordable housing, displacement and homelessness. People of color are also more likely to have disabilities or low incomes, compounding their challenges finding quality, stable, affordable housing.

The regional affordable housing bond framework adopted by the Metro Council in June 2018 includes specific targets and strategies, identified through extensive stakeholder and partner input, to advance racial equity through the bond's implementation. The framework prioritizes the creation of deeply affordable and family-size homes. It also includes goals to reduce barriers for communities of color and other historically marginalized communities to access homes created through the bond and receive needed support to stay in housing. Finally, the bond framework calls on Metro and partners to generate broader economic and workforce benefits for people of color through bond investments.

### **About this document**

This draft document outlines Metro's requirements and recommendations to support implementation partners in advancing racial equity and eliminating housing barriers throughout implementation. This draft will be further refined through engagement with implementation partners and community stakeholders in late 2018.

A refined draft will be reviewed by the Metro Council as part of the bond work plan the council will adopt in early 2019. The work of advancing racial equity will be continually refined throughout implementation as the outcomes of these requirements and recommendations are measured for effectiveness.

### **Summary of requirements for advancing racial equity**

In Winter-Spring 2019, each bond implementation jurisdiction will develop an Implementation Strategy informed by community engagement. While Metro seeks to provide flexibility for local jurisdictions to tailor their tactics and tools in response to local engagement and context to best achieve desired outcomes, these strategies must include policies and tactics to advance racial equity and reduce housing barriers for historically marginalized communities throughout bond implementation and program operation. These include decision making, community engagement, location criteria, workforce commitments, screening criteria, marketing strategies, culturally specific partnerships and outcomes reporting.

### **Ensuring racial equity outcomes**

Overall, the Metro Council seeks to help implementation jurisdictions provide meaningful benefits to communities of color and other historically marginalized populations throughout the bond implementation. Taken together, the requirements are intended to ensure that Metro and its partners:

- Meet targets for deep affordability and family-size homes identified in the bond framework

- Create opportunities for communities of color and other historically marginalized communities to access affordable homes created through the bond
- Ensure that communities of color and historically marginalized communities have the supportive services needed to maintain housing and to experience broader positive impacts to health and wealth
- Deliver inclusive economic and workforce benefits for communities of color and other historically marginalized communities
- Engage impacted community members and stakeholders throughout bond implementation

Through engagement with implementation jurisdictions and community partners, Metro will identify metrics that implementing partners can use to track and report on outcomes for communities of color and other historically marginalized populations. These metrics will include affordable housing access and retention, workforce participation, and other key outcomes. Metro will gather data from implementation jurisdictions to be presented to the Community Oversight Committee for its annual reports to the Metro Council. Data will be available to the public and will help improve strategies to advance racial equity throughout implementation.

The Community Oversight Committee will review implementation jurisdictions' racial equity outcomes as part of its annual performance report and presentation to the Metro Council. If the committee finds that an implementation jurisdiction is not meeting expectations, it may recommend changes to the jurisdiction's Implementation Strategy before additional projects are approved for bond funding in the jurisdiction.

### Requirements for advancing racial equity

The following approaches and tools to advance racial equity and reduce barriers to housing for historically marginalized communities must be reflected in Implementation Strategies. The Community Oversight Committee will review strategies to ensure these requirements are met before recommending approval by the Metro Council.

- Meaningful inclusion of people with lived experience related to housing instability, including communities of color, in decision-making about Implementation Strategy goals and policies and potential project investments (see *Community Engagement Expectations for Implementation Partners*)
- Diverse and inclusive community engagement activities (see *Community Engagement Expectations for Implementation Partners*)
- Location prioritization criteria that consider geographic distribution of housing investments, access to opportunity and strategies to prevent displacement and stabilize communities
- Workforce hiring and contracting goals, strategies, or partnerships to increase economic opportunities for people of color and other historically underrepresented groups in development, operations and management
- Tenant screening guidelines that reduce common barriers experienced by people of color and other historically marginalized communities, including blanket policies that deny housing applications on the basis of rental, credit and criminal histories
- Property marketing strategies that affirmatively target communities that have historically faced barriers to accessing affordable housing, including communities of color, people with disabilities, people with low incomes, seniors, and other vulnerable groups
- Local policies or goals related to aligning supportive service programs and resources with housing investments to provide wrap-around services tailored to meet the needs of tenants with disabilities and complex needs

- ❑ Strategies for pursuing partnerships with culturally specific organizations to support the identification and design of affordable housing projects as well as ongoing marketing, management, and services tailored to meeting the needs of people of color, people with limited English proficiency, and other historically marginalized groups
- ❑ Commitment to report on program outcomes for people of color through data collection, including voluntarily collected demographic data for housing applicants and tenants (data metrics to be identified by Metro and partners)
- ❑ **Additional approaches and tools to advance racial equity may be identified by implementation partners through engagement and policy analysis to ensure that housing investments best serve their community need**

### Resources and recommendations

Metro staff have also been reviewing policy research and existing local/state policies and practices that can help advance racial equity. These include location prioritization, tenant screening, affirmative marketing, serving people with disabilities, and inclusive workforce strategies. These recommendations will be shared with partners in mid-November 2018 to support local implementation efforts.

Metro also recommends implementing jurisdictions identify and engage existing staff that have a role in racial equity. These could include staff working in policy development, public affairs, community relations, technical and data support, and senior leadership. Engaging a broad cross-section of staff in local policy development will improve a jurisdiction's outcomes.

Finally, Metro's Diversity, Equity, and Inclusion program, as well as the Committee on Racial Equity (CORE) can also provide capacity and guidance to support local jurisdictions. Technical support and opportunities for regional learning and collaboration will be available throughout the implementation of the bond.



# **Regional Affordable Housing Bond Community Engagement Expectations for Implementation Partners Discussion Draft 11/6/2018**

Community engagement is a key expectation in the affordable housing bond implementation framework adopted by the Metro Council in June 2018. Engagement will help ensure that bond implementation advances racial equity and achieves the community-informed outcomes adopted by the Metro Council in the framework. Therefore, engagement is critical to the creation of local implementation strategies, Metro's regional site acquisition implementation strategy and ongoing project development throughout the bond's implementation.

## **About this document**

This draft document outlines Metro's engagement requirements and recommendations to support implementation partners in community engagement. This draft will be further refined through engagement with implementation partners and community stakeholders in late 2018. A refined draft will be reviewed by the Metro Council as part of the bond work plan the council will adopt in early 2019.

## **Summary of engagement requirements**

In Winter-Spring 2019, each bond implementation jurisdiction will conduct community engagement to inform the creation of its implementation strategy, and will summarize that engagement in a report and presentation to the Community Oversight Committee in late Spring/Summer 2019. In addition, each bond implementation jurisdiction will also include, within their Implementation Strategy, plans for ongoing community engagement activities throughout implementation, to inform and guide specific investments and projects.

Implementation jurisdictions will develop engagement plans that provide early and ongoing opportunities for engagement, and specifically target engagement activities to reach historically marginalized communities, including those listed on the next page. Jurisdictions should use data-driven approaches to targeting their outreach efforts.

## **Ensuring engagement outcomes**

The intended outcomes of community engagement activities are: inclusion of impacted communities and stakeholders in shaping implementation strategies and ongoing project development; a broader base of support for the creation of affordable housing in our communities; and connection of impacted communities with opportunities for affordable housing that meet their needs. These outcomes will be evidenced in participation demographics and quality of participation, as well as tenant demographics and outcomes in future affordable homes.

Implementing jurisdictions will create a community engagement report describing activities, outreach, and participation outcomes that informed the creation of their implementation strategy. This report will be included in the implementations strategy proposal submitted to the Oversight Committee. The Committee will review for consistency with the requirements described in this document before recommending an implementation strategy to Metro Council for approval. As implementation proceeds, the Oversight Committee will review implementation jurisdictions' engagement outcomes as part of its annual performance report and presentation to the Metro Council. The committee will also ensure that engagement aligns with approved Implementation Strategies and the bond framework. The Oversight

Committee may recommend changes to implementation strategies if it is determined that existing engagement activities are not achieving desired outcomes.

## I. Community engagement during Implementation Strategy creation

Jurisdictions will conduct engagement to inform implementation strategy creation over a 90- to 120-day period in spring 2019.

### Requirements for engagement to inform Implementation Strategy creation

- Engagement activities must focus on historically marginalized and impacted community members, including:
  - Communities of color
  - People with limited English proficiency
  - People with low incomes
  - People with disabilities
  - Tenants of affordable housing, at risk of displacement, and people experiencing homelessness
- Engagement must include existing advisory bodies, potential partner organizations, and other groups with relevant expertise, including:
  - Affordable housing developers
  - Organizations that provide supportive services
  - Existing housing/homelessness advisory tables, committees, or task forces
- Engagement activities must solicit and document community input on the following topics:
  - Local housing needs and priority outcomes for new affordable housing investments
  - Approach to geographic distribution and site/location priorities
  - Discussion of historic/current inequitable access to affordable housing opportunities, and identification of specific barriers to access
  - Opportunities to advance racial equity through new investments in affordable housing
- Proposed Implementation Strategies must include an engagement report summarizing engagement activities and outcomes, including:
  - How data (quantitative and/or qualitative) was used to ensure that outreach efforts were targeted at historically marginalized and impacted community members
  - List of engagement activities, including dates, locations, materials, and strategies to ensure accessible participation (e.g., child care, translation services, etc.)
  - Number of participants, participant demographic data, and data about how participants learned about the engagement opportunity
  - Summary of key themes from community engagement, and how these themes are reflected in the Implementation Strategy

### Recommended tactics for engagement to inform Implementation Strategy creation

Metro recommends the following practices for meaningful community engagement during the creation of Local Implementation Strategies.

- ✓ Use demographic analysis to understand where communities of color, people with limited English proficiency, people with low incomes and people with disabilities live and how best to reach them through engagement efforts.
- ✓ Offer engagement opportunities in the evenings and/or on weekends, in different community locations, and with community supports such as food, child care and translation services.

- ✓ Maintain an interested and affected groups list to increase engagement and distribute ongoing information and updates
- ✓ Offer an online survey to provide public information and request feedback; promote on social media and work with community organizations to share more broadly

## II. Ongoing community engagement to support project selection and development

Ongoing community engagement activities before and during project development will inform and engage people who could be impacted by a potential affordable housing development, including neighbors, businesses, potential residents, and organizations that help connect people to affordable housing opportunities. This engagement can also identify opportunities to partner with local businesses and agencies to support affordable housing residents and improve project outcomes.

### Requirements for ongoing engagement to inform project selection and development

- Ongoing engagement plans should describe how historically marginalized community members will be engaged in the selection and development of projects. These groups should include:
  - Communities of color
  - People with limited English proficiency
  - People with low incomes
  - People with disabilities
  - Tenants in buildings acquired for conversion to affordable housing
- Engagement plans should describe how existing advisory bodies, potential partner organizations, and other groups with relevant expertise, including:
  - Organizations that provide supportive services
  - Existing housing/homelessness advisory tables, committees, or task forces
  - Community-based organizations
  - Neighboring residents and businesses
- Engagement activities must solicit and document community input on the following topics:
  - Desired community outcomes for the project/site
  - Supportive service needs
  - Affirmative marketing strategies
  - Community partnership opportunities
- Jurisdictions must provide annual engagement reports to the Community Oversight Committee summarizing engagement activities and outcomes for the previous year, including
  - Strategies used to target outreach efforts for historically marginalized and impacted community members
  - Copies of outreach materials used to solicit participation (e.g., invitations, emails, social media posts, fact sheets, etc.)
  - List of engagement activities/events, including dates, locations, materials, and strategies to ensure accessible participation (e.g., child care, translation services, etc.)
  - Number of participants, participant demographic data, organizations represented and data about how participants learned about the engagement opportunity
  - Summary of key themes from community engagement, and how these themes informed decisions about local project selection and development

## Recommended tactics for ongoing engagement to inform project selection and development

- ✓ Use demographic analysis to understand where communities of color, people with limited English proficiency, people with low incomes and people with disabilities live and how best to reach them through engagement efforts.
- ✓ Convene meetings with social services providers to identify service needs and opportunities.
- ✓ Host community forum(s) to present and receive feedback on early project concepts.
- ✓ Create specific engagement opportunities for the general public, impacted communities, stakeholders and implementation partners, and historically marginalized communities, including people of color, people with limited English proficiency, people with low incomes and people with disabilities.
- ✓ Provide notice of property purchases to local businesses, neighborhood groups, institutions, religious and community organizations and potential partners, with offer of presentation and further discussion.
- ✓ Offer engagement opportunities in the evenings and/or on weekends, in different community locations, and with community supports such as food, child care and translation services.

DRAFT

# Affordable homes for greater Portland: Bond implementation overview

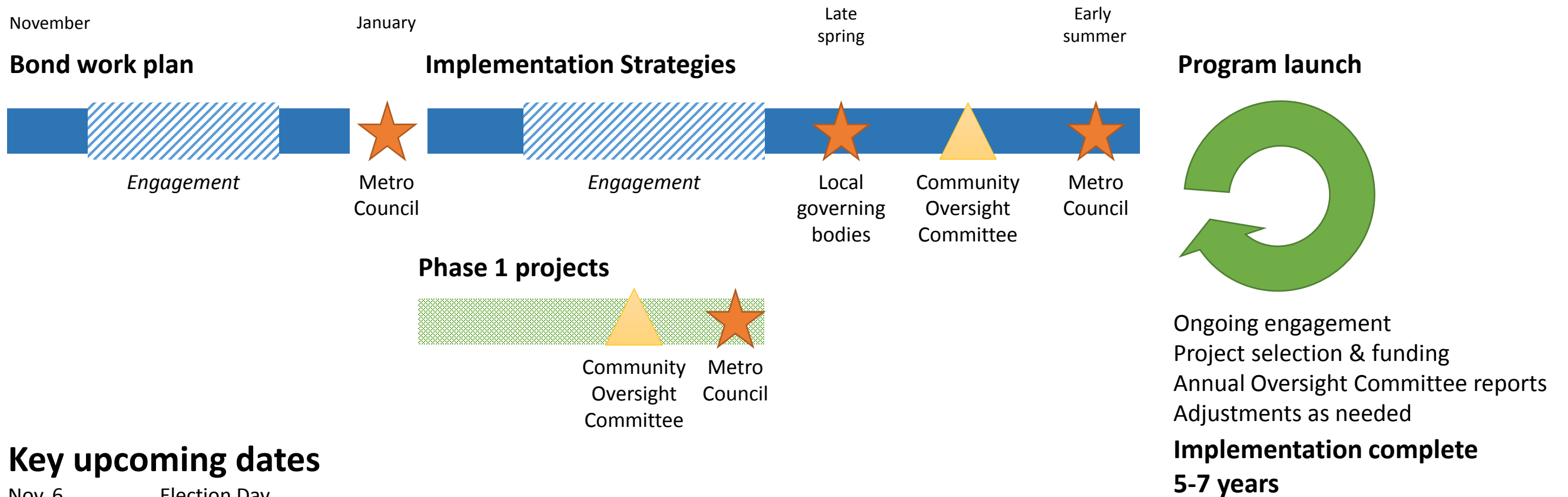
Draft | Nov. 2, 2018

## Bond framework core values

Adopted by Metro Council Resolution, June 7, 2018

1. Lead with racial equity.
2. Create opportunity for those in need.
3. Create opportunity throughout the region.
4. Ensure long-term benefits and good use of public dollars.

## Implementation launch timeline



## Key upcoming dates

Nov. 6	Election Day
Nov. 16	Implementation jurisdictions meeting
Nov. 27	Advisory tables and Community partners meeting
Nov. 28	MPAC presentation
Dec. 11	Metro Council work session
Dec. 19	Implementation jurisdictions meeting
Jan. 15	Metro Council work session ( <i>tentative</i> )
Late January	Metro Council work plan adoption & Oversight Committee appointment

Updates at [oregonmetro.gov/housing](http://oregonmetro.gov/housing)



# Memo

Date: Tuesday, Sept. 11, 2018  
To: Metro Council  
From: Elissa Gertler, Planning and Development Director  
Subject: Affordable Housing Bond -- Work Plan Update

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On June 7, 2018, the Metro Council referred a regional affordable housing bond measure to Portland-area voters. The \$652.8 million bond, if approved, will create affordable housing for approximately 7,500 people under the current Oregon Constitution, to 12,000 people in the region if a constitutional amendment is also approved in November. The bond is estimated to have an average annual cost of \$60 for area homeowners.

Also on June 7, the Metro Council adopted a bond framework recommended by the Metro Chief Operating Officer as a guidepost for implementing the bond. The framework identifies specific outcomes, targets and core values to guide how Metro works with local partners, stakeholders and the community in achieving the bond's purpose. The framework provides direction on developing local and regional implementation strategies, community engagement and oversight, project funding approval, and distribution of the bond's intended outcomes around the region.

Following the Metro Council's adoption of the framework, Metro staff are creating a work plan with operational systems and structures that support implementation partners in creating affordable housing and achieving the outcomes described in the housing measure framework. This memo summarizes several preliminary elements of the work plan under development by Metro staff. A final work plan will be presented to and adopted by the Metro Council in December 2018.

## **I. Community Oversight Committee**

A Community Oversight Committee will ensure accountability and transparency throughout implementation of the affordable housing bond program. Staff have developed a draft description of roles, responsibilities, and membership of this committee, including the following details.

### **Roles and responsibilities:**

- Track progress toward regional goals and targets defined in the bond framework
- Review and advise the Metro Council on local and regional Implementation Strategies
- Monitor administrative and financial aspects of program implementation
- Review project proposals for policy consistency with regional goals and targets and Implementation Strategies (may be delegated to subcommittee)
- Provide an annual report to the Metro Council summarizing outcomes, challenges and recommended changes to program implementation

### **Membership and appointment:**

- The committee will consist of 7-15 members that represent a diversity of perspectives, geographic familiarity, demographics, and technical expertise, including: finance, housing development, housing policy, experience working with impacted communities, and experience living in affordable housing.
- Members must be free of material conflicts of interest. Members will serve in good faith and act in the best interests of the group and its charge
- Nominated members will be appointed by the Metro Council President, and confirmed by the Metro Council in January 2019

Individuals interested in serving on the Community Oversight Committee should make their interest known to members of the Metro Council, who will nominate members.

## II. Project funding process

The Metro Council has directed staff to leverage existing capacities in affordable housing development to achieve the bond framework's outcomes and goals. Therefore, most bond implementation will happen at the local level. At the same time, Metro must ensure that commitments made to the region's voters and bondholders are met. As such, while each local jurisdiction will create a unique implementation strategy and develop or identify specific projects, Metro will outline eligible activities for funding and specify the requirements that all bond investments must meet.

This section describes eligible activities and draft requirements for project funding approval by Metro.

### Affordable Housing Site Acquisition

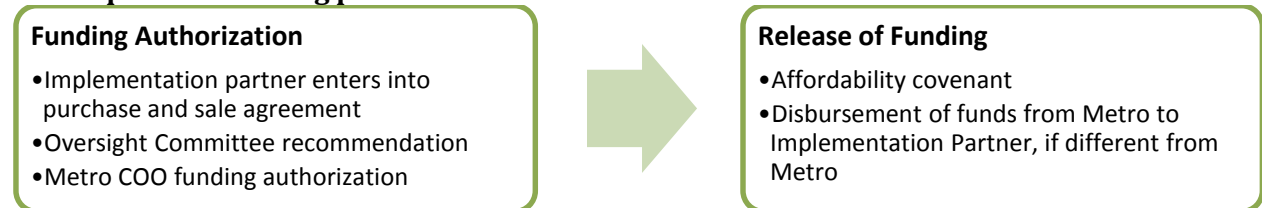
All implementing jurisdictions will be eligible to acquire affordable housing development sites for development consistent with bond targets. Up to 10 percent of total bond funding will be reserved for Metro to acquire regionally significant sites for affordable housing development that supports progress toward regional targets.

All proposed acquisitions, whether local or regional, will need to demonstrate consistency with adopted Implementation Strategies and with bond funding requirements.

### Minimum requirements for site eligibility:

- ✓ Development-ready site (e.g., road access, utility connections, buildable soils, zoned capacity)
- ✓ Willing seller and reasonable price based on appraised value
- ✓ Preliminary financial feasibility analysis and plan to secure funding within two years
- ✓ Consistency with location criteria and selection process described in the partner's Implementation Strategy, and with regional targets

### Site acquisition funding process:



### Acquisition/Rehabilitation and New Construction of Affordable Housing

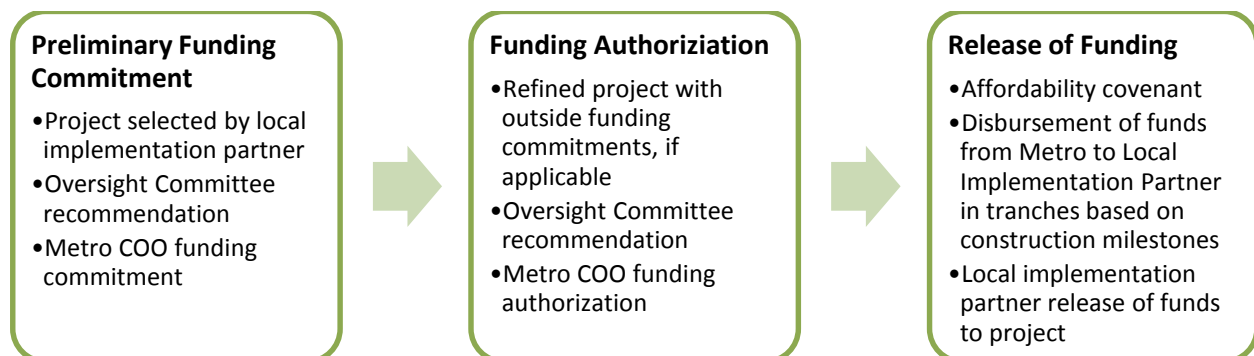
Implementing jurisdiction partners will develop local Implementation Strategies defining the process and criteria for selecting projects to acquire and rehabilitate existing housing or build new affordable housing.

All projects will need to demonstrate compliance with local Implementation Strategies and with bond funding requirements.

#### Minimum requirements for project eligibility:

- ✓ Site complies with site eligibility requirements (see above)
- ✓ Building affordable for people earning less than 80% area median income, with accommodations for existing tenants in acquired buildings
- ✓ Bond funds used for capital expenses; compliance with state law related to ownership of assets
- ✓ Demonstration of financial feasibility
- ✓ Contribution to progress toward bond targets proportional to bond funding requested; or demonstration of how targets will be reached through other planned projects, consistent with local Implementation Strategy
- ✓ Consistency with location criteria, project selection process, engagement, and programming practices described in the local Implementation Strategy

#### *Building acquisition, rehabilitation, and construction funding process*



### III. Administrative Funding

In its referral of the bond to voters, the Metro Council limited administrative costs to a maximum of 5 percent of total bond proceeds, up to approximately \$32.6 million total over the life of the bond. Administrative resources will support financial implementation of the bond, program implementation activities at the local and regional level, and coordination of regional oversight activities. Eligible administration activities can only be associated with the implementation of bond funds, and must result in bond-funded affordable housing projects.

#### Distribution of administrative funding

Local jurisdictions need clarity about administrative funding expectations in order to plan for implementation. At the same time, Metro must ensure the region fulfills obligations to voters as described in the housing bond measure.

All implementing jurisdictions will be eligible to receive funding for administrative costs associated with program implementation as outlined below. Funded activities may include program planning



and coordination, project development or selection, program reporting, and associated legal and finance costs.

*Distribution of targets and eligible program implementation/administration funding*

<b>Jurisdiction</b>	<b>Share of Housing Targets</b>	<b>Unit Production Target</b> <i>No Amendment / Amendment</i>	<b>Eligible Project Funding</b>	<b>Total Admin. Funding</b>	<b>Annual Admin. Funding (7 yrs)</b>
Clackamas	20.8%	500 / 812	\$116,188,094	\$2,446,065	\$349,438
Multnomah	45.5%	1,091 / 1,773	\$253,692,698	\$5,340,899	\$762,986
Washington	33.7%	810 / 1,315	\$188,263,208	\$3,963,436	\$566,205
Metro site acquisition program	<i>Supports above targets</i>	<i>Supports above targets</i>	\$62,016,000	\$1,305,600	\$186,514
<b>Total</b>	<b>100%</b>	<b>2,400 / 3,900</b>	<b>\$620,016,000</b>	<b>\$13,056,000</b>	<b>\$1,865,143</b>

Each implementing jurisdiction must submit a spending plan for the allocated annual funds and a report demonstrating use of the previous year's funding by April 1st. Once Metro has approved the spending plan, funding will be released on July 1 for the upcoming fiscal year. A partial year allocation will be made available for FY 2018-2019 in January 2019.

Approximately \$13 million of bond funding will support administrative expenses associated with regional accountability and financial transactions at Metro, with annual spending planned at \$1.3 million for 10 years.

As the regional program is developed, it is important to be conservative with administrative funding budgets to allow long-term flexibility to achieve the Metro Council's goals. For this purpose, approximately \$6.5 million in potential administrative funding will be reserved for future allocation as recommended by the Community Oversight Committee. This reserved funding will provide flexibility to direct additional funding capacity in a way that best supports the region's ability to achieve the outcomes described in the housing measure.

# Memo



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

Date: Tuesday, Sept. 11, 2018  
To: Metro Council  
From: Elissa Gertler, Planning and Development Director  
Subject: Affordable Housing Bond – Regional Site Acquisition Program Update

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On June 7, 2018, the Metro Council referred a regional affordable housing bond measure to Portland-area voters. The \$652.8 million bond, if approved, will create affordable housing for approximately 7,500 people, under the current Oregon Constitution, to 12,000 people in the region if a constitutional amendment is also approved in November. The bond is estimated to have an average annual cost of \$60 for area homeowners.

Also on June 7, the Metro Council adopted a framework recommended by the Metro COO to guide bond implementation. The framework directs Metro to dedicate up to 10 percent of bond funding to a strategic regional program to acquire properties where affordable housing can be created. The program will advance the overall bond goals, values and outcomes adopted by the Metro Council with the Chief Operating Officer's recommended affordable housing bond framework on June 7, 2018.

This memo provides an update on how staff are following Council's direction and preparing a regional site acquisition program for implementation if the bond measure is successful.

The regional site acquisition program will acquire properties with regionally significant value for affordable housing due to existing/planned transit service, neighborhood amenities, fair housing opportunities and/or displacement risk. Metro staff will work closely with local jurisdiction and bond implementation partner staff to identify and evaluate regionally significant site acquisition opportunities that align with local bond implementation strategies and regional targets. The program will also support Metro's overall growth management and regional investment goals.

## **Potential prioritization criteria**

Potential prioritization criteria for the regional site acquisition program include:

- Location in 2040 Center or Corridor
- Minimum capacity for 50 units
- Equitable geographic distribution and/or contribution toward regional goals and targets
- Current/planned access to frequent service transit, natural areas, education/employment opportunities, or cultural amenities
- Potential to create affordability in areas with high displacement vulnerability, including areas with planned infrastructure investments
- Potential to leverage other funding commitments or complementary investments
- Difficult to develop sites, including brownfields and sites requiring assembly or other complicating factors
- Willing seller

**Next steps**

Beginning in November, Metro staff will conduct community and local jurisdiction engagement to further refine this program concept. These efforts will include roundtables and conversations with local jurisdiction staff, developers, and racial equity advocates to get feedback on site prioritization criteria and process. Staff will also explore opportunities to leverage complementary funding tools, such as EPA brownfields funding, to support site readiness.

In spring 2019, the program strategy will be reviewed by the Community Oversight Committee and presented to the Metro Council for adoption.

## Recommendation development framework

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### FOCUS AREA: PLANNING, ZONING AND DEVELOPMENT

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#### FOCUS AREA GOAL:

- *Performance Clackamas Strategic Plan Goal:* By 2022, 2000 units of housing, affordable to a variety of residents, will be developed within Clackamas County, through a combination of public and private partnerships, and appropriate regulatory changes. Of that number, the Housing Authority goal will be to provide 1000 units affordable to households earning 60% of the area median income or less.
- *Additional contributions from the Task Force:*
  - Is this goal based on Metro's figures? County needs to factor in significantly more housing to meet Metro's projections.
  - Overall, goal should emphasize the need for more supply and not understate need.
    - Focus on up-zoning? But consider impact of up-zoning on land values
  - This goal may be too narrow. Suggest instead something like: "Encourage a range of appropriate housing options for range of need, within broader context of need [i.e. Metro numbers]"
  - "Achievable" versus "aspirational" goal
    - Suggest adding layers to the goal: Create an aspirational, broader goal and have specific, achievable metrics underneath it.
    - Goal needs to consider the "how"

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#### WHAT ARE THE MOST SIGNIFICANT CHALLENGES IN THIS AREA THAT WE WANT TO ADDRESS?

- Task Force discussions to date:
  - Need for more data and a better County-wide understanding (to be added from HNA and by County staff)
  - Lack of affordable housing across the MFI spectrum
  - Lack of workforce housing
  - Displacement
  - Gentrification
  - Restrictive building codes
  - NIMBY attitudes
- *Additional contributions from the Task Force:*
  - Expanding on NIMBY attitudes: Developers need support from jurisdictions when neighbors are upset about changes
  - Consider infrastructure and transportation needs related to increased housing development (sidewalks, connectivity)
  - Job creation in local areas is needed
  - Potential pushback against up-zoning
    - Task Force needs to assert values around equity to get ahead of this

Action:	Existing County efforts/policies:	Funding and strategy considerations:	Equity and engagement considerations:
<p><b>Original Language:</b> Offer density bonuses for affordable housing</p> <p><b>Task Force comments:</b></p> <ul style="list-style-type: none"> <li>• Need a more meaningful density bonus (e.g. based on floor area ratio or bonus floors to buildings).</li> </ul>	<ul style="list-style-type: none"> <li>• Current code allows one bonus unit per affordable unit up to 5% (single-family) or 8% (multifamily) of the base density</li> </ul>		
<p><b>Original Language:</b> Provide for “missing middle” housing</p> <p><b>Task Force comments:</b></p> <ul style="list-style-type: none"> <li>• Investigate more ways to allow or encourage duplexes/triplexes/fourplexes in single family zones <ul style="list-style-type: none"> <li>○ Allow more options to increase number of doors (e.g. allow fourplexes; partitioning within a home, etc.)</li> <li>○ Allow duplexes on a single-family lot</li> </ul> </li> <li>• Fewer conditional uses and more outright uses - be much more aggressive</li> <li>• Intensify units and remove maximums to incentivize cottage cluster development</li> <li>• Allow co-housing</li> <li>• Allow live/work units</li> <li>• Consider overlay zones</li> </ul>	<ul style="list-style-type: none"> <li>• Current code allows duplex/triplex as conditional use in single-family zones on lots 2/3 the size of a single-family lot <u>per unit</u></li> <li>• Duplex/triplex allowed in multifamily zones, typically at 12 units per acre</li> <li>• Clustered single-family generally not allowed</li> </ul>		<ul style="list-style-type: none"> <li>• More outreach and engagement needed to better understand barriers and why this development isn’t occurring under current County code</li> <li>• Have an intentional focus on closing gaps; Apply a racial equity lens</li> <li>• Be sensitive and engage people from diverse cultures to understand opportunities for making “missing middle” housing more feasible (e.g. ways to accommodate intergenerational living, etc.)</li> </ul>

<p><b>Original Language:</b> Increase the housing supply at all levels</p> <p><b>Task Force comments:</b></p> <ul style="list-style-type: none"> <li>Remove maximum density standard in mixed use commercial areas.</li> <li>Evaluate viability of increasing density generally (need more HNA data to figure this out)</li> <li>Identify properties that public partners own; <ul style="list-style-type: none"> <li>Consider Housing Authority or tenant first right of refusal.</li> </ul> </li> <li>Allow transfer of development rights resulting from bonuses.</li> </ul>	<ul style="list-style-type: none"> <li>Current code allows detached and attached single-family, ADUs, manufactured homes on lots or in parks, congregate housing facilities, duplexes, triplexes, multifamily, condominiums, clustered single-family, and transitional shelter communities</li> <li>Allowed density ranges from unlimited to one dwelling per 30,000 square feet</li> </ul>	<ul style="list-style-type: none"> <li>The methodology prescribed for HNAs by the State may underestimate true demand. It is important to recognize the inherent bias toward the status quo</li> <li>Consider public surplus property</li> <li>Adopt a Construction Excise Tax for residential, commercial and industrial development and direct the revenue to affordable housing</li> <li>Land banking</li> <li>Housing finance</li> <li>Housing trust funds</li> </ul>	
<p><b>Original Language:</b> Allow ADUs</p> <p><b>Task Force comments:</b></p> <ul style="list-style-type: none"> <li>Repeal the owner occupancy requirement that applies to either the ADU or the primary dwelling unit.</li> </ul>	<ul style="list-style-type: none"> <li>Current code allows one ADU per primary single-family dwelling in all single-family residential zones inside an urban growth boundary</li> <li>Maximum size is 900 square feet in most zones, 500 square feet in attached single-family dwelling zones</li> <li>Owner occupancy of either the ADU or the primary dwelling required except in Sunnyside Village or the Hoodland Residential area</li> </ul>		

<p><b>Original Language:</b> Reduce parking requirements for affordable housing</p> <p><b>Task Force comments:</b></p> <ul style="list-style-type: none"> <li>• Create a hierarchy of parking standards based on proximity to transit. Step back requirement along with density of the zones.</li> <li>• Consider credits for alternative modes (bike share, etc.)</li> <li>• Don't count structured parking spaces against allowable gross floor area</li> </ul>	<ul style="list-style-type: none"> <li>• Current code requires one space behind front setback line for each ADU and each single-family dwelling</li> <li>• 1.5 spaces per unit for duplexes/triplexes</li> <li>• Multifamily: 1.25 spaces for a one-bedroom, 1.5 for a two-bedroom, 1.75 for a three-bedroom</li> </ul>		
<p><b>Original Language:</b> Implement inclusionary zoning</p> <p><b>Task Force comments:</b></p> <ul style="list-style-type: none"> <li>• Have a robust conversation as a task force about inclusionary zoning at a later date.</li> <li>• Add “part A” part of this house bill versus just the “part B” (i.e. consider construction excise taxes)</li> </ul>	<ul style="list-style-type: none"> <li>• State law limits to structures of 20 units or more</li> <li>• Affordability requirement applies to maximum of 20 percent of the units</li> <li>• Fee-in-lieu must be offered as an alternative</li> <li>• A financial incentive must be provided unless fee-in-lieu option is chosen</li> </ul>		
<p><b>Original Language:</b> Expedite permitting for affordable housing</p> <p><b>Task Force comments:</b></p> <ul style="list-style-type: none"> <li>• Move toward fewer conditional uses and allowing more outright uses</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum 100 to 120 days for a final local land use decision</li> <li>• Typically the timeline is shorter unless an appeal is filed</li> </ul>		
<p><b>Original Language:</b> Reduce or waive fees for affordable housing</p> <p><b>Task Force comments:</b></p> <ul style="list-style-type: none"> <li>• Change to “reduce, exempt or waive” fees to recognize two state statutes that differ based on whether the fee is being waived or the project is exempt from the fee</li> </ul>	<ul style="list-style-type: none"> <li>• Permit fees</li> <li>• System development charges</li> </ul>		
<p><b>New Task Force recommendation:</b> Review design standards to understand barriers to development and be more culturally responsive</p> <ul style="list-style-type: none"> <li>• Allow flexible design standards to reduce the cost of housing</li> </ul>			<ul style="list-style-type: none"> <li>• Not all design standards may be appropriate for everyone. Need culturally responsive standards.</li> </ul>

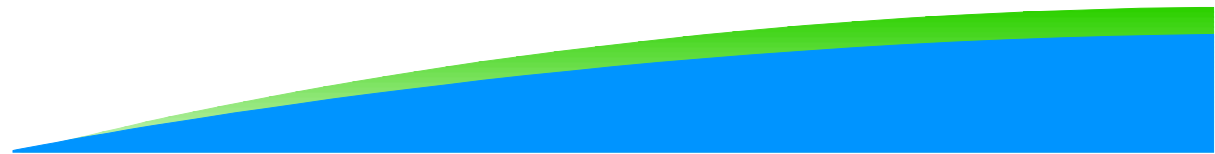
<b>New Task Force recommendation:</b> Consider connectivity and sidewalk access improvements needed for all new development.		<ul style="list-style-type: none"> <li>• Transportation funds</li> </ul>	
<b>New Task Force recommendation:</b> Require community benefits agreements and/or community impact assessments			<ul style="list-style-type: none"> <li>• Mitigate potential displacement impacts</li> </ul>
<b>New Task Force recommendation:</b> Revisit County’s housing goals in light of HNA and Metro figures on growth and demand.			
<b>New Task Force recommendation:</b> Allow tiny homes on wheels			
<b>New Task Force recommendation:</b> Allow housing on sites developed with places of worship, as required by state legislation			





# Housing Stability

Current Approaches, Gaps and Needs



# Current Approaches

- Prevention- used to keep people in current rental housing
  - Ex. rental assistance, utility assistance, connection to other resources, help moving to another rental
- Diversion- process of creative and client-centered problem solving to avoid homelessness
  - Approach recognizes lack of sufficient resources to meet community need, people as experts in their own life, and need for assistance organizing ideas and making a plan in high-stress situation.
- Coordination- 8 programs, 6 agencies

# Gaps

- Many turned-away from Prevention/Diversion programs
  - 69% (232/470) Sept 1<sup>th</sup> -Nov 30<sup>th</sup>
  - Do not qualify for homeless programs
- Highly-flexible funding
  - Ex. Car repairs, work clothes, bus tickets
  - Current funding is not flexible enough to cover creative solutions
- Lack of culturally specific providers
  - Can more successfully implement diversion strategies
  - None currently in the prevention side of services

# Needs

- Diversion
  - Intensive staff training is needed to fully implement this strategy
  - Various communities around the country seeing success in addressing housing crisis
- Short-Term Rental Assistance (STRA)
  - Serves homeless and at-risk with RA, usually 6 mo
  - Case Management, service connection, flexible funding
  - Over 3,000 HH, avg. \$2,445/HH, 85% housed @ 6mo, 76% @ 12 mo
- Highly-Flexible Funding