

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF DETERMINING THAT ) ORDINANCE NO. 18-1423  
AFFORDABLE HOUSING IS A MATTER OF )  
METROPOLITAN CONCERN AND ) Introduced by the Metro Council  
UNDERTAKING AN AFFORDABLE HOUSING )  
FUNCTION )

WHEREAS, both nationally and in the Metro region, rents and housing prices are rising faster than incomes, increasingly limiting mid-and lower-income households to neighborhoods farther from jobs, transit, social services and other services and amenities; and

WHEREAS, in 2015, in partnership with Oregon Opportunity Network, Metro researched strategies from around the country, engaging experts and stakeholders to identify the most pressing barriers to making housing affordable and uncover promising solutions, with guidance from a technical work group with diverse expertise on housing issues; and

WHEREAS, in 2015, Metro created the Equitable Housing Initiative to better coordinate efforts already underway and find shared understanding of needs, opportunities and best practices, supporting local jurisdictions, housing developers and advocates to put those best practices to work and build their own capacity to conduct research and develop policies and resources; and

WHEREAS, in 2016, Metro and its regional partners convened a regional housing summit to dig deeper into a challenge that has been called a state of emergency by advocates and local and state officials; and

WHEREAS, in early 2018 Metro convened two advisory committees of experts and stakeholders totaling more than 50 members, funded community partner engagement with diverse residents throughout the region, and gathered input from leaders of communities large and small; and

WHEREAS, national economic forces and growth patterns have pushed the affordable housing crisis in metropolitan regions across the country, and strong continuing growth has impacts across city and county lines, making a regional approach appropriate and necessary in addition to the ongoing local efforts aimed at easing the crisis; and

WHEREAS, Title 7 Housing Choice of Metro Code Chapter 3.07 Urban Growth Management Functional Plan, Metro Code Section 3.07.750 Technical Assistance, encourages cities and counties to take advantage of the programs of technical and financial assistance provided by Metro to help achieve the goal; and

WHEREAS, on January 25, 2007, the Metro Council amended and adopted the Regional Framework Plan and the Metro Code, via Ordinance No. 06-1129B, which took effect on April 25, 2007 (“For the Purpose of Amending the Regional Framework Plan to Revise Metro Policies on Housing Choice and Affordable Housing and Amending Metro Code Sections 3.07.710 through 3.07.760 to Implement the New Policies”); and

WHEREAS, on January 15, 2009, the Metro Council adopted Ordinance No. 08-1204A (“For the Purpose of Determining that Implementing Transit-Oriented Development is a Matter of Metropolitan Concern”), which provides strategic investment to help more people live, work and shop in

neighborhoods served by transit, and which has been also used as a tool to provide funding for affordable housing in neighborhoods served by transit;

WHEREAS, the Metro Council has acknowledged that continued and accelerated population growth is likely to negatively affect the availability and affordability of housing in the Metro region, and that the lack of sufficient funding for affordable housing remains a major barrier to the production of affordable housing; and

WHEREAS, it is the Metro Council's goal that the Metro region grow and reinvest in ways that assure a high quality of life for residents of all incomes, races and ethnicity, including the development and preservation of housing affordable to families and individuals of modest means in mixed-use, walkable neighborhoods close to services and public transit; and

WHEREAS, the Metro Charter, adopted in 1992 by the region's voters, charges the agency with "planning and policy making to preserve and enhance the quality of life and the environment for ourselves and future generations;" and the long-range regional blueprint for compact and efficient growth adopted by the Metro Council in 1995 and six desired regional outcomes adopted by the council in 2010 further position housing choice in vibrant communities as central to creating a livable region for all; and

WHEREAS, Chapter II Section 4 of the Metro Charter, entitled "Jurisdiction of Metro," provides that, "Metro has jurisdiction over matters of metropolitan concern. Matters of metropolitan concern include the powers granted to and duties imposed on Metro by current and future state law and those matters the Council by ordinance determines to be of metropolitan concern. The Council shall specify by ordinance the extent to which Metro exercises jurisdiction over matters of metropolitan concern"; and

WHEREAS, Chapter II Section 7 (1) of the Metro Charter, entitled "Assumption Ordinance," provides that "The Council shall approve by ordinance the undertaking by Metro of any function not authorized by Sections 5 and 6 of this charter. The ordinance shall contain a finding that the function is of metropolitan concern and the reasons it is appropriate for Metro to undertake it;" Section 7(2)(a) of the Metro Charter provides that an ordinance authorizing provision or regulation by Metro of a local government service function must be approved by the voters of Metro or a majority of the members of the Metropolitan Policy Advisory Committee ("MPAC"), and voter approval occurs by "approval of a referred measure (1) authorizing the function or (2) relating to finances and authorizing financing or identifying funds to be used for exercise of the function"; and

WHEREAS, in February of 2010 the Metro Council passed Ordinance No. 10-1231B ("For the Purpose of Determining That Providing Financial Resources to Increase the Supply of Affordable Housing is a Matter of Metropolitan Concern") ("2010 Affordable Housing Ordinance"), which including the finding that "providing Metro funding for increasing the Metro region's supply of affordable housing is a function of metropolitan concern" and "undert[aking] jurisdiction over increasing the Metro Area's supply of affordable housing, by utilizing Metro funds to provide short-term loans to assist in the development of additional affordable housing in the Metro Area," and identified \$850,000 in limited duration funds to "aid in the construction of ownership or rental housing for persons and families of below average incomes in the centers, corridors and station areas designated for growth in Metro's 2040 Regional Framework Plan, with such available for uses such as pre-development work, land acquisition and construction"; and

WHEREAS, the need for affordable housing has dramatically increased in the Metro region in the years following the 2010 Affordable Housing Ordinance, and despite the efforts of Metro and local governments and others to increase affordable housing, the demand for affordable housing is outpacing

the funding and supply, and the need goes well beyond the funding levels undertaken in the 2010 Affordable Housing Ordinance; and

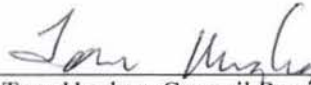
WHEREAS, the Oregon legislature has placed on the November 2018 ballot a constitutional amendment that would facilitate financing of affordable housing with general obligation bonds by allowing general obligation bond funds to be used together with funds from non-governmental entities;

WHEREAS, on June 7, 2018 Metro referred to the voters a measure that would authorize financing for affordable housing in the Metro region by the proposed issuance of \$652.8 million in general obligation bonds to provide affordable housing for low-income families, seniors, veterans and people with disabilities in the Metro region; and Metro will work with local government partners and other stakeholders that currently provide affordable housing development, funding and services in the region; and the bond proceeds will allow Metro and its local government partners to increase the regional supply of affordable housing with a much greater impact; Now Therefore:

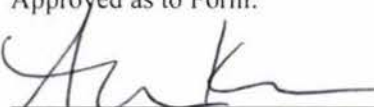
THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. In accordance with Metro Charter Chapter II, Sections 4, 7(1) and 7(2)(a), the Metro Council finds that affordable housing is a matter of metropolitan concern; and Metro assumes and undertakes jurisdiction over affordable housing, including but not limited to granting bond funds to local governments and/or local housing authorities, and for Metro and local governments and/or local housing authorities to finance, acquire, develop, re-develop, preserve, own, operate and/or manage affordable housing and land for affordable housing in the Metro region; such assumption and undertaking shall be effective upon voter approval of a referred affordable housing measure authorizing financing or identifying funds to be used for exercising the foregoing affordable housing activities.
2. In accordance with Metro Charter Chapter II, Section 7(1), Metro's undertaking and assumption of the function referenced above is supported and justified by the recitals set forth herein and by the Metro Council's findings contained in the 2015 Equitable Housing Initiative, the 2006 Regional Housing Choices Implementation Strategy report, which recommended that Metro should direct effort towards development of new resources for affordable housing and advocate for increased funding at the Federal, State, and regional levels; by the findings set forth in the 2010 Affordable Housing Ordinance; and by the evidence indicating that a coordinated regional approach, in addition to the existing local efforts, is needed to address the region's affordable housing crisis.

ADOPTED by the Metro Council this 28<sup>th</sup> day of JUNE 2018.

  
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Tom Hughes, Council President

Attest:   
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Miranda Mishan, Recording Secretary

Approved as to Form:  
  
\_\_\_\_\_  
Alison R. Kean, Metro Attorney

## STAFF REPORT

### IN CONSIDERATION OF ORDINANCE NO. 18-1423, FOR THE PURPOSE OF DETERMINING THAT AFFORDABLE HOUSING IS A MATTER OF METROPOLITAN CONCERN AND UNDERTAKING AN AFFORDABLE HOUSING FUNCTION

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Date: June 21, 2018

Prepared by: Office of Metro Attorney

#### **BACKGROUND**

This ordinance declares affordable housing a matter of metropolitan concern, and assumes and undertakes Metro jurisdiction over affordable housing, including but not limited to granting bond funds to local governments and/or local housing authorities, and for Metro and local governments and/or local housing authorities to finance, acquire, develop, re-develop, preserve, own, operate and/or manage affordable housing and land for affordable housing in the Metro region. In accordance with the Metro Charter, such assumption and undertaking shall be effective upon voter approval of a referred affordable housing measure authorizing financing or identifying funds to be used for exercising these affordable housing activities.

Metro's undertaking and assumption of the affordable housing function is supported and justified by Metro's partnership with Oregon Opportunity Network, wherein Metro researched strategies from around the country, engaging experts and stakeholders to identify the most pressing barriers to making housing affordable and uncover promising solutions, with guidance from a technical work group with diverse expertise on housing issues; and Metro's Equitable Housing Initiative which coordinated efforts already underway and sought shared understanding of needs, opportunities and best practices, supporting local jurisdictions, housing developers and advocates to put build their capacity to conduct research and develop policies and resources; and Metro's in 2016 convening of its regional partners in a regional housing summit. Metro's undertaking and assumption of an affordable housing function is also supported by the work of two advisory committees of experts and stakeholders convened by Metro in 2018, totaling more than 50 members, which funded community partner engagement with diverse residents throughout the region, and gathered input from leaders of communities large and small

The affordable housing function also builds on Metro's past determination that providing financial resources to increase the supply of affordable housing is a matter of metropolitan concern (Ordinance 10-1231B, "For the Purpose of Determining That Providing Financial Resources To Increase The Supply Of Affordable Housing Is A Matter Of Metropolitan Concern"). In that 2010 Ordinance, the Metro Council authorized the utilization of Metro funds to provide short-term loans to assist in the development of additional affordable housing in the Metro Area, and identified \$850,000 in limited duration funds to "aid in the construction of ownership or rental housing for persons and families of below average incomes in the centers, corridors and station areas designated for growth in Metro's 2040 Regional Framework Plan, with such available for uses such as pre-development work, land acquisition and construction." The Metro Council's decision to allocate those funds was rooted in a series of actions that recognized affordable housing supply as an important issue in the region, including:

- Fundamental 7 of the Metro Council's Regional Framework Plan which charges Metro to "enable communities to provide diverse housing options for all residents by providing a mix of housing types as well as affordable housing."
- Chapter 1.3.1 of the Regional Framework Plan which states that it is the policy of the Metro Council to encourage affordable housing opportunities by addressing current and

future supply of affordable housing production goals.

- Resolution No. 08-3940, adopted by the Metro Council in June 2008, which established six defining measures of a successful region, one of which seeks to minimize geographic concentrations of poverty by providing affordable housing choices in centers and corridors in order to equitably distribute the benefits and burdens of growth and change.
- Title 7 of the Urban Growth Management Functional Plan, codified to be part of the Metro code in 2007, entitled Housing Choice which establishes voluntary affordable housing production goals to be adopted by local governments, and encourages cities and counties to take advantage of Metro programs to help “achieve the goal of increased production and preservation of housing choices and affordable housing.”
- Metro’s Transit-Oriented Development Program, adopted by the Metro Council on January 15, 2009 via Ordinance No. 08-1204A (“For the Purpose of Determining that Implementing Transit-Oriented Development is a Matter of Metropolitan Concern”), which provides strategic investment to help more people live, work and shop in neighborhoods served by transit, and which has been also used as a tool to provide funding for affordable housing in neighborhoods served by transit.

### **ANALYSIS/INFORMATION**

1. **Known Opposition:** None known, although there is some known opposition to the referred affordable housing bond measure.
2. **Legal Antecedents:** Sections 4 and 7 of the Metro Charter provide that Metro has jurisdiction over “matters of metropolitan concern,” including those matters the Council determines to be of metropolitan concern by ordinance. Such an ordinance shall contain a finding that a function is of metropolitan concern and the reasons for which it is appropriate to be undertaken by Metro. As outlined above, the Metro Council has approved legislation supporting affordable housing in accepting the Regional Housing Choices Implementation Strategy report in March 2006, including Fundamental 7 and chapter 1.3 in the Metro Council’s Regional Framework Plan, amending the Regional Framework Plan by adopting Title 7 on Housing Choice by ordinance in 2007, by adopting six defining measures of a successful region in 2008 and including a measure that focuses on affordable housing, and by approving the Regional Housing Choice Revolving Fund in the FY 2008-09 budget, by the 2010 Affordable Housing ordinance, and by the June 7<sup>th</sup>, 2018 referral to the voters of a measure that would authorize financing for affordable housing in the Metro region by the proposed issuance of \$652.8 million in general obligation bonds to provide affordable housing for low-income families, seniors, veterans and people with disabilities in the Metro region.
3. **Anticipated Effects:** Upon passage of the referred affordable housing bond measure, Metro will undertake jurisdiction and assume a function over affordable housing, by which Metro and local governments and/or local housing authorities will finance, acquire, develop, re-develop, preserve, own, operate and/or manage affordable housing and land for affordable housing in the Metro region.
4. **Budget Impacts:** Existing affordable housing activities shall continue to be funded as they are currently provided for in the Metro budget; new activities associated with the referred affordable housing bond measure shall be paid for with proceeds of the bond measure if it is passed by the voters, with an administrative cap of 5%, and any excess administrative expenditures shall be paid by the general fund or other identified funds.

### **RECOMMENDED ACTION**

The Office of the Metro Attorney and staff recommend the adoption of Ordinance No. 18-1423.