



Date: June 6, 2014

To: Tom Hughes, Council President  
Sam Chase, Councilor  
Carlotta Collette, Councilor  
Shirley Craddick, Councilor  
Craig Dirksen, Councilor  
Kathryn Harrington, Councilor  
Bob Stacey, Councilor

From: Tim Collier, Director of Finance and Regulatory Services

Cc: Martha Bennett, Chief Operating Officer  
Scott Robinson, Deputy Chief Operating Officer  
Senior Leadership Team  
Finance Team  
Council Policy Coordinators

Re: **Councilor Amendment to the FY 2014-15 Budget**

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Attached is an amendment request to the FY 2014-15 budget from Councilor Chase along with a management response outlining a proposed work plan.

The amendment will be reviewed and discussed with Council at the work session on June 10, 2014, and will be considered for vote at the Council meeting on June 12, 2014 prior to adoption of the budget on June 19, 2014.



Councilor	#
Chase	

**Short Title: Metro Workforce Housing Implementation**

Overview

Hardworking families, seniors, and people with disabilities should be able to afford housing and still have enough money for groceries, medicine, and other basic needs. Yet too many of our residents lack housing options in the region and are forced to choose between paying for rent, medicine, or food. These consequences have enormous implications to the public in terms of financial, social, and environmental costs.

For these reasons, Metro has a long-standing role in planning to ensure housing opportunities are available through local and regional actions<sup>1</sup>. Among these planning documents is the Housing Choice Task Force Implementation Strategy, which encouraged the Metro Council to take a more active role in advancing the production of workforce housing throughout the region. While some of the recommendations outlined in this strategy were implemented, several of them did not receive attention or the resources needed to see them through.

This proposal aims to reinforce Metro’s role in advancing regional housing goals. By implementing the objectives outlined below Metro will build capacity for immediate action and lay the foundation for work in the near future.

Objectives

**1. Implementation of best practices**

- **In partnership with community based organizations, develop and operate education and technical assistance program for cities and counties concerning the tools available for workforce housing development**
  - Develop and deliver education and technical assistance program exploring tools like tax deferrals and exemptions, SDC waivers, tax credits, streamlined permitting, accessory dwelling units, flexible codes, parking requirements, equity mapping tools and more. Provide technical assistance to implement policy changes to codes, permitting, and other jurisdictional programs.
  - Look at existing models for SDC waivers and determine how it can be replicated in other jurisdictions (Are the cost of the waiver program picked up by the jurisdictions’ general or other fund, or are they spread to other development projects); look at SDC policies generally across the region and impact on affordability (i.e. some SDCs are \$40k for a permit)
  - Work could be accomplished through a variety of efforts: solicit RFP to support consortium of community-based organizations for implementation of education services program and technical assistance that works with local jurisdictions’ decision makers and senior staff.

## 2. Altering state and local policy

- **Explore whether changes can be made to strengthen timelines for LUBA and LCDC land use decisions, so that workforce housing can be developed on a predictable and reliable timeline**
  - Work with local jurisdictions and stakeholders to develop strategies for strengthening timelines at local level
  - Partner with private and non-profit developers to explore statewide strategies to improve LUBA/LCDC timelines
- **Determine feasibility of expedited UGB expansions in jurisdictions with track record or future plans for workforce housing implementation**
  - Funding and UGB expansion priorities should be set for jurisdictions that incent and advance the region's workforce housing goals. Policy options should be developed for Council consideration exploring processes that might allow local jurisdictions and their stakeholders to trigger UGB expansion for property owners that meet voluntary inclusionary housing targets.
- **Support the Community Planning and Development Grants Program and advisory committee's recommendation to develop criteria that encourages social equity through the development of workforce housing**

## 3. Resource development

- Develop long-range strategy for increasing funding for workforce housing development akin to our efforts to build resources for transportation and other infrastructure needs.

Duration (put an 'x' in the appropriate line, for specific length write in the length)

\_\_\_ \_\_\_ One-time                      Specific length: \_\_\_ X \_\_\_                      \_\_\_ On-going

### Cost Estimate

Initial costs are estimated to be \$200,000 for the RFP to implement education program over a two-year period (objective 1) in partnership with community based organizations, plus some internal staff time to manage and develop associated contracts. The foundational work described in objectives 2 & 3 may be accomplished utilizing existing staff in legislative affairs, planning, and the RISE team.

### Funding Options

The budget for this effort could come from the Council Opportunity Fund balance remaining in FY 2013-2014 or from the new balance projected in FY 2014-2015.

### Relationship to other programs

This effort will be informed and enhanced by Metro's equity strategy. Additionally, the work will advance in coordination with the extension and update of the Community Planning and Development Grants Program.

### Stakeholders

Several of the objectives outlined in this proposal were developed with input from stakeholders working in non-profit affordable housing development, including the Oregon Opportunity Network, Northwest Housing Alternatives, and the Community Housing Fund, as well as stakeholders from the Home Builders Association. This approach aims to implement tools that will increase needed work-force housing in willing

jurisdictions while continuing to build an understanding about the importance of affordable housing in successful communities.

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<sup>i</sup> The Regional Framework Plan (Framework Plan) articulates Metro’s policy to increase housing choices throughout the region so that families of modest means are not forced to live concentrated in a few neighborhoods, and to effectively reduce the number of households paying more than 50 percent of their incomes on housing and transportation (“cost-burdened households”). The Framework Plan also includes the six outcomes that have been adopted by the region as characteristics of a successful region. Among these desired outcomes are that people have the ability to live in vibrant communities where they have easy access to everyday needs and that the benefits and burdens of growth are shared equitably. Title 7 in the Regional Functional Plan aims to reduce barriers to sufficient and affordable housing for all income levels in the region. Metro has worked with numerous partners to seek federal grants aimed at improving the link between affordable housing and the other key services that provide for community livability.

**FY 2014-15 Management Response  
Councilor Amendment Chase #1  
Metro Equitable Housing Development Program**

**Program Purpose and Need**

Over the past three decades, the Metro 2040 Growth Concept has led to investments that have made communities throughout the region into livable and thriving places, yet many residents in the region struggle to access the benefits of these investments. Too many people struggle with the basic need for housing choices and affordable options that allow them to have access to the services, amenities, and opportunities that exist in communities around the region. Providing affordable access to education, transportation, and employment is fundamental to accomplishing the region's shared vision.

For low-income families, the ability to live in an affordable home near good public transportation translates into improved access to healthcare, education and employment opportunities, and reduced commuting costs. On average, working families spend 57 percent of their incomes on housing and transportation. Locating affordable housing near transit can significantly reduce this financial burden.

Metro has historically played a role in affordable housing policy and development in partnership with community members, local governments, and housing developers. We have worked to advance key policy objectives and expand the region's toolbox for building a wide range of housing types and income levels. Metro also has a key role in partnering with communities to link affordable housing development to other key investments in transportation, parks and natural areas, and other community services.

Equitable Transit Oriented Development is a national best practice focused on creating equal opportunities for people of all incomes to capture the benefits of transit oriented locations. Communities around the country have worked to bring leaders from the business, government, nonprofit and philanthropic sectors together to collaborate on building and preserving affordable housing in neighborhoods where transportation investments are being made, to develop mixed income communities that allow for multi-generational access, and to advance best practices for funding and financing development projects in a wide range of market conditions.

The Portland Metropolitan Region continues to be a national leader in providing housing choices and affordable access to transportation and transit that other communities look to follow. Now, Metro has an opportunity to engage a wider range of partners to advance equitable housing development around the region from a policy, funding, and development framework.

**Program Objectives**

**Build Partnerships-** connect and enhance the region's network of philanthropic and community based organizations with business and government partners to promote information and access to a common base of knowledge of equitable TOD tools and resources.

**Build Solutions-** collaborate to create corridor-wide strategies and goals that allow for communities to customize strategies that respond to specific demographic and economic conditions and that can be implemented by multiple involved partners.

**Build Projects-** convene funding partners to leverage investments that advance the outcomes of shared goals and strategies.

**FY 2014-15 Management Response  
Councilor Amendment Chase #1  
Metro Equitable Housing Development Program**

**Program Scope and Deliverables**

Two Year Pilot Program: July 2014-July 2016

- I. Implementation of Best Practices:
  - Develop partnership, funding, and organizational model linking public, nonprofit, business, and philanthropic sectors in funders collaborative focused on promoting equitable TOD throughout the region.
  
- II. Resource Development
  - Identify opportunities to ensure community led investment strategies include effective equitable TOD elements that allow the adjoining neighborhoods, residents and businesses broadly share in the benefits of public and private investment.
  - Provide recommendations for further implementation and partnership when pilot program concludes.
  
- III. State and Local Policy
  - The Equitable Housing Development Program will focus on funding and development and will coordinate closely with legislative affairs and the RISE team on related policy elements.

**Program Stakeholder Engagement**

Equitable TOD strategies are most effective when created through partnerships that incorporate community-led planning and include participation by government, business, advocates, foundations, educational and institutional partners.

To accomplish the deliverables of the pilot program, a stakeholder group will be convened, led by a Metro Council liaison.

**Program Resources**

1 FTE Senior Development Project Manager (Development Center)

This is a current and funded position in the Development Center that is currently vacant. Resources proposed in the budget amendment will be focused on two major program areas.

\$100,000 Partnership and Collaboration: professional services contracts to establish partnerships

\$100,000 Solutions and Investments: program funds awarded to successful competitive proposals

Funding for the two year pilot program: \$200,000 from the FY 2014-15 Council Opportunity Account

**Equity Strategy Program | Communications and engagement plan (Fall 2014 – Winter 2015)**  
**Build awareness and regional support from key community leaders from across the region**

October 2014 – March 2015

<b>Project milestone</b>	Identify Metro’s roles and responsibilities relative to the equity baseline
<b>Communication/ engagement Goals</b>	<ul style="list-style-type: none"> <li>• Inform key audiences across the region of the purpose of the Equity Strategy Program and findings in Equity Baseline Report and gain endorsement of the Equity Strategy.</li> </ul>
<b>Key audiences</b>	<ul style="list-style-type: none"> <li>• Select elected officials and staff</li> <li>• Select leaders in philanthropy, business and community organizations that serve or represent communities of color, immigrant and refugee communities and low-income communities</li> </ul> <p><u>Community representation:</u></p> <ul style="list-style-type: none"> <li>- Communities of color (African, African American, Asian and Pacific Islander, Latino, Slavic and Native American)</li> <li>- Youth</li> <li>- Elderly</li> <li>- Disability community</li> </ul>
<b>Point people</b>	<ul style="list-style-type: none"> <li>• Metro Council</li> <li>• Equity Strategy Advisory Committee</li> <li>• Metro Steering Committee</li> <li>• Equity Strategy Program staff</li> <li>• Equity Baseline work group</li> <li>• Metro Senior Leadership and staff</li> </ul>
<b>Communication/ engagement strategies</b>	<ul style="list-style-type: none"> <li>• 1:1 meetings/phone calls with Mayors and County Chairs</li> <li>• Presentations/ 1:1 meetings with select leaders from community organizations, business and philanthropy</li> <li>• Discussion groups with communities of color, disability, youth and elderly community</li> <li>• Develop video storytelling project – <i>A day in my life (2-5 minute video showcasing a day in the life of community members and how they experience transportation, access to nature, environment and or access to employment or other equity indicators)</i></li> <li>• Gather letters of support from select community organization, business community and philanthropy</li> </ul>



Equity Strategy Program | Key audiences and community representation

Organization:

Community represented:

- Contact name and title:

Organization:

Community represented:

- Contact name and title

Organization:

Community represented:

- Contact name and title

Organization:

Community represented:

- Contact name and title:

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Community represented:

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