



Agenda

Meeting: Housing Oversight Committee (Meeting 3)
Date: Wednesday, April 3, 2019
Time: 9 to 11 a.m.
Place: Metro Council Chambers
Purpose: Outline Council's outcomes approach, discuss timing of implementation strategy review and discuss possible committee tools.
Outcome(s): Identify strategies and timeline for working through implementation strategy review, approval of tools for evaluation of strategies.

- 9 a.m. Welcome and Updates
- Update: Phase 1 Projects
 - Approve meeting minutes
- 9:25 a.m. Public Comment
- 9:35 a.m. Presentation: Outcomes-based approach
- Outline Council direction on Outcomes-based approach
 - Provide context and grounding on how we got here, including:
 - Community involvement
 - Council direction
 - Provide insight into annual review process
 - Q & A
- 9:55 a.m. Update: Calendar for Implementation Strategy review
- Review draft Committee calendar for implementation strategy review
 - Identify opportunity to meet with jurisdictional partners
- 10:10 a.m. Presentation and Discussion: Tools for success
- Presentation and review of tool developed by staff for committee use:
 - Implementation Strategy Evaluation Worksheet: how it works, how it helps aid decision-making and discussion
 - Questions for discussion:
 - How do you want to approach review of the LIS? What frequency of meetings is feasible and makes sense for this committee?
 - How does the committee want to ensure that they have the time and preparation needed to have productive discussions?
 - How might staff support the goals of the committee?
- 10:55 a.m. Next Steps



Meeting minutes

Meeting: Housing Oversight Committee Meeting 2
Date/time: Monday, March 4, 2019, 2:00-4:00 p.m.
Place: Metro, Council chamber, 600 NE Grand Ave, Portland, OR 97232
Purpose: Finalize Committee protocols, review work plan

Attendees

Manuel Castañeda, Serena Cruz, Melissa Erlbaum, Dr. Steven Holt, Mitch Hornecker, Meshia Jones, Jenny Lee, Steve Rudman, Andrew Tull, Tia Vonil

Absent

Ed McNamara, Bandana Shrestha, Shannon Singleton

Metro

Elissa Gertler, Megan Gibb, Emily Lieb, Eryn Kehe, Pat McLaughlin, Jon Williams

Facilitators

Allison Brown, Hannah Mills

Next meeting

Wednesday, April 3, 9:00-11:00 a.m.
Metro, 600 NE Grand Avenue, Portland, Council chamber

Welcome and Agenda

Allison Brown, facilitator with JLA Public Involvement, welcomed the Committee and introduced Steve Rudman, Committee Co-Chair. Chair Rudman explained that the Committee would be working on understanding their role, discussing how to implement the Bond, and reviewing the decision-making process. Allison reviewed the agenda noting that the Committee would be revisiting the governance piece.

Allison asked the group to introduce themselves and briefly answer an introductory question: In five years, how will we know that we've been successful with this bond measure?

Below is a summary of the Committee's responses.

- Successful implementation of the 3,900 new and rehabilitated units
- Proper allocation and spending of Bond funds
- Better understanding of what constitutes "affordable"
- Successful passing of a supportive housing component
- Easy renewal of the Bond without campaign
- Support and encouragement from the community in regards to the program's success
- Effective integration of equity into all work
- An established pattern of solving problems for the region that incorporates the values
- Thoughtful reflection on the barriers to affordable housing and development of solutions to address them
- An established prioritization system for housing that gives precedence to those first displaced
- Successful organizational capacity building in the region to ensure the ability to continue delivering affordable housing long-term.

Work Plan

Emily Lieb, Metro, directed the Committee to the Work Plan handout in their meeting packets, explaining that the Work Plan was adopted in January, 2019. Using a PowerPoint, Emily reviewed the Work Plan with the Committee. Below is a summary of her comments about the Oversight committee's role.

The role of the Oversight Committee is to approve and recommend the implementation strategies, as well as play a role in reviewing the Phase 1 projects. Implementation strategies must include:

- *A development plan with selection criteria, process, and approach to achieve unit targets using share of eligible funding*
- *Strategies for advancing racial equity*
- *Engagement of historically marginalized communities.*

The group was shown a slide illustrating the production targets for the jurisdictions. Emily continued her presentation.

This Committee will use four guiding principles as a lens for this effort. These principles include:

- ***Principle #1: Lead with racial equity***
 - *Ensure that racial equity considerations guide and are integrated throughout all aspects of implementation*
- ***Principle #2: Create opportunity for those in need by ensuring that investments serve people left behind by the housing market***
- ***Principle #3: Create opportunity throughout the region by ensuring that program investments are distributed throughout the region***
 - *Invest in neighborhoods that have historically lacked affordable homes*
 - *Provide access to transportation, employment, education, parks and natural areas*
 - *Help prevent displacement in changing neighborhoods*
- ***Principle # 4: Ensure long-term benefits and good use of public dollars by ensuring transparency and accountability throughout Program implementation***

In developing Principle #1, Metro held several stakeholder conversations to guide the sections on racial equity and ensure engagement outcomes. Additionally, Metro Council advised on how to describe and achieve these outcomes. One of the ways to achieve these outcomes is through a location strategy that considers and aims at preventing displacement.

Principle #4 gets at the heart of why this Committee was formed, ensuring regional accountability and that all projects are guided by the implementation strategies. Once the implementation strategies are approved by Metro staff to ensure project-by-project consistency, the Committee will perform an annual review of outcomes to determine how the jurisdictions are achieving their goals. Following the review, the Committee and the local jurisdictions can recommend changes as needed.

Implementation strategies will first be approved by the local jurisdictions before being sent to the Oversight Committee for review and recommendation. If the Oversight Committee

determines necessary changes prior to recommendation, the Oversight Committee will work with the local jurisdiction to make those changes. Once the Committee determines an implementation strategy is ready it is sent to Metro Council for approval. Each implementation strategy is attached to an intergovernmental agreement, which is executed following Metro Council approval.

The Oversight Committee will make one of the following decisions when reviewing implementation strategies:

A. Recommendation for approval

- *Addresses all required elements*

B. Recommendation with considerations

- *Addresses all required elements*
- *Concern about ability to achieve committed outcomes and recommendation for monitoring specific elements*

C. Changes required prior to approval

- *Does not address all required elements*
- *Strategy sent back to jurisdiction*
- *Local program launch delayed pending revision*

Discussion and Questions

Below is a summary of the Committee's discussion and questions.

- How comprehensive does a jurisdiction have to be in regards to the descriptions of how they will distribute deeply affordable units?
 - A staff member responded: *They will need an overall approach and explanation of how they will leverage funding. Additionally, they may need a description of how much of their portfolio will be new construction.*
 - Chair Rudman explained that this is the primary task of the Committee at this time – the Committee will not be evaluating individual projects, but rather reviewing these development plans and guidelines, which will provide the criteria for future project approval.
- Are there expectations in our scope for disadvantaged, minority, women-owned, emerging business enterprises (DMWESB), specifically in regards to builders?
 - Emily responded: *Yes, that is within the scope, and can be found in under item 2c within the Local Implementation Strategy requirements, which calls for “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”. Section 2 of the requirements, focused on advancing racial equity, also includes requirements related to location strategy, fair housing, and culturally specific programming and supportive services.–*
- What kind of input was received during the stakeholder conversations on location criteria?
 - Emily responded: *We received a variety of input, but specifically about the importance of investing in places with access to jobs, transit and amenities, places at risk of displacement, and places that historically have not had affordable housing. Stakeholders expressed the importance of this strategy being tailored to each local community.*

- The Work Plan makes it appear that racial equity is separate from the implementation strategies. Are they integrated? Is racial equity overarching? How do we ensure the organizations applying have actually done the equity work?
 - Emily responded: *The Work Plan has been adopted in this form by Metro Council. Racial equity and all other principles are overarching and should be integrated throughout the implementation. There are a number of ways to determine whether a jurisdiction is effectively implementing racial equity. They are organized under separate headers within the requirements, but the expectation is that these practices for advancing racial equity and supporting inclusive community engagement are embedded within the selection and development of projects.*
- How will the Work Plan make it clear why engaging historically marginalized communities in their strategy is important?
 - Elissa Gertler, Metro, responded: *Metro has had many conversations about how best to ensure jurisdictions understand that the outcomes are intentional. It was decided that rather than laying out how to achieve the outcomes, the Work Plan would provide flexibility with the understanding that racial equity will look different in each jurisdiction.*
- Chair Rudman asked the Committee if they felt there should be more clear expectations for outcomes.
 - A Committee member responded: *Providing expectations may be helpful in supporting symbiotic partnerships with the jurisdictions.*
 - Emily explained: *Part of the thinking behind this was that jurisdictions are in very different places. This is what the Metro Council adopted as requirements. They wanted to avoid setting a baseline that would allow the bare minimum, and instead encourage partners to reach for improvement. Each jurisdiction is in a different place today and the purpose is to see improvement in each and every one over time.*
- Consider developing clear criteria for RFPs.
- Equity needs to be required and expected. The region has been having the conversation around equity for a long time, and it's now critical that we take it to the next level. The guiding principles in the Work Plan are clear and strong, but the requirements seem vague and watered down. It doesn't feel like the requirements are leading with racial equity.

Decision-Making Protocols and Practice

Allison introduced a discussion of the decision-making process, referencing the charter and protocols documents in the meeting packet. Allison reminded the Committee that at the last meeting, they discussed level of agreement, ending with the belief that consensus, while ideal, may not always be possible. The Committee was asked to discuss what they would like to constitute majority as well as any other governance topic. Below is a summary of the conversation:

- A Committee member asked at what point the Committee would make the decision to abandon effort of seeking consensus and move to making a recommendation based on majority.

- Emily responded: *The plan is to meet quarterly once the program is up and running, and therefore it would be challenging for decisions to happen over the course of multiple meetings. There may be some more flexibility during this initial stage of reviewing and approving local implementation strategies, since we anticipate meeting more frequently this year. This is something we could explore if desired by the group.*
- A Committee member noted the importance of making compromises for the sake of upholding the responsibility of the Committee and not dragging out decisions. Additionally, the Committee member suggested that while the Committee should seek consensus, if consensus cannot be reached, that recommendations be made on a 2/3rds majority.
- A Committee member asked if it was typical of Metro Committees to have more than a simple majority.
 - Metro staff responded: *Yes, most Metro committees seek majorities higher than 50%.*
- Allison encouraged the Committee to consider the message it sends to Metro Council if the Committee cannot reach consensus and uses a simple majority. She noted the option of submitting recommendations with considerations to Metro Council, and asked the Committee to consider how those considerations would be captured.
- A Committee member noted the importance of clarifying the opportunities the Committee will have to offer feedback prior to a recommendation.
- A Committee member asked: How will the Committee's considerations be incorporated into the intergovernmental agreements, specifically in regards to racial equity? How much weight does a recommendation with considerations have?
 - Emily responded: *We will be measuring the actual outcomes. For instance, screening criteria – determining the demographics of the tenants in an actual building in comparison with the demographics of the people that actually need affordable housing. If they do not match, we can recommend that no further funding will be approved until the jurisdiction can show better tenant screening.*
- A Committee member asked: How can considerations be made formal when they are submitted to Metro Council with a recommendation? Is there a way to communicate to Metro Council that the jurisdiction needs to make changes based on concrete guidance from the Committee?
 - Eryn Kehe, Metro, responded: *The Committee will only see the implementation strategies once before the annual review, and it is the only chance the Committee has to provide feedback. The option of submitting a recommendation with considerations gives the Committee the opportunity to indicate that the implementation strategy meets the criteria, but that they will be mindful in monitoring whether the jurisdiction is addressing those concerns.*
- A Committee member asked: If the Committee decides to make a recommendation with considerations to Metro Council, could Metro Council require that those considerations be implemented into the proposal before it's adopted?
 - Elissa responded: *The Committee is encouraged to push for change when necessary, and the jurisdiction is responsible for operationalizing and delivering on those changes. If a proposal is approved, the jurisdiction must show delivery on outcomes thought the annual review.*

- A Committee member noted: If this program is to be effective and successful, new units need to be built. It's not enough to just move some units from one area to another. Jurisdictions should be aware of this when submitting their proposals.

Allison asked each Committee member to weigh in on what they felt should constitute a majority if consensus cannot be reached. The majority of the Committee members were comfortable with either a 2/3rds or 3/4ths majority, but several preferred a 3/4ths majority. The Committee agreed to a 3/4ths majority in the event that consensus cannot be reached.

Public Comment

Allison opened the floor for public comment. Miranda Bonifield, Cascade Policy Institute, provided the following comments:

The Cascade Policy Institute shares many of the same goals as this effort including moving the community forward and developing practical ways to do so. This Committee should consider waiving the prevailing wage requirements for contractors. This requirement can price out smaller contractors, as well as contractors that hire high school drop outs, many of whom belong to vulnerable communities. If instead contractors were given the ability to decide how to pay their employees it would increase opportunities in the community, as well as provide Metro with the ability to construct more housing. Other states that have waived the wage requirements have seen increased employment in high school drop outs. Building costs have often been inflated in rural Oregon because of these laws. The contracting work will be the same quality if the requirement is waived, but will provide opportunities to build more affordable housing. Consider strongly making that recommendation to Metro Council.

Next Steps and Close

Emily explained that Metro staff have reserved the first Wednesday morning of the month for the rest of 2019 for Oversight Committee meetings with the understanding that meetings will not be held every month. Emily told the Committee that the next meeting will take place on April 3, 2019. Metro staff will have recommendations regarding the schedule at that time. Additionally, she noted there may be more schedule adjustments including the potential for two meetings in June. A Committee member asked if they would be able to meet with some of the jurisdictions at the next meeting. Elissa explained that she wasn't sure they would be ready to meet with the Committee. A Committee member expressed the importance of having face-to-face time with the jurisdictions to allow for questions and answers. Metro staff committed to exploring how best to provide the space and time for those interactions and would come back with more information at the next meeting. A Committee member expressed concern about whether the scheduled meetings allowed enough time for the Committee to reach consensus.

Emily noted that the first Phase 1 project had been submitted. Staff are hoping to talk through protocols for reviewing projects at the next Committee meeting. She said staff seek three Oversight Committee members to review the staff's draft recommendations to Metro Council. This project would offer an opportunity to test the recommendations out and help inform the conversation. Emily said the Committee would receive more information about this opportunity.

Allison thanked the Committee and adjourned the meeting.

Oversight Committee Calendar

DRAFT 3.26.19

In 2019, the Oversight Committee will be asked to review a total of eight implementation strategies, anticipated to be received between July and November. Currently, the Committee has monthly holds from 9-12pm on Wednesdays – see dates below.

In 2020, the Committee schedule will shift to quarterly meetings focused on monitoring and evaluating program outcomes and submitting an annual report to Metro Council.

Remaining meetings for 2019

April 3 – Criteria, tools, and process for LIS review

May 1 – Meeting with jurisdictional staff (part 1)

June 5 – Meeting with jurisdictional staff (part 2)

July 24 – Implementation Strategy review

Aug. 7 – Implementation Strategy review

Sept. 11 – Implementation Strategy review

Oct. 2 – Implementation Strategy review

Nov. 6 – Implementation Strategy review

Dec 4 – Implementation Strategy review

Local Implementation Strategy Evaluation

DRAFT 3.26.19

This document and worksheet provide a tool for the evaluation of implementation strategies created by jurisdictions that are eligible to participate in implementation of the Housing Bond. It is for use by Metro's Affordable Housing Bond Community Oversight Committee.

Metro staff will receive and review each strategy before the strategies are shared with Committee members. In addition to the strategy, Committee members will also receive a partially completed evaluation worksheet reflecting staff recommendations and information to inform the Committee's recommendation.

Metro's Affordable Housing Bond Program Work Plan has established an outcomes based approach to working with partner jurisdictions. The implementation strategies are the mechanism for each implementing jurisdiction to establish policies, and some cases, targets for their implementation of the Metro regional bond. The strategies are created by the jurisdictions with input from their community members, as required by the Work Plan's requirements (Exhibit C). Jurisdictions will also submit annual reports to Metro summarizing outcomes related to their strategies. These annual reports will be used by the Oversight Committee during reports to Metro Council assessing program performance, challenges and outcomes.

Oversight Committee Charter

The Oversight Committee's Charter provides the following guidance for the evaluation of Local Implementation Strategies:

- *Evaluate Metro's and each Local Implementation Partner's implementation strategies for alignment with the Guiding Principles and to ensure that 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;*
- *Recommend changes, as necessary, to implementation strategies to achieve Unit Production Targets and adhere to the Guiding Principles.*

So, the review of implementation strategies by the Oversight Committee is focused primarily on the strategy's alignment with the Bond's Guiding Principles and Unit Production Targets. The success of the strategy will be measured during annual reporting. At that time the Oversight Committee will determine if the jurisdiction is achieving the outcomes that their strategy's identified policies and targets were created to achieve.

Recommendation options

There are three options available to the Oversight Committee when evaluating strategies:

Recommend Metro Council approval

- Addresses all required elements

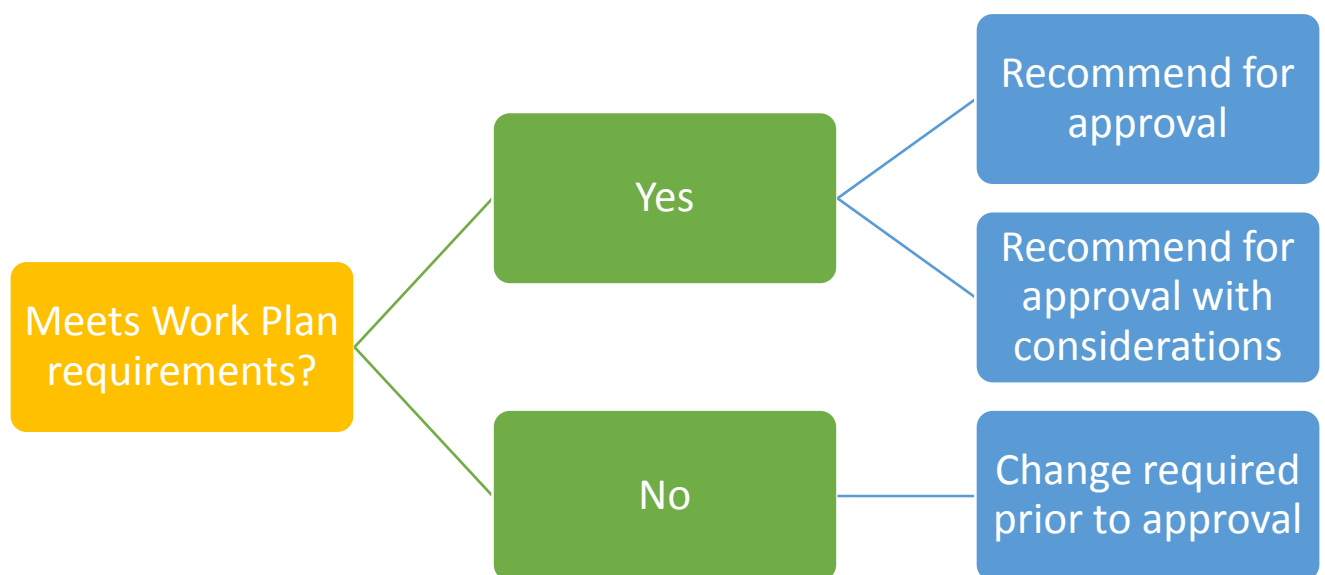
Recommend Metro Council approval with considerations

- Considerations are areas of concern that the Oversight Committee wishes to highlight as areas that will require close monitoring as part of the annual review process. They may include the following categories:
 - Strategy addresses all required elements, but intended outcomes are not specific enough to be measured (Immeasurable)
 - Concern about ability to achieve committed outcomes; reduced confidence because strategy lacks evidence of success nationally or locally (Efficacy)
 - Concern about progress over time toward achievement of guiding principles or production targets; for instance, concern that policy or targets may not result in adequate progress toward racial equity (Progress)

Change required prior to approval

- Does not address all required elements
- Strategy sent back to jurisdiction
- Local program launch delayed pending revision

Evaluation flowchart



LOCAL IMPLEMENTATION STRATEGY REQUIREMENT CHECKLIST

Oversight Committee	Staff review	Local implementation strategy requirements	Staff Notes	Oversight Committee Notes
Development Plan to achieve the Unit Production Targets that includes the following elements:				
<input type="checkbox"/>	<input type="checkbox"/>	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;		
<input type="checkbox"/>	<input type="checkbox"/>	Consideration for how new bond program investments will complement existing regulated affordable housing supply and pipeline;		
<input type="checkbox"/>	<input type="checkbox"/>	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;		
<input type="checkbox"/>	<input type="checkbox"/>	Strategy for aligning resident or supportive services with housing investments, including [optional] any local goals or commitments related to permanent supportive housing; and		

<input type="checkbox"/>	<input type="checkbox"/>	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.		
Strategy for advancing racial equity in implementation that includes:				
<input type="checkbox"/>	<input type="checkbox"/>	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;		
<input type="checkbox"/>	<input type="checkbox"/>	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;		
<input type="checkbox"/>	<input type="checkbox"/>	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;		

<input type="checkbox"/>	<input type="checkbox"/>	Requirements or competitive criteria for projects to align culturally specific programming and supportive services to meet the needs of tenants.		
Engagement report summarizing engagement activities, participation and outcomes, including:				
<input type="checkbox"/>	<input type="checkbox"/>	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;		
<input type="checkbox"/>	<input type="checkbox"/>	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;		
<input type="checkbox"/>	<input type="checkbox"/>	Summary of how the above themes are reflected in the Local Implementation Strategy.		

Plan to ensure ongoing community engagement to inform project implementation, including:				
<input type="checkbox"/>	<input type="checkbox"/>	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		
<input type="checkbox"/>	<input type="checkbox"/>	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.

Phase I Concept Endorsement Staff Report for Mary Ann Apartments | March 12, 2019



Project Concept Overview

The City of Beaverton has requested a concept endorsement and preliminary commitment of \$3.0 million in Metro Housing Bond funding for the construction of the Mary Ann Apartments (“the Mary Ann”), a four-story affordable apartment building that will provide 54 residential units, including 26 two-bedroom units and 3 three-bedroom units. Eleven units will be affordable to households making 30 percent of area median income (AMI) or below. The Mary Ann will be developed by REACH CDC and located at First Street and Main Avenue in Downtown Beaverton.

Eligible implementation jurisdictions have been invited to submit up to one “Phase 1” project to Metro for consideration between March and June 2019, prior to completion of a full Local Implementation Strategy. The Mary Ann will be submitted to Beaverton City Council on March 19 for concept approval and prioritization as the City’s Phase 1 project. Because the project is seeking a preliminary funding commitment prior to completion of a full Local Implementation Strategy, Metro Council action is requested to provide a concept endorsement for this project.

Within the funding distribution framework approved by Metro Council (see *Exhibit B* of the Affordable Housing Bond Program Work Plan), and based on preliminary agreement among the

three eligible implementation jurisdictions in Washington County, the City of Beaverton is eligible to administer \$31.14 million in total bond funding to support affordable housing projects that align with Bond Program goals. Beaverton staff are actively working to develop a Local Implementation Strategy for consideration by Beaverton City Council, the Housing Bond Community Oversight Committee and Metro Council in summer 2019.

Development Program

The proposed concept contains 54 units, including 26 two-bedroom units and 3 three-bedroom units. The project also includes 39 parking spaces and a second floor outdoor community space.



All units will be affordable at 60 percent of AMI or below. Eleven units will be affordable at 30 percent of AMI and 29 units will be sized for families, with 2-3 bedrooms. Seven units will be both family sized and deeply affordable at 30 percent of AMI or below, including four two-bedroom units and three three-bedroom units.



<u>Unit Size</u>	<u>Median Income %</u>	<u># of Baths</u>	<u>Square Feet / Unit</u>	<u>Gross Monthly Rent / Unit</u>	<u>Units</u>	<u>Project Based Vouchers</u>
One Bedroom	30%	1	600	\$458	3	0
One Bedroom	30%	1	600	\$458	1	1
One Bedroom	40%	1	600	\$611	16	0
One Bedroom	50%	1	600	\$763	5	0
Two Bedroom	30%	1	800	\$550	4	4
Two Bedroom	40%	1	800	\$733	3	0
Two Bedroom	50%	1	788	\$916	3	0
Two Bedroom	60%	1	800	\$1,076	16	0
Three Bedroom	30%	1.5	1,231	\$681	3	3
Total					54	8

Project Context

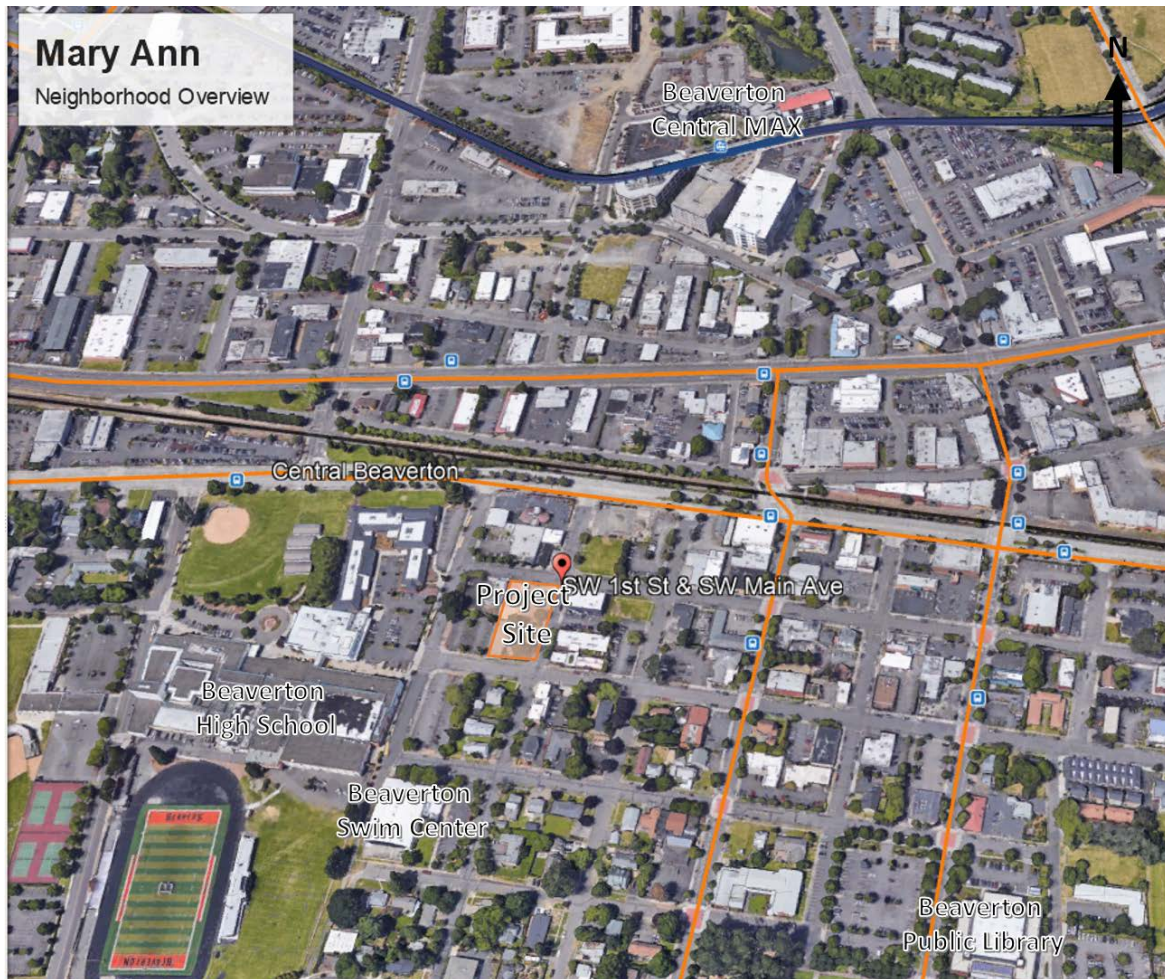
Background

Since September of 2018, the City of Beaverton and REACH CDC have been in exclusive negotiations to facilitate an affordable housing project at First and Main. During this time, REACH CDC has conducted due diligence and predevelopment activities necessary for the half block development, including but not limited to the creation of schematic architectural designs, property appraisals, environmental assessments, financial modeling, submittal of a HOME fund application, and conducting of a neighborhood review meeting.

Site and Neighborhood

The proposed project is located on Main Avenue between First and Second Streets in Old Town, the historic downtown core of Beaverton. The area has a mix of pre WWII commercial and retail buildings, single-family homes, and two- to three-story offices dating from the 1960s to 1980s. To the immediate southwest of the site is The Rise at Old Town, a new, four-story, market rate apartment building. Several amenities are within easy walking distance, including Beaverton City Library, Beaverton Swim Center, Beaverton High School, and the Beaverton Farmer’s Market.

The Beaverton Central MAX station is located approximately 0.5 miles to the north. Farmington Road, one block north of the site, and Canyon Road, one block further north, are major arterials, and separate Old Town from newer and denser development immediately surrounding the Beaverton Central Max station. Signalized crosswalks provide pedestrian access across these high-volume roads to the transit center.



The site itself consists of four tax lots, totaling approximately 0.44 acres. Two tax lots on the northern half of the site are owned by the City of Beaverton. One of the two southern tax lots is owned by a private developer; the other is owned by the Beaverton School District. REACH CDC has entered into Purchase and Sale Agreements for the two southern tax lots and will enter into a separate agreement with the City of Beaverton for the use of its parcels. The sites are currently cleared and have no existing buildings.



The site has environmental conditions that will be addressed as part of the development process. An initial Phase 1 Environmental Site Assessment, followed by a geophysical survey, identified a cesspool that will need to be decommissioned. In addition, soils in the northern portion of the property are contaminated with petroleum hydrocarbons above allowed levels for Urban Residential land use. Further testing and preparation of a remediation strategy will occur as the project proceeds.

Community Engagement

REACH CDC held a neighborhood meeting to discuss The Mary Ann and reported that all feedback received was positive. REACH staff also presented the project and proposed name to Beaverton's Diversity Advisory Board, which endorsed the project and name. The project is named for Mary Ann Spence Watts, who was Beaverton's first school teacher and taught in a log cabin near the current Beaverton High School site.

REACH is working with the Career and Technical Education department at the Beaverton School District with the goal of expanding an existing partnership between Walsh Construction, the Mary Ann's general contractor, and the School District. This partnership would use the Mary Ann as a case study for a partnership aimed at attracting high school students to the construction trades. Westview, Mountainside, and Aloha are the schools currently participating in the program, which will provide for student tours during construction.

Additional community engagement will be completed as the project moves forward.

Development Team

REACH is a Portland based non-profit affordable housing developer and operator active throughout the Portland metropolitan area. Founded in 1982, REACH has developed or preserved over 2,200 housing units.

Walsh Construction will serve as General Contractor. Walsh Construction is a Portland based firm with extensive experience in the construction of affordable projects including the Orchards Apartments in Southeast Portland and Woody Guthrie Apartments in Portland's Lents neighborhood.

Scott Edward Architects ("S|EA") will design the Project. S|EA is Portland based architectural firm with extensive multifamily experience. Recent affordable housing experience includes Cornelius Place, a mixed use building in downtown Cornelius which integrates a ground floor public library with 45 units of low income senior housing on its upper floors.



Project Financing

The Mary Ann has an estimated total development cost of approximately \$20.9 million, reflecting a per unit cost of \$388,888 and a per gross square foot cost of \$303. The proposed developer fee of \$1.15 million represents 5.5 percent of total costs and is within Oregon Housing and Community Service limitations.

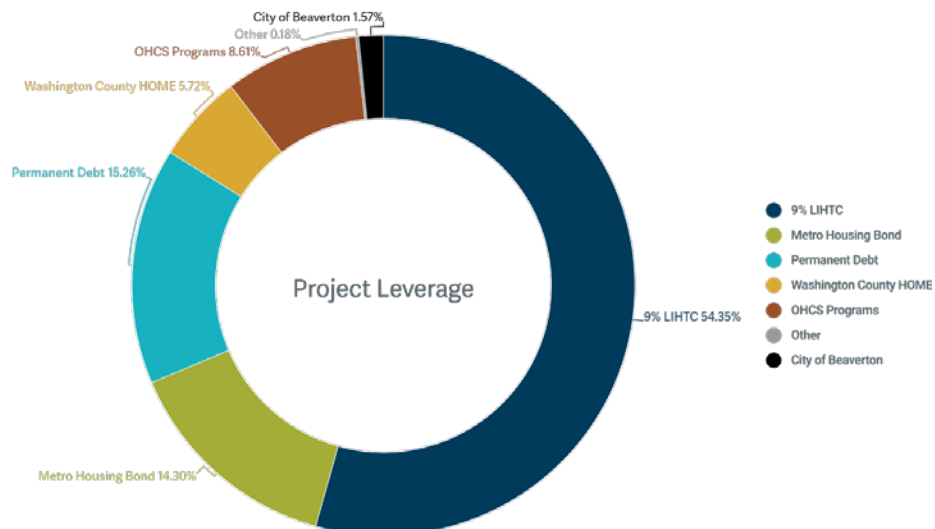
Projected sources for the project include \$11.4 million in competitive 9 percent Low Income Housing Tax Credits (LIHTC), \$3.0 million in Metro Regional Bond funds, \$3.1 million in permanent debt, and \$1.2 million in Washington County HOME funds. Metro bond subsidy reflects 15.7 percent of total project cost, or an average of \$61,111 per unit. The 9 percent LIHTC competitive application will be submitted March 29. If this application is unsuccessful, the project will need to be restructured or delayed.

The City of Beaverton is contributing a \$300,000 write down of the cost of its land; \$25,000 in design assistance and \$5,000 of pre-development assistance. The project will be exempt from real estate taxes.

MARY ANN Project Financing

Uses	Total
Site and Due Diligence	\$855,000
Construction Costs	\$14,763,746
Construction Contingency	\$738,000
Development Costs	\$2,328,673
Developer Fee	\$1,150,000
Construction Interest	\$507,184
Operating Reserves	\$250,000
Lease Up Costs	\$80,005
Financing Fees	\$301,062
Total Uses	\$20,973,670

Sources	Total
Limited Partner Equity (9% LIHTC)	\$11,398,860
Metro Regional Housing Bond	\$3,000,000
Permanent Loan (NOAH)	\$1,426,000
Permanent Loan (OATC)	\$1,774,000
Washington County HOME Funds	\$1,200,000
General Housing Account Program	\$1,078,125
Oregon-Multifamily Energy Program	\$200,000
Housing Trust Fund	\$528,125
Beaverton Land Value Write Down	\$300,000
Beaverton Design Assistance Grant	\$25,000
Beaverton Predevelopment Assistan	\$5,000
Energy Trust	\$38,560
Total Sources	\$20,973,670



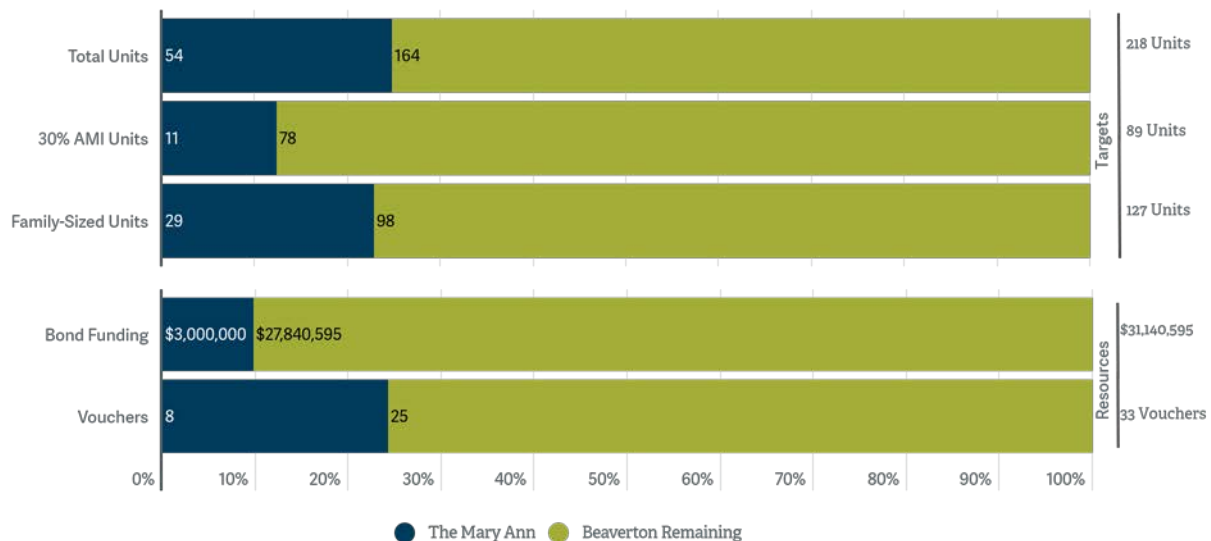
Alignment with Local Implementation Strategy

While Beaverton’s local implementation strategy is not yet available, the proposed project appears to be in alignment with the unit production targets. Further information will be needed prior to final funding authorization to confirm consistency of the project with local implementation strategy requirements related to advancing racial equity and incorporating community engagement to shape project outcomes to meet the needs of future residents.

Contribution to Unit Production Targets

Beaverton is requesting \$3.0 million in Metro Bond Funds and plans to use 8 project based rental assistance vouchers from the Washington County Housing Authority as part of an agreement in development to commit 33 total project-based rental assistance vouchers to support Metro Housing Bond program implementation in Beaverton. Overall, the project would utilize 9.6 percent of Beaverton’s allocation of Bond funds while delivering 25 percent of the City’s overall unit production target, 12 percent of the City’s target of units affordable at 30 percent of AMI, and 27 percent of the City’s family sized unit target.

Production Targets & Resources



In addition to the Mary Ann Project Concept, Beaverton staff have submitted a preliminary portfolio concept to Beaverton City Council for approval on March 18. The table below illustrates The Mary Ann’s contribution to targets in relation to the anticipated mix of future projects. The purpose of this approach is to provide certainty in Beaverton’s commitment to achieve overall Bond Program targets, while allowing flexibility for each project to play a different role in contributing to the 30% AMI and family-sized unit goals.



Preliminary Beaverton Housing Bond Portfolio Concept

	Mary Ann	Project B	Project C	Project D	Total	Target
Units	54	79	66	51	250	218
≥2 Bdrm	29	37	42	6	114	109
30% w/o vouchers	3	19	22	12	56	29
PBV w/vouchers	8	9	16	0	33	60
Total 30% AMI	11	28	38	12	89	89

Advancing Racial Equity

In addition to expectations related to Unit Production Targets, Metro’s Housing Bond Work Plan provides guidance regarding strategies to advance racial equity. The Project Concept being submitted to Beaverton City Council includes a commitment to incorporate equity strategies and goals that align with the city’s Local Implementation strategy and overall equity goals and policies. Final development plans will include Minority-Owned, Woman-Owned, Service-Disabled Veterans and Emerging Small Businesses goals; creation of an Affirmative Fair Housing Marketing Plan; and efforts to work with REACH and other project sponsors and partners to lower barriers to housing through screening criteria. Additional work is needed prior to final funding authorization to incorporate commitments related to fair housing, economic opportunity, culturally specific services and community partnerships.

Community Engagement

Metro’s Housing Bond Work Plan calls for ongoing engagement of historically marginalized communities to shape project outcomes. As described earlier in the report, initial community engagement has been completed by REACH, but further efforts are needed to ensure engagement of communities of color and other historically marginalized community members, as described in Metro’s Bond Program Work Plan. A summary of engagement activities and outcomes, including a description of how community engagement has shaped project planning or will shape project outcomes, will be submitted prior to full funding authorization.

Next Steps

If the Project receives a Concept Endorsement from Beaverton City Council and Metro Council, the anticipated timeline of next steps includes:

- March 29, 2019: Deadline to apply for competitive 9% LIHTC
- Summer 2019: Announcement of 9% LIHTC awards



- Summer 2019: Beaverton Local Implementation Strategy completion
- Winter 2019-20: Final Metro funding authorization (if 9% LIHTC approved)
- Winter 2020: Mary Ann project closing (if 9% LIHTC approved)
- Spring 2020: Mary Ann project Groundbreaking (if 9% LIHTC approved)

Staff Findings and Recommendations

Findings

Key staff findings include:

- Requested Metro Housing Bond funding is proportionate to the Mary Ann's contribution toward unit production targets. Overall, the project would utilize 9.6 percent of Beaverton's available Bond funds while delivering 25 percent of the City's overall unit production target, 12 percent of the City's target of units affordable at 30 percent of AMI, and 27 percent of the City's family sized unit target.
- If the Mary Ann does not receive an award of 9 percent LIHTC, the project concept will need to be adapted to reflect lower leveraged equity. This will result in a delay to the anticipated timeline and will likely require another concept endorsement if significant changes to the development program are required.
- Further information will be needed prior to final funding authorization to confirm consistency of the project with local implementation strategy requirements related to advancing racial equity and incorporating community engagement to shape project outcomes to meet the needs of future residents.

Recommendations

Staff recommends that the Metro Council provide a concept endorsement for the Mary Ann. Full funding authorization will be conditioned on demonstration of project feasibility and consistency with Beaverton's forthcoming local implementation strategy.



Metro



SPRING 2019

Emerging best practices to operationalize racial equity in affordable housing

The regional affordable housing bond offers greater Portland an important opportunity to advance racial equity. The bond will create affordable homes to serve 12,000 people who are not currently served by the housing market, who have not had opportunities to access other public investments in affordable housing, or who live in communities at risk of displacement. Housing barriers affect all communities but have most deeply impacted communities of color. By focusing our policies and investments to benefit communities of color, we can reduce racial disparities while benefiting all disadvantaged members of our community.

The housing bond program will address historic barriers by focusing investments towards serving families and people with very low incomes. Of the 3,900 homes that will be produced through bond investments, at least 1,950 must have two or more bedrooms, and at least 1,600 will be affordable to households making 30% or below of area median income (AMI). In addition, racial equity will be advanced throughout program implementation, from who is hired to build the homes, to how people are encouraged and supported to access the homes the bond creates, to how programs are designed to serve residents.

Metro seeks to support our colleagues, partners and the broader community as we work together to implement the regional housing bond program. This document offers emerging best practices and strategies to design and implement programs that advance racial equity. We consider this a living document and welcome feedback to improve it.



1. Addressing structural racism

Structural racism refers to the complex system of public policies, institutional practices, and other cultural norms by which racism is developed and protected. Dismantling these systems is essential to eliminating racial disparities. We recommend multiple approaches and intentional consideration at every level of affordable housing development and program implementation.

Suggested practices

- **Make decisions with community:** Integrally involve people of color and organizations that represent communities of color in policy and funding decisions. Actively remove barriers for organizations and communities to ensure full participation by providing stipends, scheduling events at accessible times and locations, and other supportive engagement tactics.
- **Teach equity:** Provide ongoing/continuing education equity training opportunities that include anti-racist curricula for all project partners, including building owner and management staff, resident services staff, and partners that support residents.
- **Measure and evaluate outcomes:** Set measurable goals for advancing racial equity and identify metrics for monitoring outcomes. Establish meaningful and ongoing communication with community-based organizations to review metrics and methods used to evaluate program impact. Consider evaluation as a tool to expand community engagement in the program, identify challenges and opportunities for further progress, improve program implementation to achieve identified outcomes, and celebrate accomplishments and successes.

- **Activate public support:** Provide proactive community education and engagement opportunities to inform neighbors about specific projects and build broad support for affordable housing. Demonstrate ‘good neighbor’ programming and support those who wish to see more affordable housing in the community.

2. Increase access for people of color

Common screening practices disproportionately screen out people of color and are incongruous with Fair Housing regulations. Practices that “screen in” rather than “screen out” applicants and affirmative marketing strategies will increase access to affordable housing opportunities for communities of color.

Suggested practices

- **Clear information with remedy and appeal options:** Make screening criteria readily available on housing websites and in marketing materials. Provide information in multiple languages.
- **Accommodate credit scores:** Allow applicant to demonstrate financial soundness with alternate documentation. Make exceptions for medical and education debt, and when the applicant is on a feasible repayment plan. Coordinate with nonprofits that specialize in housing counseling.
- **Allow alternative documentation:** People who have had unstable housing situations or have experienced homelessness may not have retained documents. Consider additional forms of ID or documentation to satisfy application requirements. Accept references from professional contacts, a case manager, faith leader, or other personal contact if applicants cannot provide landlord references. Allow applicants additional time to secure necessary documentation while holding the apartment.
- **Look beyond histories:** Recognize that people of color are disproportionately impacted by the structural racism within the criminal justice system. Consider only recent or serious crimes that relate to the safety of the property and other tenants. Screen for criminal background only after applicant has met all other qualifications. Educate applicants on how to submit a reasonable accommodation request during the application process.

- **Offer remedy and appeal options:** If an application is denied, provide clear and direct information to applicant about the nature of the denial and options to remedy or appeal. Allow the applicant to work directly with building owner and management without having to go through the screening company.
- **Get the word out:** Work with community-based organizations that have direct and frequent contact with culturally specific communities to inform and solicit housing applications from households of color and historically marginalized communities. Be mindful of differences in media preferences when advertising. Collect data to determine if affirmative marketing strategies have been effective.
- **Provide accessibility:** Rates of disability are similar among white people and people of color; however, people of color are five times more likely than the general population to report experiencing discrimination based on disability. Set production targets for physically accessible and adaptable units and ensure that accessible units are available at the lowest tiers of affordability. Partner with service agencies to provide supportive housing – housing paired with ongoing, intensive supportive services that can address the spectrum of needs of the community.
- **Consider staffing:** Intentional staffing and programming can ensure equitable success for tenants of color. Conduct tenant meetings to gather feedback and engage tenants to foster communicative and trusting relationships between tenants and property managers. Hire staff of color and culturally specific service providers. Fund peer support programs that employ staff with lived experience to support residents.

3. Intentionally locate housing opportunities

Creating affordable housing in areas with good access to jobs, quality schools and mixed-income communities improves outcomes for families with low incomes, especially for children. Additionally, creating affordable housing in communities at risk of displacement often means more affordable housing where communities of color live. This can help keep communities intact by helping people stay in areas where they have family, friends, and community institutions and gathering places.



Suggested practices

- **Connect communities to higher opportunity:** Allow for higher costs of affordable housing investments in high-opportunity areas. Understand that communities of color may define opportunity differently. Engage culturally specific and historically marginalized communities to understand location preferences and supports needed to thrive in new neighborhoods. Use marketing strategies that explicitly convey that people of color are welcome to apply.
- **Acquire and improve:** Invest in affordable housing opportunities where people of color already live by acquiring unregulated affordable housing to protect existing tenants, improve housing conditions, and ensure that programming is culturally responsive to the community.
- **Invest in the community:** Work with transit providers and transportation network companies to ensure adequate transportation options for people who live in lower-income communities. Partner with community programs to support access to opportunity, economic mobility, and quality of life in conjunction with affordable housing investments.



4. Creating workforce opportunities

People of color are not equally represented in construction and other professional opportunities created by affordable housing development and operations. Women represent just four percent of the construction workforce. The development and construction and management of affordable housing units represents opportunities to increase representation of people of color and women in this field.

Suggested practices

Improve contracting diversity: Set goals and competitive criteria to increase diversity in contracting for projects. Use “good faith effort” requirements for outreach to MWESB contractors. Recognize contractors who exceed the hiring requirements and award them additional points on future bids. Make a plan to increase MWESB goals over time. Make particular efforts to contract with minority and women owned businesses, in addition to more readily available Emerging Small Businesses.

Set goals for apprenticeship and workforce: Set goals for apprenticeship and labor participation by women and people of color. Use a certified payroll and workforce reporting software program to monitor compliance with workforce diversity goals and prevailing wage compliance management. Offer admin support with reporting requirements to small firms who may not have the in-house capacity to complete required monitoring and reporting.

Create new capacity: Jurisdictions can help build and support a diverse workforce by joining Metro’s Construction Careers Pathways Project (C2P2), a project aimed at building capacity in the construction workforce in public investments.

Support living wages: Work with the labor community to create community benefits agreements that define workforce goals and commitments to wages in each project, including ongoing operations jobs.

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Arts and events
Garbage and recycling
Land and transportation
Oregon Zoo
Parks and nature

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Hello, we’re Metro.

Metro brings people together to shape the future of greater Portland and provides places, services and tools that work best at a regional scale. Led by an elected council, this unique government gives Oregonians a voice in their community.

Parks and nature

Metro protects clean water, restores fish and wildlife habitat, and connects people to nature across 17,000 acres of parks, trails and natural areas – and the Oregon Zoo.

Land and transportation

Metro plans for new homes, jobs, transportation options and access to local businesses and parks.

Garbage and recycling

Metro manages the garbage and recycling system and is a resource for information about safe disposal and ways to reduce waste.

Arts and events

Metro runs the Oregon Convention Center, Portland Expo Center and Portland’s Centers for the Arts.