

Affordable Housing Bond: Program Governance and Project Selection

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

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A Report by the County Internal Auditor

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A photograph of a person in a patterned shirt sitting at a desk, reviewing documents. In the foreground, another person's hand is visible, writing in a spiral notebook. The image has a green tint and a dark horizontal band across the middle containing the text.

I. Executive Summary

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

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

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

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

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

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

Recommendations

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

HACC Governance

1

Publish the HACC Board meeting dates on the HACC website

2

Appoint a HACC At-Large Commissioner

3

Expand the Housing Advisory Board membership to 11 members

Performance Metrics

4

Continue to develop performance metrics and indicators where gaps exist

5

Broaden the HACC Board Bond progress report

6

Enhance the HACC Metro Housing Bond webpage

Management Response

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

Supportive Partners

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

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



A photograph of a man with glasses and a beard, smiling, carrying two young children on his shoulders. The man is wearing a white t-shirt and a denim jacket. The child on the left is wearing a light-colored hoodie, and the child on the right is wearing a grey hoodie. They are outdoors, with a white picket fence in the foreground and trees and a house in the background. The entire image has a green color overlay.

II. Background

Metro Affordable Housing Bond - Regional Goals

In November 2018, Metro-area voters approved a \$652.8 million general obligation bond, publicized by Metro as the “nation’s first regional housing bond,”¹ as a proactive measure to address the shortage of affordable housing within Metro’s urban growth boundary. The Bond allows Clackamas County the opportunity to invest in the development of new housing resources for some of our most vulnerable and historically marginalized residents.²

The primary goal³ of the Bond program is to create at least 3,900 new affordable homes over five to seven years, of which:

- At least 1,600 homes will be affordable to households making 30% of area median income (AMI) or below;
- At least 1,950 homes will be sized for families, with 2 or more bedrooms; and
- No more than 10 percent of homes will be provided for households making 61–80% of AMI.

Region-wide effort to achieve this primary goal is guided by four principles:

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

HACC - County Affordable Housing Goals

The Metro Affordable Housing Program Work Plan provides a comprehensive plan for implementing the Bond program, including the HACC eligible share of the bond proceeds, \$116,188,094, and the accompanying administrative funding of \$2,446,065.⁴ These eligible funds will be issued by HACC over the next five to seven years to address the shortage of affordable housing within our county.

The primary goal⁵ of the HACC Bond program is to create at least 812 new affordable homes. Of this unit production target:

- At least 333 homes will be affordable to households making 30% of AMI or below – at least 200 of which will be supported by HACC-provided rental assistance;



AMI

“Area Median Income limits are established annually by the US Department of Housing and Urban Development (HUD). Median income varies by family size. It is a measurement of where a family’s earnings lie on the spectrum from very rich to very poor. The median calculated by HUD is the middle of the spectrum where 50 percent of families make more than the median and 50 percent of families make less than the median. Those making 80 percent or less than the median are considered low income.

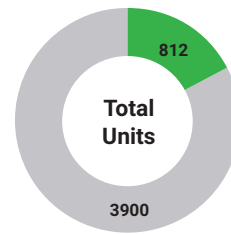
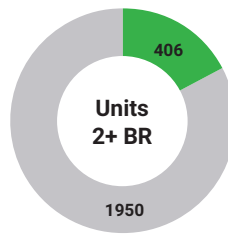
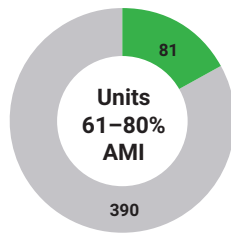
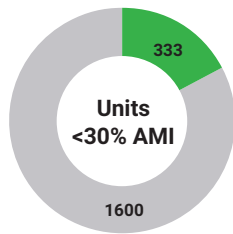
“In Clackamas County, \$81,400 is considered the midpoint of earnings for a family of 4. If a family of 4 makes at least \$81,400, they are not considered low income but rather ‘middle class’.”

– HACC Metro Bond website,
February 2021

- At least 398 homes will be affordable to households making 31–60% of AMI;
- At least 406 homes will be sized for families, with 2 or more bedrooms; and
- No more than 10 percent of homes, 81 units, will be provided for households making 61–80% of AMI.

Eligible Project Dollars
\$652.8MM
 Regional

Eligible Project Dollars
\$116.2MM
 Clackamas County



■ Clackamas County ■ Regional

Leveraging its Bond implementation efforts, HACC strives to meet its 5-year Plan strategic goals, including to “develop new housing units with long-term affordability for a broad range of low-income households with an emphasis on dispersal of affordable housing”⁶ by:

- Decentralizing low-income housing;
- Developing housing that increases access to community services (e.g. social services, health care, transportation, youth programs, adult education and job training); and
- Increasing the number of units available to households at or below 30% of AMI.

Local Implementation Strategy

To be eligible to receive Bond funds, HACC, a Local Implementation Partner (LIP), created a Local Implementation Strategy (LIS) outlining strategies for achieving its allocated share of the unit production targets. This LIS demonstrates alignment with the Bond program’s four guiding principles, details project criteria and selection processes, and, after being approved by the Metro Council, is incorporated into the Intergovernmental Agreement (IGA) with Metro.



Metro Supportive Housing Bond – Same and Different

In May 2020, a second Metro region bond measure was approved by voters to help reduce homelessness. Metro’s Supportive Housing Services program is designed to help people find and stay in housing. While complementary to the Affordable Housing Bond program in addressing the housing crisis, this 2020 bond program has unique funding, governance structures and target outcomes. The Supportive Housing Services Bond program may be leveraged to enhance the impacts of the Affordable Housing Bond program, but does not change the 2018 Affordable Housing Bond program requirements and goals. Adjustments to the HACC LIS may be considered in the future to reflect integration of the opportunities presented by the 2020 Bond.

Notice of Funding Availability and Project Selection

HACC anticipates that access to Bond proceeds will occur through several processes, including Notices of Funding Availability (NOFA), Requests for Qualification and Requests for Proposals. In all cases, it is HACC’s intention that “the selection process include a set of expectations for all developers/owners to ensure selected projects achieve both framework goals and racial equity outcomes.”⁷

HACC issued its Round 1 NOFA in January 2020. Through that process, three projects were selected and received Metro Concept Endorsement in August 2020. Bond funds of \$44,233,000 have been committed to these combined developments: Fuller Station, Good Shepherd Village and The Maple Apartments.

Fuller Road Station



Units: 100

Estimated total cost: \$47,223,075

**Affordable Housing Bond funds:
\$10,000,00**

Good Shepherd Village

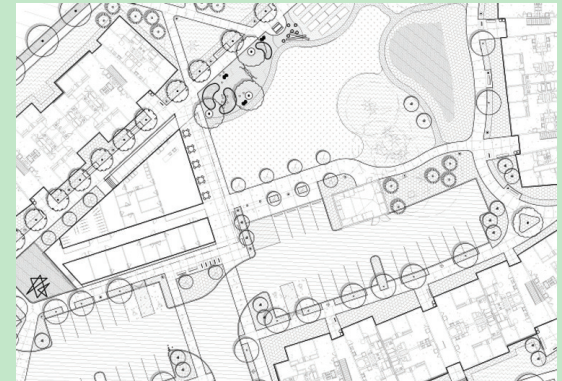


Units: 142

Estimated total cost: \$53,902,667

**Affordable Housing Bond funds:
\$18,330,000**

The Maple Apartments



Units: 171

Estimated total cost: \$53,041,069

**Affordable Housing Bond funds:
\$15,903,000**

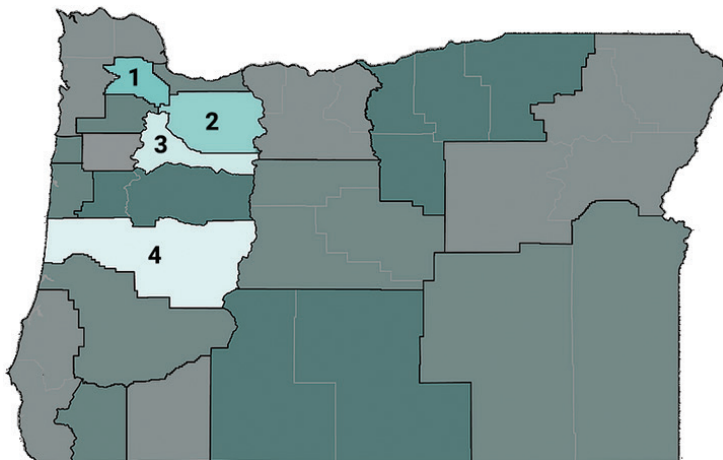
HACC Board of Commissioners and Governance Structure

Oversight of these and future Bond projects is the responsibility of the HACC Board of Commissioners (Board). Program implementation and project management is the responsibility of the HACC Executive Director.

HACC is a municipal corporation formed under ORS 456 to develop, own and manage housing that is affordable to low income individuals. It is considered a component unit of Clackamas County.

The HACC Board is comprised of the five elected Clackamas County Commissioners, known as the core Commissioners of the Authority, and an additional Resident Commissioner.⁸ The Resident Commissioner is a community member who is a public housing resident or Section 8 Program participant, as required by law.⁹ Clackamas County is one of four housing authorities in Oregon to be governed by a Housing Authority Board of Commissioners comprised of the county's entire elected governing body and community membership.¹⁰

As a component unit of Clackamas County residing within Clackamas County's Department of Health, Housing and Human Services department (H3S), the HACC Executive Director reports administratively to the H3S Director. Both the HACC Executive Director and the HACC Board are supported by the Housing Advisory Board. The Housing Advisory Board is an appointed volunteer board reflective of the demographic and geographic diversity of Clackamas County. Its mission is to advise the HACC Board on HACC policy matters, housing issues, and programs and services for the low and moderate income residents of Clackamas County.¹¹



1. **Washington County Housing Authority**
2. **Housing Authority of Clackamas County**
3. **Marion County Housing Authority**
4. **Homes for Good**

Housing Authority Commissions

Housing Authority Law, ORS 456.095(1), defines two optional forms of establishing the Housing Authority Commission for a county authority:

- 1) The county's governing body may appoint five, seven, or nine persons to act as Commissioners of the Housing Authority; or
- 2) The county's governing body itself shall become the Housing Authority Commission with the addition of at least one but no more than two appointed Commissioners

A green-tinted photograph showing a person's hands holding a camera lens. The lens is held up to the camera, and through it, the face of a young man is visible. The young man has dark hair and is looking slightly to the right. The background is blurred, suggesting an indoor setting. The overall image has a monochromatic green color scheme.

III. Observations

HACC Governance

HACC Board of Commissioners Meetings

The HACC Board meets at least monthly to conduct business. Typically, the Board meets at the regularly scheduled policy sessions and business meetings of the Clackamas County Board of Commissioners (BCC). The BCC adjourns and reconvenes as the HACC Board to do so. Public notices and meeting materials for the HACC Board meetings are included in the BCC meeting notices and packets. Specific HACC meeting times, agendas and materials are not separately reported or provided prior to or after the meetings. To determine if the HACC Board will be, or was, convened, individual BCC meeting notices and material packets must be reviewed. This can be very time-consuming and may represent a barrier to public engagement.

In general, the HACC Board has held meetings addressing Bond activity quarterly. There have been 18 Bond-focused meetings or formal discussions between January 1, 2019 and February 1, 2021 conducted during BCC policy session and business meeting times. Seven of these have been held during BCC business meetings – with the BCC adjourning and reconvening as the HACC Board. Attendance for these meetings has included the HACC Board Resident Commissioner. Six discussions have been held during BCC policy sessions – with the BCC sitting as the HACC Board. The HACC Board Resident Commissioner has been in attendance for three of these discussions. Five presentations have been held during BCC policy sessions as part of the County Administrator’s Issues/Updates section of the BCC meeting. Whether the HACC Board was convened for these presentations or if the HACC Board Resident Commissioner was present was undetermined.

Since September 2020, the HACC Board has received three Housing Authority Development Updates during BCC policy sessions in which the HACC Board had been convened. These ongoing development updates are at the request of the HACC Board and specifically address the Bond program progress. The HACC Resident Commissioner was not present for the updates in September 2020, December 2020 or February 2021.



Enhance the HACC Board's meeting transparency and accessibility

Comprised predominately of the elected Clackamas County Commissioners, the housing industry experience and expertise represented by the HACC Board will fluctuate over time as the elected positions are filled. ORS 456 allows for the appointment of a second commissioner who, at a minimum, must live within the county. The Housing Authority Boards for both Lane County and Washington County are structured similarly to the HACC Board; comprised of all five county commissioners and additional community representation. The Housing Authority Boards for Lane County and Washington County both have two appointed members: one Resident Commissioner and one At-Large Commissioner.

Public membership can increase transparency, accountability and the impact of customer service and professional industry lenses. The value provided by public membership is more fully realized if the appointed Commissioners are engaged during the HACC Board work sessions, discussions and presentations. Such engagement allows for greater understanding of issues and sharing of perspectives prior to business meeting decision-making and voting.



Increase the HACC Board's community membership, expertise and engagement

Housing Advisory Board

The HACC governance structure is supported by the industry experience and expertise represented by the Housing Advisory Board membership. The Advisory Board bylaws indicate the Advisory Board shall consist of no more than 11 voting members. One voting member must be a Housing Authority resident. The bylaws recommend nine other areas of industry experience or focus to be represented by the Board's membership. This includes members:

- “drawn from a culturally specific or minority group within Clackamas County,
- from a culturally specific service provider serving Clackamas County,
- drawn from the elderly community,
- involved in real estate management and/or development,
- with expertise in affordable housing,
- drawn from the design and planning professions,
- drawn from the construction general contracting profession,
- drawn from the legal profession, and
- representing rural communities.”

The 2019–2020 membership consisted of six members, representing nine of the ten areas of industry perspective and experience. The Advisory Board did not have membership representing the construction general contracting profession. Areas not uniquely represented included culturally specific or minority groups, rural communities and expertise in affordable housing. The LIS identifies the Housing Advisory Board as an organizational resource in the development and implementation of the Bond program. As suggested in the bylaws, a broader base of Advisory Board experience and expertise would increase the impact of the Advisory Board's insight and advice.



***Maximize opportunity
for professional and
community engagement***

Local Implementation Strategy and Notice of Funding Availability Alignment

The LIS establishes strategies and criteria to guide the successful implementation of the Bond program. Program success will be measured through evaluation of the overall program portfolio. While some criteria represent requirements to be met by each project (Period of affordability; Minority, Women and Emerging Small Businesses (MWESB) contractor participation; less than 80% AMI; community engagement during predevelopment; and outreach and tenant selection, as examples), it is not expected that each project will uniquely meet all established criteria in the LIS.¹²

Alignment of the NOFA with the LIS enhances the likelihood project proposals reflect outcomes which support the Bond overall goals. Nineteen criteria in the LIS, which represent characteristics defining successful implementation, were evaluated and compared to the Round 1 NOFA. Using comparable language, both the LIS and NOFA place varying degrees of priority or emphasis on the individual criteria, from a requirement to a preference to a consideration. In order to align with the LIS, the NOFA must place the same or higher degree of priority or emphasis on the criteria than does the LIS.

Evaluation indicates the criteria identified within the HACC LIS and compared to the NOFA are in alignment, represent Metro's four guiding principles and support HACC's strategic plan. The three projects selected in Round 1 present the ability to meet LIS expectations. The cumulative impact of these and future Bond projects approved over the life of the Bond program will ultimately determine compliance with the intergovernmental agreement between HACC and Metro. Early and frequent project and program progress reporting will provide assurances, allow for performance adjustments and promote effective use of Bond dollars.

Degree of Priority or Emphasis

Requirement:

a threshold characteristic that must be present/met to qualify a project for allocation of bond funds (Stated in the documents as "must" or "will" or specifically as a "requirement.")

Preference:

a desired characteristic which will give a project priority over another project without the characteristic when determining allocation of bond funds (Stated in the documents as "may" or "prioritized" or evaluated through a scaled scoring method.)

Consideration:

a characteristic used to evaluate unique differences between otherwise qualified proposals when determining bond fund allocation

Criteria Evaluation: Equal or Greater Emphasis in NOFA?

Lead with racial equity	
✓	Availability of supportive services for complex health needs
✓	MWESB contracting in development, construction, and operation
✓	Development of Clackamas Workforce
✓	Community engagement during predevelopment
✓	Best practice outreach and low-barrier screening criteria for tenant selection
✓	Resident service coordination
Create opportunity for those in need	
✓	Number of units supported by rental assistance vouchers
✓	Universal Design principles incorporated to enhance accessibility
✓	Number of affordable housing units located in the community within Metro jurisdictional boundaries
✓	Number of units for residents earning at or below 30% Average Median Income
✓	Number of units for residents earning between 61% and 80% Average Median Income
✓	Number of units including 2 or more bedrooms
Create opportunity throughout the region	
✓	Proximity and access to transportation, commercial services, community amenities, and opportunity to create inclusive mixed-income neighborhoods
✓	Increased housing in areas with existing underserved, diverse populations
✓	Sustainability and healthy living spaces
Ensure long-term benefits and good use of public dollars	
✓	Period of affordability
✓	Return on investment increased through maximized use of non-competitive and private resources
✓	Developer experience and project readiness
✓	Reporting requirements

Program and project performance measurement

Performance Metrics

For nine of the 19 criteria analyzed, the performance metric, or the method of demonstrating achievement of the goal and measuring the degree of success, is clear (number of units developed; percentage of units at or below 30% AMI; number of community engagement events during predevelopment; percentage of construction costs paid to MWESB contractors; as examples). For others, the method is less clear (availability of supportive services; resident service coordination; development of Clackamas workforce; best practice outreach and tenant marketing, inclusive mixed-income neighborhoods). (See Exhibit: Analysis of performance metrics)

Lead with Racial Equity



Create Opportunity for those in need



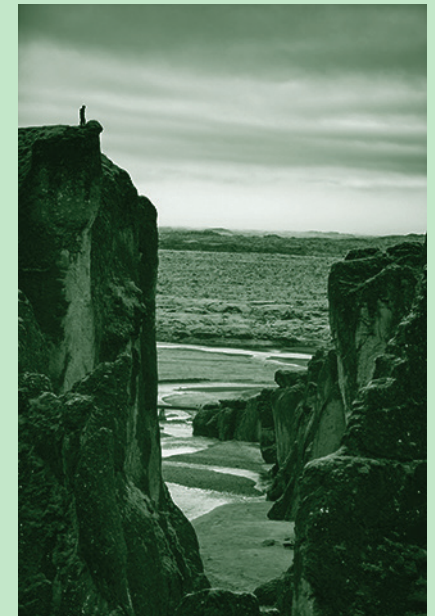
Create Opportunity throughout the region



Ensure Long-term Benefits and good use of public dollars



With less than half of the associated criteria supported by defined, quantitative metrics, the guiding principles of “Lead with racial equity” and “Create opportunity throughout the region” indicate areas for further consideration and development of performance monitoring tools. With clearer, more developed metrics, successful application of Bond guiding principles, “Create opportunity for those in need” and “Ensure long-term benefits and good use of public dollars” is more readily measured and reported. Much of HACC’s and Metro’s reporting to date focuses on these outcome areas.



Develop performance metrics and indicators where gaps exist

Data addressing many of the 19 criteria are preliminary, provisional or will not be available until a later project development or occupancy stage. Some data is not available due to collection and reporting barriers. HACC's continuing program implementation, including periodic review of the LIS, will enhance its ability to identify gaps in available metrics, barriers to data collection and reporting, and opportunities to collaborate with LIPs, contractors, service providers, residents and other stakeholders, including county departments.

The ability to monitor progress, make corrective adjustments and demonstrate successful achievement of goals is strengthened when quality performance metrics support those goals. Performance metrics should be relevant, understandable, comparable, timely, consistent and reliable.¹³

Performance Reporting

The LIS indicates, "HACC staff will prepare an annual report to the Housing Advisory Board and the HACC Board on the overall progress of the LIS" and that the "information will be made available to the public and interested stakeholders." The IGA, incorporating the approved LIS, was executed in December 2019.

There have been three Bond progress reports made to the HACC Board as of February 2021. At the February 2021 Bond presentation, the HACC Board stated its desire to receive progress reports every other month. Two of the past presentations included a written report with performance metrics. These program and project metrics included percent of total Bond funds allocated, number of total designed units, number of units at or below 30% AMI, number of units with 2 or more bedrooms and construction cost per unit. Additional reported data points included the project status and estimated date of completion. The progress reports did not specifically demonstrate status or degrees of success in each of the Work Plan's four guiding principles.

The HACC website includes a Metro Housing Bond page and individual HACC project pages. Overall program and project information is provided. The Metro Housing Bond page does not provide program progress information or specific identification of Bond projects selected. Interested public members may request email notifications regarding updates for the pilot project from the project page.

When performance information is reported in a timely manner it is available to users when assessing accountability and making decisions. Once established, consistent reporting of data also allows for analysis of performance over time, identification of trends which may be cause for concern or adjusted activity, and demonstration of measurable progress and success.



***Promote holistic
program and project
awareness through
expanded reporting***

***Promote accountability
and community
engagement through
the Housing Authority
website***

IV. Recommendations



Recommendations

HACC Governance

- 1** Publish the HACC Board meeting dates on the HACC website
- 2** Appoint a HACC At-Large Commissioner
- 3** Expand the Housing Advisory Board membership to 11 members

Performance Metrics

- 4** Continue to develop performance metrics and indicators where gaps exist
- 5** Broaden the HACC Board Bond progress report
- 6** Enhance the HACC Metro Housing Bond webpage

1

Publish the HACC Board meeting dates on the HACC website

Recommendation – The Board of County Commissioners’ staff should enhance the HACC Board meeting transparency and accessibility by providing the HACC Board meeting dates on the HACC website and linking to the BCC agenda and minutes.

Management Response – We agree with this recommendation.

The following steps will be taken to create a web page for the HACC Board:

HACC staff will:

Assign a staff member to submit HACC Board meeting agenda and packets to PGA web team form.

PGA staff will work with HACC to develop content that includes:

- definition of board role
- Bios/pictures
- HACC Board Meeting schedule for six months to events calendar
- Bylaws
- Recruitment info when applicable

PGA staff will:

- Create a section on HACC webpage for the HACC Board, link to this from HACC navigation menu
- Relink HACC Board link on BCC page to newly created Board page
- Publish meeting materials provided by HACC to website

Timeline: One month

2

Appoint a HACC At-Large Commissioner

Recommendation – The HACC Board of Commissioners should appoint an At-Large Commissioner, resulting in two appointed community members and enhancing the expertise of the Board. The At-Large member should be drawn from the development profession. The Board of County Commissioners’ staff should facilitate enhanced meeting participation of both the HACC Resident Commissioner and HACC At-Large Commissioner during the HACC Board policy sessions. Board attendance, when convening the HACC Board, should be recorded and recognize the presence or absence of all HACC Board Commissioners.

Management Response – We agree with this recommendation.

In February 2020 the Housing Authority Board approved an amendment to the Housing Authority bi-laws that authorized an additional At-large member with the intention to add affordable housing development expertise to the Board. A discussion will be held with the Housing Authority Board in April 2021 which will brief the new Board on the mission and purpose of a Housing Authority including the purpose and value of adding the At-large position. Staff will seek Board permission to proceed with the recruitment and appointment.

Timeline: Pending Board approval the At-large Board position will be seated and participating by July 1, 2021.

3

Expand the Housing Advisory Board membership to 11 members

Recommendation – The HACC Executive Director, working with the Board of County Commissioners, should expand the Housing Advisory Board membership to 11 members uniquely representing all ten areas of perspective, experience and expertise identified in the Housing Authority Board bylaws. Ensure experience in construction general contracting is represented by the membership. Consider adding a member of the county’s Leaders for Equity, Diversity & Inclusion Council or the Public Health Advisory Council, maximizing professional and community engagement as we work to ensure safe, healthy and secure communities.

Management Response – We agree with this recommendation.

HACC is recommending that the HACC Board approve the addition of five new Housing Advisory Board (HAB) members. These members include a Land Use Attorney, a Housing Developer, a Social Worker, a General Contractor specializing in affordable housing development, and a Community Housing Representative. In addition, we are recommending the HACC Board approve the renewal of five current HAB members. The existing board members include an Advocate for seniors, the Vice President of Clackamas County Community College, the OHCS Underwriting Manager, an Architect with affordable multifamily housing experience, and a HACC housing resident. We hope that the 11th HAB member will serve dual roles as the HACC At-large Commissioner and act as a liaison between the two boards.

Timeline: Recommendation for approval of the 10 HAB members will go to the HACC Board for approval during the April 15, 2021 Board Meeting

4

Continue to develop performance metrics and indicators where gaps exist

Recommendation – The HACC Housing Development Manager should continue to develop program and project performance metrics and indicators where gaps exist, incorporating guidance from the Office of Equity & Inclusion and Public Health Department. Identify barriers to data collection and reporting. Collaborate with developers and other LIPs to remove barriers and promote efficiencies in data collection and reporting.

Management Response – We agree with this recommendation

The Housing Development Manager and the development team are meeting regularly with Public Health staff and plan to obtain guidance from the Office of Equity and Inclusion as well. Staff is also seeking assistance from Metro to help with the funding and implementation of a data and reporting system that will enable us to report accurately on our efforts related to leading with equity through our workforce partners. Metro already implemented some new forms and reporting requirements that have been requested of two of our approved projects and we are receiving community engagement data including demographics. We anticipate that with Metro’s partnership our capacity to track and report on the less tangible items related to leading with racial equity, and creating opportunity for those in need will continue to evolve and improve.

Timeline: December 2021

5

Broaden the HACC Board Bond progress report

Recommendation – The HACC Housing Development Manager should broaden the Bond progress reporting format presented to the HACC Board to include multiple performance measurements for all four guiding principles: Lead with racial equity, Create opportunity for those in need, Create opportunity throughout the region and Ensure long-term benefits and good use of public dollars. Both program and project progress should be reported. Reporting a status of “not yet started” for “placeholder” items with future activity will serve to provide a holistic program image and set expectations for data collection, reporting, analysis and reaction.

Management Response – We agree with this recommendation.

We’ve added a matrix to our progress report that describes HACC’s progress developing performance measurements. Once metrics have been established and data collection commences, HACC will start reporting progress and analysis.

Ideas on ways we could address

- Lead with racial equity – this one is a challenging to quantify. Metro rolled out a demographic information request form (after our NOFA was released) to encourage projects to collect demographic data at engagement events. MWESB contracting goals could also be used. Demographic data at lease-up will also be reported when projects come to completion.
- Create opportunity for those in need: this seems inherent to the program but we can start to think about data we want to collect once residents start moving into completed units.
- Create opportunity throughout the region: I think a map showing the distribution of projects throughout the county’s metro region could highlight areas we want to turn our focus toward (i.e. west side)
- Ensure long-term benefits and good use of public dollars – bond utilization per unit, exceeding unit production goals

Timeline: April 2021

Additional reporting has been added to our April 6th Development update to the Housing Authority Board. We will continue to implement additional suggestions for our regular

and ongoing Board updates incorporating demographic data that is already being provided during community engagement and eventually related to tenancy move in and retention data.

6

Enhance the HACC Metro Housing Bond webpage

Recommendation – The HACC Housing Development Manager should enhance the HACC Metro Housing Bond webpage with status updates and demonstrated progress through performance metrics. Consider developing a dashboard reflective of progress toward implementation of the Work Plan’s guiding principles: Lead with racial equity, Create opportunity for those in need, Create opportunity throughout the region and Ensure long-term benefits and good use of public dollars. Promote public engagement and accountability by posting the annual Bond reports and the periodic HACC Board Bond progress reports.

Management Response – We agree with this recommendation

Staff will work with PGA to enhance the HACC Metro Housing Bond webpage with status updates and demonstrated progress through performance metrics. (See above for some ideas for showing progress re 4 guiding principles).

PGA will work with HACC staff to create new content, and update the Metro Bond page. These steps include:

- Add, and maintain a ‘current project’ section that links to existing webpages for bond-funded developments (the bond-funded developments have individual pages with updated information, but at the time of audit there was not a section linking from the bond page to the bond funded development pages. (This has already been rectified.)
- Add bond utilization and production goals and updates
- Embed progress charts from Metro: <https://www.oregonmetro.gov/public-projects/affordable-homes-greater-portland/progress> and include a County-specific progress chart (similar to WA County’s dashboard)

Timeline: one month for data we currently have. Within 6 months for the addition of racial equity and opportunity for those in need specific progress reporting. December 2021



V. Objectives, Scope and Methodology

In accordance with the revised Clackamas County 2020 internal audit plan, County Internal Audit evaluated HACC's implementation, to date, of the Bond program. The Bond program has an anticipated lifespan of 7 years,¹⁴ with significant program and project milestones throughout implementation. County Internal Audit plans to strategically assess, and provide independent feedback of, HACC's efforts at various points on this continuum. The limited scope of this engagement focused on HACC's Bond program governance structure and the project selection process utilized in identifying the initial four Bond projects, one pilot project (18000 Webster Road) and three projects selected as a result of the 2020 Round 1 NOFA (Fuller Street Station, The Maple Apartments, Good Shepard Village).¹⁵

General objectives for the Affordable Housing Bond: Program governance and project selection engagement, were to:

- independently assess the governance structure supporting HACC's implementation of the Bond program;
- independently assess HACC's Bond project selection process and its alignment with Metro objectives;
- advocate for continuous improvement through observations and recommendations; and
- create transparency for the county.

To achieve engagement objectives, County Internal Audit conducted interviews; reviewed ballot measure documents, the Metro Affordable Housing Bond Framework and Program Work Plan, and the HACC LIS and NOFA; reviewed meeting materials for the Metro Council, the Metro Housing Bond Community Oversight Committee, the HACC Board of Commissioners, and the Clackamas County Housing Advisory Board meetings; analyzed alignment of key Bond governing documents, including the LIS and NOFA; and reviewed the Round 1 NOFA project selection process.

Clackamas County's participation in the Metro Supportive Housing Services Program funded by the May 2020 voter-approved Bond was outside the scope of this review.

By providing an independent assessment of HACC's implementation of the Bond program, County Internal Audit has endeavored to add organizational value and support our collaborative efforts to achieve both HACC's strategic goals and the Board of County Commissioners' strategic plan. Ensuring safe, healthy and secure communities is one of five county strategic priorities.¹⁶ In particular, this engagement informs our decision making activities surrounding reducing chronic homelessness.

A person wearing a green sweater is sitting at a desk, typing on a laptop. The scene is dimly lit, with a window in the background showing a bright light source. The overall color palette is dominated by shades of green and grey. A semi-transparent dark green banner is overlaid across the middle of the image, containing white text.

VI. About the Office of County Internal Audit

The Office of County Internal Audit provides assurance, consulting and investigative services to the public, employees and departments of Clackamas County so they can feel confident that the public's interests are protected and can engage with an accountable, high performing and transparent local government. The Office helps Clackamas County accomplish its mission by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes.

The Office of County Internal Audit governs itself by adherence to The Institute of Internal Auditors' mandatory guidance, including the Definition of Internal Auditing, Code of Ethics and International Standards for the Professional Practice of Internal Auditing. The Office does not fully conform to the Standards to the extent the Office has not received an external review. Obtaining an external peer review is one of the Office's strategic goals. The County Internal Auditor, the Chief Audit Executive, reports functionally to the Internal Audit Oversight Committee and administratively to the publicly elected County Treasurer. This authority allows the Office of County Internal Audit to provide independent, objective and risk-based assurance, advice and insight. The Office is designed to add value and improve county operations and the county's ability to serve.

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A person wearing a striped shirt and glasses is pointing at a tablet held by another person. The tablet displays a dashboard with a pie chart and a bar chart. The bar chart has four bars labeled 'Item 2', 'Item 3', and 'Item 4'. The pie chart is labeled 'Item 3'. The dashboard also shows a list of items: 'Item 1', 'Item 2', 'Item 3', and 'Item 4'. The background is a plain wall.

VII. Exhibit: Analysis of Performance Metrics

Lead with Racial Equity



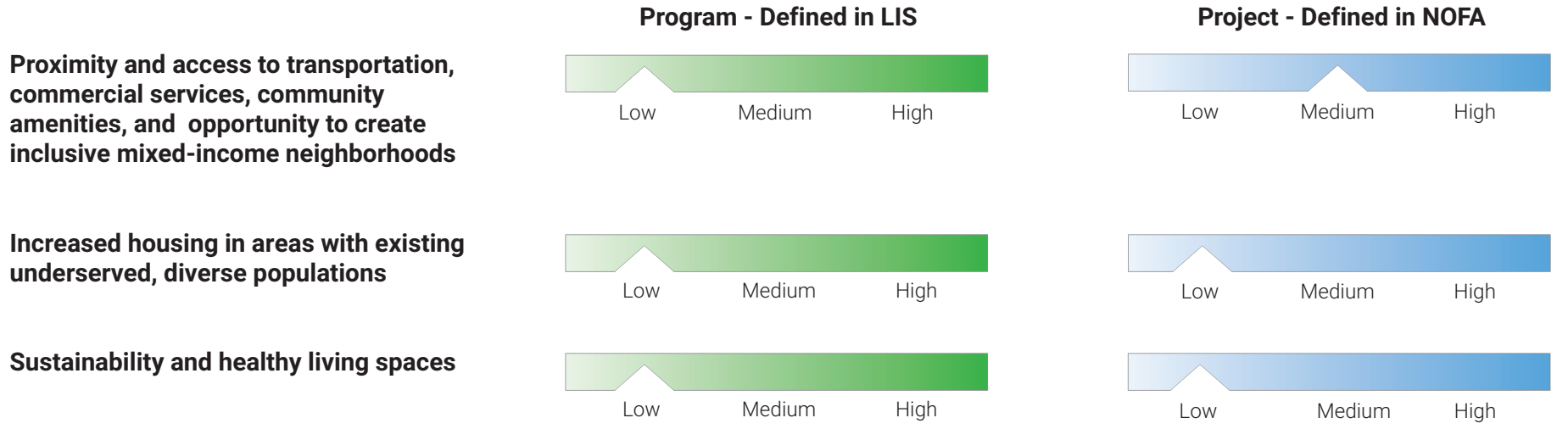
High: Quantified metrics; ability to measure beginning and ending benchmarks
Medium: Stated goals; limited targets or benchmarks; limited ability to measure progress
Low: General areas of focus; no targets of benchmarks; lack of ability to measure progress

Create Opportunity for Those In Need



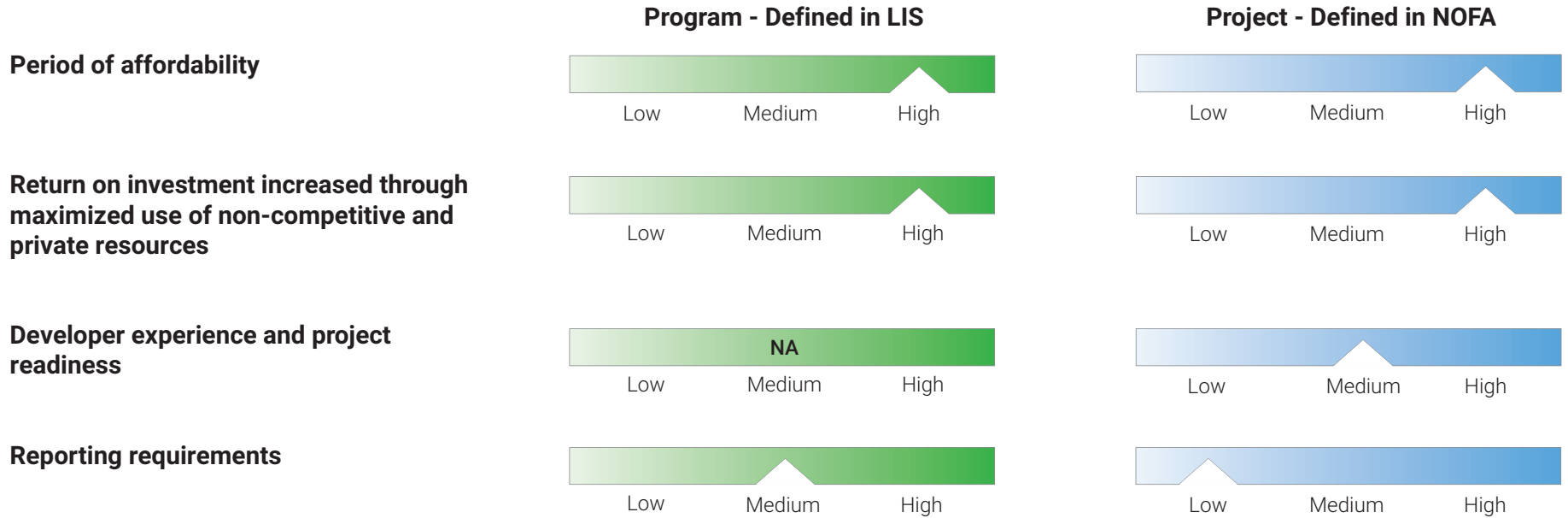
High: Quantified metrics; ability to measure beginning and ending benchmarks
Medium: Stated goals; limited targets or benchmarks; limited ability to measure progress
Low: General areas of focus; no targets or benchmarks; lack of ability to measure progress

Create Opportunity Throughout the Region



High: Quantified metrics; ability to measure beginning and ending benchmarks
Medium: Stated goals; limited targets or benchmarks; limited ability to measure progress
Low: General areas of focus; no targets or benchmarks; lack of ability to measure progress

Ensure Long-Term Benefits and Good Use of Public Dollars



High: Quantified metrics; ability to measure beginning and ending benchmarks

Medium: Stated goals; limited targets or benchmarks; limited ability to measure progress

Low: General areas of focus; no targets or benchmarks; lack of ability to measure progress



VIII. Endnotes

acesso a distância
+ \$
acessibilidade
(PIE)
na rede

Na balnear
baseado nos
e modulos
inteligencia

EXPERIENCE BRIEFING
PLATEIA DO ESPETRO
Quais pessoas participam e
diretamente?

- Jr
- Lider
- Planejamento

Fim
atual e
baseado

1. [Metro Housing Bond Fact Sheet](#), February 12, 2020
2. [HACC Metro Housing Bond webpage](#)
3. [Metro Affordable Housing Bond Program Work Plan](#), Amended October 2019
4. [Metro Affordable Housing Bond Program Work Plan](#), Amended October 2019; Exhibit B
5. [Affordable Housing Bond Measure Program Intergovernmental Agreement between Metro and HACC](#)
6. [HACC 2017–2022 5-Year Plan](#), page 2/4
7. [HACC Local Implementation Strategy](#)
8. Housing Authority of Clackamas County 2020 Restated Bylaws
9. [Clackamas County Board of County Commissioners website](#)
10. [Housing Authorities of Oregon](#); Note of the 22 housing authorities identified, 1 did not provide Board composition data; 3 housing authorities which serve multiple counties have Boards comprised predominately of governing body representatives, but not the entire body
11. Clackamas County Housing Advisory Board Bylaws, June 2019
12. [HACC Local Implementation Strategy](#), 2019
13. Governmental Accounting Standards Board, Performance Reporting for Government, *Characteristics Performance Information Should Posses*; GASB Statement #2
14. [HACC Metro Housing Bond webpage](#)
15. [Clackamas County news release](#), August 10, 2020
16. [Performance Clackamas](#), February 2020
17. [International Standards for the Professional Practice of Internal Auditing \(Standards\)](#)