



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

# Agenda

Meeting: Housing Oversight Committee (Meeting 2)  
Date: Monday, March 4, 2019  
Time: 9 to 11 a.m.  
Place: Metro Council Chambers  
Purpose: Finalize committee protocols, review work plan  
Outcome(s): Agreement and approval of protocols and decision-making structure/tools, shared understanding of work plan and definition of success

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- 9 a.m. Welcome
  
- 9:20 a.m. Approve February meeting summary
  
- 9:30 a.m. Work plan presentation
  
- 10:00 a.m. Decision-making protocols and workshop
  
- 10:45 a.m. Public comment
  
- 10:55 a.m. Next steps



# Meeting minutes

Meeting: Metro Housing Oversight Committee Meeting 1  
Date/time: Wednesday, Feb. 6, 2019  
Place: Metro, Council chamber, 600 NE Grand Ave, Portland, OR 97232  
Purpose: Kick off committee process, establish charge and purpose, discuss meeting protocols

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## **Committee Members**

Manuel Castenda,, Serena Cruz, Melissa Erlbaum, Dr. Steven Holt, Mitch Hornecker, Mesha Jones, Jenny Lee, Ed McNamara, Steve Rudman, Bandana Shrestha, Shannon Singleton, Andrew Tull, Tia Vonil

## **Metro**

Elissa Gertler, Megan Gibb, Emily Lieb, Eryn Kehe, Pat McLaughlin, Jon Williams, Laura Dawson Bodner, Ashley McCarron, President Lynn Peterson, Councilor Christine Lewis

## **Facilitators**

Allison Brown, Hannah Mills

## **Actions agreed upon**

Metro staff will email a table providing more data about area median income, and information about member terms in an email following the meeting. They will also email holds for meeting dates through spring and summer. Committee members will review the Meeting Protocols for discussion at the next meeting.

## **Next meeting**

March 4, 2019, 9:00 - 11:00 AM  
Metro, Council chambers

## **Welcome and Agenda**

Allison Brown, facilitator with JLA Public Involvement, welcomed the Committee and introduced Lynn Peterson, President of the Metro Council. President Peterson thanked the Committee for their participation, noting that their expertise will be critical to achieving the program goals and meeting the needs of the region. Lynn highlighted the importance of addressing trend lines and potential program risks and delivering on the promise of 3,900 affordable housing units and getting people into stable housing.

Elissa Gertler, Metro's Director of Planning and Development, introduced herself and reviewed the process and effort that led to passing the bond measure and the forming of the Committee. Elissa explained that while Metro has been involved in affordable housing over the years, this is new territory for Metro and is critical for the region and fits with Metro's efforts to manage growth affordably.

Allison reviewed the agenda, noting that due to time constraints, some agenda items may need to be revisited at the next meeting. She asked the Committee members to introduce themselves, providing their name, relevant background and purpose of serving.

## **Committee Charge and Purpose**

Using a PowerPoint, Emily Lieb, Metro, reviewed the Committee charge and purpose. Below is a summary of her comments.

*The framework includes an overall production target of 3,900 affordable homes – 1,600 below the AMI, at least half sized for families (2+ bedrooms), and no more than 10% for households making 61-80% AMI. The intention is to buy land and construct new buildings, as well as to regulate affordable housing.*

*The guiding principles laid out in the framework include:*

- *Lead with racial equity – first in all policy discussions in an effort to address the history of discrimination in the region.*
- *Create opportunity for those in need – an intentional choice to serve those that have not been served by the market.*
- *Create opportunity throughout the region – geographically dispersing investments and investing in places that provide opportunity and prevent displacement.*
- *Ensure long-term benefits and good use of public dollars – a Committee charge to ensure transparency to fulfill the promise to voters.*

*Per the implementation structure, most investments will come from local jurisdictions, and up to 10% of funding is dedicated to regional site acquisition. Intergovernmental agreements and local implementation strategies will be reviewed and adopted by the council. The measure also approved a 5% cap for program administration, which includes the Oversight Committee, compliance, and transaction costs at local and regional levels.*

The Committee was shown a map of the implementation partners illustrating the following:

- Partners located in Multnomah County would receive 45.5% of funds to create a minimum of 1,773 homes
- Partners located in Washington County would receive 33.7% of funds to create a minimum of 1,315 homes
- Clackamas County would receive 20.8% of funds to create a minimum of 812 homes.

Emily reviewed the timeline, from November 2018 to summer 2019. She explained that the Oversight Committee's role is to:

- Review and recommend implementation strategies for Council approval
- Monitor expenditures and outcomes
- Provide annual report and presentation to Metro Council
- Recommend implementation strategy improvements to Council as necessary.

Emily noted that, as needed, individual members of the Oversight Committee may be asked to consult with staff prior to commitment of funding projects. She explained that this is not a formal charge of the Committee as a whole, and will be optional for members.

The Committee was shown an illustration of the Committee charge. The PowerPoint presentation is available upon request.

## **Discussion and Questions**

- Are the homes going to be available for rent or for purchase?
  - A member of the project team responded: *Both are possible, as long as they meet the affordability requirements. A majority is expected to be rental, but there may be the opportunity to partner with a land trust.*
- If the homes are rentals, will there be measures in place to ensure renters take care of the properties?
  - A member of the project team responded: *The work plan sets expectations and local partners will be developing strategies for this.*

- Will the Oversight Committee be working on workforce development and economic opportunities as well?
  - A member of the project team responded: *Yes, the guiding principle of racial equity includes creating inclusive workforce opportunities and access to housing. The Committee will have a role in overseeing progress toward these outcomes.*

### **Public Officials: Roles and Responsibilities**

Ashley McCarron, attorney with Metro, directed the Committee to the handout titled Guide for Volunteer Committee Members. The Committee was encouraged to review the handout in more depth, but Ashley highlighted a few key parts of the document. Below is a summary of Ashley's comments:

#### **Ethics**

- *Committee members are considered public officials. Public officials are defined as any person who is serving the State of Oregon, any of its political subdivisions or any other public body as an elected official, appointed official, employee or agent, irrespective of whether the person is compensated for their service.*
- *Oregon prohibits public officials from using, or attempting to use, their position to obtain financial benefit for themselves, relatives, or businesses with which the public official is associated.*
- *Public officials must disclose any conflicts of interest. Committee members will submit potential conflicts of interest to Metro, and Metro will work to resolve them.*
- *Public officials must avoid accepting gifts related to Metro and the housing bond. A gift is defined as something of economic value given to a public official, relative of the public official or member of the public official's household for which the recipient either makes no payment or makes payment at a discounted price.*

#### **Restrictions on Political Activity**

- *Public officials may express personal views, but views cannot be used to oppose political candidates or ballot measures while serving as a member of a Metro committee or board in an official capacity.*

#### **Oregon Public Meetings Law**

- *Under Oregon law, "all meeting of the governing body of a public body shall be open to the public and all persons shall be permitted to attend." For the purposes of this law, the Housing Bond Oversight Committee is considered a governing body.*
- *A governing body must give appropriate notice to inform all interested parties about the time, place, and agenda of public meetings.*
- *Meetings are defined as the convening of government bodies of a public body for which a quorum is required in order to make a decision or deliberate toward a decision on any matter.*
- *Public meetings include telephonic conference calls or other electronic communication including group emails. Group emails of the Committee would be prohibited unless notices are posted and made public. Committee members should avoid discussing the business of the Committee in emails.*

#### **Public Records Law**

- *Oregon law provides that people have the right to inspect any nonexempt public records of a public body. Written documents, emails, etc. are public record under this law. Metro should be copied on all Committee emails in order to preserve records.*

Ashley reiterated the brevity of her explanation of the Guide for Volunteer Committee Members and noted that for the sake of time any remaining questions can be resolved following this meeting. Allison asked that the Committee complete the Conflict of Interest Form included in their handouts and submit it to Metro prior to the next meeting.

## Meeting Protocols

Allison noted the limited time remaining for the Committee to review and discuss the Meeting Protocols, and asked that members review and come prepared to discuss them further at the next meeting. She briefly highlighted key points of the Meeting Protocols:

- Committee members must notify the Committee Chairperson and Metro staff of any media inquiries and refer requests for official statements or viewpoints to Metro. Committee members may speak on their own behalf but not on behalf of the Committee or Metro if contacted by the media.
- The Committee is charged with making recommendations to Metro Council, and recommendations are strengthened by consensus. Consensus in this capacity is defined as the point where all members agree on an option as a recommendation, however, the recommendation does not have to be each member's ideal. This form of consensus will communicate to Metro Council that the Committee has thoroughly considered the recommendation.
- If consensus cannot be reached, the Committee should discuss and determine the kind of majority they will seek for making a recommendation.
- If there is a not a majority decision, all recommendations will be sent to Metro Council.
- Committee decisions will be considered final unless the group as a whole decides to revisit the discussion and subsequent recommendation.
- There will be 10 minutes per meeting available for public comment, and members of the public may also submit written comments.
- Five of the initial Committee members will be appointed to serve a one-year term, and may be reappointed to serve up to two additional two-year terms. All other Committee members will be appointed to serve two-year terms, and may be reappointed to serve up to two additional two-year terms.
- If members cannot attend a meeting, they may send written comments to Metro that will be shared with the Committee.

## Discussion and Questions:

- How will the terms of service be assigned to the Committee members?
  - Metro staff responded: *There was a formula used to make those determinations. Metro staff will provide that information to Committee members.*
- What is the Area Median Income (AMI) number?
  - Metro staff responded: *The AMI is \$24,000 for a family of four, and is adjusted yearly for the region. Metro staff will send out a table providing more data.*
- What is the majority Metro Council uses for decision making?
  - Metro staff responded: *Metro Council uses a simple majority.*
- The Committee discussed how to approach consensus and majority. Below is a summary of their comments:
  - *It's important that the Committee works as a cohesive body, and therefore if consensus cannot be reached, using a three-fourths majority would be better than a simple majority.*
    - A Committee member expressed support for a simple majority so as not to dilute decisions and allow Metro Council to address conflicts as they arise.
  - It would be helpful for Metro to provide information prior to meetings to allow members that are not able to attend to provide input on potential decisions.
    - Allison responded: *Materials will be distributed to Committee members at least one week prior to meetings.*
  - When considering majority, it's important to ensure people of color are involved in all Committee decisions.
  - It's important to provide Metro Council with the ratio of support.

### **Public Comment**

Joshua Manus provided the following public comment in regards to consensus vs. simple majority:

*I would caution against giving Metro Council multiple recommendations on the same topic. The Committee should be giving recommendations in solidarity. I would suggest that the Committee takes the time to ensure recommendations have full support from all members and seek consensus to strengthen recommendations.*

### **Next Steps and Close**

Allison noted that the next meeting will take place on March 4<sup>th</sup>, 2019 from 9-11a.m. Jes Larson, Metro, explained that the goal is to determine a meeting date for April, 2019 as soon as possible, and then to schedule quarterly meetings from there. Jes noted that the implementation strategies are expected to roll out in summer of 2019, and that for that reason, more frequent meetings may be requested through the summer. Committee members requested that holds for additional summer meetings be sent out in advance, knowing that these times can be dropped later if not needed. Allison encouraged the Committee to reach out to her if they have any additional thoughts on the process. Allison thanked the Committee for their participation and closed the meeting.



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# Affordable Housing Bond Program Work Plan

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January 2019





**Public service**

*We are here to serve the public  
with the highest level of  
integrity.*

**Excellence**

*We aspire to achieve exceptional  
results*

**Teamwork**

*We engage others in ways that foster  
respect and trust.*

**Respect**

*We encourage and appreciate  
diversity in people and ideas.*

**Innovation**

*We take pride in coming up with  
innovative solutions.*

**Sustainability**

*We are leaders in demonstrating  
resource use and protection.*

**Metro's values and purpose**

We inspire, engage, teach and invite people to preserve and enhance the quality of life and the environment for current and future generations.

If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we’ve already crossed paths.

**So, hello. We’re Metro – nice to meet you.**

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## **2019 AFFORDABLE HOUSING BOND PROGRAM WORK PLAN**

Adopted by Resolution No. 19-4956 on January 31, 2019 by the Metro Council.

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## 1. INTRODUCTION

On November 6, 2018, voters approved a \$652.8 million bond measure (“Bond Measure”), directing Metro to fund affordable housing throughout the Metro region. As defined in the Bond Measure, the term “affordable housing” means “land and improvements for residential units occupied by low-income families making 80% or less of area median income.” Such housing may be of any type, including but not limited to single-family, multi-family, houses, apartments, and/or the land on which such facilities are located or may be constructed.

In June of 2018, the Metro Council adopted the Metro Chief Operating Officer’s recommended program framework, as set forth in Regional Investment Strategy: Affordable Homes for Greater Portland (“Initial Housing Bond Framework”), which included recommendations for unit production goals, commitments to advancing racial equity, and implementation guidelines developed in collaboration with stakeholders, jurisdictions, housing providers and other partners.

This Affordable Housing Program Work Plan (“Work Plan”) provides a comprehensive plan for implementing Metro’s Bond Measure program (referred to herein as the “Housing Bond Program” or “Program”). This document incorporates and supplements the Initial Housing Bond Framework, and is the governing document for Program implementation, addressing how Bond Measure proceeds will be administered to ensure delivery of the outcomes described in the Bond Measure.

## 2. UNIT PRODUCTION TARGETS AND GUIDING PRINCIPLES

The primary goal of the Housing Bond Program is create at least **3,900 new affordable homes**, 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.

For acquired rental properties, the above targets and cap on homes for households making 61-80% of AMI will be applied upon turnover.

In its efforts to achieve the Program unit production targets referenced above (“Unit Production Targets” or “Targets”), Metro is guided by four principles (“Guiding Principles”), which were derived from (a) existing Metro policies, including the agency’s Strategy to Advance Racial Equity, Diversity, and Inclusion and (b) conversations with key stakeholders who participated in a six month public process convened prior to the referral of the Bond Measure. Those Guiding Principles are:

- 1) Lead with racial equity.** Ensure that racial equity considerations guide and are integrated throughout all aspects of Program implementation, including community engagement, project location prioritization, tenant screening and marketing, resident and/or supportive services, and inclusive workforce strategies.

- 2) **Create opportunity for those in need.** Ensure that Program investments serve people currently left behind in the region’s housing market, especially: communities of color, families with children and multiple generations, people living with disabilities, seniors, veterans, households experiencing or at risk of homelessness, and households at risk of displacement. Incorporate commitments for tracking and reporting on Program outcomes for people of color and other historically marginalized groups.
- 3) **Create opportunity throughout the region.** Ensure that Program investments are distributed across the region to (a) expand affordable housing options in neighborhoods that have not historically included sufficient supply of affordable homes, (b) increase access to transportation, employment, education, nutrition, parks and natural areas, and (c) help prevent displacement in changing neighborhoods where communities of color live today.
- 4) **Ensure long-term benefits and good use of public dollars.** Provide for community oversight to ensure transparency and accountability in Program activities and outcomes. Ensure financially sound investments in affordable, high quality homes. Allow flexibility and efficiency to respond to local needs and opportunities, and to create immediate affordable housing opportunities for those in need.

These Guiding Principles will be implemented consistent with applicable requirements of the federal Fair Housing Act and ORS Chapter 659a and, as appropriate, in consultation with the Fair Housing Council of Oregon.

### 3. GOVERNANCE

#### 3.1 BOND MEASURE; GENERAL OBLIGATION BOND REQUIREMENTS

On June 7, 2018, the Metro Council adopted Resolution 18-4898 referring to Metro area voters the Bond Measure authorizing Metro to issue general obligation bonds in the amount of \$652.8 million to fund affordable housing. The Program and this Work Plan must comply with the promises made to the voters in the Bond Measure. In addition, in accordance with Oregon law, the bond funds may be used only to pay for capital costs, including costs associated with acquisition, construction, improvement, remodeling, furnishing, equipping, maintenance or repair having an expected useful life of more than one year. Bond funds may not be used to pay for general project maintenance and repair, supplies, or equipment that are not intrinsic to a structure or for any other costs that do not meet the definition of “capital costs” under the Oregon Constitution and Oregon law.

#### 3.2 METRO COUNCIL

The Metro Council provides policy direction for the Housing Bond Program through:

- A. Adoption of this Work Plan;
- B. Appointment of Community Oversight Committee members, chair and/or co-chairs, collectively charged with monitoring program implementation;
- C. Approval of Local Implementation Strategies and Metro Regional Site Acquisition Strategy;

- D. Approval of intergovernmental agreements for implementation (each, an “Implementation IGA”) with Local Implementation Partners; and
- E. Monitoring of Program outcomes, with guidance from the Community Oversight Committee.

### **3.3 METRO CHIEF OPERATING OFFICER AND STAFF**

The Metro Chief Operating Officer (COO) is authorized by the Metro Council to implement this Work Plan, and the COO will direct staff to conduct all program administration activities referenced herein, including (without limitation) the following:

- A. Acquisition of real property and associated project funding in accordance with the Metro Regional Site Acquisition Strategy and the criteria and conditions set forth in this Work Plan;
- B. Authorization of Metro Bond Measure funding for projects and program administration activities of Local Implementation Partners in accordance with the criteria and conditions set forth in this Work Plan; and
- C. Convening meetings and providing administrative support for the Community Oversight Committee.

### **3.4 LOCAL IMPLEMENTATION PARTNERS**

Government agencies that are eligible to become Local Implementation Partners include counties, public housing authorities, and cities with populations over 50,000 that receive and administer their own federal Community Development Block Grant (CDBG) funding. To be eligible to receive Metro Bond Measure funds, Local Implementation Partners that receive Bond funding must:

- A. Adopt a Local Implementation Strategy, informed by community engagement, that includes a development plan to achieve the unit production targets, a strategy for advancing racial equity, and ensuring community engagement in implementation (see Section 5.2 and Exhibit C);
- B. Enter into an Implementation IGA with Metro, obligating the Local Implementation Partner to comply with this Work Plan and enter into certain covenants required to ensure compliance with the Bond Measure and other applicable law; and
- C. Provide adequate assurances to Metro that Metro Bond Measure funds will be expended solely to make permitted capital investments to create affordable housing in accordance with this Work Plan.

## **4. COMMUNITY OVERSIGHT COMMITTEE**

In accordance with Metro Code Section 2.19, Metro will appoint a Community Oversight Committee (“Oversight Committee”) to ensure Program transparency and accountability. The Oversight Committee will be charged with the following duties:

- A. Review local implementation strategies and Metro’s Regional Site Acquisition Implementation Strategy for alignment with the Guiding Principles and clear plan to achieve the local share of Unit Production Targets, and recommend strategies for Metro Council approval; and
- B. Monitor program expenditures and outcomes and provide an annual report and presentation to Metro Council. The Committee may recommend changes to implementation strategies as necessary to achieve Unit Production Targets and adhere to the Guiding Principles.

Metro staff will consult members of the Community Oversight Committee as needed to advise on projects prior to the Metro COO’s authorization of funding.

## **5. DISTRIBUTION OF FUNDS AND TARGETS AND REQUIREMENTS FOR LOCAL IMPLEMENTATION PARTNERS**

The Housing Bond Program is guided by regional goals and oversight, but implemented by the Local Implementation Partners, who are best positioned to respond to community affordable housing needs. Successful implementation requires flexibility for local jurisdictions to create and nimbly pursue strategies that respond to local community priorities and market contexts. Metro and the Local Implementation Partners must work together to ensure that Local Implementation Strategies, actions and investments advance desired regional outcomes that honor the commitments made to the region’s voters.

### **5.1 ALLOCATION OF BOND FUNDS**

Metro Bond Measure funds will be allocated to Local Implementation Partners on the basis of assessed value of property, as described in Exhibit B. Except for permitted Program administration funding disbursements, Program funds will be committed and disbursed on a project-by-project basis following execution of Implementation IGAs. Distribution of Bond Measure funds will be conditioned on a Local Implementation Partner’s ongoing demonstration of progress toward its assigned share of the Unit Production Targets set forth in Exhibit B.

### **5.2 LOCAL IMPLEMENTATION STRATEGIES**

To be eligible to receive Bond Measure funds, a Local Implementation Partner must create a Local Implementation Strategy outlining strategies for achieving its allocated share of Unit Production Targets. Each Local Implementation Strategy will be aligned with the Guiding Principles.

Each Local Implementation Strategy must include the following components, described in more detail in Exhibit C:

- A. Development Plan to achieve the Unit Production Targets, including criteria and selection process(es);
- B. Strategy for advancing racial equity throughout implementation;



- C. Engagement report summarizing how stakeholder input shaped the development of the Local Implementation Strategy; and
- D. Plan for ongoing community engagement to inform project implementation.

**Approval and Revision Process**

The Community Oversight Committee will review Local Implementation Strategies and recommend them for approval by the Metro Council. One Local Implementation Strategies have been approved by local governing bodies and Metro Council, they will be incorporated into Implementation IGAs.

As needed, the Oversight Committee and/or Local Implementation Partners may recommend changes to Local Implementation Strategies based on annual evaluation of Program outcomes. Local Implementation Strategies may be revised only following approval by the Metro Council and local governing bodies.

**6. METRO REGIONAL SITE ACQUISITION PROGRAM**

The Regional Site Acquisition Program will seek to support Local Implementation Partners in achieving the overall Unit Production Targets. Program funds will be used to purchase regionally significant sites and may be used to help ensure subsequent project development.

**6.1 REGIONAL SITE ACQUISITION IMPLEMENTATION STRATEGY**

Up to ten percent of Bond Measure funds will be retained by Metro for the Regional Site Acquisition Program. Metro will create a Regional Site Acquisition Implementation Strategy outlining commitments and strategies for ensuring that regional site acquisitions are coordinated with Local Implementation Partners to support regional progress toward Unit Production Targets. The Regional Site Acquisition Implementation Strategy will be aligned with the Guiding Principles.

The Regional Site Acquisition Implementation Strategy must include the following components, consistent with applicable required elements of Local Implementation Strategies, as described in Exhibit C:

- A. Development plan including criteria and selection process(es), including a process for engaging relevant Local Implementation Partners;
- B. Strategy for advancing racial equity throughout implementation, in alignment with applicable Local Implementation Strategy approaches; and
- C. Engagement report summarizing how stakeholder input shaped the development of the Regional Site Acquisition Implementation Strategy.

Metro will engage Local Implementation Partners throughout the development of the Regional Site Acquisition Strategy to ensure alignment and coordination with Local Implementation Strategies and approaches.

## **Approval and Revision Process**

The Community Oversight Committee will review the Regional Site Acquisition Implementation and recommend such strategy for approval by Metro Council.

As needed, the Oversight Committee and/or Metro staff may recommend changes to the Regional Site Acquisition Implementation Strategy based on annual evaluation of Program outcomes. The Regional Site Acquisition Implementation Strategy may be revised only following approval by the Metro Council.

## **7. CAPITAL INVESTMENT ACTIVITIES**

Affordable housing projects proposing to use Bond Measure funds must be selected using a process and criteria consistent with the applicable Local Implementation Strategy and/or Metro Site Acquisition Implementation Strategy. Funding will be authorized by the Metro COO based on consistency with applicable strategy and compliance with this Work Plan. Metro staff will consult members of the Community Oversight Committee as needed to advise on projects prior to authorization of funding by the COO.

Once a project is approved by the Metro COO, Bond Measure funds will be released to the Local Implementation Partner in accordance with the terms of the Implementation IGA, which may require the release of funds in stages upon completion of construction and development benchmarks. Local Implementation Partners may directly utilize the Bond Measure funds for public improvement projects, or loan, grant or otherwise contribute these funds to a non-governmental entity, such as a Low Income Housing Tax Credit (LIHTC) Partnership or LLC for private projects.

### **7.1 NONGOVERNMENTAL REHABILITATION AND NEW CONSTRUCTION**

Local Implementation Partners may contribute Metro Bond Measure funds to private for-profit and nonprofit development entities to pay for new construction of privately owned affordable housing or for the acquisition and rehabilitation of existing market rate/unregulated housing being converted to regulated affordable housing. Bond Measure funds may be contributed to projects as either the primary source of project funding or as “gap funding” as described below.

#### *Gap Funding*

Local Implementation Partners may use Bond Measure funds to provide grants and make loans to qualified private for-profit or nonprofit entities developing, owning and operating affordable housing projects, including LIHTC Partnerships or LLCs, to assist these entities in closing funding gaps between all other available sources of funding (including but not limited to LIHTC equity, senior secured project indebtedness, other state and local loan and grant proceeds and programs, and private and/or philanthropic sources), and the actual project development and construction costs. Local Implementation Partners may provide Bond Measure funds to such private entities in the form of loans or grants. Loans may be “cash-flow-only,” or “soft loans” and may include below market or no interest, non-recourse, extended amortization or fully “forgivable” repayment terms.

### *Eligible Costs*

Bond Measure funds may be used to pay for qualified capital costs associated with the following:

- Construction of new affordable housing for households earning 80% area median income (AMI) or less;
- Acquisition and rehabilitation of residential buildings with no existing form of public affordability restriction;
- Construction of new affordable housing as part of the redevelopment of a residential property with existing public affordability restrictions, as long as the redevelopment results in a substantial net increase in the total number of affordable homes. In such cases, Program funding may only be used for the portion of new homes that are not replacing regulated affordable homes currently on the site and related project/site improvements, such as parking, infrastructure improvements, and community space;
- Construction of ancillary commercial space, community space, and resident amenities, as long as ancillary spaces and amenities are part of buildings that contribute toward Unit Production Targets;
- All necessary and required site work and infrastructure for the above projects;
- Predevelopment costs, including third party reports, design studies, financial modeling and community outreach, which may be reimbursed upon closing of construction financing of an affordable housing project. Prior to closing, these costs are an eligible use of bond program administration funding, but will count toward administrative funding caps prior to reimbursement through a project closing; and
- Administrative costs that comply with requirements laid out in Section 9.2.

### *Ineligible Costs*

Bond proceeds must be used to finance projects that constitute capital construction, capital improvement or a capital cost as those terms are defined by the relevant provisions or the Oregon Constitution, Oregon law (including ORS 310.140) and the parameters of the Bond Measure.

Costs that are ineligible for bond funding include but are not limited to:

- Acquisition of housing with existing public affordability restrictions;
- Rehabilitation of housing with existing public affordability restrictions;
- Redevelopment of residential properties with existing public affordability restrictions that does not result in a substantial net increase in the number of affordable homes on the site;
- Project operating costs, including the provision of resident support services;
- Rental assistance; and
- Administrative costs that do not comply with requirements laid out in Section 9.2.

## **7.2 PUBLIC REHABILITATION AND NEW CONSTRUCTION**

Local Implementation Partners may utilize Bond Measure funds only to pay qualified capital costs to develop, finance, construct and equip new affordable housing and to acquire and rehabilitate market rate housing with no existing public affordability restriction for conversion to affordable housing with a public affordability restriction. Metro housing bond funds may not be used to acquire and/or rehabilitate any housing with an existing public affordability restriction.

Eligible and ineligible costs are set forth in Section 7.1, above.

### **7.3 PROJECT APPROVAL AND FUNDING PROCESS**

The Metro COO will approve funding commitments for all qualified projects identified by Local Implementation Partners at two stages: (1) a Concept Endorsement and (2) a Final Approval. The Concept Endorsement is a preliminary commitment of funding on the basis of consistency of the early project concept with the Local Implementation Strategy. The Concept Endorsement is optional for acquisition and rehabilitation projects (to be pursued at the Local Implementation Partner's discretion), but is mandatory for new construction projects.

#### *Stage 1: Concept Endorsement (optional for acquisition/rehabilitation; required for new construction)*

The Metro COO will provide Concept Endorsements for preliminary development and acquisition/rehabilitation projects. Presented concepts should consist of, at minimum, an identified site which the Local Implementation Partner or the private developer/sponsor controls, a preliminary development or rehabilitation plan, a preliminary unit and affordability mix, preliminary estimates of total development costs, preliminary estimate of requested Metro Housing bond funds and an identified development team.

The Concept Endorsement will be made based upon the following criteria:

- Endorsement of Local Implementation Partner;
- Concept's contribution to Unit Production Targets relative to requested amount of bond funding **or** demonstration of how proposed project will contribute to Local Implementation Partner's portfolio of planned or completed projects to achieve the local share of Unit Production Targets; and
- Consistency with Local Implementation Strategy.

#### *Stage 2: Funding Authorization and Release of Funds*

The Metro COO will authorize project funding only after a finalized development program, design development drawings and confirmed funding sources have been provided. Metro staff will consult members of the Community Oversight Committee as needed to advise on projects prior to authorization of funding by the COO. The Metro COO's authorization of funding will be based on the satisfaction of the following criteria:

- Continued support for the project by Local Implementation Partner;
- Development program's contribution to Unit Production Targets (including affordability and bedroom size targets) relative to requested amount of bond funding; **or** demonstration of how

proposed project will contribute to Local Implementation Partner’s portfolio of planned or completed projects to achieve the local share of Unit Production Targets;

- Consistency with Local Implementation Strategy; and
- Provision of requested documentation to demonstrate project feasibility.

Prior to the release of funds to the Implementation Partner, a Regulatory Agreement (as defined below) approved by the Office of the Metro Attorney and meeting the criteria described further in Section 8.1 will be executed. The Regulatory Agreement will be recorded against the property at or prior to the time of closing.

#### **7.4 REAL PROPERTY ACQUISITIONS**

Bond funds may be used by Metro or Local Implementation Partners to acquire real property (including land and buildings) for the development, rehabilitation, or adaptive reuse as affordable housing consistent with this Work Plan (hereinafter referred to as “Property Acquisitions”).

Property Acquisition costs that may be paid for with Bond funds include the purchase price and all costs related to pre-purchase due diligence including appraisals, purchase of options, earnest money for purchase and sale agreements, environmental assessments, geotechnical reports, preliminary development cost estimates, zoning capacity studies, physical capital needs assessments for acquired buildings, and other third party reports. Eligible pre-purchase due diligence costs will be reimbursed to Local Implementation Partners only upon completion of the Property Acquisition, although bond Program Administration funds may be applied to due diligence costs prior to reimbursement.

Bond Measure funds may also be loaned or granted to projects sited on real property previously acquired by a project sponsor or Local Implementation Partner using non-Bond funds. For these projects, the costs of previous real property acquisition will be included in overall project costs, subject to Metro appraisal requirements.

##### *Property Acquisition Parameters*

Bond Measure funds may be used for Property Acquisition provided the following criteria are met:

- The property is owned by a willing seller;
- An appraised value has been obtained in accordance with applicable Uniform Standards of Professional Appraisal Practice (USPAP) standards. In general, the purchase price should not exceed 10 percent over appraised value. However, exceptions may be made at the discretion of the Metro COO if it can be demonstrated that the site presents unique opportunities to advance the Unit Production Targets and Guiding Principles;
- The anticipated project on the site will contribute proportionately to Unit Production Targets (including affordability and bedroom size targets) relative to the forecasted bond funding; or the Local Implementation Partner demonstrates how the anticipated project will contribute to that Partner’s portfolio of planned or completed projects to achieve the local share of Unit Production Targets;

- The property consists of a development-ready site, with zoned capacity to support the preliminary development concept, road access, utility connections, buildable soils, and mitigation plan for any environmental conditions; and
- The acquisition is consistent with the applicable Implementation Strategy.

The requirement for zoned capacity, utility connections, and other infrastructure improvements may be waived in cases where an approved plan provides for needed improvements and such improvements are expected within two years.

*Funding Authorization and Release of Funds*

Funding authorizations for Property Acquisitions will be authorized by the Metro COO. Metro staff will consult members of the Community Oversight Committee as needed to advise on projects prior to authorization of funding by the COO.

Prior to the release of funds, a Regulatory Agreement (as defined in Section 8.1) will be recorded against the property at or prior to the time of closing. The Local Implementation Partner will provide a copy of the recorded Regulatory Agreement to Metro promptly after closing.

**8. AFFORDABILITY COVENANTS AND MONITORING**

**8.1 METRO AFFORDABILITY COVENANTS**

Each Implementation IGA will require that a regulatory agreement or similar affordability/restrictive covenant (the “Regulatory Agreement”), in form and substance acceptable to Metro, must be recorded on the title of every property that receives Bond project funding. The Regulatory Agreement will acknowledge the use of Bond Measure funds and the restrictions associated with the use of such funds, including the affordability restrictions and other policies upon which the funding was conditioned, provide monitoring and access rights to Metro, and be enforceable by the Local Implementation Partner and Metro.

The Regulatory Agreement will have a term of not less than 60 years for newly constructed projects and existing market-rate projects that are converted to affordable/regulated projects, except in the case of converted projects where the project is more than 10 years old at the date of acquisition, in which case the minimum term will be not less than 30 years. The Regulatory Agreement will provide a first right of refusal for qualified nonprofit organizations or government entities to acquire the project upon expiration of the affordability period.

In the case of Property Acquisitions, the Regulatory Agreement will ensure development of the property consistent with the requirements set forth in this Work Plan.

**8.2 MONITORING RESPONSIBILITIES**

Owners of private projects receiving Bond Measure funds will be required to enter into a Regulatory Agreement, or similar agreement for the benefit of both Metro and the Local Implementation Partner,

to periodically provide tenant income verification data to ensure compliance with affordability restrictions. Project owners will also be required to provide certain information, including voluntarily collected tenant demographic data, to support evaluation of program outcomes. Finally, owners will be required to provide Metro with access to asset management data, including financial performance and physical condition of the project, and to provide physical access to the property when requested by Metro and/or the Local Implementation Partner. Metro will work with Local Implementation Partners, Oregon Housing and Community Services, or other public agencies to develop shared monitoring and reporting requirements and functions that align with established funding programs, including LIHTC.

## **9. PROGRAM OPERATIONS**

### **9.1 PROCEDURES MANUAL**

A Program procedures manual (“Procedures Manual”) will be maintained by Metro to support fair and consistent consideration of Program funding requests, clear standards for reporting on Program outcomes, and continuous improvements in Program operations. Revisions to the Procedures Manual require Planning and Development Department Director approval.

The Affordable Housing Program procedures will include, at a minimum, guidance related to:

1. *Funding Guidelines*: Guidelines related to performance targets relative to the amount of Bond Funds contributed to a project and standards for replacement reserve funding;
2. *Risk Controls*: Preconditions for contractual commitments and release of funds, procedures for funding disbursement and monitoring during project construction, and recurring investment policies;
3. *Project Documentation Checklists and Templates*: List of required documents for Property Acquisition, Concept Endorsement, and Project Funding Authorization;
4. *Local Implementation Partner and Metro Site Acquisition Program Reporting*: Metrics, protocol, and templates for Local Implementation Partners and Metro’s Site Acquisition Program to submit annual reports on program outcomes for review by the Community Oversight Committee; and
5. *Local Implementation Partner Administration Funding Guidelines*: Protocol and templates for Local Implementation Partners to submit a work plan in order to receive administrative funding at the beginning of each fiscal year, including requirements for end-of-year reporting to demonstrate compliance with this Work Plan.

## **9.2 CAPITAL EXPENDITURES - ADMINISTRATIVE COST CAP**

Bond Measure funds must be used to pay for or reimburse prior expenditures that constitute qualified capital costs, consistent with the requirements of the Bond Measure, the Oregon Constitution and other applicable law.

The purpose and focus of the Affordable Housing Program is to expand the region's supply of affordable housing. Consistent with requirements set forth in the Bond Measure, no more than five percent of total Bond Measure proceeds may be expended on administrative costs associated with the implementation of Program activities, including Program development and administration, financial administration, and monitoring and oversight functions prior to the completion of the Unit Production Targets. All administrative and Program costs funded with Metro Bond Measure proceeds must be capital costs, as defined by the Oregon Constitution and Oregon Statutes, allocable to affordable housing projects.

Subject to compliance with Oregon law and the Bond Measure, Local Implementation Partners are eligible to receive funding for administrative costs associated with Program implementation according to the distribution described in Exhibit B. Each Local Implementation Partner must submit a spending plan for the allocated annual funds and a report demonstrating use of the previous year's funding by April 1 of each year, including certifying that Metro Bond Measure funds have been and will be applied solely to the payment or reimbursement of capital costs consistent with Oregon law and the Bond Measure. Once Metro has approved the spending plan, funding will be released on or after July 1 for the fiscal year commencing on July 1 and ending the following June 30. A partial year allocation will be made available to eligible Local Implementation Partners for FY2018-19 in February 2019. In order to maintain eligibility to receive Metro Bond Measure funds in advance for program implementation activities, all administrative expenditures must result in funding authorization for bond-funded affordable housing projects or assets within three years from the date of disbursement.

## **9.3 PROGRAM AMENDMENTS**

This Work Plan may be amended, as needed, by Metro staff with approval of the Metro Council to ensure compliance with Bond Measure covenants, applicable law, achievement of Unit Production Goals, and alignment with Guiding Principles.



**EXHIBIT A**  
**BOND MEASURE BALLOT TITLE**

**Attachment to SEL 805**

Caption:	Bonds to fund affordable housing in Washington, Clackamas, Multnomah counties.
Question:	Shall Metro issue bonds, fund affordable housing for low-income families, seniors, veterans, people with disabilities; require independent oversight, annual audits? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution
Summary:	<p>Measure authorizes \$652.8 million in general obligation bonds to fund affordable housing in Washington, Clackamas, and Multnomah counties.</p> <p>Bonds will be used to build affordable housing for low-income households; purchase, rehabilitate, and preserve affordability of existing housing; buy land for affordable housing; help prevent displacement.</p> <p>Affordable housing means land and improvements for residential units occupied by low-income households making 80% or less of area median income, which in 2018 for a family of four was \$65,120; improvements may include a mix of unit sizes, spaces for community and resident needs and services. Some units will be accessible for people with disabilities and seniors; flexibility for existing tenants and hardship.</p> <p>Requires community oversight and independent financial audits. Creates affordable housing function for Metro, implemented by Metro and local housing partners. Local and regional administrative costs capped at 5% of bond proceeds. Bond costs estimated at \$0.24 per \$1,000 of assessed value annually, approximately \$5.00/month for the average homeowner. Bonds may be issued over time in multiple series.</p>
Explanatory Statement:	<p>In the Metro region, rents and housing prices are rising faster than wages. Between 2010 and 2016, the median income for a renter increased 19% while the average rent increased 52%. The need for affordable housing continues to increase, with demand for affordable housing outpacing supply. This is especially true for people on fixed incomes, working families, and seniors and disabled people in our region.</p> <p>This measure will authorize Metro to issue \$652.8 million in general obligation bonds to provide affordable housing for low-income families, seniors, veterans and</p>

	<p>people with disabilities in the Metro region which includes Washington, Clackamas and Multnomah counties.</p> <p>The bond funds will be used to build affordable housing for low-income households, to purchase and rehabilitate existing housing to preserve its affordability and prevent displacement, and to buy land for the immediate or future construction of new affordable housing.</p> <p>The measure will create an affordable housing function for Metro, and will be implemented by Metro and local governments. The administrative costs of Metro and local housing providers paid for by the measure will not exceed 5% of bond funds. Metro may issue the bonds over time in multiple series. Metro estimates that the cost of the measure to the average homeowner to be 24 cents per \$1,000 of assessed value annually, or approximately \$5.00/month. An independent community oversight committee will review bond expenditures and provide annual reports, and an independent public accounting firm will perform an annual financial audit of the expenditure of bond funds.</p> <p>For purposes of the bond measure, “Affordable Housing” means land and improvements for residential units occupied by low-income households making 80% or less of the area median income, which in 2018 for a family of four was \$65,120. The improvements constructed or purchased with bond funds may be composed of a mix of unit sizes, and may include spaces for community and resident needs and services, such as, without limitation, spaces for childcare services, healthcare services, grocery, onsite utility and building facilities, and other commercial, office and retail uses. Some units will be accessible for people with disabilities and seniors. The income eligibility rules may provide for a waiver or temporary relief from the limitations on qualifying income, if needed to avoid undue hardship or displacement of persons living in existing housing.</p>
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On behalf of:

- Metro Council President Tom Hughes
- Councilor Shirley Craddick
- Councilor Betty Dominguez
- Councilor Craig Dirksen
- Councilor Kathryn Harrington
- Councilor Sam Chase
- Councilor Bob Stacey

Submitted by: Metro Council President Tom Hughes

**EXHIBIT B**  
**BREAKDOWN OF UNIT PRODUCTION TARGETS AND**  
**FUNDING ELIGIBILITY**

**Distribution of targets and eligible project and administration funding\***

Jurisdiction	Percent of assessed value	Unit Production Targets**			Total Project Funding Available	Total Admin. Funding Available***
		Total	30% AMI	Family-Size		
Beaverton	5.58%	218	89	109	\$31,140,595	\$655,591
Clackamas County	20.82%	812	333	406	\$116,188,094	\$2,446,065
Gresham	4.79%	187	77	93	\$26,756,995	\$563,305
Hillsboro	7.28%	284	117	142	\$40,657,081	\$855,939
Home Forward (balance of Multnomah County)	2.84%	111	46	55	\$15,879,123	\$334,297
Portland	37.81%	1,475	605	737	\$211,056,579	\$4,443,296
Washington County (balance of county)	20.87%	814	334	407	\$116,465,532	\$2,451,906
Metro Site Acquisition Program****	<i>n/a</i>	<i>Contributes to above targets</i>			\$62,016,000	\$1,305,600
Metro accountability and financial transaction costs	<i>n/a</i>	<i>n/a</i>			<i>n/a</i>	\$13,056,000
Reserved for future allocation as determined necessary to achieve targets	<i>n/a</i>	<i>n/a</i>			<i>n/a</i>	\$6,528,000
<b>Total</b>	<b>100%</b>	<b>3,900</b>	<b>1,600</b>	<b>1,950</b>	<b>\$620,016,000</b>	<b>\$32,640,000</b>

\*The Initial Housing Bond Framework calls for distribution of targets and funding to counties on the basis of assessed value, but provides flexibility for how partners within each county further distribute targets and funding. If an alternative distribution is not agreed to by partners for distribution of funding within a county, assessed value will be used as the basis of distribution to all partners.

\*\* For acquired rental properties, the targets and cap on homes for households making 61-80% of AMI will be applied upon turnover.

\*\*\* Any administrative funding from bond proceeds must be consistent with the requirements of Oregon law and the Bond Measure and Metro will, in consultation with bond and tax counsel, request certification from jurisdictions that proceeds are being applied to qualified capital costs.

\*\*\*\* The Regional Site Acquisition Program aims to distribute investments proportionately across the region to support local progress toward the Unit Production Targets. In the event that regional investments are not proportionately distributed, the above Unit Production Targets may be adjusted pursuant to a Work Plan amendment.

## EXHIBIT C

### LOCAL IMPLEMENTATION STRATEGY REQUIREMENTS

1. Development Plan to achieve the Unit Production Targets that includes the following elements:
  - a. Anticipated number, size, and range of project types (estimates are acceptable) and cost containment strategies to achieve local share of unit production targets (including 30% AMI and family-size unit goals and the cap on units at 61-80% AMI) using local share of eligible funding;
  - b. Consideration for how new bond program investments will complement existing regulated affordable housing supply and pipeline;
  - c. Goals and/or initial commitments for leveraging additional capital and ongoing operating and/or service funding necessary to achieve the local share of Unit Production Targets;
  - d. Strategy for aligning resident or supportive services with housing investments, including [optional] any local goals or commitments related to permanent supportive housing; and
  - e. Description of project selection process(es) and prioritization criteria, including anticipated timing of competitive project solicitations and how existing or new governing or advisory bodies will be involved in decisions regarding project selection.
  
2. Strategy for advancing racial equity in implementation that includes:
  - a. Location strategy that considers geographic distribution of housing investments, access to opportunity, strategies to address racial segregation, and strategies to prevent displacement and stabilize communities;
  - b. Fair housing strategies and/or policies to eliminate barriers in accessing housing for communities of color and other historically marginalized communities, including people with low incomes, seniors and people with disabilities, people with limited English proficiency, immigrants and refugees, and people who have experienced or are experiencing housing instability;
  - c. Strategies and/or policies, such as goals or competitive criteria related to diversity in contracting or hiring practices, to increase economic opportunities for people of color; and
  - d. Requirements or competitive criteria for projects to align culturally specific programming and supportive services to meet the needs of tenants.
  
3. Engagement report summarizing engagement activities, participation and outcomes, including:
  - a. Engagement activities focused on reaching communities of color and other historically marginalized communities, including people with low incomes, seniors and people with disabilities, people with limited English proficiency, immigrants and refugees, and people who have experienced or are experiencing housing instability;
  - b. Summary of key community engagement themes related to local housing needs and priority outcomes for new affordable housing investments, approach to geographic distribution and location strategies, acknowledgement of historic/current inequitable

access to affordable housing and opportunities for stakeholders to identify specific barriers to access, and opportunities to advance racial equity through new investments;

- c. Summary of how the above themes are reflected in the Local Implementation Strategy.
4. Plan to ensure ongoing community engagement to inform project implementation, including:
    - a. Strategies for ensuring that ongoing engagement around project implementation reaches communities of color and other historically marginalized community members, including: people with low incomes, seniors and people with disabilities, people with limited English proficiency, immigrants and refugees, existing tenants in acquired buildings, and people who have experienced or are experiencing housing instability; and
    - b. Strategy for ensuring community engagement to shape project outcomes to support the success of future residents.

Materials after this page were distributed at the meeting.

## Committee Charter

### Background on the 2018 Metro Housing Bond

On November 6, 2018, the Metro area voters approved Measure 26-199 authorizing Metro to issue general obligation bonds in the amount of \$652.8 million to fund affordable housing. The primary goal of Metro's Affordable Housing Bond Measure program (the "Program") is create at least **3,900 new affordable homes**, 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.

In its efforts to achieve the Program unit production targets referenced above, Metro is guided by four principles (the "Guiding Principles"):

- 1. Lead with racial equity.** Ensure that racial equity considerations guide and are integrated throughout all aspects of Program implementation, including community engagement, project location prioritization, tenant screening and marketing, resident and/or supportive services, and inclusive workforce strategies.
- 2. Create opportunity for those in need.** Ensure that Program investments serve people currently left behind in the region's housing market, especially: communities of color, families with children and multiple generations, people living with disabilities, seniors, veterans, households experiencing or at risk of homelessness, and households at risk of displacement. Incorporate commitments for tracking and reporting on Program outcomes for people of color and other historically marginalized groups.
- 3. Create opportunity throughout the region.** Ensure that Program investments are distributed across the region to (a) expand affordable housing options in neighborhoods that have not historically included sufficient supply of affordable homes, (b) increase access to transportation, employment, education, nutrition, parks and natural areas, and (c) help prevent displacement in changing neighborhoods where communities of color live today.
- 4. Ensure long-term benefits and good use of public dollars.** Provide for community oversight to ensure transparency and accountability in Program activities and outcomes. Ensure financially sound investments in affordable, high quality homes. Allow flexibility and efficiency to respond to local needs and opportunities, and to create immediate affordable housing opportunities for those in need.



The Housing Bond Program is guided by regional goals and oversight, but implemented by the Local Implementation Partners, who are best positioned to respond to community affordable housing needs. Successful implementation requires flexibility for local jurisdictions to create and nimbly pursue strategies that respond to local community priorities and market contexts. Government agencies that are eligible to become Local Implementation Partners include counties, public housing authorities, and cities with populations over 50,000 that receive and administer their own federal Community Development Block Grant (CDBG) funding.

## [Affordable Housing Community Oversight Committee Authorizing Ordinance](#)

The Metro Council established the Affordable Housing Community Oversight Committee ((Oversight Committee) on January 31, 2019, by amending Metro Code Chapter 2.19 via Ordinance 19-1430.

## [Oversight Committee's Purpose and Authority](#)

The purpose of Oversight Committee is to provide program oversight on behalf of the Metro Council to ensure that investments achieve regional goals and desired outcomes and to ensure transparency and accountability in Program activities and outcomes.

The Oversight Committee will be charged with the following duties:

- Evaluate Metro's and each Local Implementation Partner's implementation strategies for alignment with the Guiding Principles and to ensure each local implementation strategy contains a clear plan to achieve the local share of Unit Production Targets;
- Recommend implementation strategies for approval by the Metro Council;
- Monitor financial aspects of program administration, including program expenditures;
- Provide an annual report and presentation to Metro Council assessing program performance, challenges and outcomes; and
- Recommend changes, as necessary, to implementation strategies to achieve Unit Production Targets and adhere to the Guiding Principles.

## [Committee Membership](#)

The Oversight Committee will be composed of no fewer than 7 and no more than 15 members, to be appointed by the Metro Council President subject to Metro Council confirmation. The Committee's members represent a diversity of perspectives, geographic familiarity, demographics, and technical expertise, including finance, housing development, housing policy and experience working with impacted communities. The Metro Council President will designate at least one (1) member to serve as Chairperson of the Committee or may elect to designate two (2) members to serve as co-Chairpersons of the Committee. Oversight Committee members will not be compensated for the services.

- **Terms of service:** Five (5) of the initial Committee members will be appointed to serve a one (1) year term, and may be reappointed to serve up to two (2) additional 2-year terms. All other Committee members will be appointed to serve two-year terms, and may be reappointed to serve up to two (2) additional 2-year terms. The Committee will be dissolved on July 1, 2028, or upon the issuance of a final report by the Committee after all funds authorized by the Affordable Housing Bond Measure 26-199 have been spent, whichever is earlier.
- **Attendance:** The Committee will meet no fewer than four times a year. In the interest of maintaining continuity in discussions, members commit to attending all meetings unless they are prevented from doing so by reasonable excuse. Committee members will notify staff ahead of meetings if they are unable to be present, and will read materials and request briefings from staff on the information presented, deliberations and outcomes of the meeting. The Committee will not use alternates or proxies.

### Chairperson(s) Roles

Responsibilities of the Oversight Committee Chairperson(s) include:

- Allows facilitator to lead discussions and keep the group to time/task.
- Participates in committee discussions and forming committee recommendations.
- Starts and ends meetings on time unless the group agrees to extend the meeting time.
- Provides guidance (if needed) on content and ideas to meet the Oversight Committee goals.
- Encourages consensus decision making.
- Leads discussions when all attempts at reaching consensus have been exhausted.
- May speak for the Committee in any public requests for comment.
- Participates in development of meeting agendas, in coordination with Metro staff and facilitator.

### Facilitator Role

As necessary, a facilitator may be used. The facilitator's role includes the following responsibilities:

- Draft meeting agendas and compile meeting materials in coordination with Metro staff.
- Facilitator has no stake in the outcome of the meeting.
- Does not evaluate or contribute content ideas.
- Keeps the group focused on the agreed upon time/task.
- Makes suggestions about alternative methods and procedures to achieve consensus.
- Encourages participation from all group members.
- Helps the Oversight Committee find solutions that meet everyone's needs.

## THIS IS A DRAFT FOR COMMITTEE REVIEW AND APPROVAL

### Meeting Protocols

#### Meeting Guidelines

All participants agree to act in good faith in all aspects of decision making. This includes being honest and refraining from any actions or undertakings that will undermine or threaten the process in any manner. This also includes behavior outside of meetings. Expectations include:

- Arrive on time and prepared.
- Share the air – only one person will speak at a time, and we will allow others to speak once before we speak twice.
- Express our own views or those of our constituents; don't speak for others at the table.
- Listen carefully, and keep an open mind.
- Respect the views and opinions of others, and refrain from personal attacks, both within and outside of meetings.
- Avoid side conversations.
- Focus questions and comments on the subject at hand and stick to the agenda.
- When discussing the past, link the past to the current discussion constructively.
- Seek to find common ground with each other and consider the needs and concerns of the local community and the larger region.
- Turn off or put cell phones on silent mode.
- Notify Committee Chairperson and Metro Staff of any media inquiries and refer requests for official statements or viewpoints to Metro. Steering Committee members will not speak to media on behalf of the Committee or Metro, but rather only on their own behalf.

#### Committee Recommendations

The primary recommendations that the Oversight Committee will make are on Implementation Strategies, but other recommendations could be required.

- The presence of a majority of Committee members will constitute a quorum for Committee recommendations.
- The Committee will strive to make recommendations by consensus, understanding that recommendations to Metro Council are strengthened by high levels of agreement. Consensus is defined as the point where all members agree on an option they are willing to forward as a recommendation. Committee recommendations will be understood as the most viable approach for the overall program, even if they do not achieve each individual member's personal preference.

- If a consensus cannot be reached, then a 3/4 majority of the members present will be required for an outcome to be represented as a recommendation of Committee. If this level of agreement cannot be reached, then there will be no recommendation from the committee and all perspectives will be forwarded for consideration by the decision makers.
- Decisions will be respected as final to avoid backtracking, unless the committee as a whole agrees there is sufficient new information to reconsider a previous decision.

### Metro Roles and Responsibilities

- Metro Council will make all final decisions regarding the approval or modification of implementation plans, taking into consideration committee recommendations.
- Metro staff will provide key policy and program information and context as needed to the Committee. Metro will provide the facilities and support staff necessary to conduct the meeting and support the activities of the Oversight Committee.

### Public Comment

- While the primary purpose of the committee meetings is to provide a forum for the deliberation of the Committee, meetings will be open to the public for observation.
- As needed, up to a total of ten minutes of each meeting will be reserved for public comment. This amount may be extended by the Chairperson, in consultation with the committee, if needed and if time allows. Those who wish to provide comment should check in with Metro staff before the start of the meeting. The length of individual comments should be limited based on the number of individuals who wish to address the committee but should be no more than three minutes.
- Interested members of the public are encouraged to provide more thorough comments in writing. All written comments will be circulated to each member of the committee.

# The Potential Impacts of Investing in Affordable Housing Across Our Region

Prepared for Metro | June 2018

**ECON**orthwest  
ECONOMICS • FINANCE • PLANNING



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# How can investing in affordable housing impact our region's **schoolkids**?

A stable home allows children to focus on schoolwork, build relationships with their peers, and develop social skills. Children with a stable home and school have greater academic achievement and higher graduation rates than children who move multiple times throughout their school years.



## SCHOOL & HEALTH OUTCOMES IMPROVE WITH STABILITY

Children are more likely to succeed in all areas of their life when their home situation is stable and predictable. Available research reinforces our intuitive understanding that changing schools multiple times has deep impacts to our children that carries throughout their lifetimes.

### School Performance and Graduation Rates

- Greater Portland school districts with the most diverse students are experiencing **25 percent turnover in students every year.**<sup>1</sup>

## Students and Homelessness in Greater Portland

**7,600** 

students were homeless at some point during the 2016-17 school year

### Hidden homelessness

Most students experiencing homelessness are not sleeping on the streets or in shelters.

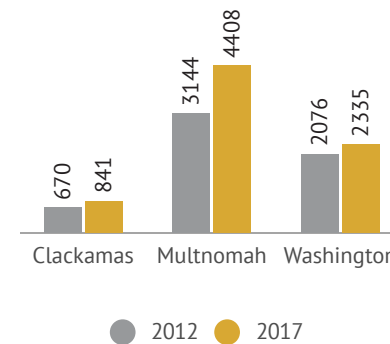
**80%** 

are "couch surfing" or living doubled-up with friends or family

Student homelessness has increased

**29%** since 2012

### Homeless students 2012 vs 2017



Source: Metro Snapshot



Source: REACH Community Development



### Stability and Opportunity

- Teachers are better able to **monitor individual student performance as well as classroom progress** in classrooms with few student changes during the school year.<sup>2</sup>
- Research from the National Low Income Housing Coalition found that for **every additional year** a child spends in a better neighborhood environment, **their economic outcome as an adult improves.**
- Children from low-income families **earn more as young adults** when they spend more of their childhood in an affordable home.<sup>3</sup>

### The Importance of Stability



Low-income, 10th grade students in Oregon who did not move during a school year from 3rd grade on are roughly **10 percentage points more likely to graduate on time than their low-income peers who have moved within a school year.**<sup>4</sup>

**6,219**

low-income students in greater Portland **moved to another Oregon school during the 2017 school year.** This represents 6% of all low-income students in the region.<sup>5</sup>

**93%**

of students who moved in more than one school year over the last five years **came from low-income households.**<sup>6</sup>



# How can affordable housing impact our region's seniors and people with disabilities?

Many people above the age of 65 and people living with disabilities have limited budgets and fixed incomes. They benefit from living in homes that are affordable, in communities that offer supportive services and easy access to transit, services and amenities.



Source: REACH Community Development



Source: Metro

After his mother died, Murray was not able to stay in the apartment they had shared. He and his dog, Jenny, lived in his car in the parking lot of a big box store for nearly a year until his sister was able to help him find a permanently affordable home at the Ritzdorf Court, a building owned and maintained by REACH Community Development Corporation.

### IMPACT OF STABLE HOUSING COSTS ON PEOPLE WITH FIXED INCOME

Regionally, incomes for renters with a disabled or senior householder are roughly 40 percent lower than other renting households. This greatly impacts their ability to absorb rising rents.

- In greater Portland, around 40 percent of both households with a disabled householder and households headed by a senior householder pay **more than half their monthly income in rent.**<sup>7</sup>

- Research shows that low-income seniors who pay less than half of their income on rent have **up to \$150 more per month, or \$1,800 more per year**, available to spend on necessary health care than their cost-burdened peers.<sup>8</sup>
- In Multnomah County, an estimated 61 percent of people experiencing homelessness **reported living with one or more disabling conditions**, and nearly 20 percent are 55 or older in 2017—both a 16 percent rise since 2015.<sup>9</sup>

By 2045, nearly 20% of adults living in greater Portland will be over the age of 65, compared to just 12% in 2015.<sup>10</sup>

## STRUCTURAL RACISM CONTRIBUTES TO A WEALTH GAP THAT WIDENS WITH AGE

- In 2016, African Americans 50 to 65 years old in the U.S. had **10 percent the wealth of whites in the same age group**. This is down from a 24 percent gap in 1998 when the same groups of people were 32 to 47 years old.<sup>11</sup>
- On average, white families in the U.S. have **six times more retirement savings** than black or Hispanic families.<sup>12</sup>

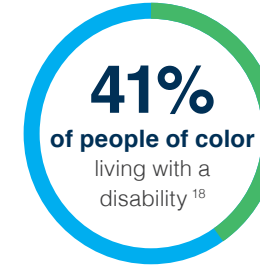
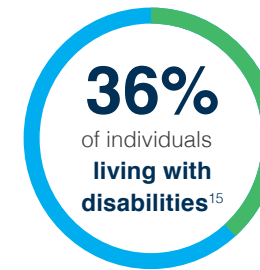
## BETTER ACCESSIBILITY FOR PEOPLE LIVING WITH DISABILITIES

People with disabilities often have difficulty in finding suitable housing at a reasonable cost and tend to have limited access to full employment. Having accessible and affordable housing available throughout the region could increase independent living and promote health for these families.

- A 2015 HUD study estimated that **less than five percent of households** with at least one person with a disability were **able to secure a home designed for individuals with disabilities**. Twenty percent of the U.S. adult population has at least one disability.<sup>13</sup>
- People with disabilities who rely on Supplemental Security Income (SSI) are among the most severely affected by the extreme shortage of affordable rental housing. In Oregon, **more than 58,000 adults rely only on SSI, \$750 per month**, to cover their housing and other basic needs.<sup>14</sup>

27% of individuals living with disabilities in the Portland region are people of color.<sup>17</sup>

## In greater Portland...



have incomes below 60 percent of median family income



Source: Metro Snapshot

### Stories from Around the Region

Carol is a veteran, caregiver, and a former long-time employee. After being laid off in 2009, she retired early. Her Social Security income provides just enough to cover the monthly rent, phone, and electric bill, but it's not enough to cover her basic expenses for food, clothes, gas, and car insurance. To "make ends meet," she works part-time and expects she'll need to continue to work through her retirement. Since her retirement savings through her 401(k) will not be enough to sustain her in later years, Carol plans to look into VA programs to help pay for rent when she gets older. She said rising rents will be a challenge for her no matter where she lives in greater Portland.

# How can investing in affordable housing help people who are experiencing **homelessness**?

Lack of affordable housing is the biggest reason people become homeless. If we can improve housing affordability in the Portland region, we can increase residential stability for many renters, especially those who are priced out of the market and living in overcrowded or temporary housing situations.



Source: *The Oregonian*

Homeless camp near Oregon City.

## RISING RENTS ARE A MAJOR CAUSE OF HOMELESSNESS

- Among causes of homelessness in Clackamas County, **“couldn’t afford rent”** was ranked highest among people surveyed in the 2017 Point-in-Time Count of Homeless, followed by unemployment and eviction.<sup>19</sup>
- In the Portland metro area, there are over **40,000 households who are both extremely low income and spend more than half of their income on housing**—a combination that leads to a high risk of becoming homeless.<sup>20</sup>

## DISPROPORTIONATE IMPACTS ON COMMUNITIES OF COLOR & VETERANS

Data highlight how veterans and people of color are much more vulnerable to diminished rental supply and rising rents, and are thus more likely to experience homelessness.

- The 2017 Point-in-Time Count of Homelessness in Portland/Gresham/Multnomah County found that **people of color made up about 37 percent** of the total compared to about 29 percent of Multnomah County’s population. Native Americans in Multnomah County were more than **400 percent more likely to be homeless** than people who are white and not Hispanic or Latino.<sup>21</sup>



Source: *Metro*

A veteran of the U.S. Navy, Paul Tuggle was living in a leaky RV with no refrigeration and only a hot plate to prepare his food. In December, Paul was able to find a modest one bedroom at the newly opened Pomeroy Court, an affordable housing community for extremely low-income veterans and their families developed through a partnership between Northwest Housing Alternatives, Washington County, and other public and private partners.

- The 2017 count also found that **veterans represented 12 percent** of people counted.<sup>22</sup> Homeless veterans are much more likely than veterans overall to identify as black or African American, to have a disability, and to be located in cities rather than suburban and rural areas.<sup>23</sup>
- Structural racism—past discriminatory housing and lending policies and ongoing disparities in policing and incarceration—contributes to the overrepresentation of some communities of color among people experiencing homelessness.<sup>24</sup> An analysis of six U.S. communities by Supporting Partnerships for AntiRacist Communities found a **dramatic over-representation of Black people and Native Americans** in the homeless population.<sup>25</sup>

## STABLE, AFFORDABLE HOUSING SAVES LIVES & TAXPAYER DOLLARS

For many people experiencing homelessness, a stable, affordable home is all they need. For others, particularly those experiencing chronic homelessness, housing needs to be paired with supportive services to help them remain housed.

- The average life expectancy among people who are homeless **is estimated between 42 and 52 years**, compared to 78 years in the general population.<sup>26</sup>
- A person experiencing chronic homelessness\* costs tax payers an average of nearly \$36,000 per year. Providing

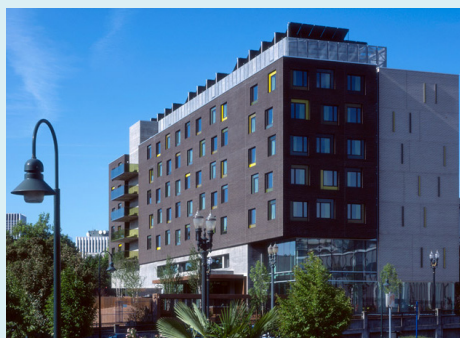
supportive housing for this population **reduces taxpayer costs by nearly half**, to an average of \$12,800.<sup>27</sup>

- In Washington County, a study of chronically homeless people found that the **costs of medical services decreased** when people moved into a house—emergency room care fell by 40 percent and inpatient care decreased by 32 percent.<sup>28</sup>



Source: Metro Snapshot

After 20 years of living in motels, hotels and on couches, Johnnie was able to secure an affordable, one-bedroom apartment through Central City Concern. Johnnie's housing comes with integrated mental and physical health care services that help him address past trauma. Today, Johnnie is working to support himself and pay his own rent. "I have a lot of support from people to do these things," he says. "I am given an opportunity to work a job every day. Honest work for honest pay. Man, that is great."



Source: Homeforward.org

### Case Study: Bud Clark Commons

Bud Clark Commons is a 130-unit project in downtown Portland that serves residents who have experienced homelessness. In only one year after moving into their new homes, residents reported a significant improvement in their physical and mental health care needs being met. A 2014 evaluation report found a 45 percent reduction in average monthly Medicaid costs after residents moved in, when compared to their prior year spent homeless. The Medicaid savings alone were around half a million dollars in the first year for just 58 residents.<sup>29</sup>

\*Defined by the U.S. Department of Housing and Urban Development as people who have a disabling condition and have been unsheltered for a year or have had four episodes of homelessness in the past three years.

# How can investing in affordable housing support our region's families?

Affordable, stable housing can help families meet their basic needs and build reserves for unforeseen expenses. Rapidly escalating housing costs are eroding economic security of low- and middle-income families across the Portland region. Rents are rising so much that some working families are being priced out of the region entirely.



Source: REACH Community Development



Source: REACH Community Development

## AFFORDABLE HOUSING HELPS KEEP COSTS IN LINE WITH INCOMES, ESPECIALLY FOR PEOPLE OF COLOR

Households spending more than 30 percent of their income on housing are considered cost-burdened by the U.S. Department of Housing and Urban Development. Increasing the supply of affordable homes can help to alleviate this cost burden for lower income families.

- One in two Portland area renters **pay more than 30 percent of their income in housing costs**, a higher rate than renters in similar sized cities around the country.

- Access to **affordable housing could help greater Portland's African-American and Native American families** the most. Metro's regional housing inventory found that between 2010 and 2015, renters saw their household incomes increase about 12 percent. Native Americans and African-Americans saw gains of only three and four percent over that same time period, respectively.<sup>30</sup>

## IMPACT OF INCREASED RENTS

Rents in the Portland region have increased across all jurisdictions in the past ten years, but

not to the same extent. As rents rise, households must choose to move or limit spending on other essential needs, such as food and medicine. At the extreme, some of these families may become homeless.

- **Since 2015, 24,000 units** in Multnomah, Clackamas and Washington County that had been affordable to low-income households **became unaffordable to households in that income bracket.**<sup>31</sup>
- Twenty percent of low-income renters **live in overcrowded homes**, with more than two occupants per bedroom.<sup>32</sup>



Source: Metro Snapshot

### Stories from Around the Region

Portland native Cheranda grew up in unstable and abusive home environments, and later experienced homelessness and addiction as a young adult. Within the past few years, however, Cheranda has been on the path of restoring her physical, emotional and financial well-being. She has a steady job and a stable, affordable home she rents through REACH Community Development Corp. Today, she is saving to buy her own home. In Cheranda's words, "having that affordable housing piece made all of that possible."

### KEEPING HOUSING COSTS DOWN HELPS WITH SPENDING ON OTHER VITAL NEEDS

- Low-income families with low to moderate housing costs are able to **spend an average of \$200 more on food** than comparable households with very high housing costs.<sup>33</sup>
- Places where more households spend greater than 50 percent of their income on rent also have **higher rates of hunger**.<sup>34</sup>
- Low-income families with very high housing costs spend **75 percent less on medicine and medical visits** than similar families who live in affordable housing.<sup>35</sup>

### AFFORDABLE HOUSING NEAR EMPLOYMENT CENTERS & AMENITIES CAN HELP FAMILY BUDGETS GO FURTHER

Families who spend one-third or more of their income on housing have been moving farther from work centers in search of affordability. But as these families find more affordable rents at the region's fringe, some are experiencing higher commuting costs and child care costs along with foregone leisure and family time.<sup>36</sup>

- A TriMet analysis suggests high housing costs are playing a role in **pushing low-income workers to the edge of urban areas** where there are more dispersed street networks, low population densities, and a lack of safe walking routes.
- The high cost of housing is pushing lower-income households out of the **communities with the most available jobs**.

Individuals living **under 50 percent** of the region's median family income represented:



**20%**

of the migration **out of the region**



**17%**

of the migration **into the region**

In 2016 greater Portland experienced a three percent net outflow of households who make less than half of the region's median family income. The majority of individuals moving out of the region were multi-racial or from smaller communities of color; the only net in-migration was seen from Hispanic or white individuals.<sup>37</sup>

# How can affordable housing benefit **public health** in our region?

Housing is a cornerstone of health. When low income Oregonians have access to safe, quality affordable homes, they have better health outcomes, and the cost of their health care goes down—improving lives and holding down costs for publicly funded health programs like Medicaid.



Source: Ankrom Moisan

“For many of our patients, a safe, decent, affordable home is like a vaccine—it literally keeps children healthy.”

*Megan Sandel, M.D., M.P.H. and Deborah Frank, M.D.*

Central City Concern has partnered with six Oregon health care organizations to address the intertwined issues of affordable housing, homelessness and health care access. The Blackburn Building supports stabilization and rebuilding lives. In addition to providing a home for 176 people, a clinic will provide comprehensive case management and integrated clinical services focused on recovery and mental health services, primary care and wellness services.

## **STABLE HOUSING IMPROVES HEALTH & LOWERS COST OF CARE**

- A recent survey by the Oregon Health Authority found that **all 15 of the state’s coordinated care organizations**, which must meet health and cost containment goals for Oregon’s Medicaid population, **offer housing support services to their members.**<sup>38</sup>
- A Providence Health study in the Portland region showed that once lower income families moved into affordable housing, they had **fewer emergency room visits and accumulated lower medical expenditures** than in the year before they moved in. Many residents reported that health care access and quality were better after moving into affordable housing than before; very few people reported it was worse.<sup>39</sup>



Source: REACH Community Development

## HEALTHIER HOMES MAKE A DIFFERENCE

Well-constructed or renovated affordable housing can make a broad, population-level improvement on health disparities related to indoor air quality.

- About one in 10 adults in the Portland metro area experience asthma. While there are many factors that contribute to asthma incidence and severity, housing conditions can play a **critical role in the exposure to indoor allergens** and air pollutants can improve asthma symptoms.<sup>40</sup>
- Older housing that is not well-maintained could cause residents to be at a **greater risk for experiencing a higher asthma burden** and asthma-related hospitalizations.<sup>41</sup>
- Studies have measured a **reduction in asthma symptoms** among affordable housing communities that have implemented green housing practices such as new heating and ventilation systems, asbestos and mold abatement, apartment gut retrofits, and indoor no-smoking policies.<sup>42</sup>

## Case Study: CareOregon's Recuperative Care Program<sup>43</sup>

CareOregon contracted with Central City Concern to provide homeless community members with a safe, healthy and supported place to heal after a hospital discharge.

### Cumulative Readmissions After Discharge from a Recuperative Care Program (RCP) (n=50)

Readmission within XX days of RCP discharge	30 days	60 days	90 days
0 admissions	94%	86%	80%
1 admission	6%	14%	16%
2+ admissions	0%	0%	4%

Hospital discharges from October 1, 2014 to September 31, 2015.

Typically, the 30-day hospital readmission rate for people experiencing homelessness is 50%. But among people discharged into CareOregon's Recuperative Care Program, the 30-day readmission rate dropped to 6%—and remained much lower even months later.



# How does affordable housing impact our region's **economy and jobs?**

A well-functioning housing market is the foundation of a vibrant, inclusive regional economy. Local employers are more successful in attracting and retaining talent when housing is affordable and commutes are reasonable. When housing inflation outpaces incomes, economies slow and some talented employees relocate elsewhere.



Source: PCC

### ATTRACTING BUSINESS AND GROWING OUR ECONOMY

There's a link between affordable housing and our region's economic prosperity. Research indicates that a region with housing choices and affordable costs allows employees to relocate nearer to their jobs and companies to retain qualified employees.

- Analysis shows that the economy of greater Portland is being held back because of the **growing imbalance in housing costs and wages**—one estimate predicts this will result in 50,000 fewer jobs over the next 10 years.<sup>44</sup>

- Consistent reports from U.S. companies show that a shortage of affordable housing **negatively affects their abilities to retain qualified employees.**<sup>45</sup>
- Extraordinary housing costs have proven to **reduce cities' economic output and workforce.** In a 2017 survey of the largest employers in Los Angeles, 70 percent reported that they have lost employees due to the high cost of housing.<sup>46</sup>

Greater Portland Inc., which markets to companies seeking to relocate or expand in the region, reports that housing affordability has been raised by prospective employers in every recent inquiry.

The ability to buy and own housing, much more than income or any other source of wealth, is a significant factor in the growing divides between the economy's winners and losers.

### INCREASING OPPORTUNITY

An adequate supply of affordable homes increases the Portland region's ability to support a robust and diverse workforce, and enables low-income families to build wealth—good schools, short commutes, economically integrated neighborhoods. Conversely, a lack of affordable housing prevents workers with less education and lower incomes from accessing job opportunities.

- An April 2018 Policylink study found that if renter households in the Bay area paid no more than 30 percent of income on housing costs, their **spending power would increase by \$4.9 billion.**<sup>47</sup>
- Housing stability affects worker performance. For low-income workers who experienced an eviction or forced move, the likelihood of being laid off **increases between 11 and 22 percentage points**, compared to similar workers who did not.<sup>48</sup>

### Direct Economic Benefits of Housing Construction



**\$1 = \$3**

Every \$1 earned by a construction worker generates about \$3 of economic activity spread throughout Oregon.<sup>49</sup>

**1,500 jobs**

**\$570 million**  
increase in state's GDP

**\$17 million**  
in state income taxes

The impacts of **\$500 million investment** in new affordable housing over five years in Oregon.<sup>50</sup>

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- 50 ECONorthwest analysis using methodology from the following report: "Housing Underproduction in The U.S. Economic, Fiscal and Environmental Impacts of Enabling Transit-Oriented Smart Growth to Address America's Housing Affordability Challenge." 2018. Up for Growth Coalition, <http://upforgrowth.org/>.

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## DATA DISCLAIMER

The following applies where ECONorthwest analysis of American Community Survey (ACS) data is noted. ACS collects data monthly from a sample of the population living in housing units and group quarters in the U.S. and Puerto Rico, and uses the monthly samples to produce annual estimates. As with any survey, sampling constraints can result in imprecisions and high margins of error for smaller subpopulations and geographies (e.g., counties with relatively low population). As margins of error are not included in this report, caution should be applied when drawing comparisons across populations or geographies. The Census adheres to the 1997 Office of Management and Budget (OMB) standards on ethnicity and race, which require two minimum categories for ethnicity (Hispanic or Latino and Not Hispanic or Latino) and five minimum categories for race (White, Black or African American, American Indian or Alaska Native, Asian, and Native Hawaiian or Other Pacific Islander). For race, answer options also include Some Other Race and Two or More Races. The race and ethnicity questions are based on self-identification and are asked separately; individuals who report themselves as Hispanic can be of any race. As noted by the Census, “the racial categories ... generally reflect a social definition of race recognized in this country and not an attempt to define race biologically, anthropologically, or genetically. In addition, it is recognized that the categories of the race item include racial and national origin or sociocultural groups.” Examples of challenges inherent in the current collection methods for race and ethnicity data include the

growing number of individuals—most of whom are Hispanic—who select Some Other Race as their only race, and the possibility of obscuring differences within racial/ethnic groups, especially when data are combined into broad categories to ensure reliability.

In cases where custom analysis completed by ECONorthwest using Census Bureau (including American Community Survey) data, the analysis followed the methodology developed, described, and conducted by the Coalition for Communities of Color. This methodology was namely used in the difficult task of exacting size and a definition for communities of color. The Coalition for Communities of Color has developed two methods to facilitate the definition and size of communities of color. Among those two approaches, ECONorthwest implemented, “Method #1” which “measured communities of color by those who self-identify as non-White.” The second method, “Method #2: Community-verified population counts” was unavailable as an implementable approach in this particular ECONorthwest analysis.





# Homes for greater Portland

## Implementing Metro's affordable housing bond

*On November 6, 2018, voters in greater Portland approved the nation's first regional housing bond. The bond will create affordable homes for 12,000 people across our region, including seniors, veterans, people with disabilities, and working families.*

### **A framework to guide us**

When the Metro Council referred a regional affordable housing bond to voters, it also adopted a framework developed through months of engagement with partners and community members to guide the bond's implementation.

The regional affordable housing bond framework included these core values:

- Lead with racial equity to ensure access to affordable housing opportunities for historically marginalized communities.
- Prioritize people least well-served by the market.
- Create opportunity throughout the region by increasing access to transportation, jobs, schools, and parks, and prevent displacement in changing neighborhoods.
- Ensure long-term benefits and good use of public dollars with fiscally sound investments and transparent community oversight.

### **Getting ready with the community**

Between February and June 2019, Metro and our implementing jurisdictions (see box) will be working with communities to create local strategies to address housing needs and identify opportunities to create affordable homes. Metro invites community members to participate in these processes to help determine how the housing bond will serve your community.

### **Eight implementing jurisdictions**

- City of Hillsboro
- City of Beaverton
- City of Gresham
- City of Portland
- Washington County Housing Authority
- Housing Authority of Clackamas County
- Home Forward (Multnomah County's Housing Authority)
- Metro



## Accountability

The Metro Council has appointed a community oversight committee to provide independent and transparent oversight of the housing bond implementation. The committee will confirm that each community's plan and all affordable housing investments are consistent with the values of the framework. They will also provide an annual report to Metro Council that tracks the outcomes of the bond investments over the life of the program.

The bond program will also undergo an annual independent audit to ensure that bond funds are spent efficiently, effectively and according to the will of the voters.

Metro will maintain a calendar of bond-related meetings and a public record of program materials, reports, audits and meeting minutes on the bond's website at [oregonmetro.gov/housing](http://oregonmetro.gov/housing)

## How we'll create affordable homes

Through regional programs and local action, the bond aims to create 3,900 affordable homes in five to seven years by:

- Buying land and funding construction for new affordable rental and owned homes
- Buying and renovating market rate housing to convert to permanently affordable homes
- Distributing resources across the region to create 34% of the homes in Washington County, 21% in Clackamas County, and 45% in Multnomah County.

## Affordable homes for all

Metro worked with partners and community members to create a set of goals for the bond.

- Create 3,900 permanently affordable homes
- 1,600 homes will be deeply affordable to households earning 30% AMI (area median income) or approx. \$24,000 for a family of four
- Half of the homes created will have 2 or more bedrooms



## Opportunities to partner

After local jurisdictions and Metro have completed planning and community engagement efforts, notices for public funds available will be presented in the summer of 2019. If you seek to propose a project for affordable housing, please contact the respective implementing jurisdiction listed on the first page of the factsheet, or contact Metro staff via [oregonmetro.gov/housing](http://oregonmetro.gov/housing)

### If you need an affordable home now

It may take several years for new bond-funded affordable homes to be created in each community. Please contact 211 to learn about other affordable housing opportunities, and other housing and emergency assistance resources.

Dial **211** toll free, text your zip code to **898211**, or email [help@211info.org](mailto:help@211info.org)

### Learn more and get involved

Visit [oregonmetro.gov/housing](http://oregonmetro.gov/housing) to learn more and sign up for e-mail updates as the project/bond implementation moves forward.

OHCS GAP FINANCING RESOURCES

Funding Resource	Currently Available?	Competitive?	Preferences
9% LIHTC	Yes/January 2020	Yes	0-60% AMI; preference for 0-30% AMI units New Construction; Acquisition Rehab; or Preservation Preservation Set-aside – 35% of available resources
4% LIHTC	Yes/Continually open/Limited by Private Activity Bond Cap	No	60% AMI Potential application synergies with Metro Bond Funding Application process
Federal Housing Trust Fund	Yes/January 2020	Yes	0-30% AMI
LIFT Multifamily Rental	Awaiting outcome of 2019 Legislative session/If successful Fall 2019	Yes	New Construction 60% AMI Communities of Color Rural Communities Lower subsidy per unit Replicable Cost Containment Strategies Funding source Article XI-Q Bonds OHCS required to own or operate
Mental Health Housing	No/OHCS has not asked for additional resources in the 2019 Legislative session	Yes	0-60% AMI; up to 25% of total units dedicated to individuals (families) with serious mental illness or substance abuse disorder
General Housing Account Program (GHAP) from Document Recording Fee	Yes/Resource offerings determined by Housing Stability Council on an annual basis; timing varies	Yes	Has been used for gap funding for non-federal rent subsidized preservation; new construction; small projects; 60% AMI Veterans set-aside
Permanent Supportive Housing (PSH)	No – current request for \$50 MM for PSH units in the 2019 Legislative Session/Timing not currently determined	Yes – TBD	0-30% AMI Chronically Homeless Paired with State funded rental assistance project based vouchers Anticipated funding source is Article XI-Q Bonds OHCS required to own or operate
Preservation	Awaiting outcome of 2019 Legislative session/If successful Fall 2019	Yes	Historically – Federally Rent Subsidized projects May broaden with 2019 Legislative action Does not align with Metro Bond as it is Preservation of existing affordable units only

**EXHIBIT B**  
**BREAKDOWN OF UNIT PRODUCTION TARGETS AND**  
**FUNDING ELIGIBILITY**

**Distribution of targets and eligible project and administration funding\***

Jurisdiction	Percent of assessed value	Unit Production Targets**			Total Project Funding Available	Total Admin. Funding Available***
		Total	30% AMI	Family-Size		
Beaverton	5.58%	218	89	109	\$31,140,595	\$655,591
Clackamas County	20.82%	812	333	406	\$116,188,094	\$2,446,065
Gresham	4.79%	187	77	93	\$26,756,995	\$563,305
Hillsboro	7.28%	284	117	142	\$40,657,081	\$855,939
Home Forward (balance of Multnomah County)	2.84%	111	46	55	\$15,879,123	\$334,297
Portland	37.81%	1,475	605	737	\$211,056,579	\$4,443,296
Washington County (balance of county)	20.87%	814	334	407	\$116,465,532	\$2,451,906
Metro Site Acquisition Program****	<i>n/a</i>	<i>Contributes to above targets</i>			\$62,016,000	\$1,305,600
Metro accountability and financial transaction costs	<i>n/a</i>	<i>n/a</i>			<i>n/a</i>	\$13,056,000
Reserved for future allocation as determined necessary to achieve targets	<i>n/a</i>	<i>n/a</i>			<i>n/a</i>	\$6,528,000
<b>Total</b>	<b>100%</b>	<b>3,900</b>	<b>1,600</b>	<b>1,950</b>	<b>\$620,016,000</b>	<b>\$32,640,000</b>

\*The Initial Housing Bond Framework calls for distribution of targets and funding to counties on the basis of assessed value, but provides flexibility for how partners within each county further distribute targets and funding. If an alternative distribution is not agreed to by partners for distribution of funding within a county, assessed value will be used as the basis of distribution to all partners.

\*\* For acquired rental properties, the targets and cap on homes for households making 61-80% of AMI will be applied upon turnover.

\*\*\* Any administrative funding from bond proceeds must be consistent with the requirements of Oregon law and the Bond Measure and Metro will, in consultation with bond and tax counsel, request certification from jurisdictions that proceeds are being applied to qualified capital costs.

\*\*\*\* The Regional Site Acquisition Program aims to distribute investments proportionately across the region to support local progress toward the Unit Production Targets. In the event that regional investments are not proportionately distributed, the above Unit Production Targets may be adjusted pursuant to a Work Plan amendment.

**EXHIBIT C**  
**LOCAL IMPLEMENTATION STRATEGY REQUIREMENTS**

1. Development Plan to achieve the Unit Production Targets that includes the following elements:
  - a. Anticipated number, size, and range of project types (estimates are acceptable) and cost containment strategies to achieve local share of unit production targets (including 30% AMI and family-size unit goals and the cap on units at 61-80% AMI) using local share of eligible funding;
  - b. Consideration for how new bond program investments will complement existing regulated affordable housing supply and pipeline;
  - c. Goals and/or initial commitments for leveraging additional capital and ongoing operating and/or service funding necessary to achieve the local share of Unit Production Targets;
  - d. Strategy for aligning resident or supportive services with housing investments, including [optional] any local goals or commitments related to permanent supportive housing; and
  - e. Description of project selection process(es) and prioritization criteria, including anticipated timing of competitive project solicitations and how existing or new governing or advisory bodies will be involved in decisions regarding project selection.
  
2. Strategy for advancing racial equity in implementation that includes:
  - a. Location strategy that considers geographic distribution of housing investments, access to opportunity, strategies to address racial segregation, and strategies to prevent displacement and stabilize communities;
  - b. Fair housing strategies and/or policies to eliminate barriers in accessing housing for communities of color and other historically marginalized communities, including people with low incomes, seniors and people with disabilities, people with limited English proficiency, immigrants and refugees, and people who have experienced or are experiencing housing instability;
  - c. Strategies and/or policies, such as goals or competitive criteria related to diversity in contracting or hiring practices, to increase economic opportunities for people of color; and
  - d. Requirements or competitive criteria for projects to align culturally specific programming and supportive services to meet the needs of tenants.
  
3. Engagement report summarizing engagement activities, participation and outcomes, including:
  - a. Engagement activities focused on reaching communities of color and other historically marginalized communities, including people with low incomes, seniors and people with disabilities, people with limited English proficiency, immigrants and refugees, and people who have experienced or are experiencing housing instability;
  - b. Summary of key community engagement themes related to local housing needs and priority outcomes for new affordable housing investments, approach to geographic distribution and location strategies, acknowledgement of historic/current inequitable

access to affordable housing and opportunities for stakeholders to identify specific barriers to access, and opportunities to advance racial equity through new investments;

- c. Summary of how the above themes are reflected in the Local Implementation Strategy.
4. Plan to ensure ongoing community engagement to inform project implementation, including:
    - a. Strategies for ensuring that ongoing engagement around project implementation reaches communities of color and other historically marginalized community members, including: people with low incomes, seniors and people with disabilities, people with limited English proficiency, immigrants and refugees, existing tenants in acquired buildings, and people who have experienced or are experiencing housing instability; and
    - b. Strategy for ensuring community engagement to shape project outcomes to support the success of future residents.