



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

# Agenda

Meeting: Housing Oversight Committee (Meeting 4)  
Date: Wednesday, May 1, 2019  
Time: 9 a.m. to noon  
Place: Metro Council Chambers  
Purpose: Provide an opportunity to meet with jurisdictional partners, and discuss communication with Metro Council.  
Outcome(s): Better understanding of the work underway on Local Implementation Strategies, increased sense of the shared mission between the Committee and the visiting jurisdictions.

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- 9 a.m. Welcome and Updates
- 9:10 a.m. Committee Business (Co-Chairs)
- 9:40 a.m. Public Comment
- 9:50 a.m. Presentation: Jurisdictional Partners
- Four jurisdictional partners to give short presentation to Committee
    - Housing Authority of Clackamas County
    - City of Hillsboro
    - Washington County Housing Authority
    - Metro Site Acquisition Program
- 10:30 a.m. Small group breakouts
- Opportunity for Committee members to speak directly to jurisdictional partners in small group setting. Groups will rotate to allow time to speak with each jurisdiction.
- 11:30 a.m. Report back
- Committee members to share with the group their reflections from discussions:
    - Anything that they learned that helps them moving forward
    - Any key questions/concerns they felt were addressed
    - Any questions/concerns they still have
- 12:00 p.m. Adjourn

# Meeting minutes

Meeting: Metro Housing Oversight  
Committee Meeting 3

Date/time: Monday, April 3, 2019

Place: Metro, Council chamber, 600 NE Grand Ave, Portland, OR 97232

Purpose: Outline Metro Council's outcomes approach, discuss time of the implementation strategy, and review and discuss the possible committee tools

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## Attendees

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

## Absent

Mitch Hornicker, Tia Vonil

## Metro

Emily Lieb, Eryn Kehe, Jes Larson, Laura Dawson Bodner, Ashley McCarron

## Facilitators

Allison Brown, Hannah Mills

## Next meeting

Wednesday, May 1, 9:00 a.m. – 12:00 p.m.  
Metro, 600 NE Grand Avenue, Portland, Council chamber

## Welcome and Agenda

Allison Brown, facilitator with JLA Public Involvement, welcomed the Committee and introduced Eryn Kehe, Metro, for a brief announcement. Eryn explained that a community leadership forum will be held on April 26 as a part of Metro's development of the implementation strategy for the housing bond, and invited the Committee to attend.

Co-Chair Shannon Singleton asked the group to introduce themselves explaining their hope for how the Committee can work together. Below is a summary of their responses:

- Strike a balance between slowing down on behalf of racial equity and the urgency for completing this work
- Ensure the work is done efficiently and thoughtfully
- Deliver on the desires of the voters
- Ensure oversight of how the funds are being spent
- Exceed the goals for housing production and provide more benefits to the people
- Have sensitivity towards the different capacities and issues of each of the jurisdictions
- Ensure transparency and accountability
- Involve the community in the process
- Continue the momentum, passion, and commitment present at these initial meetings



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# Meeting minutes

- Ensure consideration of equity beyond who benefits, but also in economic and workforce development
- Shift the culture and momentum to ensure the Committee functions equitably
- Set a precedent for future committees, bonds, and processes in regards to racial equity

Emily Lieb, Metro, briefly updated the Committee on the Phase 1 projects. Below is a summary of her update:

*Metro Council approved the concept endorsement for the first Phase 1 project – the Mary Ann Apartments in downtown Beaverton. This development will have 54 units, 29 of which will be family units, and 11 will be deeply affordable. Beaverton is asking for \$3 million from the bond. This is an early endorsement and therefore there is no approved funding at this stage. Beaverton is submitting an application for low-income tax credits and depending on whether the application is approved, this project may come back in a different form. Metro Council was pleased that a project had come forward so soon. Ed McNamara and Mesha Jones were volunteers in evaluating the project.*

Ed added that the project has a good overall team with their developer and contractor, but noted that it is an expensive project. He expressed his belief that jurisdictions should be bringing cost effective projects to ensure the highest production using housing bond funds. Emily responded that the project is relatively efficient and that \$3 million is not a large amount, however, the state subsidy is significant. Mesha explained that from a resident's perspective she had concerns about parking, public transportation, and added amenities for the residents.

Emily explained that the hope is that every committee member will get the opportunity to participate in those conversations, and that two to three more Phase 1 projects are expected to come forward before the cutoff on June 30.

Co-Chair Steve Rudman noted that these are competitive resources, and that jurisdictions will be encouraged to leverage bond funding with other funding sources in order to accomplish housing production throughout the region.

A committee member asked what percentage the \$3 million plays in the total cost of the project and what it pays for in terms of the Committee's goals. Emily responded that \$3 million covers approximately 14% of the total cost, and explained that it is difficult to know what it pays for. The committee member expressed the hope that there would be a way to look at how the investment is addressing the bond's goals. Emily responded that Metro is planning to analyze the value of the bond investment and display those results. She added that the Mary Ann Apartments would not break ground until 2020 which will allow time to do additional engagement, and that the development will have a partnership with the school district to work with high school students and engage them in construction trades.



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

# Meeting minutes

## **Public comment**

Allison asked if there were any members of the public who would like to submit comment. No comments were submitted.

## **Outcomes-Based Approach Presentation**

Using a PowerPoint presentation, Jes Larson, Metro, explained that she would be taking this time to address the Committee's previous questions, and to review the local implementation strategies and potential tools. Below is a summary of her presentation:

*Drafting of the regional programs began as soon as the measure was referred. Once the voters approved the measure, Metro began drafting the work plan with a focus on defining the program implementation, balancing regional standards, and creating specific metrics for determining outcomes. During this process, Metro was also receiving feedback from the jurisdictions and developers. Metro Council worked to balance this feedback and developed the directives of creating clear regional expectations, consistent measurement of outcomes, implementation flexibility, and understanding local needs and opportunities.*

*The regional policies considered community engagement, advancing racial equity, and workforce requirements. Metro Council decided that setting a regional goal may inhibit the action of jurisdictions and therefore set an outcomes-based approach. This decision was made in an effort to recognize the unique challenges and opportunities in each jurisdiction, balance the need for flexibility with the confidence in success, foster positive competition and innovation. In this sense, we are not evaluating whether the goals are good enough, but rather whether the jurisdictions have set goals.*

*The primary role of the 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 Committee was directed to a handout in their packet summarizing the best practices identified by Metro staff in regards to operationalizing racial equity in affordable housing. Jes explained that the practices were developed using nationwide research and would serve as an outline for jurisdictions in what it means to advance racial equity.

Emily continued the presentation:

*Metro Council directed staff to establish consistent regional metrics and monitoring protocols that align with state standards. Metro will be building on the existing statewide framework and identifying how to fill gaps. This will allow Metro to measure a variety of outcomes metrics, including unit production, tenant demographics, MWESB contracting, workforce participation outcomes, and engagement and partnership outcomes.*

*In 2020, the Committee will submit an annual report to Metro Council with an evaluation of jurisdictional and regional progress towards outcomes, as well as recommendations regarding changes to the implementation strategies, and regional technical assistance needs.*



600 NE Grand Ave.  
Portland, OR 97232-2736

# Meeting minutes

## Discussion and Questions

The following is a summary of comments and questions made by committee members.

- Under Metro Council direction, jurisdictions will not be required to engage in all of the outcomes and performance metrics?
  - Emily responded: *Jurisdictions are not required to set a goal, but there is a requirement that they set economic development goals for advancing racial equity. The goals may look different depending on the jurisdiction, but they will be measured the same. A good example is looking at permanent supportive housing – there is a charge to set goals, but it isn't a requirement.*
  - Co-Chair Rudman added: *When considering MWESB, goals will not be set by Metro, but there will be expectations. It's a good faith effort.*
- Part of the job of the Committee is to lead with racial equity both through creating ways to track performance and setting requirements. Letting each jurisdiction determine how to execute racial equity is inconsistent with the charge of the Committee.
  - Co-Chair Singleton responded: *The Committee has the ability to recommend approval of a plan with a 10% MWESB goal with the expectation that they reach 20%.*
- Can the Committee recommend edits to the Metro Council work plan? Metro has the opportunity to set requirements in each area, specifically in regards to racial equity and goals for MWESB. Developers know how to meet requirements because they have done work in Portland. If this cannot be revisited by Metro Council, this could impact participation in this Committee.
- Jurisdictions will make the effort to ensure they receive funding, and it's important that jurisdictions aren't just making it appear that they're abiding by the requirements. It would be easy for jurisdictions to use the same contractors each time, but the goal is to spread the wealth.
- Contractors appreciate having set targets, even if it means they may not qualify for the work. Flexibility in the requirements can make it difficult to respond effectively.
- It's important to recognize that equity work needs to be done in the workforce as well. Consider creating opportunities for the younger generation to engage in workforce through the construction trade.
- The bond has the power to make a real difference, especially if the bond is leveraged and supports community-led projects, such as the library in Cornelius. Flexibility makes sense for this bond because each jurisdiction is starting from a different place. If we set hard requirements we may be missing opportunities for informal networks to receive funding. Finding a balance between using our power to achieve these goals, and allowing enough flexibility is important.
- The bond has the opportunity to serve as a model for the future. Consider setting aspirational benchmarks, understanding that some jurisdictions are starting from ground zero. It would be beneficial to allow the Committee to recommend changes to Metro Council, not necessarily suggesting static requirements, but something that provides a roadmap for success in reaching the goals.
- It's important that there is a feedback process between the Committee and Metro Council, especially in regards to the concerns raised at this meeting relating to the evaluation criteria around MWESB goals.
  - Metro staff is committed to exploring the best path forward with the committee Co-chairs.

# Meeting minutes



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## Implementation Strategy Calendar Review

Emily explained that the committee members will be receiving calendar holds for future meetings, and directed the Committee to the handout illustrating the draft calendar. She noted that the calendar proposes monthly meetings for the rest of 2019, and then quarterly meetings beginning in 2020. Additionally, she pointed out that meetings will be set to allow for three hours if needed. Allison asked the Committee if they were comfortable with these changes. Below is a summary of the discussion.

- Holding some of the meetings in the jurisdictions may increase public comment.
- Consider reserving the first two hours of the meeting for Committee discussion, and then having the last hour for conversations with the jurisdictions.
  - Emily responded: *The last meeting put forward two ideas – to interact with the jurisdictions prior to plan submission, and also a meeting following plan submissions to interact with the jurisdictions and ask questions. The meetings in May and June would have brief presentations from the jurisdictions to help the Committee understand where they are coming from. The review meetings will take place from July to November with one to two strategies for review at each meeting, as well as time for the jurisdictions to answer questions. It’s important to recognize that if the Committee cannot come to a decision at one meeting, it would be difficult to carry it into the next meeting, potentially resulting in a delay.*

## Tools for Success

Emily directed the Committee to the evaluation tool in their packets, explaining that it was developed using the Committee’s feedback from the last meeting. She explained that the Committee would receive the implementation strategies prior to the meetings and then submit questions that will be sent to the jurisdictions to prepare them for the discussion. The Committee agreed with the proposed calendar, review process, and evaluation tool. Below is a summary of the Committee’s discussion:

- If the Committee would like to keep the options of holding pre-meetings, it’s important to consider the public notification requirements. If multiple members want to meet with staff prior to a Committee meeting, and a quorum of members attended, the meeting would be a public meeting.
  - Co-Chair Singleton noted that some members may be able to dig into a strategy better than others, which would allow the time to flag concerns to assist the conversation.
  - Metro staff added that they would be available to meet with committee members one-on-one.
- What about holding subcommittees around specific issues or jurisdictions to promote informed discussions around the findings?
  - Co-Chair Rudman noted that the main task is approving the local implementation strategies, and that it’s important to ensure that the subcommittees are not meeting to approve a plan. Additionally, Co-Chair Rudman explained that the Committee needs to have the time to hear concerns, engage with staff, and discuss as a whole.
- A subcommittee would essentially be the same thing as a pre-meeting, and would be for the purpose of getting information, not for making suggestions. Additionally, it would be comprised of different members at various times.



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Portland, OR 97232-2736

# Meeting minutes

- If there is enough interest in participating in a subcommittee or pre-meeting, it's important to note that attendance does not have to be capped as long as it's planned with enough time for public notice.
- Would it make sense to just extend the meetings to be four hours long rather than scheduling pre-meetings?
  - Emily responded: *If the meeting is longer than three hours, it would need to start before 9 AM.*
  - A Committee member suggested keeping the meetings from 9 AM – 12 PM and then extending them if necessary.
- The Committee agreed to schedule three hour meetings that can be extended if necessary.
- Holding meetings in the different jurisdictions is great in regards to equity, but it's important to note that the timing of these meetings isn't optimal for public attendance.

## Next Steps and Close

Emily explained that prior to the May meeting Metro will have a schedule for jurisdictional attendance at the May and June meetings. Additionally, Emily noted that Metro may be reaching out to the Committee for more volunteers Reviewing Phase 1 projects. Co-Chair Rudman asked whether the jurisdictions have had the chance to review the evaluation sheet. Emily explained that the jurisdictions were invited to attend this meeting. Co-Chair Singleton expressed her belief that considering the Committee's feedback on MWESB goals, the approach was still a draft. Emily committed to following up on this issue. Jes added that Metro staff would work with the committee chairs to discuss the approach.

Jes thanked the Committee for their participation and encouraged members to reach out to Emily if they had suggestions for refining the process.

Co-Chair Singleton expressed her appreciation for members' willingness to be vulnerable, and reminded the Committee that in order to meaningfully address racial equity, it would require striking a balance between slowing down and understanding the urgency of meeting housing production needs.

The meeting was adjourned.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF FOR THE PURPOSE OF ) RESOLUTION NO. 19-4991  
APPROVING AN INTERGOVERNMENTAL )  
AGREEMENT WITH HOUSING AUTHORITY OF )  
CLACKAMAS COUNTY TO PROVIDE AFFORDABLE ) Introduced by Chief Operating Officer  
HOUSING BOND FUNDING TO ACQUIRE REAL ) Martha Bennett in concurrence with  
PROPERTY ) Council President Lynn Peterson

WHEREAS, on June 7, 2018, the Metro Council adopted Resolution No. 18-4898, "For the Purpose of Referring to the Metro Area Voters a Ballot Measure Authorizing General Obligation Bond Indebtedness in an Amount Not to Exceed \$652 Million to Fund Affordable Housing; and Setting Forth the Official Intent to the Metro Council to Reimburse Certain Expenditures Out of the Proceeds of Said Bonds Upon Issuance," approving, certifying and referred by the Metro Council to the Metro Area voters on the November 6, 2018 General Election as Ballot Measure 26-199 ("Affordable Housing Bond Measure"); and

WHEREAS, at the General Election held on November 6, 2018, the Metro Area voters approved the Affordable Housing Bond Measure providing Metro with the authority under the laws of the State of Oregon and the Metro Charter to issue bonds and other obligations payable from ad valorem property taxes for the purpose of financing and identifying funds to be used for affordable housing; and

WHEREAS, on January 31, 2019, the Metro Council adopted Resolution No. 19-4975, adopting the Metro Housing Bond Measure Program Work Plan (the "Work Plan") to serve as a framework for the Metro Housing Bond implementation activities, providing that each local jurisdiction implementer create a plan outlining strategies for achieving its allocated share of unit production targets (the "Local Implementation Strategies") and requiring consideration and approval by the Metro Council of said strategies; and

WHEREAS, the staff report supporting Metro Council Resolution No. 19-4975 contemplated the likelihood that certain implementing jurisdictions would bring forward projects for funding in fiscal year 2019, prior to the completion of Local Implementation Strategies (the "Phase I Projects"), such that Metro consideration and approval of said Phase I Projects would need to occur outside the parameters of the Work Plan; and

WHEREAS, the Housing Authority of Clackamas County ("HACC") has requested \$2.7 million in Affordable Housing Bond Measure funding to acquire certain real property in the City of Gladstone that it intends to use to create 45 single-room occupancy (SRO) units providing long term supportive housing for individuals exiting homelessness; and

WHEREAS, Metro staff believes that HACC's Phase I Project will contribute to the County's unit production targets set forth in the Work Plan and HACC has committed to align the future project with all elements of its forthcoming Local Implementation Strategy, including strategies to advance racial equity;



WHEREAS, Metro staff has negotiated the terms and conditions under which the requested Affordable Housing Bond Measure funding will be provided to HACC, which terms and conditions are set forth in the proposed intergovernmental agreement attached hereto as Exhibit A; now therefore

BE IT RESOLVED that the Metro Council:

Approves the Housing Authority of Clackamas County's request for Metro Affordable Housing Bond Measure funding and authorizes the Metro Chief Operating Officer to enter into an intergovernmental agreement with HACC substantially in the form attached hereto as Exhibit A, or as otherwise approved by the Office of Metro Attorney.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_, 2019.

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Lynn Peterson, Council President

Approved as to Form:

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Nathan A. S. Sykes, Acting Metro Attorney



600 NE Grand Ave.  
Portland, OR 97232-2736  
(503) 797-1700

# Intergovernmental Agreement

## Housing Bond Measure Phase I

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Metro Contract No. XXXXX

THIS INTERGOVERNMENTAL AGREEMENT (“Agreement”) is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 N.E. Grand Avenue, Portland, Oregon 97232-2736, and the Housing Authority of Clackamas County (“Local Implementation Partner”), located at 13930 Gain Street, Oregon City, Oregon 97045 and is dated effective as of the last day of signature set forth below (the “Effective Date”).

### RECITALS

A. The electors of Metro approved Ballot Measure 26-199 on November 6, 2018 (the “Bond Measure”), authorizing Metro to issue \$652.8 million in general obligation bonds to fund affordable housing (the “Bonds”).

B. On January 31, 2019, the Metro Council adopted Resolution No. 19-4956, approving the Metro Affordable Housing Bond Measure Program Work Plan (the “Work Plan”) which, among other things, allows Metro to distribute a portion of the proceeds of the Bonds (the “Bond Proceeds”) to eligible local government affordable housing implementation partners.

C. Local Implementation Partner is a participating local government partner potentially eligible to receive Bond Proceeds under the Work Plan.

D. In accordance with the Work Plan, Local Implementation Partner is in the process of completing its Local Implementation Strategy, and anticipates it will be approximately five months before Local Implementation Partner has completed this strategy and is eligible to receive Bond Proceeds under the Work Plan.

E. Local Implementation Partner has identified an opportunity to acquire certain real property and improvements in the City of Gladstone, which Local Implementation Partner intends to rehabilitate to create 45 single-room occupancy (SRO) units providing long-term supportive housing.

F. In an effort to advance this opportunity without delay, Local Implementation Partner desires to use Bond Proceeds to acquire the Gladstone property prior to Local Implementation Partner’s completion of its Local Implementation Strategy.

G. The parties desire to enter into this Agreement to provide the terms and conditions under which Metro will provide advance Bond Proceeds to Local Implementation Partner to use for property acquisition.

## AGREEMENT

### **1. Purpose**

The purpose of this Agreement is to provide Bond Proceeds to Local Implementation Partner for it to use to acquire certain real property commonly described as 18000 SE Webster Road, Gladstone, Oregon, and legally described in Exhibit A attached to this Agreement (the “Property”). Following acquisition, Local Implementation Partner plans to enter into a development and disposition agreement with a third-party (the “Project Developer”) to redevelop the Property into affordable housing that supports veterans, seniors, and the disabled who are experiencing homelessness so they may transition to long-term supportive housing (the “Project”). The Project is more fully described in Exhibit B attached to this Agreement.

### **2. Metro Funding and Eligible Uses**

Subject to Local Implementation Partner’s full and complete performance under this Agreement, including without limitation, the Conditions Precedent to funding set forth below in Section 3, Metro will disburse to Local Implementation Partner Bond Proceeds in the amount not to exceed \$2.7 million (the “Project Funds”). Local Implementation Partner may use the Project Funds, and any investment earnings thereon, only for the Property acquisition costs set forth in the “Permitted Acquisition Costs List” attached hereto as Exhibit C. Investment earning on the Project funds may only be expended on costs set forth in the Permitted Acquisition Costs List.

### **3. Conditions Precedent to Funding**

The conditions precedent to disbursement (the “Conditions Precedent”) of the Project Funds set forth on attached Exhibit D must be satisfied prior to Metro’s obligation to provide the Project Funds to Local Implementation Partner. These Conditions Precedent to disbursement are solely for Metro’s benefit, and Metro will have the sole right and discretion to waive by written notice any of the conditions.

### **4. Affordable Housing Restrictive Covenant**

Contemporaneously with Local Implementation Partner’s acquisition of fee title to the Property, Local Implementation Partner will cause to be recorded a fully executed and acknowledged Affordable Housing Restrictive Covenant, substantially in the form attached hereto as Exhibit E (the “Covenant”). The Covenant will be executed and acknowledged by Metro and Local Implementation Partner and recorded in the official deed records of Clackamas County, free and clear of all liens and encumbrances, except for the permitted exceptions agreed to by Metro. If

for any reason Local Implementation Partner fails to record the Covenant, then Metro may, at its sole option and upon written notice to Local Implementation Partner, terminate this Agreement, in which case any Project Funds delivered to Local Implementation Partner shall be immediately due and payable by Local Implementation Partner to Metro. The parties to this Agreement acknowledge and agree that upon the closing of the financing of the Project, Local Implementation Partner and the Project developer will execute, deliver and record a restrictive covenant imposing long-term affordability restrictions on the Project in form and substance acceptable to Metro, at which time Metro will release the Covenant so that it is removed from title.

## **5. Failure to Acquire; Failure to Redevelop**

a) By accepting the Project Funds, Local Implementation Partner agrees to use best efforts to diligently acquire the Property and develop the Property to support the affordable housing program as described in the attached Exhibit B. If Local Implementation Partner fails to acquire the Property within thirty (30) days after the Effective Date, unless Metro otherwise directs in writing, the Project Funds, including any interest earned thereon shall be immediately due and payable to Metro by Local Implementation Partner.

b) If Local Implementation Partner acquires the Property but thereafter is unable to proceed with the development and financing of the Project or to commence construction support to the Project described in the attached Exhibit B on or before three (3) years following the Effective Date, Local Implementation Partner will immediately repay Metro the amount of the Project Funds, at which time Metro will release the Covenant recorded against the Property.

c) Local Implementation Partner acknowledges and expressly affirms its repayment obligations set forth in this section even if failure to acquire or redevelop the Property is through no fault of Local Implementation Partner. The obligations to repay include, without limitation, the obligation to return any Project Funds that Local Implementation Partner may have already obligated or spent on purposes approved and set forth on Exhibit C.

## **6. General Obligation Bonds**

a) Local Implementation Partner acknowledges that the Project Funds are proceeds derived from the sale of voter-approved general obligation bonds that are to be repaid using ad valorem property taxes exempt from the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution. Local Implementation Partner covenants and agrees that it will take no actions that would impact the validity of the Bonds or cause Metro not to be able to levy and collect the real property taxes imposed to repay these bonds, which are exempt from

Oregon's constitutional property tax limitations. Local Implementation Partner further covenants and agrees the Project Funds will be used only to pay for or reimburse costs that are of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election) to comply with the Oregon Constitution and other applicable laws with respect to the permitted expenditure of general obligation bond proceeds. Local Implementation Partner will take all reasonable measures to ensure that Bond Proceeds are expended consistent with the purposes of the Work Plan.

b) If Local Implementation Partner breaches the foregoing covenants, Local Implementation Partner will immediately undertake whatever remedies or other action may be necessary to cure the default and to compensate Metro for any loss it may suffer as a result thereof, including, without limitation, repayment to Metro of the Project Funds.

## **7. Right to Withhold payments**

Metro may withhold payments to Local Implementation Partner as necessary, in Metro's reasonable opinion, to protect Metro against any loss, damage or claim which may result from Local Implementation Partner's performance or failure to perform under this Agreement.

## **8. Funding Recognition**

Local Implementation Partner must publically recognize Metro and use of Metro's Bond proceeds in any publications, media presentations, or other presentations referencing the Property or the Project produced by or at the direction of Local Implementation Partner, including, without limitation, any on-site signage. Local Implementation Partner will also take all reasonable measures to require the Project Developer to recognize Metro and use of Metro's Bond proceeds in connection to any publications, media presentations, or other presentations referencing the Property or the Project. Local Implementation Partner will provide Metro with thirty (30) days' notice of any event recognizing, celebrating or commemorating any ground-breaking, completion, ribbon cutting or opening of an affordable housing development of the Property, and an opportunity to participate. Local Implementation Partner shall ensure that Metro will be officially recognized for its contribution to Project funding at any such event, and provide a speaking opportunity for the Metro elected official representing the district in which the Property is located, if such opportunities are provided to other third parties.

## **9. Notice of Project Risk**

Local Implementation Partner must inform Metro immediately of any actual or potential problems or defects that present potential risk to the Project moving forward.

## **10. Termination**

(a) Metro and Local Implementation Partner may jointly terminate all or part of this Agreement based upon a determination that such action is in the public interest. Termination under this provision will be effective upon ten (10) days' written notice of termination issued by Metro subject to that mutual agreement. In the event of a joint termination, Local Implementation Partner will reimburse Metro for all funds distributed to Local Implementation Partner under this Agreement, as well as any earnings thereon.

(b) Metro may terminate this Agreement at any time during the term if Metro reasonably determines that Local Implementation Partner has failed to comply with any provision of this Agreement and is in default hereunder. Metro will promptly document such default and notify Local Implementation Partner in writing of such determination. Local Implementation Partner will have thirty (30) days after receipt of written notice to cure any default. If the default cannot be cured within thirty (30) days, Local Implementation Partner will not be in default so long as it reasonably pursues with all due diligence to cure the default. Local Implementation Partner will be liable to Metro for all reasonable costs and damages incurred by Metro as a result of and in documentation of the default. In the event of termination of this Agreement pursuant to Section 5 or 6, Local Implementation Partner will reimburse Metro for all funds distributed to Local Implementation Partner under this Agreement, as well as any earnings thereon.

## **11. Local Implementation Partner Reporting Requirements**

(a) Beginning with the disbursement of the Project Funds, and continuing each calendar quarter thereafter until the Property is acquired, Local Implementation Partner will provide a report to Metro on or before the 15th day after the end of the immediately preceding calendar quarter containing the information described in this paragraph. Local Implementation Partner's first report will be due on or before October 15, 2019. Each report will contain: (i) an itemized list of Local Implementation Partner's expenditure of the Project Funds (and interest earnings thereon) through the end of the applicable calendar quarter detailing each entity to whom moneys were directly paid by Local Implementation Partner and the amount paid, (ii) information on Local Implementation Partner's progress in completing the Property acquisition against Local Implementation Partner's established timelines or deadlines, and (iii) a copy of Local

Implementation Partner's itemized financial report of income and expenses for the acquisition of the Property to date.

(b) Promptly after acquisition of the property and in no event later than the expiration date of this Agreement, Local Implementation Partner will furnish Metro with a final report on the Property acquisition. The final report will contain a compilation related to the acquisition of the Property of the same information as provided in each quarterly report on Local Implementation Partner's expenditure of the Project Funds (and interest earnings thereon) and Local Implementation Partner's final itemized financial report of income and expenses for the Property acquisition.

(c) Local Implementation Partner will provide to Metro any other additional reports as Metro may reasonably request from time to time.

## **12. Audits, Inspections and Retention of Records**

Local Implementation Partner will keep proper books of account and records on all activities associated with the expenditure of the Project Funds disbursed by Metro under this Agreement. Local Implementation Partner will maintain these books of account and records in accordance with generally accepted accounting principles and will retain the books of account and records at least until the later of (a) six (6) years from the disbursement of the Project Funds to Local Implementation Partner or (b) the date that any dispute or controversy arising from this Agreement is resolved. Local Implementation Partner will permit Metro and its duly authorized representatives, upon prior written notice, to inspect its properties, all work done, labor performed and materials furnished during normal business hours, and to review and make excerpts and transcripts of its books of account and records with respect to the receipt and disbursement of the Project Funds received from Metro. Access to these books of account and records is not limited to the required retention period. Metro's authorized representatives will have access to records upon reasonable notice at any reasonable time for as long as the records are maintained. Metro expects the Bonds financing the Project Funds to be outstanding until approximately May of 2039. Local Implementation Partner will maintain copies of invoices and other records demonstrative of the expenditures of the Project Funds by Local Implementation Partner through May of 2042, on the date that is three (3) years from the maturity date of the Bonds.

## **13. Notices and Parties' Representatives**

Any notices permitted or required by this Agreement will be addressed to the other party's representative(s) designated in this Section of this Agreement and will be deemed provided (a)

on the date they are personally delivered, (b) on the date they are sent via facsimile, or (c) on the third day after they are deposited in the United States mail, postage fully prepaid, by certified mail return receipt requested. Either party may change its representative(s) and the contact information for its representative(s) by providing notice in compliance with this Section of this Agreement.

Metro:

Emily Lieb

600 NE Grand Ave.

Portland, OR 97232

503-797-1921

[Emily.Lieb@oregonmetro.gov](mailto:Emily.Lieb@oregonmetro.gov)

Local Implementation Partner:

Housing Authority of Clackamas County

13930 Gain Street

Oregon City, Oregon 97045

ATTN: \_\_\_\_\_

\_\_\_\_\_

#### **14. State and Local Law Compliance**

Local Implementation Partner must comply with all applicable federal, state, and local laws, regulations, executive orders and ordinances applicable to its acquisition and ownership of the Property, including future construction and development of the Property. By accepting the Project Funds, Local Implementation Partner agrees to use the Property solely for lawful purposes that comply with the Covenant.

#### **15. Discrimination Prohibited**

No recipient or proposed recipient of any services or other assistance under the provisions of this Agreement or any program related to this Agreement may be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with the funds made available through this Agreement on the grounds of race, color, or national origin, 42 U.S.C. §2000d (Title VI), or on the grounds of religion, sex, ancestry, age, or disability as that term is defined in the Americans with Disabilities Act. For purposes of this section, "program or activity" is defined as any function conducted by an identifiable administrative unit of Local Implementation Partner receiving funds pursuant to this Agreement.

#### **16. Insurance; Indemnification**

(a) Metro is self-insured for general liability insurance and workers' compensation insurance coverage and is responsible for the wages and benefits of its respective employees performing any work or services related to this Agreement. Local Implementation Partner is responsible for the wages and benefits of its respective employees performing any work or services related to



this Agreement and has the following types of insurance, covering Local Implementation Partner, its employees, subcontractors and agents:

- i. ISO (Insurance Services Office) Approved Commercial General Liability policy, written on an occurrence basis, with limits not less than \$1,000,000 per occurrence. The policy includes coverage for bodily injury, death, property damage, personal injury, products/completed operations, and contractual liability assumed under this Agreement;
- ii. Automobile insurance with coverage for bodily injury and property damage and with limits not less than minimum of \$1,000,000 per accident or combined single limit; and
- iii. Workers' Compensation insurance meeting Oregon statutory requirements including Employer's Liability with limits not less than \$1,000,000 per accident or disease.

(b) Subject to the limitations and conditions of the Oregon Tort Claims Act, ORS chapter 30 and Article XI, Section 10 of the Oregon Constitution, Local Implementation Partner will defend, indemnify and hold harmless, Metro from and against any and all liabilities, claims, demands, damages, actions, costs, penalties, losses and expenses (including any attorney's fees in defense of Metro or any attorney's fees incurred in enforcing this provision) on account of personal injury, death, or any damage to or loss of property or revenues arising out of or in any way connected with its performance of this Agreement, or resulting in whole or in part from any act, omission, negligence, fault or violation of law or ordinance by Local Implementation Partner, its employees, agents, sub-contractors, directors or officers.

(c) In no event will either party be liable for special, punitive, exemplary, consequential, incidental or indirect losses or damages (in tort, contract or otherwise) under or in respect of this Agreement or for any failure of performance related to delivery of the Project Funds for this Agreement, however caused, whether or not arising from a party's sole, joint or concurrent negligence.

## **17. Governing Law**

This Agreement will be governed in accordance with the laws of the State of Oregon, without resort to any jurisdiction's conflicts of laws, rules, and doctrines. Any litigation between the parties that arises out of or relates to the performance of this Agreement will occur in the Multnomah County Circuit Court.

## **18. No Third Party Beneficiaries**

Local Implementation Partner and Metro are the only parties to this Agreement and are the only parties entitled to enforce its terms and the sole beneficiaries hereof. Nothing in this Agreement gives, is intended to give, or will be construed to give or provide any benefit or right, whether

directly, indirectly, or otherwise, to third persons any greater than the right and benefits enjoyed by the general public.

### **19. Relationship of Parties**

Nothing in this Agreement nor any acts of the parties hereunder shall be deemed or construed by the parties, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture or any association between any Local Implementation Partner and Metro. Furthermore, Metro will not be considered the owner, contractor or the developer of the Property. This Agreement is not intended to be a contract that provides for the development or construction of the Property, either directly with a construction contractor or through a developer. Metro specifically waives any provision contained in this Agreement, to the extent it is construed to provide Metro the right to manage, direct or control the developer, general contractor or the subcontractors. The rights and duties of the developer, the general contractor and the subcontractors are the subject of a separate contract or contracts with Local Implementation Partner to which Metro is not a party.

### **20. Assignment; Merger; Entire Agreement**

This Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstance, be assigned or transferred by Local Implementation Partner without Metro's written consent. This Agreement and attached exhibit(s) constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. The failure to enforce any provision of this Agreement does not constitute a waiver by Metro of that or any other provision. No waiver, consent, modification or change of terms of this Agreement will bind either party unless it is in writing and signed by both parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, will be effective only in the specific instance and for the specific purpose given. The failure of a party to enforce any provision of this Agreement will not constitute a waiver by that party of that provision, or of any other provision.

### **21. Further Assurances**

Each of the Parties will execute and deliver any and all additional papers, documents, and other assurances, and will do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent and agreements of the parties hereto.

**22. Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**METRO**

**LOCAL IMPLEMENTATION PARTNER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

- Exhibit A: The Property
- Exhibit B: Affordable Housing Redevelopment Project Description
- Exhibit C: Permitted Acquisition Costs List
- Exhibit D: Conditions Precedent to Funding
- Exhibit E: Affordable Housing Restrictive Covenant



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

## Exhibit A – The Property

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# Exhibit B – Affordable Housing Redevelopment Project Description

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**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

# Exhibit C – Permitted Acquisition Costs List

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**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

# Exhibit D – Conditions Precedent to Funding

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**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

# Exhibit E – Affordable Housing Restrictive Covenant

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**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736



IN CONSIDERATION OF RESOLUTION NO. 19-4991, FOR THE PURPOSE OF APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH HOUSING AUTHORITY OF CLACKAMAS COUNTY TO PROVIDE AFFORDABLE HOUSING BOND FUNDING TO ACQUIRE REAL PROPERTY

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Date: April 19, 2019  
Department: Planning & Development  
Meeting Date: May 2, 2019

Prepared by: Emily Lieb, 503-797-1921,  
[emily.lieb@oregonmetro.gov](mailto:emily.lieb@oregonmetro.gov)  
Presenter(s) (if applicable): Emily Lieb  
Length: 15 min

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### **ISSUE STATEMENT**

The Housing Authority of Clackamas County (“HACC”) has requested up to \$2.7 million in Metro Housing Bond funding for the acquisition of 18000 Webster Road in Gladstone, the (“Property”), including \$2.5 million to acquire the site plus up to \$200,000 in additional due diligence and closing costs. HACC intends to rehabilitate the building to create 45 single-room occupancy (SRO) units providing permanent supportive housing for individuals exiting homelessness.

To finance the rehabilitation, HACC anticipates leveraging 45 project-based Section 8 vouchers, a permanent loan, and additional Metro Housing bond funding estimated around \$4.2 million. HACC recently selected an architecture firm, expects to engage a general contractor soon after acquiring the property and close on construction financing in late 2019, with a goal of having the building ready for occupancy by early 2021.

### **ACTION REQUESTED**

Adopt a resolution approving an intergovernmental agreement with Housing Authority of Clackamas County (HACC) to provide up to \$2.7 million in affordable housing bond funding to acquire real property.

### **IDENTIFIED POLICY OUTCOMES**

Based on the conceptual development program provided by HACC staff, the project would deliver 5.5 percent of the County’s overall unit production target, 13.5 percent of the County’s target of units affordable at 30 percent of AMI, and zero percent of the City’s family-sized unit target. Including the acquisition cost of not to exceed \$2.7 million and anticipated future Housing Bond funding request of around \$4.2 million, the Gladstone site would utilize \$6.9 million in Metro Bond Funds, or 5.9 percent of Clackamas County’s allocation of Bond funds.

## **POLICY QUESTION(S)**

Is the proposed location and preliminary project concept in alignment with the bond unit production targets and other outcomes described in Council's approved Housing Bond Framework adopted by the Metro Council in June 2018?

## **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

- Authorize acquisition funding by adopting Resolution No 19-4991. This will result in a release of up to \$2.7 million in funding to HACC to acquire the site for the purpose of rehabilitation to create affordable housing. Further funding for project rehabilitation will be conditional on demonstration of financial feasibility, compliance with bond requirements, and consistency with Clackamas County's forthcoming Local Implementation Strategy.
- Do not authorize acquisition funding. This could create project delays and risks that HACC will not be able to secure the property for an affordable housing project consistent with the Metro Housing Bond Framework.

## **STAFF RECOMMENDATIONS**

Staff recommends adoption of Resolution No. 19-4991.

## **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

The Housing Authority of Clackamas County (HACC) is actively working on a Local Implementation Strategy for consideration by Metro Council in summer 2019.

The proposed authorization of acquisition funding for Clackamas County's Phase I project is based on numerous policies previously adopted by the Metro Council, including but not limited to:

- Resolution 19-4956, adopting the Housing Bond Program Work Plan
- Ordinance 19-1430, amending Metro Code Chapter 2.19 to establish the Metro Affordable Housing Bond Community Oversight Committee
- Resolution No. 18-4895, adopting the Initial Housing Bond Framework for implementation of the regional affordable housing bond
- Resolution No. 18-4898, referring the affordable housing bond measure to Metro District voters
- Ordinance No. 18-1423, determining that Affordable Housing is a matter of metropolitan concern and undertaking an affordable housing function

Staff consulted with two volunteer members of the Housing Bond Community Oversight Committee prior to finalizing the staff recommendation for this Phase I property acquisition. Committee members concurred with staff's recommendations.

Staff is not aware of any opposition to HACC's acquisition of the Gladstone property. HACC staff have consulted with staff and elected leaders in the City of Gladstone, who have expressed strong support.

If Metro Council approves a funding for the acquisition, next steps for site development will include:

- May 2019: Property acquisition with IGA and temporary regulatory agreement
- Spring/Summer 2019: Selection of general contractor
- Summer/Fall 2019: Community engagement
- Winter 2019: Final project proposal, including financing plan
- Winter 2019: Rehabilitation construction begins
- Winter/Spring 2021: Lease up

## **BACKGROUND**

Staff previously discussed the purpose of Phase I projects with the Council at a work session on Dec. 11, 2018 and prior to approval of Resolution 19-4956 adopting the Housing Bond Program Work Plan on January 31, 2019.

## **ATTACHMENTS**

Staff report: *Clackamas County Phase I Property Acquisition: 18000 Webster Road, Gladstone, Oregon.*

Exhibit A to Staff Report for Resolution 19-4991: Gladstone Acquisition  
Resolution No. 19-4991

Exhibit A to Resolution 19-4991: Draft Housing Authority of Clackamas County IGA

[For work session:]

- Is legislation required for Council action?  Yes  No
- If yes, is draft legislation attached?  Yes  No
- What other materials are you presenting today? None

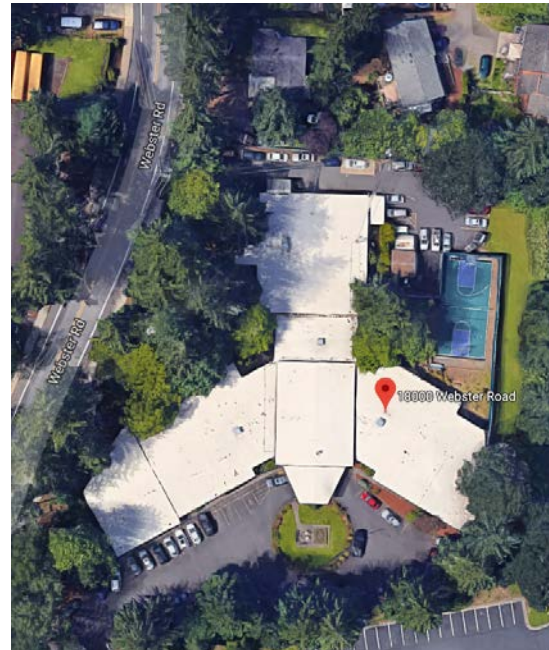


# Clackamas County Phase I Property Acquisition 18000 Webster Road, Gladstone, Oregon

## Project Overview

The Housing Authority of Clackamas County (“HACC”) has requested a not to exceed amount of \$2.7 million in Metro Housing Bond funding for the acquisition of 18000 Webster Road in Gladstone, the (“Site”). This includes a \$2.50 million purchase price plus up to \$200,000 in additional due diligence and acquisition costs subject to Metro approval.

The Site comprises 2.21 acres and an existing building estimated to be between 27,000-31,000 square feet. The building was constructed in 1967 as an assisted living facility for seniors and people living with disabilities and was later converted to provide housing for juveniles with chronic mental health issues. It has been vacant since 2017.



HACC intends to acquire the property from Northwest Behavioral Health and then rehabilitate the building to create 45 single-room occupancy (“SRO”) units providing Permanent Supportive Housing. To finance the future rehabilitation effort HACC expects to leverage project-based Section 8 vouchers, 4% Low Income Housing Tax Credits (LIHTC), a permanent loan, and an additional anticipated \$4.2 million of Metro Housing Bond funding. HACC recently selected an architecture firm and expects to engage a general contractor soon after acquiring the property and to close on its construction financing in late 2019.

HACC is submitting the acquisition of 18000 Webster Road to Metro as a “Phase 1” project. Eligible implementation jurisdictions for the Metro Housing Bond have been invited to submit up to one “Phase 1” project for consideration between March and June 2019, prior to completion of a full Local Implementation Strategy. Because the project is seeking site acquisition funding prior to completion of a full Local Implementation Strategy, Metro Council action is requested to approve funding authorization for this acquisition.

Within the funding distribution framework approved by Metro Council (see *Exhibit B* of the Affordable Housing Bond Program Work Plan), Clackamas County is eligible to administer \$116.19 million in project funding to support affordable housing projects that align with Bond Program goals. HACC staff are actively working to develop a Local Implementation Strategy for consideration

by the Housing Bond Community Oversight Committee in August 2019 and Metro Council in September 2019.

## Background

HACC identified the 18000 Webster Road building because of its recently vacant status and existing configuration of single room occupancy (“SRO”) units. Currently there are no SRO units in Clackamas County. HACC sees this housing type as particularly well suited to serve veterans, seniors, and people living with disabilities who are experiencing homelessness transition to safe supportive housing. HACC intends to operate the site using a Permanent Supportive Housing service model, with health and wellness clinics on site.

## Site



## Neighborhood

The site is 2.21 acres and located within a single family neighborhood. A Mormon temple abuts the property to the immediate south and a Baptist church is located immediately to the west of the site. Single family homes are to the north and west. Gladstone Nature Park, a 10-acre wooded park with nature paths is 500 feet to the south on Webster Road. A Safeway grocery store is located 0.8 miles to the south.

The 31 bus directly serves the site and provides service north to Clackamas Town Center and the Green Line MAX and south to Oregon City. Throughout the day the 31 bus provides service with approximately 30 minute headways.

**Zoning** - The project is located within a SFR-6 zone which permits single family homes as well as certain institutional uses including “residential care” facilities. HACC staff believe the proposed use of the building as SRO housing with supportive services will be allowed by the City of Gladstone as either an as of-right or conditional use; however, Clackamas County will not be able to make a formal land use application until after it secures the site. In the event that Clackamas County is unable to secure land use approval to use the building for affordable housing, Metro’s proposed intergovernmental agreement (“IGA”) will require the County to repay the bond funds to Metro.

**Appraisal** - An appraisal engaged by HACC and provided to Metro supports the proposed acquisition price of \$2.50 million.

## **Building**

The building was constructed in 1967 as a senior assisted living and memory care facility and later adapted to serve juveniles facing chronic mental health issues. It is a single-story building that currently has 47 private rooms with either shared or private toilets. Shower facilities are located in four separate rooms. Common amenities include a commercial kitchen, tenant laundry room, staff break room, a common lounge, a public restroom, and several private offices. The site also features an outdoor patio and a sports court.

**Capital Needs** - A capital needs assessment engaged by Clackamas County identified \$5,750 in immediate required repairs and \$656,491 in repairs required within twelve months. In addition to these identified repairs, the report recommended further investigation to evaluate the need to replace the electrical distribution panels, sprinkler heads, and galvanized steel piping, and to evaluate the condition of the roof. HACC has budgeted \$5,913,000 for renovation costs and expects to be able to address all significant building deficiencies within this budget.

**Hazardous Materials** - A hazardous material screening for the building reviewed potential risks from asbestos, lead based paint, and radon. The screening identified asbestos-containing materials in the sheet floor covering, ceiling materials, pipe insulation, wall board, sink undercoating in a staff locker room, and the stucco building exterior. These items will be either removed or abated as part of the building rehabilitation. All samples of paint tested below the limit of detection for lead content. Testing for radon found levels below EPA standards for risk to human health.

**Seismic Risk** - A seismic risk assessment engaged by Clackamas County determined that the wood frame structure had a low risk of damage in a seismic event.

## **Development Team**

HACC recently selected Carleton Hart Architecture as the architect for the site through a competitive RFP process. Carleton Hart is a Portland based firm and has designed a number of affordable housing projects across the region, including The Barcelona in Beaverton, The Knoll in Tigard, and Woody Guthrie in SE Portland.

HACC expects to competitively solicit a general contractor once the rehabilitation scope is defined. Metro will have the opportunity to review the development team at the time that Clackamas County seeks funding approval for the rehabilitation work.

## Project Financing

Project financing is at a very early stage. The building rehabilitation scope of work has not been developed and a general contractor has not yet been selected.

HACC staff have provided a preliminary estimated total development cost of approximately \$10.85 million, reflecting a per unit cost of \$241,048 and a per gross square foot cost of \$374 based on an estimated building size of 29,000 square feet. The proposed developer fee of \$625,000 represents 5.8 percent of total costs and is within Oregon Housing and Community Service limitations.

Projected sources for the project include \$2.45 million in 4 percent Low Income Housing Tax Credits (LIHTC), \$6.89 million in Metro Regional Bond funds (including the \$2.57 million requested for the site acquisition), and \$1.5 million in permanent debt. HACC intends to allocate project based vouchers to support all 45 units.

### 18000 Webster Road Preliminary Financing

Uses	Total
Site and Due Diligence	\$2,700,000
Construction Costs	\$5,913,250
Development Costs	\$523,000
General Fees	\$414,000
Financing Fees	\$261,009
Construction Interest	\$207,100
Contingency	\$100,000
Lease Up Costs	\$103,841
Developer Fee	\$625,000
<b>Total Uses</b>	<b>\$10,847,200</b>

Sources	Total
Limited Partner Equity (4% LIHTC)	\$2,453,312
Metro Regional Housing Bond	\$6,891,888
Permanent Loan	\$1,502,000
<b>Total Sources</b>	<b>\$10,847,200</b>

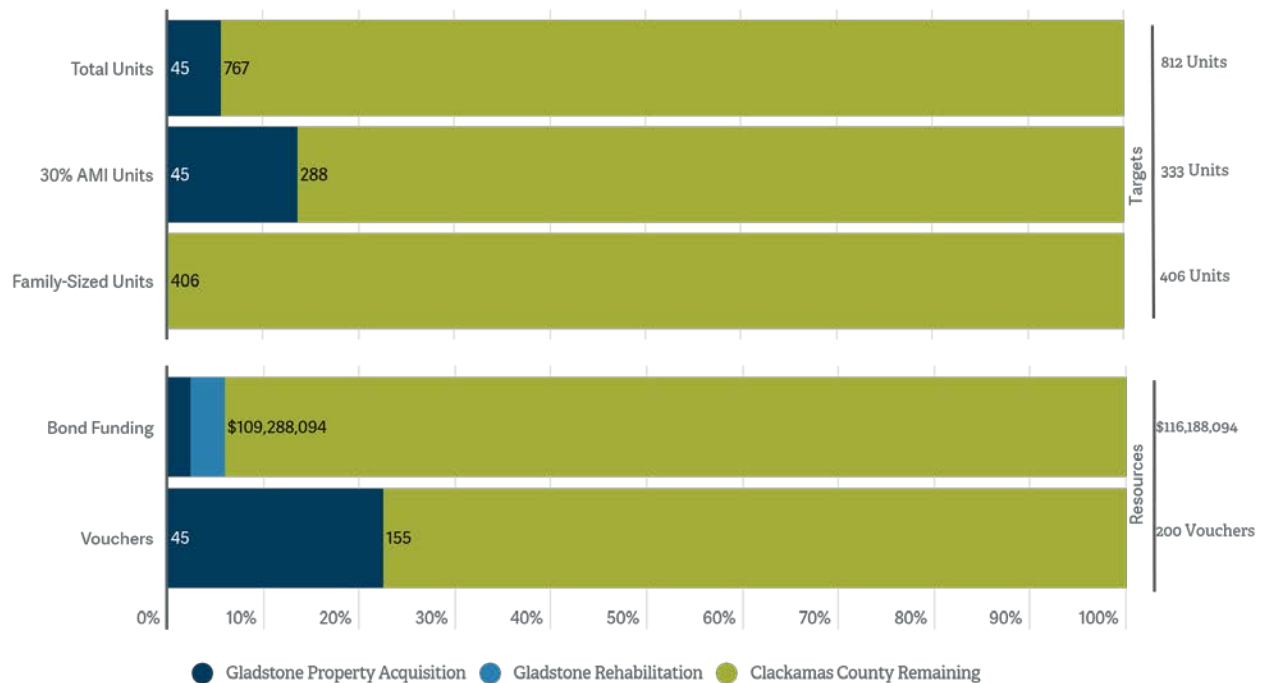
## Alignment with Local Implementation Strategy

While Clackamas County'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 for the rehabilitation 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

Including both the current request for acquisition funding and the anticipated future request for rehabilitation funds, the project would utilize \$6.89 million in Metro Bond Funds and 45 project based rental assistance vouchers. Overall, the project would utilize 5.9 percent of Clackamas County's allocation of Bond funds while delivering 5.5 percent of the County's overall unit production target, 13.5 percent of the County's target of units affordable at 30 percent of AMI, and zero percent of the City's family-sized unit target.

## Production Targets & Resources



### 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 preliminary project concept for the site addresses Local Implementation Strategy requirements related to advancing racial equity in the following ways:

- The project location aligns with preliminary local policy direction related to investing in mixed income neighborhoods.
- The project concept is focused on low-barrier housing for individuals experiencing homelessness, which disproportionately impacts people of color. HACC intends to contract a third-party service provider to operate the building as supportive housing with on-site health and wellness services.
- As providers of public housing, HACC has a track record of serving individuals with high barriers. On average, residents in HACC's public housing units earn less than \$11,000 a year. Twenty-eight percent of residents are living with disabilities.
- The final project proposal will demonstrate alignment with equity in contracting strategies described in Clackamas County's forthcoming Local Implementation Strategy. HACC staff have a preliminary recommendation for a 10% minimum and 15% aspirational MWESB goal.



## Community Engagement

Metro's Housing Bond Work Plan calls for ongoing engagement of historically marginalized communities to shape project outcomes. HACC has contracted the Community Alliance of Tenants and the Institute for Portland Metropolitan Studies to develop a community engagement plan for the Gladstone project using technical assistance funding from Metro. Outreach will be focused on reaching communities of color and historically marginalized community members in Gladstone. 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.

## Alignment with Site Acquisition Parameters

In addition to contribution to the Unit Production Targets and alignment with the Local Implementation Strategy, Section 7.4 of the Housing Bond Program Work Plan includes criteria for property acquisitions. Staff conclude that the Project meets all of these criteria, as summarized below.

*The property is owned by a willing seller.*

HACC has an option agreement to purchase the site from the 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.*

A third party appraisal prepared to USPAP standards by Colliers International and engaged by HACC has been provided to Metro and supports the proposed acquisition price.

*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. 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.*

Staff believe the site is development-ready; however, local land use approval to use the building as SRO housing with supportive services will need to be requested following the acquisition of the site. In the event that HACC is unable to secure land use approval to use the building for affordable housing, Metro's proposed IGA will require the County to repay the bond funds to Metro.

## Next Steps

If the Project receives funding, the anticipated timeline of next steps includes:

- May 2019: IGA and regulatory agreement execution and property acquisition
- Spring/Summer 2019: Selection of general contractor
- Summer/Fall 2019: Community engagement
- Winter 2019: Final project proposal, including financing plan
- Early 2021: Lease up

If HACC fails to secure financing for the rehabilitation project within three years of the execution of the IGA, the County will be obligated to repay acquisition funds to Metro.

## Staff Findings and Recommendations

### Findings

Key staff findings include:

- Requested Metro Housing Bond funding is proportionate to the Gladstone SRO project's contribution toward unit production targets. Overall, the project would utilize 5.9 percent of Clackamas County's allocation of Bond funds while delivering 5.5 percent of the County's overall unit production target, 13.5 percent of the County's target of units affordable at 30 percent of AMI, and zero percent of the City's family-sized unit target.
- Additional information related to strategies for advancing racial equity and community engagement outcomes will be needed prior to final funding authorization to confirm consistency of the project with Clackamas County's Local Implementation Strategy.

### Recommendations

Staff recommends that the Metro Council take action to authorize the COO to approve an intergovernmental agreement providing up to \$2.7 million in funding for the acquisition of the project site and reimbursement of preliminary due diligence costs. Funding authorization for the rehabilitation will be conditioned on demonstration of project feasibility and consistency with Clackamas County's forthcoming Local Implementation Strategy.

Materials after this page were distributed at the meeting.

# Regional affordable housing bond

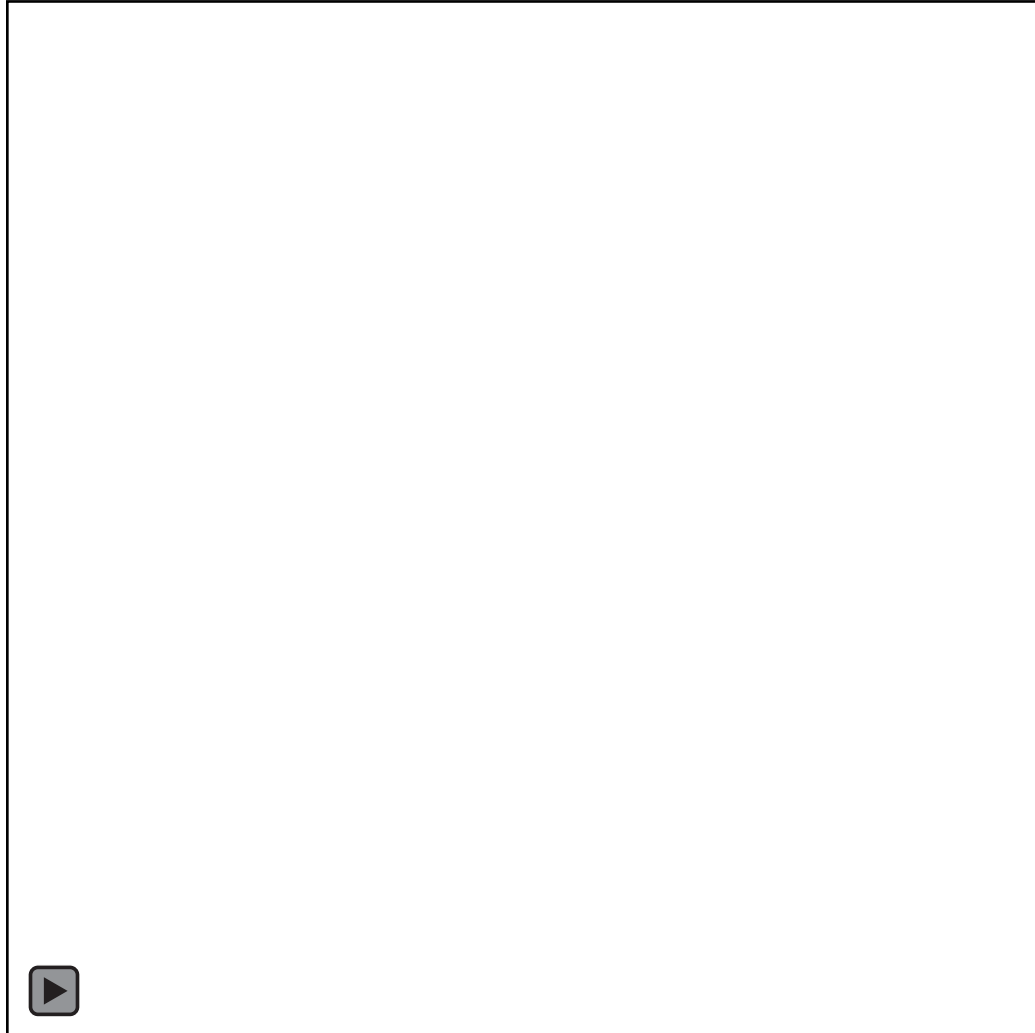
Community Oversight  
Committee Meeting #4

May 1, 2019

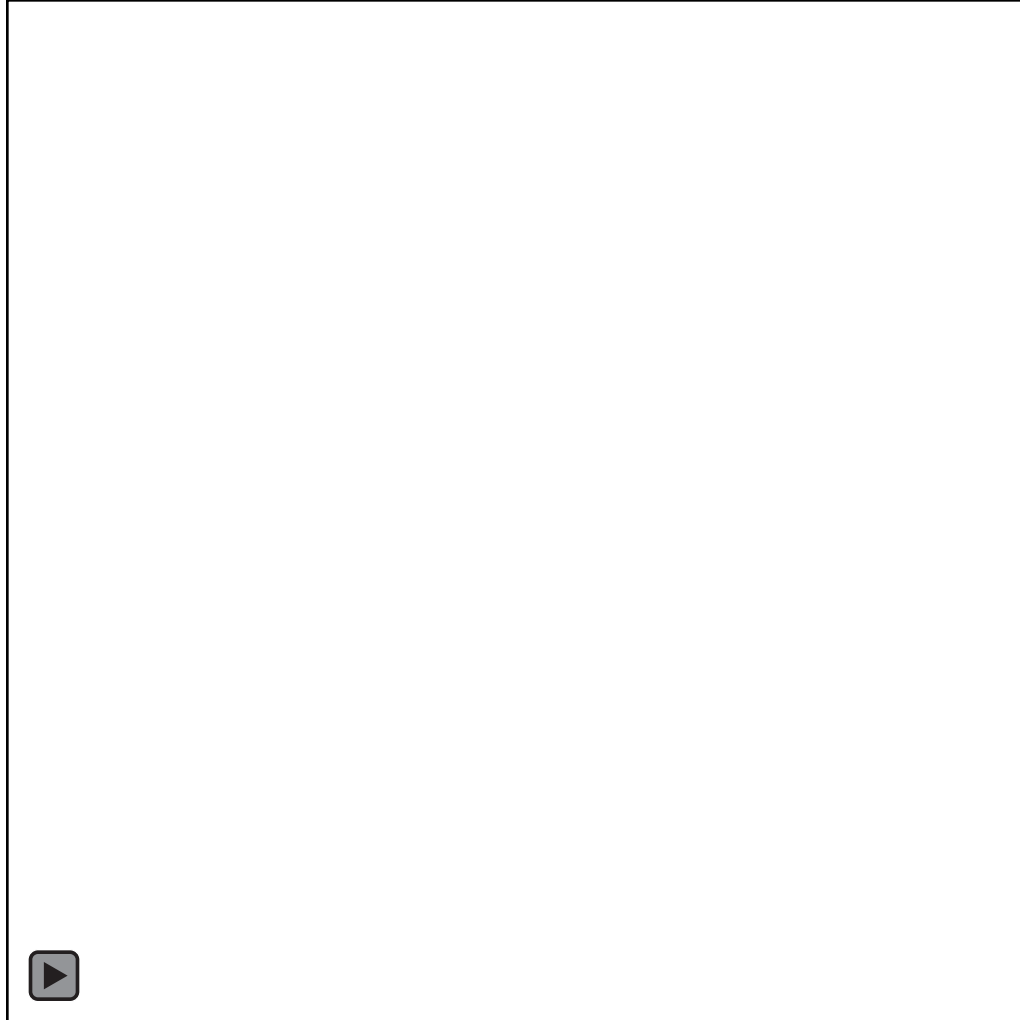


Metro

# Housing Story



# Housing Story



# Phase 1 Project: Gladstone

\$2.5M acquisition

Estimated \$4.2M rehab

45 SRO units

Permanently Supportive  
Housing with 45 vouchers

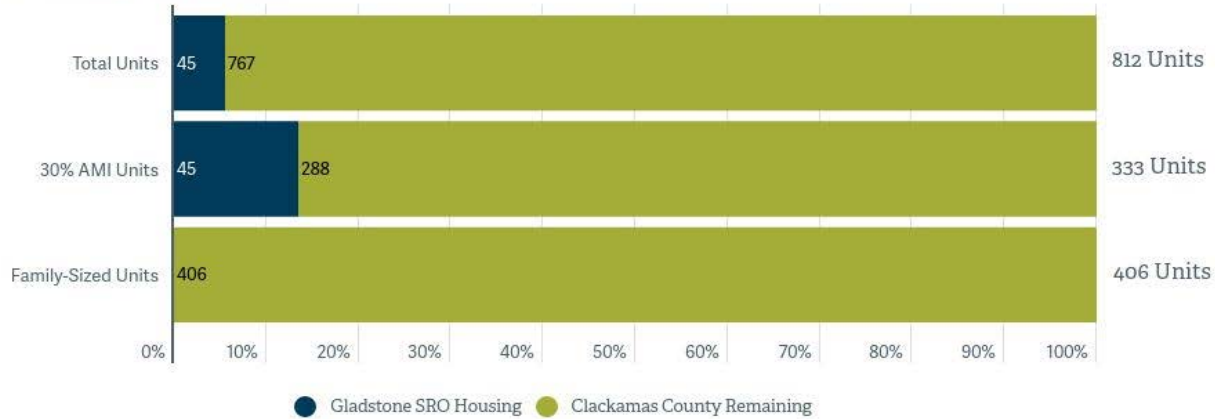
Lease up starting in 2021



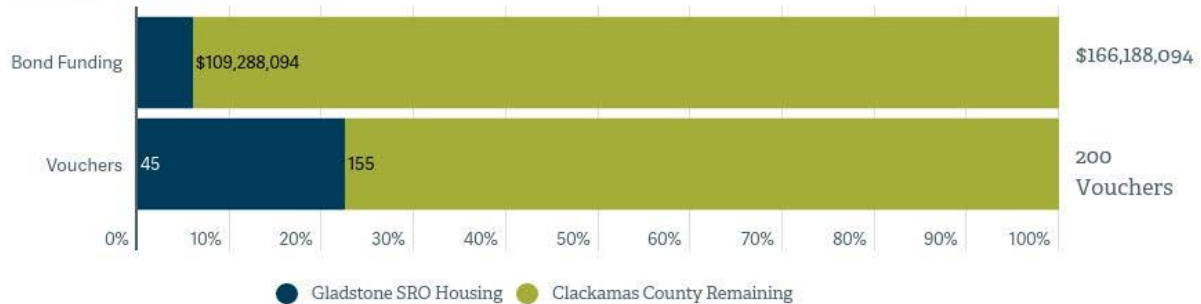
# HACC Progress

## Housing Authority of Clackamas County (HACC)

### Production Goals



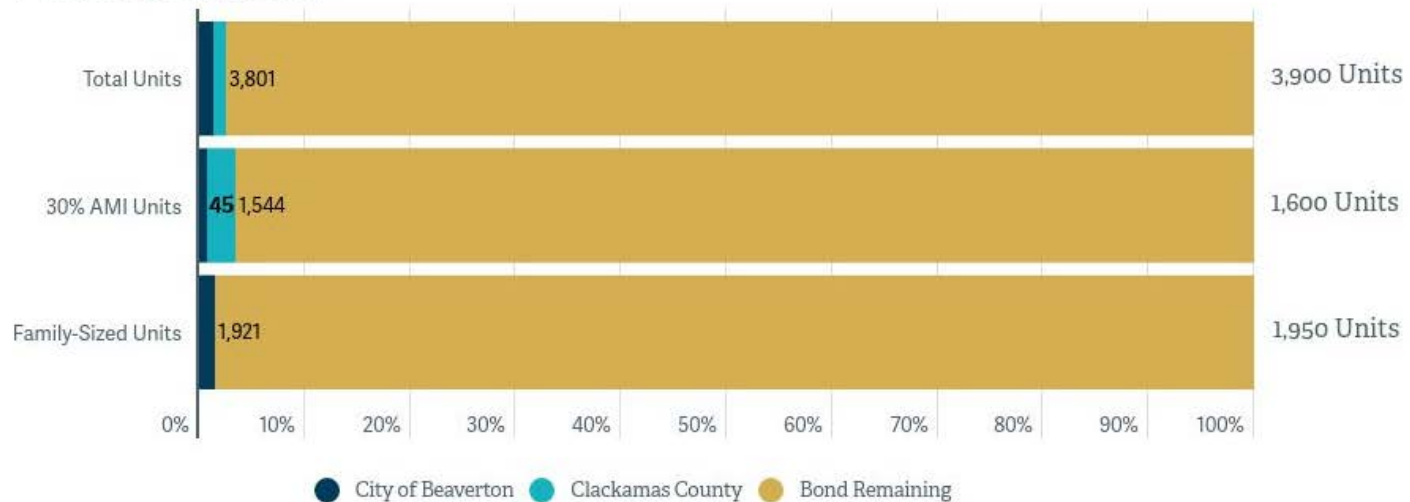
### Production Resources



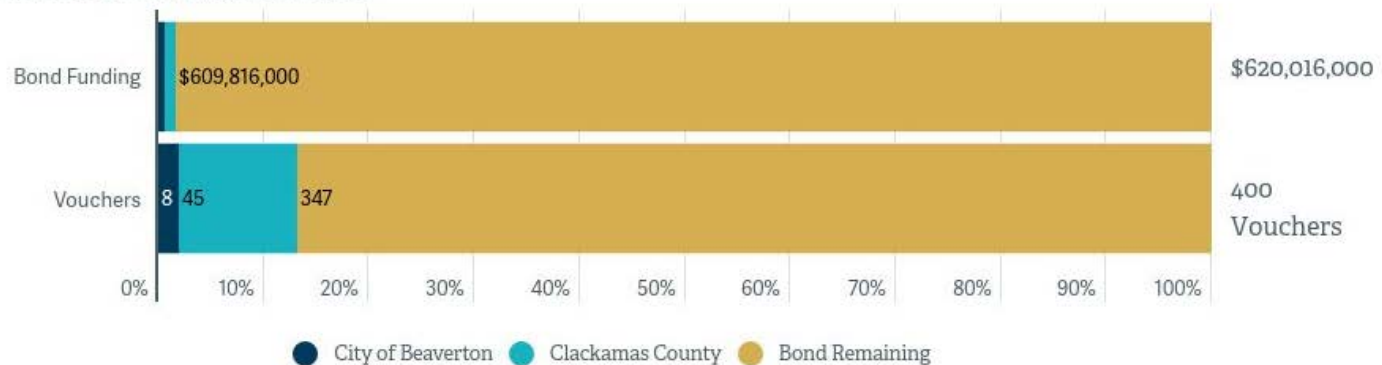


# Bond Tracking progress

## Production Goals



## Production Resources



# Engagement opportunities

## CALENDAR

May 2019

June 2019



1

WEDNESDAY

Housing Bond  
Community  
Oversight  
Committee  
meeting

Metro Regional Center,  
council chamber  
9 a.m.

14

TUESDAY

Clackamas  
County  
discussion about  
affordable  
housing

Clackamas County  
offices, room 115  
(auditorium)  
5:30 p.m.

16

THURSDAY

Beaverton public  
feedback session  
about affordable  
housing strategy

Highland Park Middle  
School, cafeteria  
5:30 p.m.

5

WEDNESDAY

Housing Bond  
Community  
Oversight  
Committee  
meeting

Metro Regional Center,  
council chamber  
9 a.m.

## Share your views by May 15

Feedback from this survey will help Metro search the region for locations for new affordable housing and learn how housing can be accessible and supportive of people.

[Take the survey](#)

Participa en una encuesta de vivienda hasta el 15 de Mayo →

请于5月15日前参与住房意见调查 →

Tham gia vào một cuộc khảo sát nhà ở vào ngày 15 tháng 5 →

[www.oregonmetro.gov/housing](http://www.oregonmetro.gov/housing)

**oregonmetro.gov**



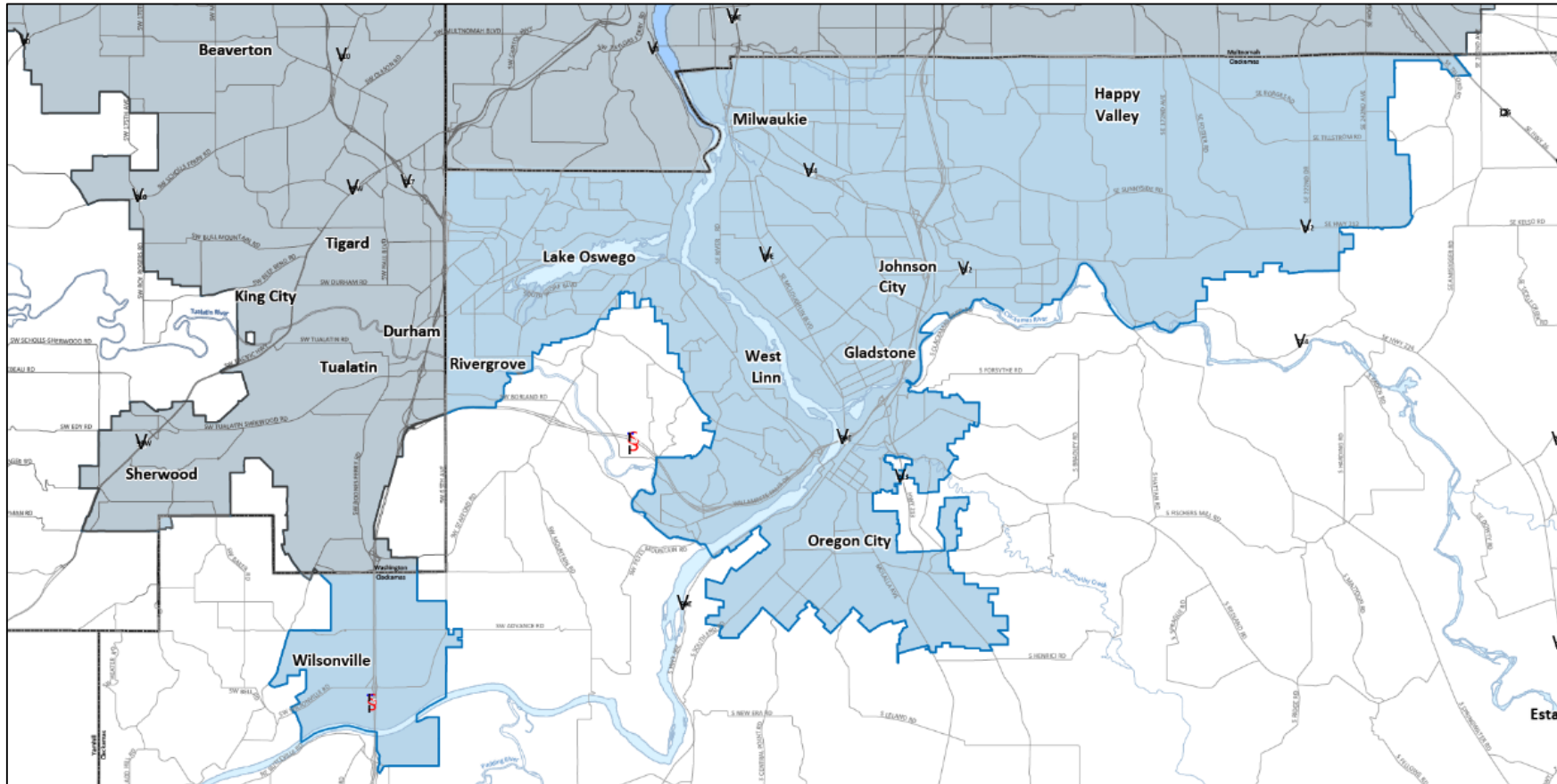
# Metro Housing Bond

## Clackamas implementation update



# Who is Clackamas County?

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# Clackamas County goals

- Permanent supportive housing
- Opportunity areas
- Prioritizing Community Development funds for developers working outside UGB
- Project readiness
- Encouraging development that can provide relief in rent-burdened communities





# Goals related to advancing racial equity

- 10% MWESB for all developments with an aspirational goal of 15%
- Reduced screening criteria
- Marketing strategies
- County has commissioned a study to understand the history of racial inequity in housing development; available this summer



# Local resource commitments

- Housing Affordability and Homelessness Task Force
- Affordable Housing and Services Fund
- FUSE
- Housing Needs Assessment
- Point in Time Count



# Ensuring inclusive, ongoing engagement

- Contracted with Unite Oregon, a culturally-specific partner, who has begun outreach in Spanish, Arabic and with the African American community. They have commitments for mobilizations in each of those communities.
  - Madres de Corazón is working to mobilize parents
  - Headstart is helping promote in the schools





# Engagement activities and timeline

- **May 14:** Housing Forum: targeted outreach to jurisdictional partners and developers
- **May 15:** Input from engaged residents through ClackCo Academy
- **May - June:** Two community meetings hosted by Unite Oregon
- **June:** Homeless Solutions Coalition of Clackamas County meeting dedicated to the bond
- **June:** Unite Oregon will compile a community engagement report to feed into Local Implementation Strategy

# Challenges and opportunities

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- Development capacity is being grown at and across the county
- Over 50 acres of usable land
- Capitalize on projects that are ready to move forward, ensure projects are spread throughout UGB and not concentrated in one area
- Working with County Commissioners to develop values related to housing
- First time homebuyers
- Growing need for mixed income communities
- Capacity building for culturally-specific organizations
- H3S commitment to bringing services
- Majority of people of color that are Clackamas County residents live outside of the UGB

A photograph of two women sitting at a wooden table in a modern office or cafe. The woman on the left has long, straight white hair and is wearing a dark blue denim jacket. She is looking towards the woman on the right. The woman on the right has long, wavy dark hair and is wearing glasses, a black leather jacket, and an orange turtleneck. She is smiling and holding a pen over a white document. A laptop is open on the table in front of her, displaying a document. The background features large windows and modern pendant lights.

**Starting this fall,  
bring us your deals!**

# For more information and updates

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Visit [www.clackamas.us/metrohousing](http://www.clackamas.us/metrohousing)





**Hillsboro Local Implementation Strategy (LIS) Update – Metro Bond Community  
Oversight Committee**  
May 1<sup>st</sup>, 2019



# Hillsboro Quick Facts

- Population 101,920 (2018 Estimate)
- 5<sup>th</sup> Largest City in Oregon
- 40% non-white, communities of color
  - 25% Latino
- Over 2,500 existing regulated affordable housing units
  - 2<sup>nd</sup> highest in the region excluding Vancouver, WA
- 45% of Hillsboro renters are cost burdened, 21% are severely cost burdened.

- 2012-2016 American Community Survey (ACS) 5 year Estimates

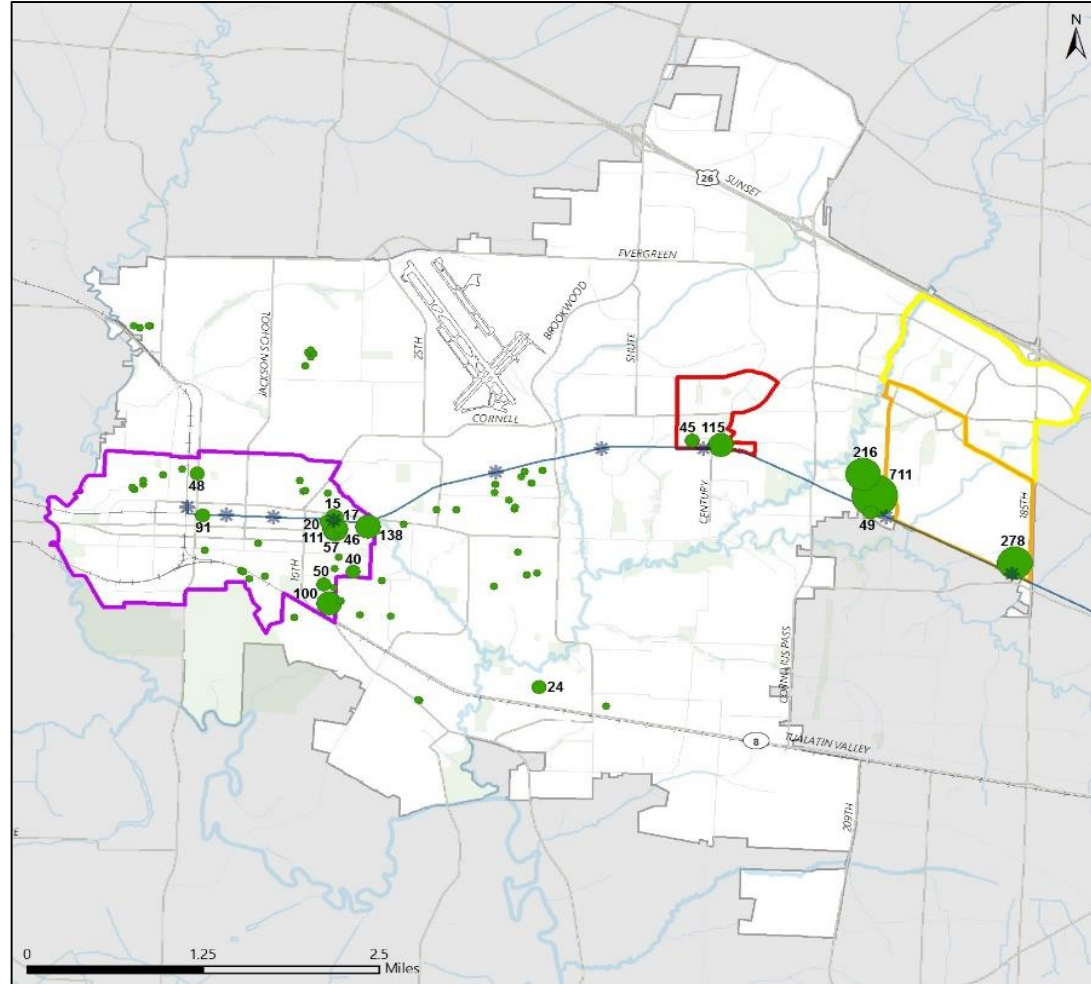


Quatama Crossing Apartments

# Existing Conditions in Hillsboro

## Regulated Affordable Housing Stock

- Primarily studio and 1 bedrooms
- Generally set at 60% MFI or slightly below
- Over 200 affordable units built over past 5 years
- 120 units now in production
- Largely located along MAX transit corridor





# City Policy Framework

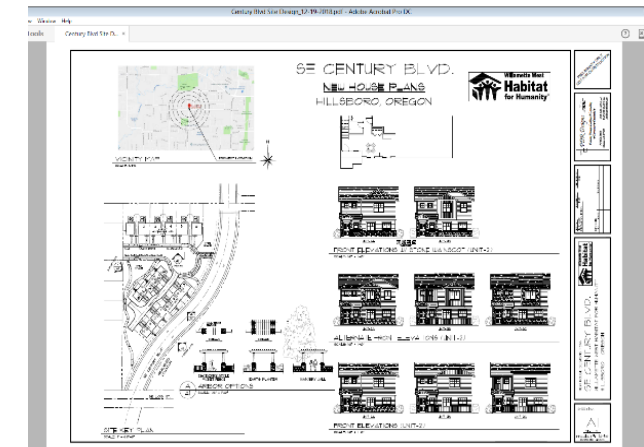
## 2019 City Council Priority:

Create partnerships to encourage and support the development of more market rate and affordable housing.



# Affordable Housing – Recent City Successes and Progress

- ✓ Willow Creek Crossing Gap Financing - **Approved May 2018**
- ✓ Minimum Parking Reduction for Regulated Affordable Housing - **Adopted September 2018**
- ✓ Nonprofit-owned Affordable Housing Property Tax Exemption – **Approved February 2019**
- ✓ Utilizing City Owned sites – **Now Exploring partnership with Habitat for 20 affordable homeownership units**



# Metro Affordable Housing Bond

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## Hillsboro funding and production targets

- \$40 Million (5-7 years), 284 total affordable units, 117 deeply affordable units (30% AMI), 142 family-sized units
  - Estimated 2 to 4 projects
  - NOFAs, RFP's of City Controlled Sites, some sole-source projects based on opportunity
  - Early challenges identified:
    - Financial gap for construction of deeply affordable units
    - Anticipated need for resident support services funding
    - Lack of multifamily-zoned sites



# LIS Development

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## Areas of Focus

- Community Engagement
  - Joint work with Beaverton and Washington County
  - Hillsboro Specific Forums
    - Interviews with homeless community members, Bienestar workshops, Hillsboro School District Latino parent engagement
- Racial Equity Components
  - MWESB Contracting and Affirmative Marketing
- Early Site/Project Work
- Staff Coordination



# Community Engagement Themes

## General themes

- Overcrowding is an issue in Hillsboro – real need for family-sized affordable units
- New housing - proximate access to public transit, health services, day care, shopping, schools, parks
- Challenges to access: long wait lists, rent amounts, credit, legal immigration status, application requirements
- Interest in affordable homeownership



# Community Engagement Themes

## How do people find available housing?

- Word of mouth – families and friends
- Churches and community organizations
- Online
- Advertising flyers, signage

## Challenges to being successful in housing:

- Rent and cost of living increases
- Not enough income
- Property rules too strict



# Racial Equity Components

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- **Affirmative Marketing:** Leverage strong relationships and partnerships with key Community-based Organizations: Bienestar, Centro Cultural, Adelante Mujeres, Sonrise Church, and many others.
- **MWESB Contracting** – Metro Bond Implementation is a good place for us to start
  - No City MWESB purchasing program in place yet
  - Working on a % goal for bond-funded housing development
  - Key staff experienced in MWESB program development
  - We want to replicate best practices but also be innovative
    - Ie. Business mentorship programs
- **Low Barrier Tenant Screening** – Need more direct work with sponsors, asset and property management stakeholders



# Early Site/Project Work

## City Owned Sites with Potential for Affordable Housing





# Staff Coordination

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## Implementation Team

- Chris Hartye - Senior Project Manager, Community Development
- Omar Martinez – Community Development Block Grant Programs
- Dan Dias - Community Development Director
- Simone Brooks – Assistant City Manager
- Tami Cockeram- Community Services Manager
- Colin Cooper - Planning Director
- Suzanne Linneen – Finance Director
- Elaine Baker – Purchasing Supervisor
- City Attorney – Beery, Elsner and Hammond



# LIS Timeline

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<u>Activity/Issue</u>	<u>Time Frame</u>
Local Implementation Strategy Submittal to Metro	August 21 <sup>st</sup>
Community Oversight Committee Meeting	September 11 <sup>th</sup>
Metro Council Meeting to Approve IGA and LIS	September 26 <sup>th</sup>



# Washington County Metro Affordable Housing Bond Local Implementation Strategy

Metro Community Oversight Committee

May 1, 2019

Ruth Osuna, Deputy County Administrator

Komi Kalevor, Executive Director

Shannon Wilson, Housing Development Coordinator

# Metro Housing Bond Framework

- Leading with Racial Equity and Community Engagement
- 334 units in Washington County serving households at or below 30% Median Family Income
- 407 units for families (2+ bedroom units)
- Up to 81 units created to serve ‘workforce households’ earning 61–80% Median Family Income

Household Size	30% Median Family Income	60% Median Family Income	80% Median Family Income
1 person	\$18,450	\$36,938	\$49,250
4 people	\$26,350	\$52,725	\$70,300

As of 4/24/2019



# Local Targets

- MWESB – 10% of total project costs
- Permanent Supportive Housing (PSH) – Strongly encouraging projects that pair housing with supportive services
- Ongoing Community Engagement – Coordinate with County’s engagement work for the Consolidated Plan with a plan to contract for ongoing community engagement services
- Meet the affordable housing needs throughout Washington County with a very diverse community



# Bond Program Implementation Opportunities and Challenges

## Opportunities:

- To serve the most diverse County in the State
- To increase or preserve affordable housing
- To increase interest in developing affordable housing throughout the County
- To encourage jurisdictions to consider SDC waivers for affordable housing (Tigard, Tualatin Hills Parks and Recreation District)

## Challenges:

- To develop affordable housing in a broad geographic area
- To align and fund services that serve individuals and families at the 30% or lower income levels
- To secure available appropriately zoned land
- To secure sufficient resources to meet the rising costs of development



# Leveraging Resources

- Maximize use of non-competitive resources (4 % LIHTC)
- Maximize use of private resources
- Maximize local resources
  - Project Based Rental assistance
  - Property tax exemption and/or PILOT agreement
  - Conduit bonds which are bonds issued by the County for an affordable housing development
  - Housing Production Opportunity Fund and Washington County General Fund
  - Other resources from partner jurisdictions



# Community Engagement Activities

- To date over 300 individuals contacted primarily from diverse populations or representing organizations that serve diverse populations including:
  - Specific cultural groups
  - Individuals with special needs
  - Formerly incarcerated individuals
- Preliminary key themes:
  - Barriers to housing (52% of total comments)
  - Service Needs (21% of total)
  - Location (16% of total)
  - Marketing (8% of total)
  - Other (3% of total)





# LIS Development Next Steps

- **4/23** – 30-day Public Comment period begins
- **5/7** – Board of Commissioners Public Hearing
- **5/1–5/31** – Presentations/Listening Sessions with each City Council, Washington County Planning Commission and Policy Advisory Board
- **5/28** – Board of Commissioners Work Session to review LIS Draft 2
- **6/11** – Board of Commissioners Work Session to review LIS Draft 3
- **6/25** – Board of Commissioners considers approval of LIS
- **7/24** – LIS review by Metro Community Oversight Committee
- **8/1** – Metro Council considers approval of LIS



For more information:

<https://www.co.washington.or.us/Housing/regional-affordable-housing-bond.cfm>

To provide public comment:

[AffordableHousingBond@co.washington.or.us](mailto:AffordableHousingBond@co.washington.or.us)



# Metro Site Acquisition Program

Housing Oversight  
Committee

May 1, 2019



# Site Acquisition Overview

- Metro will administer **\$62.5 million** for the site acquisition program
- Provides the opportunity align housing investments with the region's growth management, transportation and racial equity strategies
- Overview of strategy, outreach, site criteria, process

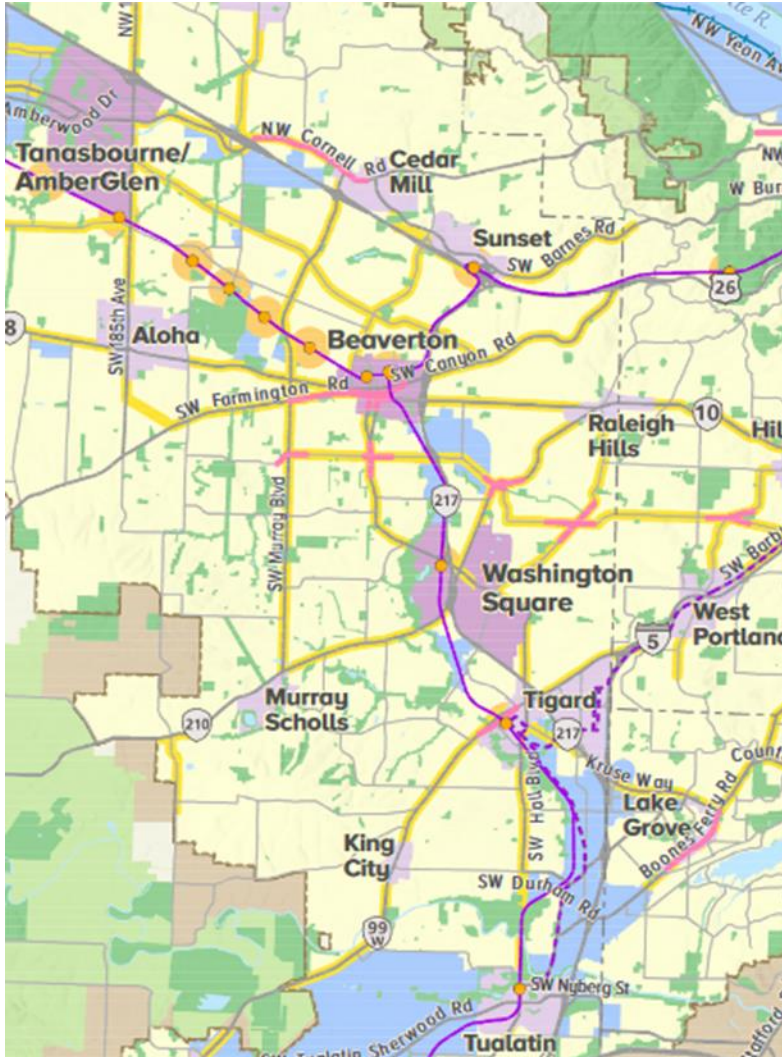


# Metro's Role in Housing



- Equitable Housing Initiative, growth management, Regional Transportation Plan, Data Research Center
- TOD Program purchased over 21 acres of property around the region
- Over 1,100 completed or planned units on Metro-purchased property

# Metro Site Acquisition Approach



Implementation planning and outreach underway

\$62.5 million for ~8-15 regionally significant sites for affordable housing development

Metro to acquire sites, partner with jurisdiction to RFQ; provide gap financing

# Guiding Principles for Site Acquisition

Prioritize land purchases that lead to housing projects that:

- Address priorities from the outreach process
- Support Metro's regional policies
- Advance racial equity
- Support regional production targets



# Coordinated Engagement

- Coordinating with Transportation and Parks & Nature bond planning
- Co-created process with four community-based organizations
- Seven events in April
- Online survey open now (available in 4 languages)





# What we are hearing about location

- Near community
- Near jobs
- Near stores
- Nature / parks
- Good transportation
- Safe area



# Site Criteria to Support Metro's Regional Policies

- Prioritize opportunities in urban centers and along corridors served by transit
- Consider other Metro investments (eg. transportation, parks, etc.)
- Support Metro's regional investment policies that advance racial equity

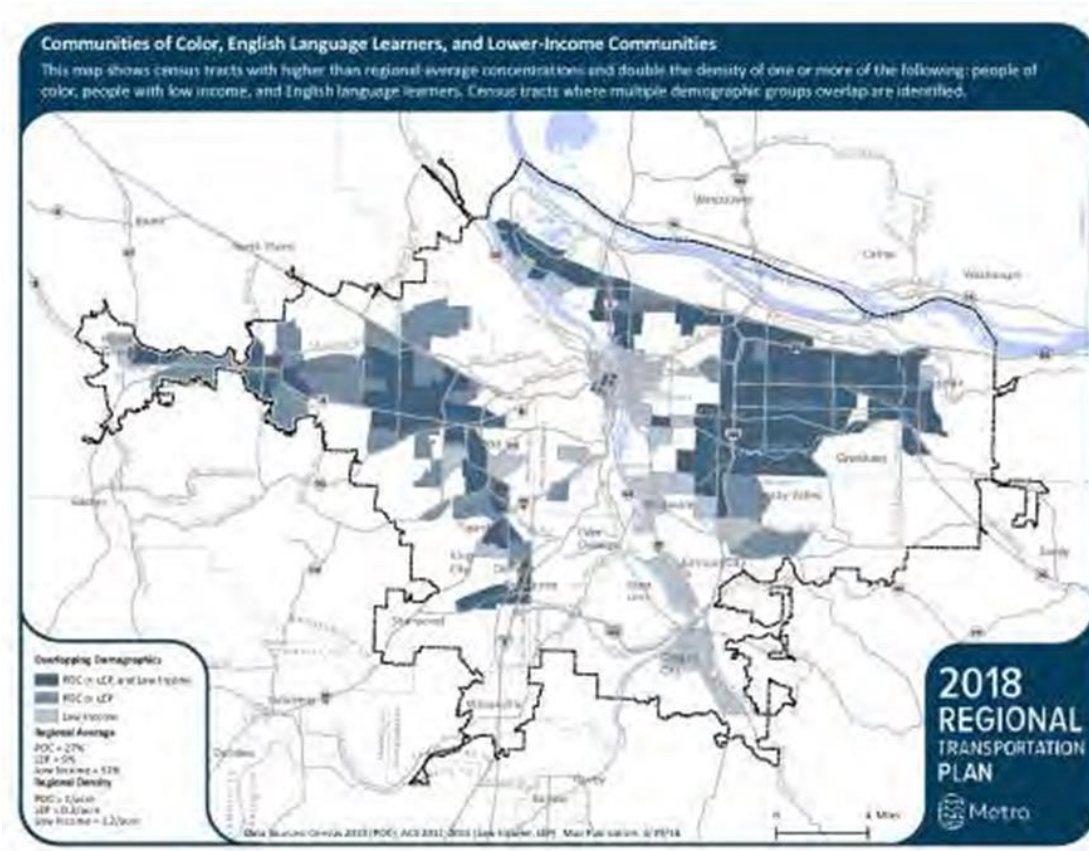


# Advancing Racial Equity

Locations that stabilize communities, provide access, or expand housing choice

Best practices to reduce barriers to access; support partnerships

Advance outcomes for equitable contracting and workforce



# Next Steps



- Complete outreach process – May 2019
- Draft Metro Site Acquisition Program Strategy – June – August 2019
- Oversight Committee review of acquisition strategy – September 2019

**[oregonmetro.gov](http://oregonmetro.gov)**

