



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

# Agenda

Meeting: Housing Oversight Committee (Meeting 5)  
Date: Wednesday, June 5, 2019  
Time: 9 to 12 a.m.  
Place: Metro Council Chambers  
Purpose: Provide an opportunity to meet with jurisdictional partners, and further 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. Public Comment
- 9:20 a.m. Presentation: Jurisdictional Partners
- City of Beaverton
  - City of Gresham
  - Home Forward
  - City of Portland
- 10:10 a.m. Small group breakouts with Jurisdictional Partners
- 11:10 a.m. Presentation about Metro's Construction Careers Pathways Project
- Question and Answers
- 11:30 a.m. Committee Business
- 11:55 a.m. Next steps
- Next meeting: July 24
  - Review of 2 Implementation Strategies in the next meeting
- 12:00 a.m. Adjourn

# Meeting minutes

Meeting: Metro Housing Oversight Committee Meeting 4  
Date/time: Wednesday, May 1, 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 Castaneda, Serena Cruz, Melissa Erlbaum, Dr. Steven Holt, Mitch Hornicker, Ed McNamara, Steve Rudman, , Shannon Singleton, Andrew Tull, Tia Vonil

## Absent

Mesha Jones, Jenny Lee, Bandana Shrestha

## Metro Housing Staff

Emily Lieb, Eryn Kehe, Jes Larson, Laura Dawson-Bodner, Ashley McCarron, Patrick Mc Laughlin, Megan Gibb, Valeria Vidal

## Facilitators

Allison Brown, Hannah Mills

## Next meeting

Wednesday, June 5, 9:00 a.m. – 12:00 p.m.  
Metro, 600 NE Grand Avenue, Portland, Council chamber

## Welcome and Agenda

Co-Chair Steve Rudman welcomed the group and reviewed the agenda, explaining that the Committee would be meeting with the jurisdictional partners this month and at the following meeting. Allison Brown, facilitator with JLA Public Involvement, introduced Valeria Vidal, the new Metro staff member that will be working with the Committee. The group was given the following updates:

- The second Phase 1 project is a project in Gladstone and will be reviewed by Metro Council on May 2, 2019. Clackamas County requests \$2.5 million for acquisition of an existing building. The project will have 45 SRO units that provide 45 permanently supportive housing vouchers. It will be the first SRO housing structure in Clackamas County.
- Metro is tracking the Bond's progress using a "dashboard" graphic that will be brought to the Committee at each meeting to track progress toward production goals.
- Emily Lieb, Metro, encouraged the group to visit Metro's Instagram to find a new series of audio housing stories that will be posted over the next several weeks.
- There is a survey on Metro's website that will be up until May 15, and the feedback will be used to help Metro search the region for locations for new affordable housing and learn how new housing can be accessible and supportive of people.

Metro Councilor Sam Chase introduced himself and explained that he and Councilor Christine Lewis are the Metro Council housing liaisons to the Housing Bond. He thanked the group for their work and noted the value of this bond in addressing homelessness and housing in the region. A Committee member expressed concern about Metro Council's decision not to set region-wide



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MWESB requirements. Council Chase explained that Metro Council understands that MWESB is important and needs to be addressed, but added that the Council is looking for a comprehensive approach that includes getting people into housing, as well as providing job opportunities. He added that the Council recognizes the need to push as far as possible, and that they are seeking guidance from the Committee to determine how to do that.

## Committee Business

Co-Chair Rudman reviewed the discussion from the last meeting about the outcomes-based approach. Below is a summary of his comments:

*The Committee will be meeting with the local jurisdictions at the next two meetings. It's important that the Committee considers that each jurisdiction is starting from a different place. We're hoping to finish the discussion once we've met with all the local jurisdictions.*

The Committee began a discussion, summarized below:

- When will the Committee be discussing the Clackamas County Phase 1 project?
  - Co-Chair Rudman responded: *The Committee as a whole is not charged with recommending projects. A small group reviewed the proposal in April.*
- What is the charge of the Committee from a fiscal responsibility perspective?
  - Emily responded: *The Committee will be monitoring the trends and tracking outcomes. The Committee can discuss how best to achieve this and Metro staff will continue to help.*
- The gentrification and displacement of people of color has been significant and we need to be strategic in how we address those concerns in this process. The language as it stands says we're "leading with racial equity," but the Committee has expressed concern that it is not strong enough to achieve the desired outcomes, specifically in regards to MWESB and contracting. If we don't establish measurements and metrics, we risk spending energy and failing to produce what's responsible and reasonable.
- In order to get more participation from MWESB contractors, we need to understand why currently we don't have that participation. One issue stems from payment. Small contractors don't have the capital to carry out government jobs because of the overwhelming bureaucracy that delays payments and processing. If Metro is really serious about increasing MWESB contracts through this bond, that issue must also be addressed.

The Committee discussed whether or not to vote to send a recommendation to Metro Council regarding MWESB goals, and decided to wait until after they met with all the local jurisdictions. Committee members noted several thoughts regarding MWESB including:

- Federal language in Section 3
- Actual demographics of MWESB contractors and employees
- How MWESB goals would achieve the racial equity value
- Cost of contracting

## Public Comment

Allison opened the floor for public comment. No members of the public submitted comment.

# Meeting minutes

## **Jurisdictional Partners Presentations**

Allison introduced the four jurisdictional partners making presentations, explaining that the Committee would sit with each individual jurisdiction during a small group activity and asked members to hold their questions.

### ***Clackamas County***

Jill Smith and Stephen McMurtrey with Clackamas County began their presentation, summarized below:

*The Urban Growth Boundary (UGB) defines Clackamas County with a mix of urban and rural areas.*

*The County's early goals include creating permanent supportive housing, promoting opportunity areas, prioritizing Community Development Block Grant (CDBG) funds for developers working outside the UGB, promoting projects that are ready for construction and encouraging development that can provide relief in rent-burdened communities. Gladstone has been identified as one of the most rent-burdened cities in Oregon.*

*In regards to racial equity, the County has set the following goals:*

- *10% MWESB for all developments with an aspirational goal of 15%*
- *reduced screening criteria to lessen disparities related to background checks and other application requirements*
- *marketing strategies that target people of color*

*Additionally, the County has commissioned a study to understand the history of racial inequity in housing development, for release this summer. Clackamas County would like to be more diverse and welcoming, and we hope there isn't so much focus on MWESB what we fail to focus on providing benefit to the people with the highest need.*

*The County has put together a Frequent User System Engagement (FUSE) analysis to help determine the barriers to becoming housed. Additional local resource commitments include a Housing Affordability and Homelessness Task Force, an Affordable Housing and Services Fund, a Housing Needs Assessment and a point-in-time count.*

*The County has contracted Unite Oregon to help build a housing strategy and perform a variety of engagement activities throughout May and June. The Committee is invited to attend these events.*

*The County is aiming to ensure that projects are spread throughout the UGB area and is working with County Commissioners to develop values related to housing. Additional opportunities and challenges include:*

- *increasing opportunity for first time homebuyers*
- *a growing need for mixed-income communities*
- *capacity building for culturally-specific organizations in the county*
- *a majority of people of color in Clackamas County reside outside the UGB*



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## **City of Hillsboro**

Chris Hartye with the City of Hillsboro gave his presentation, summarized below:

*The City of Hillsboro is the fifth largest city in Oregon with approximately 40% of the residents being non-white or communities of color. Of the total population, 25% are of Latinx descent and 10% are Asian. There are over 2,500 existing regulated affordable housing units in the city, which makes it second highest in the region, excluding Vancouver, Washington. Approximately 45% of Hillsboro renters are cost-burdened, and 21% are severely cost-burdened. There are several block groups in the downtown area that are the most impoverished in Oregon. People living in these areas are disproportionately people of color.*

*The regulated affordable housing stock is primarily made up of studio or one-bedroom units, which makes the bond's goal of producing larger units with deeper affordability something that will benefit the County's residents. Affordable units are largely located along the MAX line, with an area of opportunity along Tualatin Valley Highway due to the current lack of affordable housing and high frequency buses.*

*Currently the City does not build, own, or operate affordable housing, with their role being to create partnerships to encourage and support the development of more market rate and affordable housing. This is a top priority for the City and there have been several recent successes including approving gap financing for Willow Creek Crossing, adopting a minimum parking reduction, approving a nonprofit affordable housing tax exemption, and exploring partnerships with Habitat for Humanity for 20 affordable homeownership units.*

*Hillsboro's funding and production targets are \$40 million (5-7 years), 284 total affordable units, 117 deeply affordable units (30% AMI), 142 family-sized units through an estimated two to four projects.*

*The community engagement joint work with the City of Beaverton and Washington County has been focusing on racial equity and identified the following themes:*

- *overcrowding is an issue in Hillsboro with a significant need for family-sized affordable units*
- *there is a need for new housing with access to public transit, health services, childcare, shopping, schools, and parks*
- *the current challenges to access include long wait lists, rent affordability, credit, immigration status, and application requirements*
- *there is an interest in affordable homeownership opportunities*

*In order to meet the racial equity components, Hillsboro will be leveraging strong relationships and partnerships with key community-based organizations. In terms of MWESB, Hillsboro does not have an existing purchasing program and this bond provides a place to start. The City has not set an MWESB goal yet, but is committed to being innovative and is considering a business mentorship program as well.*

## **Washington County**

Ruth Osuna and Shannon Wilson of Washington County gave the following summarized presentation:



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*Washington County's bond framework focuses on leading with racial equity and community engagement, and includes:*

- 334 units serving households at or below 30% MFI
- 407 family-sized units
- up to 81 units created to serve workforce households

*Preliminary local targets include a goal of 10% MWESB, but they will go back to the County Board of Supervisors to develop a more aspirational goal. Additional goals include permanent supportive housing, ongoing community engagement, and meeting the affordable housing needs throughout the County.*

*This bond offers many opportunities for Washington County, including:*

- serving the most diverse county in Oregon
- increasing/preserving affordable housing
- encouraging jurisdictions to consider SDC waivers for affordable housing

*The challenges include:*

- developing affordable housing in a broad geographic area
- aligning and funding services for individuals and families at 30% or lower income levels
- securing available appropriately zoned land
- securing sufficient resources to meet the rising costs of development

*The County will aim to leverage resources to maximize use of non-competitive resources and private funds, as well as to maximize local resources through:*

- project-based rental assistance
- property tax exemption and/or pilot agreement
- conduit bonds
- housing production opportunity fund and Washington County general fund
- other resources from partner jurisdictions

*The County has performed a very robust community engagement effort which resulted in the preliminary key themes regarding barriers to housing, service needs, location, and marketing.*

## **Metro**

Pat McLaughlin with Metro gave the following summarized presentation:

*Metro's site acquisition program will be aligned with the agency's regional growth management and equity goals. Metro's experience with housing development comes from the Transit Oriented Development Program, which has purchased over 21 acres of property around the region with over 1,100 completed or planned units. The main purpose of the Housing Bond Site Acquisition Program is seeking and acquiring sites and partnering with jurisdictions to develop through RFQs. The strategy will allow Metro to invest funds in gap financing and land acquisition.*



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*Site acquisition will be guided by the feedback received from the community including prioritizing housing projects that:*

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

*Metro is coordinating housing outreach with transportation and parks and nature bond planning. They have co-created an engagement process with four community-based organizations. The community has responded that affordable housing is needed near their community, jobs, stores, nature/parks, good transportation options, and in safe areas. Metro has developed site criteria to support the regional policies including prioritizing opportunities in urban cores and near transit, coordinating with other metro investments and advancing racial equity.*

*In order to meet the goal of advancing racial equity, Metro is seeking locations that stabilize communities, provide access, and expand housing options. Additionally, Metro will be using best practices that reduce barriers to access and support partnerships. In regards to MWESB, Metro will advance outcomes for equitable contracting and workforce development.*

## **Small Group Breakouts**

The Committee was divided into four small groups and given 10-15 minutes to meet with each jurisdictional partner. At each table, Metro staff facilitated discussions and took notes while jurisdictional staff talked with committee members. Below is a summary of these discussions.

### ***Clackamas County (HACC)***

- How can project readiness be tied to equity?
  - A technical and jurisdictional housing needs analysis will be available online that will explore this issue.
- Clackamas County will provide the housing data needed and cities will be responsible for identifying resources and performing community engagement.
  - There is a need for accurate numbers for population of people of color living in Clackamas County, specifically in regards to African Americans.
  - Unite Oregon has been contracted to support this work.
  - 30% of HACC housing is currently occupied by African Americans.
- It is important to understand the potential of intervention at different stages of housing. How and when should we engage the community? This should also include educating property managers about fair housing.
- HACC is currently working on creating housing values as an organization
- What are some ways to evaluate the housing players in relation to equity work?
  - MWESB data would be helpful to have to better understand this
- Housing is critical to all parts of a functioning community, especially in addressing issues related to human rights. It is very important to monitor and evaluate how housing addresses these issues.
- How will screening criteria and vouchers be implemented? Will they be required or optional (i.e. for sex offenders)?



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- How will the local oversight committee engage people who have experienced housing instability?
- Clackamas County is currently building both internal and external capacity with a portfolio of 50% open solicitations and 50% RFPs.
- There is interest throughout Clackamas County in the housing bond, especially in Milwaukie. Happy Valley wants their share of the funds as well.
- Wilsonville is active in affordable housing.
- With the Gladstone Phase 1 project, regional bond funds will increase the total development, but the cost per unit includes tax credits.
  - Some mission-driven projects will require more investment due to higher needs and Single Room Occupancy (SRO) typology for development.
- How are comments related to MWESB received from both contractors and employees?
- Workforce development and opportunities are essential. Clackamas County hasn't advanced those trades and has focused more on computer STEM trades. It's not clear how the bond can help address this problem, but there's potential for building a system that can support that advancement. This will require insight and analysis.
  - Communities of color often don't participate because of the high amount of paperwork.
- In regards to the potential MWESB standard of 20%, Clackamas County stakeholders have expressed that they are more comfortable with a standard of 10-12%. A 15-20% would mean reaching out to a contractor pool that is already stretched too thin. Setting a 10% standard as a minimum with incentives for reaching a higher percentage would be ideal for Clackamas County. Clackamas County is essentially starting from scratch in regards to MWESB.
  - A committee member noted the importance of having a fair playing field, explaining that setting a 20% MWESB standard would send the message that meeting the standard isn't hard even if the County doesn't have the criteria. The Committee member did not support a standard of 10% because it would discourage people from striving to achieve more.
  - What about the capacity of contractors when all the counties are developing housing?
    - A committee member expressed support for testing out a higher standard.
  - MWESB and paperwork can be alienating from the county perspective. It's important to at least set the standard with the understanding that local jurisdictions are still leaving, and to send the message to the community.
- Federal requirements for affordable housing can sometimes create tradeoffs. Are MWESB and housing production exclusive?
- MWESB is important because it provides more economic opportunities which create a ripple effect throughout a community
- Clackamas County is the only bond recipient in the county due to internal capacity issues of small cities, and to promote efficiency.
- The Hillside site in Milwaukie is currently going through a master planning process, and Clackamas County would like bond funding to be allocated to that project. The project includes 14 acres of single-family homes, and by the second quarter in 2020 there will be 100 replacement units and 400 potential new units. The project may include mixed-income homeownership units. There is a lot of land included, but not all of it is zoned for higher density, but the bond can serve as a catalyst.
- There is a potential that HACC will be adding more development staff. The County is currently trying to get Medicaid to fund more supportive housing.





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- Oregon Housing Authority funds should not be used for family homes or economic development. How is Metro tracking what the Oregon Housing Authority is doing in regards to bond funds?
  - Legislatively we need to align and advocate. It is less expensive for the County to issue bond funds than it is for the State.

## *City of Hillsboro*

- The Habitat for Humanity project is experiencing a lot of “NIMBY” pushback..
- Will the bond funds work for homeownership?
  - Hillsboro is still determining the mechanics to understand how to fund homeownership with the bond.
- If the homeownership project is already happening, why should the bond fund it?
  - There are still gaps in funding.
- Could Hillsboro rezone commercial land for residential use?
  - The City understands this issue and needs to mitigate all the different development challenges.
- The cost for construction seems too high and will keep us from reaching our production goals.
  - The market is the most expensive it's ever been, but the City will explore how to address this issue.
- Because of the high number of farm laborers, income is seasonal which can impact access to affordable housing. The demographics are different in Hillsboro than in the rest of the region. The black population is growing, but still only accounts for 1-2% of the total population. There are great existing Latinx community-based organizations, but few of them have relationships with housing developers.
- It's important to consider the Latinx community because it's the largest in the area.
  - The Block 67 development has no goal for affordable housing. The developer says the City doesn't want affordable housing on the land. City of Hillsboro has not communicated that to the developer., Hillsboro does need market rate housing, so it would have to be mixed-income if affordable housing was included.
- Why doesn't Hillsboro have an MWESB goal? What are the barriers?
  - The Metro bond will help move the needle and encourage creative and innovative ways to meet the goal. Though it is also important to understand the market, gather more data, and make a good plan
- What about prevailing wages?
  - Prevailing wages are applied by state and federal laws guiding the application of wage rates. Sometimes the prevailing wage is the same as market, but sometimes it is a significant cost increase to the project.
- How is Hillsboro's City Council responding to affordable housing?
  - The Council is on board and sees affordable housing as a top priority. They are interested in the logistics and technical challenges.
- The City believes it will need extra money to meet the goals and provide more services. Is there time to do a levy?
- Can Hillsboro leverage land in South Hillsboro for future affordable housing?
  - Greenfield development is very expensive, but we have had some conversations about affordable housing with one master developer to waive the SDCs.
- Hillsboro is interested in exploring how to address the number of people of color living in sub-standard housing in a culturally competent way. Bienestar is a key partner in this effort and the City is seeking ongoing contracts to help make investments.



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- Hillsboro is working to address inequity in decision-making through diversity, equity, inclusion trainings, etc.

## ***Washington County***

- How does the County plan on achieving its goal of 30% units of permanent supportive housing?
  - The County will seek funding from Medicaid, Medicare, and Veteran's Health and Housing. There are also new state funding opportunities for people leaving institutions.
  - The County recently hired a new deputy director with previous experience as the Medicare director in Arizona, a state recognized for being at the forefront of strategies to integrate Medicare and affordable housing funding.
- How is the County monitoring/understanding gentrification and displacement in business practices?
  - This work is relatively new, but the County is working to map the languages as well as percent of population.
- The MWESB is aspirational, but that doesn't mean the County won't receive funding if it's not achieved.
  - County staff would like to support an aggressive MWESB goal, and conversations are planned with the Commission to address this. County staff started with a draft 10% MWESB goal, but 20% is possible.
  - There are some uncertainties regarding local contractor capacity to do work. Some contractors haven't gotten certified as MWESB yet.
  - Staff are also exploring potential for a set-aside for smaller developers.
- Bureaucracy can be intimidating for small companies, and billing can be difficult, especially if they can't rely on timely payment. These companies need around \$560 a month to maintain operations. Consider providing vouchers to cover rent and pre-funded reserves to help mitigate these issues. Consider holding forums to encourage contractors to participate and be prepared for this work.
- It's important that the County recognizes the historic impacts and explores ways to promote education and awareness in this work. An example could be technical assistance to provide racial equity training to property managers.
- Vision Action Network and Thrive can be perceived as "Portland programs" and the County should explore other non-Portland funded organizations.
- The Welcome Home Coalition is working to provide leadership development across the Metro region for community members to engage in implementation of the Metro housing bond and other housing policy issues. It would be helpful to have more clear information about where people should show up to provide input.

## ***Metro***

- According to Washington County, one of their challenges will be site acquisition.
  - Metro faces some of the same challenges related to availability of sites for purchase and the high cost of available properties. Metro can help jurisdictions with the cost of the property, and has past experience with acquiring properties that aren't on the market.
  - Additionally, Metro has more experience acquiring property than some other government agencies.
  - Metro has been hearing that there is some softening of the market that could make more properties available.
- What are the criteria Metro is looking for?



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- Metro is considering many criteria, including prioritization of transportation access as well as locations in urban centers. Additionally, Metro is looking at criteria that focus on areas where low-income and communities of color are concentrated, and where affordable housing is needed. They are waiting for community feedback to determine these.
- Is there an approved list of contractors that Metro works with?
- Why would Metro miss the opportunity to set a regional MWESB goal?
  - Metro Council held a work session, but a clear direction wasn't set.
  - There has been a movement over the last month towards the idea of setting a goal.
- How are jurisdictional partners working in sites purchased by Metro?
  - This is being considered in a very general way, and Metro intends to purchase sites around the region.
- How will Metro's program funds be used?
  - Some of the \$65 million will be for gap funding which will allow Metro to provide deep subsidies that can potentially increase the affordability of units.
- How much will Metro seek to target qualified census tracts?
  - There are also technical criteria that will help identify sites.
- Tax credit projects are usually more efficient. Will Metro take advantage of that?
  - Metro wants multi-family projects to be assessable, and to maximize the number of units on a site.
  - Cost per unit for land price will be part of the technical criteria Metro considers.
- Management cost for larger projects (over 150 units) can be challenging.
  - This will depend on location and its impact on the neighborhood where it is located.
  - One of the challenges is finding sites that are large enough because they are expensive and rare.
- Why doesn't Metro make a loan to jurisdictions? A loan structure provides Metro with leverage and enforcement authority.
  - Metro doesn't have the staffing capacity to do a loan program, but has covenants that come with the funds to provide enforcement power.
- Who is Metro's team for reviewing sites and evaluating which sites match the program goals?
- How fast can Metro close a deal?
  - In the past it's been possible to close within 3 months.
- Are there concrete goals around Metro's portion for meeting racial equity? Will we see specific targets?
  - Metro will have to coordinate with the jurisdictions after purchasing properties to ensure the projects move forward with racial equity goals.
- If Metro doesn't provide specific guidance about what needs to occur in the buildings, then the results may not be effective. There is not enough clarity about what it means to lead with racial equity. This needs to be examined from the start. What isn't measured won't move.
- What is Metro doing to provide technical support?
- Metro needs to consider the impact on small companies where they are required to register.
- It's important that Metro seeks creative solutions and ideas.
- It's important that Metro also considers ways to support property ownership opportunities to help people stay and grow wealth in their communities.
- When considering the jurisdictions, Metro should be broad in its thinking to promote strategic use of funds. Metro has the power to push jurisdictions to use Metro funds to do the most benefit.
- Will Metro build affordable housing?



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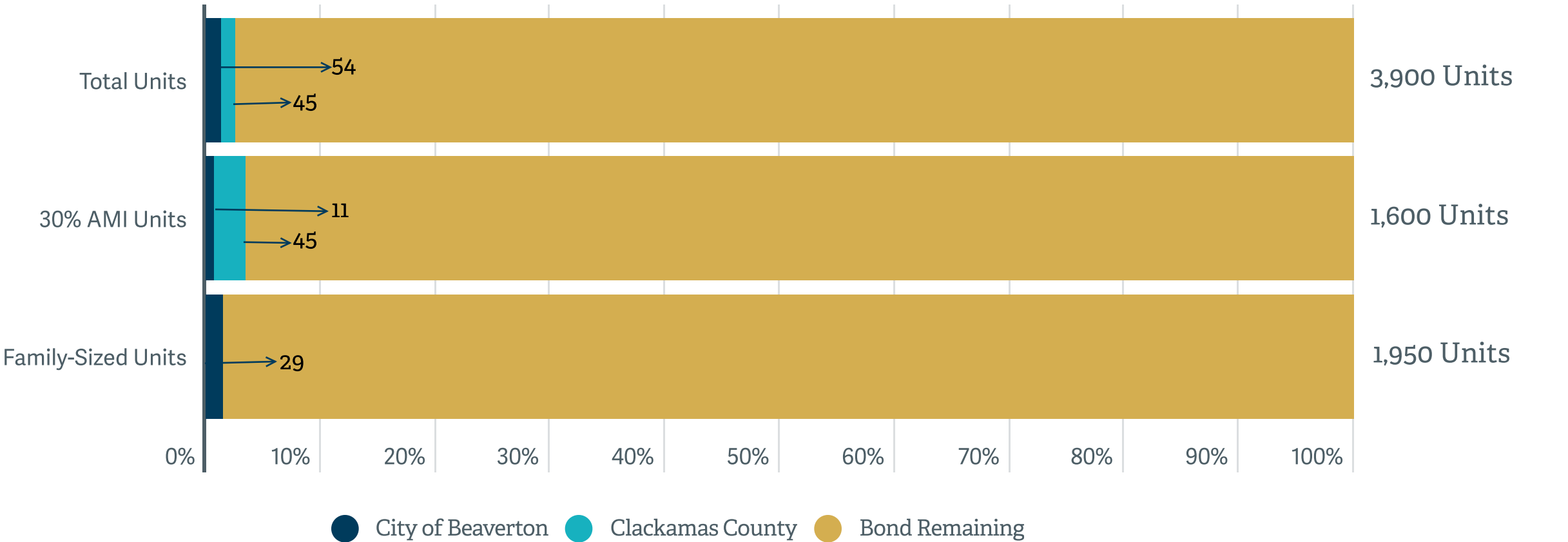
- Metro will not build affordable housing, it will partner with the implementing jurisdictions.
- What is a regionally significant property?
  - A property that meets Metro's regional priorities and plans.
- The jurisdictions are raising the issue of property costs. Property cost is impacted by growth boundary decisions. Why doesn't Metro expand the UGB?
  - Metro Council recently expanded the UGB in four cities. There is enough available land to support regional growth needs.
- What is Metro hearing in regards to coordinating with transportation and parks and nature?
  - A lot of feedback has been received about all Metro programs, but housing is a very important topic to the people we've been reaching out to.
- Can neighbors oppose an affordable housing project?
  - Neighbors can exert political power, file legal cases, cause delays, etc. However, a city or county cannot deny a project because it is affordable, according to the law.
- How do you plan to coordinate with the jurisdictions?
  - This will be fleshed out, in part, with a recent project in Beaverton. There will be a Memorandum of Understanding with the city and that agreement will establish goals and define the review criteria.
  - Metro will be looking for sites with certain criteria before moving forward to purchase.
  - Metro has past experience working partnership with jurisdictions to develop projects, and is also keeping an eye on regional opportunities to spread the funds widely and equitably around the region.
- Will you be willing to work on brownfield sites?
  - Metro has the EPA grants available that assist in working with brownfields.

## **Next Steps and Close**

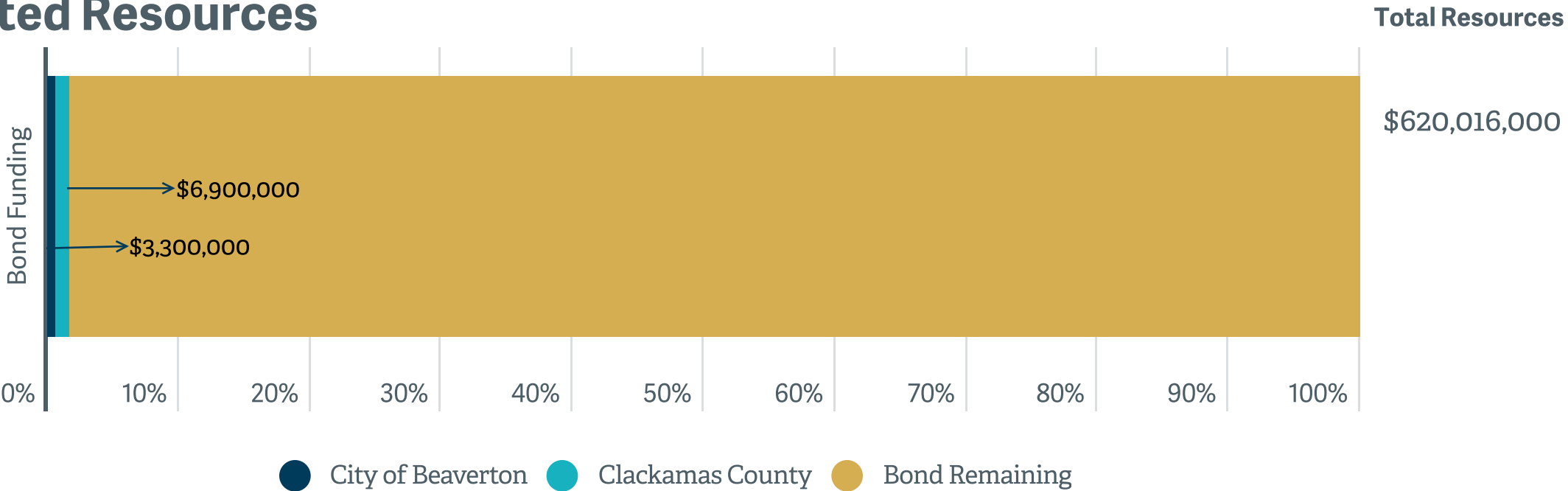
Allison encouraged the Committee to contact Metro staff with any recommendations for the next meeting and closed the meeting.

# Housing Bond Phase I Progress | May 2019

## Anticipated Production



## Committed Resources



Materials after this page were distributed at the meeting.

# WELCOME!



## Beaverton Local Implementation Strategy

June 5, 2019

Cadence Petros | Development Division Manager | [cpetros@beavertonoregon.gov](mailto:cpetros@beavertonoregon.gov)  
Javier Mena | Affordable Housing Manager | [jmena@beavertonoregon.gov](mailto:jmena@beavertonoregon.gov)



# Housing Update

- Building Staff Capacity
  - 2 new FTE
  - Consultants
- Continued Community Engagement
  - Housing Forums
  - Rent Burden Session
  - Landlord/Tenant Training



Register/Inscribase:  
[www.BeavertonOregon.gov/h](http://www.BeavertonOregon.gov/h)

**Acompáñenos a una sesión informativa para  
Comprender los efectos  
de la carga del alquiler**

Una carga excesiva del alquiler es la que se produce cuando los costos de vivienda superan el 50 por ciento de los ingresos reportados del hogar.

Comparta sus experiencias y conozca los esfuerzos de Beaverton para aumentar el acceso a una vivienda asequible en nuestra ciudad. Esta sesión es parte de las conversaciones permanentes sobre vivienda que la ciudad mantiene con la comunidad.

**Jueves 6 de dic.**

6 a 8 p. m. | Biblioteca de la Ciudad de Beaverton,  
12375 SW 5th St., Salas de reuniones A & B

Se brindará cena y guardería para los niños.

otros idiomas estarán  
servicios, comuníquese  
[regon.gov](http://regon.gov).

**WELCOME!** أهلاً وسهلاً

Listening Session:

**Affordable Housing and Metro Regional Housing Bond**

حلقة مناقشة

الإسكان بالتعاون مع مدينة بيفرتون



April 19, 2019

Javier Mena | Affordable Housing Manager | [jmena@beavertonoregon.gov](mailto:jmena@beavertonoregon.gov)



Cadence Petros | Development Division Manager | [cpetros@Beavertonoregon.gov](mailto:cpetros@Beavertonoregon.gov)

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# Metro Affordable Housing Bond



Bond amount allocated	Total Units	Family Sized Units	30% AMI units
<b>\$31.1m</b>	<b>218</b>	<b>109</b>	<b>89</b>

Enough funding for about 4 projects

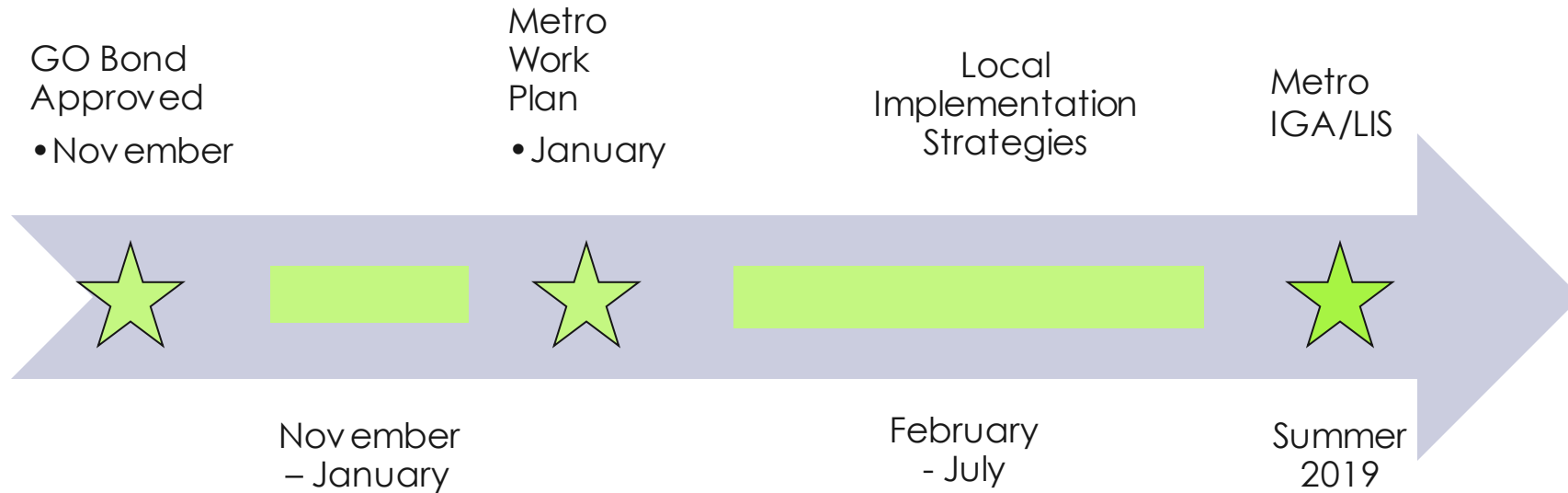
## Opportunities

- Create affordable housing in areas with limited or no regulated affordable housing and close to amenities
- Increase the number of deeply affordable units
- Increase MWESB-DV contracting participation

## Challenges

- Funding
- Services for deeply affordable housing
- NIMBY
- Limited affordable housing development capacity
- Internal systems infrastructure to fund and monitor compliance

# Metro Affordable Housing Bond Launch Timeline



# Metro Guiding Principles

## Beaverton Local Implementation Strategy Key Principles

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### **Metro Guiding Principles**

1. Lead with racial equity
2. Create opportunity for those in need
3. Create opportunity throughout the region
4. Ensure long-term benefits and good use of public dollars

### **Beaverton Key Principles**

1. Lead with Racial Equity and Inclusion
2. Use a Portfolio Approach to achieve established goals
3. Leverage publicly-owned land
4. Ensure investments are made in areas close to schools and amenities, and emerging/growing areas with limited or no affordable housing

# Local Implementation Strategy – Portfolio Approach

## Beaverton Portfolio

	Metro Bond	% of Total
Beaverton Allocation	\$31,140,595	100.0%
Used		
1st & Main	\$3,000,000	
Elmonica	\$10,147,258	
Project C	\$11,089,856	
Project D	\$9,171,202	
Total	\$33,408,316	107.3%
Balance (Deficit)	(\$2,267,721)	-7.3%

## Beaverton Portfolio

Production	Per Project Modeling Total				Modeling Beaverton-Metro Units Target		
	The Mary Ann	Elmonica	Project C	Project D	Total	Metro	Variance
Units	54	79	66	51	250	218	32
≥2 Bdrm	29	37	42	6	114	109	5
30% PBV	3	19	22	12	56		
Total	11	28	38	12	89	89	0

# Local Implementation Strategy – Community Engagement

## Listening Sessions (February – April)

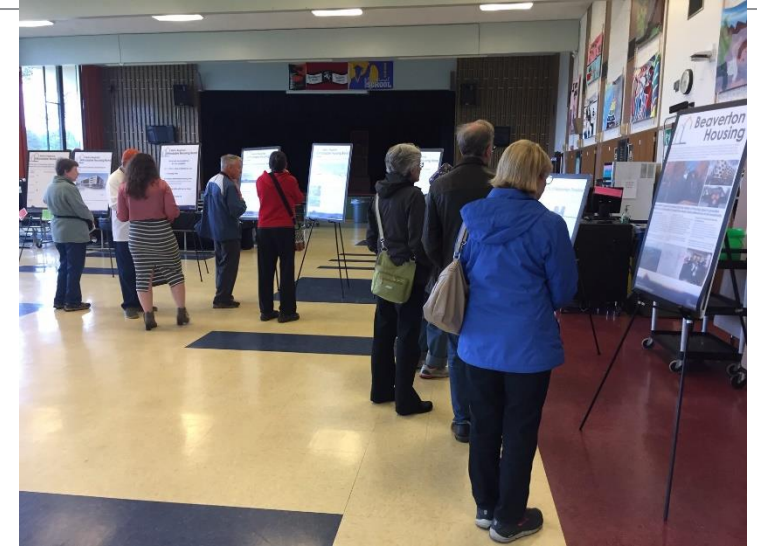
- Outreach to over 400 area residents and over 100 community organizations
- Some common themes
  - Need for 3+ bedrooms
  - Accessible (ADA/universal design)
  - Application process is very costly and restrictive
  - Need a trusted source of information – branding
  - Central location where information can be accessed



# Local Implementation Strategy – Community Engagement

## Feedback Period (April – May)

- LIS available on website
- Held an Open House on May 16
- Meet with Beaverton School District Latin@ families
- Meet with Arabic Community



**Affordable Housing Bond**

How would you prioritize allocating deeply affordable units, knowing the need and services required are greater than available resources?

\*Green stickers = first priority, Yellow stickers = second priority, Red stickers = third priority.

Type of Tenant	Place Prioritization Dots HERE
Working households	
Social Security Households/fixed income	
Mental Health/Addictions Stabilization and/or people experiencing homelessness	

www.cityofbeavertonoregon.gov/housing

Beaverton

## Three questions asked

- Given the location and need, what would you prioritize for the 60-80 units at the Elmonica site?
- How would you prioritize allocating deeply affordable units, knowing the need and services require are greater than available resources?
- What type of housing units do you think Beaverton has the greatest need for?

Cadence Petros | Development Division Manager | [cpetros@Beavertonoregon.gov](mailto:cpetros@Beavertonoregon.gov)

Javier Mena | Affordable Housing Manager | [jmena@beavertonoregon.gov](mailto:jmena@beavertonoregon.gov)



# Local Implementation Strategy – Racial Equity and Inclusion

## Community Engagement

Challenges	Opportunities
Reaching the right contact to open opportunities for dialogue	Connect communities of color and marginalized communities to City activities
Finding the appropriate time, location	Consistent outreach and engagement
Consistent outreach and engagement	Inclusive community
“Does it make a difference”	

# Local Implementation Strategy – Racial Equity and Inclusion

## Women and minority contracting

Challenges	Opportunities
Historically low women and minority contracting participation	Establish relationships with trade organizations supporting women and communities of color
Limited connections with trade organizations supporting women and communities of color	Increase the pool of affordable housing builders committed to the City's equity goals
Small pool of women and minority contractors in large dollar trades	Work with the construction industry to increase the contractor pool
No structure in place for workforce training	Work with regional partners to establish a consistent and equitable apprentice program
No tracking mechanism	Create a tracking mechanism that works for Beaverton

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# Local Implementation Strategy – Racial Equity and Inclusion

## Project marketing and screening criteria

Challenges	Opportunities
Modifying marketing plans could lead to longer lease-up periods	Increase housing opportunities to challenged households
Structured screening systems in place	Lower and Streamline application costs
Inexperience with modified screening criteria success	Connecting supportive services to high needs households
Perception	

# Local Implementation Strategy – Solicitation

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Key areas to address equity and inclusion

- Women and minority participation in soft and hard construction (20%)
  - Staff to facilitate connections and assist in outreach, monitor outcomes
- Apprentice participation
- Tenant selection process, including screening criteria
- Affirmative marketing
- Women and minority participation in on-going maintenance

# Local Implementation Strategy – Project Selection

---

Projects to be selected via a competitive process

- NOFA, RFQ, RFP
- Internal and external ad hoc committees review selected proposals and provide feedback to Mayor
- Recommendations are made to the Mayor
- Mayor makes recommendation to Council for approval
- Selected proposal is sent to Metro for approval

# Next Steps

- June 18 – Council presentation of Final Draft
- July 26 – Metro Housing Oversight Committee approval
- August 1 – Metro Council IGA and LIS approval
- August 13 – City Council IGA and LIS approval and adoption



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



Thank you for your listening

Questions and Feedback?

Cadence Petros | Development Division Manager | [cpetros@beavertonoregon.gov](mailto:cpetros@beavertonoregon.gov)

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# Local Implementation Strategy Overview

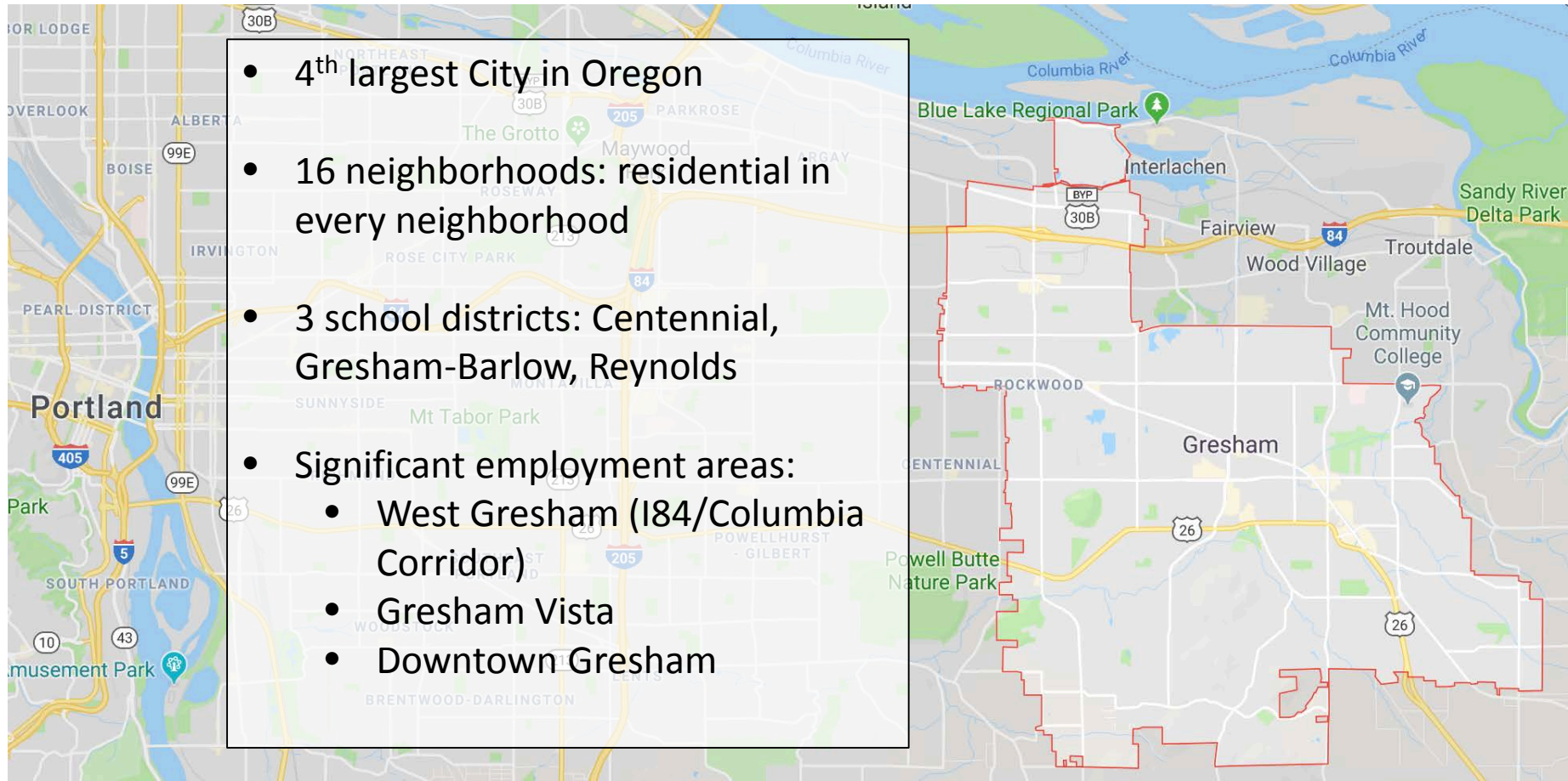


Metro Housing Bond Oversight Committee  
June 5, 2019

*Brian Monberg, Senior Manager*  
*Brian.Monberg@GreshamOregon.gov*

*Eric Schmidt, Community Development Director*  
*Eric.Schmidt@GreshamOregon.gov*

# City of Gresham



# City of Gresham

**111,039** Population  
23.3 square miles  
4,763 people per square mile

## Households



**40,669**  
Number of households

Metro Area: 935,722  
Oregon: 1,603,605

## Units and Occupancy



**43,333**  
Number of housing units

Metro Area: 992,546  
Oregon: 1,768,582



About 45% of units are multifamily;  
2/3 of multifamily units are 2 and 3 bedroom.

## Demographics

Gresham has become more diverse: The City is 66% White, non-Hispanic; 17% Hispanic; 6% African American; 5% Asian. Gresham has over 26,000 residents under 20.

## Housing Units

### Affordability

- 30% of renters are severely cost burdened.
- Over 90% of housing units in Gresham are available below 80% AMI.

### Regulated Housing

- Approximately 2,200 regulated units.
- About 11% of City rental housing supply.

### Pipeline

- Approximately 1,700 multifamily units under development.
- Approximately 510 regulated affordable.

Sources: <https://censusreporter.org>,  
[CHAS](#)  
CoStar & City Planning



# LIS: Existing Housing Policy

<p style="text-align: center;"><b>HOUSING OPPORTUNITIES</b></p> <p><i>Gresham will have a full range of quality housing for its current and future residents.</i></p> <ol style="list-style-type: none"> <li>1. Provide a full range of housing types and sizes that reflect the needs of Gresham's citizens through all life stages and circumstances.</li> <li>2. Support the development of housing that reflects the square footage and number of bedrooms needed by the full range of family sizes from singles to large families.</li> <li>3. Ensure that new housing developments are of high quality.</li> </ol>	<p style="text-align: center;"><b>ECONOMIC DEVELOPMENT</b></p> <p><i>Housing investments will contribute to Gresham's economic development goals.</i></p> <ol style="list-style-type: none"> <li>1. Provide opportunities for mixed use developments.</li> <li>2. Provide for all forms of "live/work" opportunities.</li> <li>3. Promote a mix of housing types where appropriate.</li> <li>4. Promote the use of the Gresham's workforce for development projects.</li> <li>5. Promote the development of additional higher-end ownership and rental "executive housing".</li> </ol>	<p style="text-align: center;"><b>REHABILITATION</b></p> <p><i>Gresham's housing stock will be well maintained and will be rehabilitated when appropriate.</i></p> <ol style="list-style-type: none"> <li>1. Ensure that Gresham's land use regulations support the rehabilitation and revitalization of both the existing single family and multi-family housing stock.</li> <li>2. Promote the maintenance of good quality housing.</li> <li>3. Endorse incentives promoting the rehabilitation of deteriorated but still good quality housing.</li> </ol>
<p style="text-align: center;"><b>LIVABILITY</b></p> <p><i>Gresham will provide for a variety of livable neighborhoods.</i></p> <ol style="list-style-type: none"> <li>1. Avoid concentrations of any one housing type.</li> <li>2. Permit appropriate housing types in locations that most benefit the viability of the overall City and its centers.</li> <li>3. Maintain existing City public investments and construct capital improvements that promote the viability of city neighborhoods.</li> <li>4. Continue to evaluate the Development Code to ensure that it: Promotes walkability in and through neighborhoods; allows for the coordination of residential development with existing and new amenities, services and transit; allows for the correct residential density in the appropriate locations</li> <li>5. Ensure that new housing developments complement or enhance the character of existing quality neighborhood development.</li> <li>6. Encourage housing developments to incorporate features of Crime Prevention through Environmental Design (CPTED).</li> <li>7. Coordinate with Tri-Met when planning for changes to residential densities.</li> </ol>	<p style="text-align: center;"><b>CITY ROLES</b></p> <p><i>The City will use appropriate tools, including public-private partnerships, to achieve desired types and locations of housing.</i></p> <ol style="list-style-type: none"> <li>1. Develop partnerships with private and non-profit housing providers that promote collaboration on the siting of market rate and affordable housing.</li> <li>2. Pursue local, state and federal financial support for both new housing and housing rehabilitation projects.</li> <li>3. Utilize technical and procedural assistance programs for the promotion and construction of desired housing types.</li> <li>4. Promote home ownership.</li> </ol>	

# City of Gresham: Housing Programs

The City maintains a variety of policies, programs, and projects to support a wide range of housing.



## PLANNING, REVIEW, AND DESIGN

The City manages planning and zoning programs that create long term vitality and livability in the city. The City's design review process ensures that new construction meets the design standards and guidelines set forth in City Code.



## TECHNICAL SUPPORT

The City provides resources, guidance and step-by-step assistance through the development, construction, permitting and licensing process for new multi-family or mixed-use projects.



## PERMITS AND INSPECTIONS

The City inspects and permits new construction and alterations to ensure that work is done safely and to the state building code. The City also conducts random, mandatory habitability inspections on residential rental properties to ensure compliance with the property maintenance code.



## SERVICES AND FUNDING

The City supports financing for housing and public improvements, and funds needed services for families and individuals in need. The City also partners with a number of community organizations, including Human Solutions, to develop new housing and provide a wide range of supportive services. Through funding programs, we invest more than \$1.2 million annually in federal grants and loans.

### A few programs to highlight include...

Rental Inspection Program

CBDG and HOME funds

Planning and Incentives

# LIS: Development Plan

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**Based on share of regional Assessed Value (AV), \$26.7 million would be available for the City of Gresham.**

- Estimate of 2-4 projects (187 units)
- Metro targets: 40% are deeply affordable (77); 50% family units (93)
- Funding could be used to fund a project where all units are affordable, or fund the affordable housing component of a larger development.

The City anticipates partnering with experienced third party developers to finance and construct units.



# LIS: Strategy for Racial Equity

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## Affirmatively Furthering Fair Housing

- Address significant disparities in access to community assets.
- Overcome unequal and separate living patterns.



### Themes

- Ability to have choice for where to live, including the opportunity to remain in the community one lives in now.
- Support the development of assets and opportunities in historically underserved areas.
- Opportunities to participate in wealth creation, specifically for historically marginalized communities. This includes jobs, asset/equity building, and ways to foster generational wealth.
- Meaningful participation in decisions being made.

### Actions

- Build ownership housing
- Business and Workforce Equity Goals
  - Establish MWESB targets
  - Require a solicitation plan for subcontracting, with supports for access, opportunity, and education
- Culturally specific programming and supportive services
  - Partner organizations with trust and experience in communities
  - Residential services and site management
- Reduce barriers to find and apply for housing

# LIS: Engagement

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## **Housing is a City Priority**

- Housing Opportunities is Gresham City Council Work Plan
- Gresham Task Force on Housing
- Gresham City Council listening sessions

## **Build from existing work related to housing engagement**

- Community needs meetings
- Community liaison programs
- Survey
- Active project development

## **Partnerships and Focus Groups**

- Work with housing providers and non profit partners
- Listen to those experiencing housing instability
- Listen to providers, case managers, and residential coordinators

## **Public meetings**



## **Gresham Task Force on Housing**

# LIS: Engagement Themes

---

## Affordability

- There are fewer safe and affordable choices for low income families, especially those with children.
- Seniors, particularly those on fixed incomes, are finding less options for housing.
- Increased competition due to rising rents; families moving east.
- Less available for 'working families' in between market rate and deeply affordable housing



## Services

- Tenants have a difficult time understanding rights
- Lack of childcare options and activities for children (community center)

## Location

- Safety, security and a sense of well-being are essential
- Proximity to jobs and education
- A lot of older buildings that need maintenance
- Transit access is important, but is harder for families with children.

## Barriers

- Move-in costs and security deposits are high
- Lease terms and screening criteria
- Stigma around low income housing



# LIS: Types of Projects

---

**Staff is exploring these types of projects to create housing, including:**

**Home  
Ownership\***

Funds could be used to develop affordable ownership housing.

**Multifamily  
Affordable rental**

Funds could be used to construct new affordable rental properties.

**Mixed-use housing  
development**

Funds could provide affordable housing as a component of a larger development for retail/commercial/public uses.

**Mixed-Income  
housing  
development**

Funds could be for the affordable component of a mixed-income housing development.

**Land Acquisition**

Funds could purchase land if land is developed for affordable housing.

**Zombie home  
property  
conversion\***

Funds could be used to purchase zombie properties for conversion to affordable homes.

**Rehabilitation/  
Preservation**

Funds could purchase existing properties for conversion to regulated affordable.

**Civic leveraging  
Opportunities**

For projects which support other City Council goals. (i.e. Community Center, Other Civic uses)

# LIS: Next Steps

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## **Next Steps:**

- DRAFT of LIS and Council Policy discussion (tentatively July)
- City Council consideration/adoption of LIS (late summer)
- Housing Bond Oversight Committee meeting (tentatively September)
- Metro Council meeting/approvals

## **Challenges**

- The commitment for 41% of units to be developed below 30% Area Median Income (AMI) is a significant financial challenge.
  - Limited vouchers and public subsidy in Multnomah County
  - Require experienced developer with ability to supplement with other funding
- Operating funds: projects at this range also require significant subsidy for operating funds, including supportive services and residential services.
- Financing ownership housing





**home**forward

hope. access. potential.

## **Affordable Housing Opportunities**

**Fairview, Wood Village  
and Troutdale**

June 5, 2019



# Today's presentation



Overview of Home Forward

Metro Affordable Housing  
Bond Policy Framework

Getting to know Fairview,  
Wood Village and Troutdale











Next Steps – More  
engagement opportunities &  
Local Implementation  
Strategy timeline

# Home Forward properties east of I-205






homeforward








**RAD Properties** — Transition to Project-based Section 8

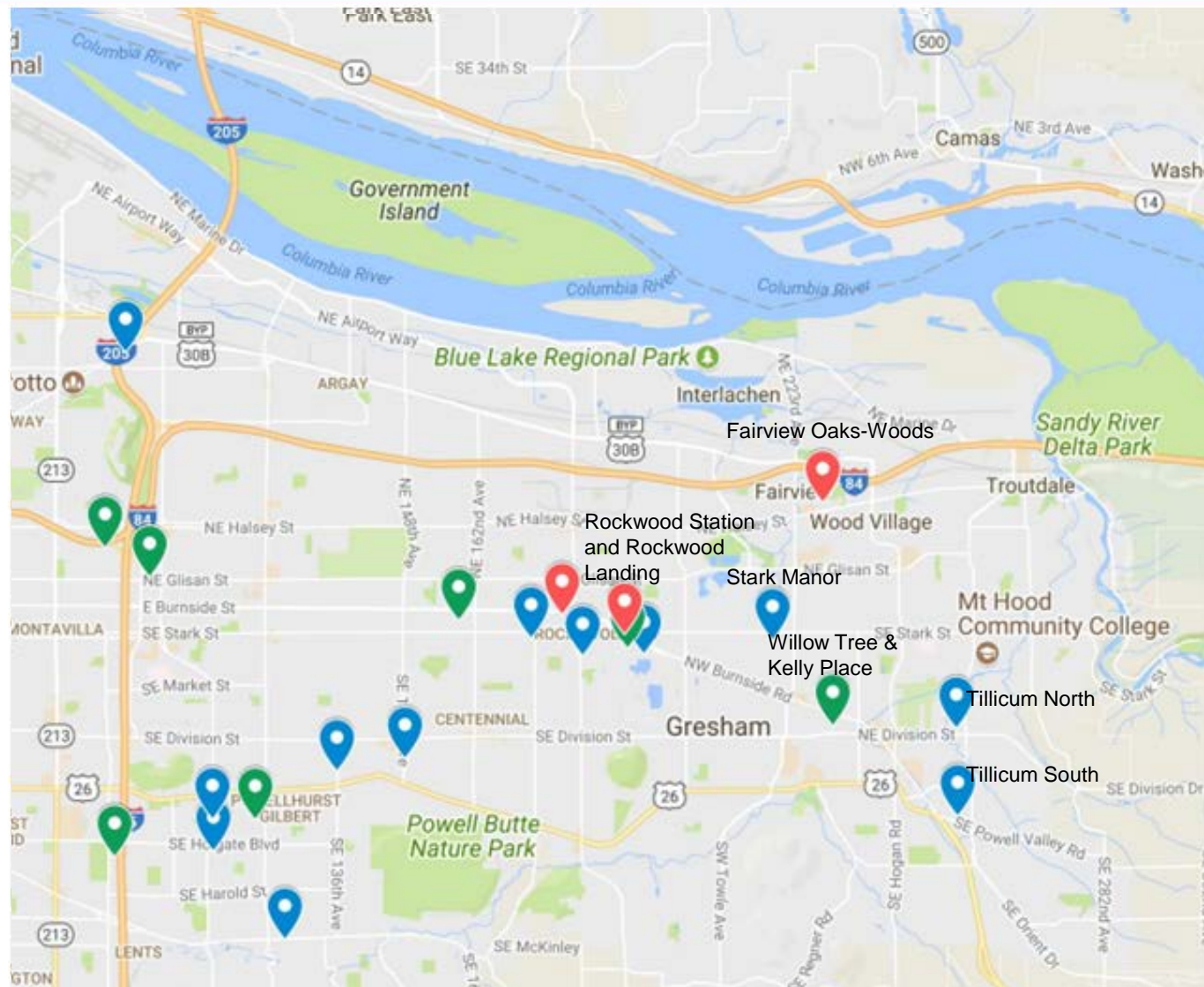
-  Celilo Court
-  Floresta
-  Powellhurst Woods
-  Harold Lee Village
-  Townhouse Terrace
-  Demar Downs
-  Alderwood
-  Eastwood Court
-  Fir Acres
-  Stark Manor
-  Tillicum North
-  Tillicum South

**RAD, No Rehab**

-  Madrona Place
-  Fairview Oaks and Woods
-  Rockwood Station

**Affordable Housing Properties**

-  Multnomah Manor
-  Gladstone Square
-  Gateway Park
-  Schiller Way
-  Sequoia Square
-  Rockwood Landing
-  Kelly Place & Willow Tree



# Affordable housing portfolio



## New construction and acquisitions

Example: **Fairview Oaks and Woods**

328 apartment homes  
(1,2,3,& 4-bedrooms)

- Phase 1-2: purchased in 1992; completed in 1995
- 3<sup>rd</sup> party management office on-site
- On-site resident services emphasizing
  - Economic opportunity
  - Health and wellness
  - Education and youth programming



# Development team track record



## Economic equity in new construction



Located on NE Grand between Holliday & Hassalo  
240 apartment homes opening October 2019

### THE LOUISA FLOWERS

Exceeding aspirational goal of 20% MWESB  
as of April 2019 (approx. 75% complete)

#### 29.3% MWESB achieved

- 7.2% Minority-owned
- 18.1% Women-owned
- 3.9% Emerging small business

### 2018 Annual Contracting Report (overall \$30.4m in construction)

#### 32% MWESB achieved

- 62% Minority-owned
- 36% Women-owned
- 2% Emerging small business

### Apprenticeship hours

Goal: 20% of qualifying hours

#### 26% achieved

- 26% Minority hours
- 6% Female hours

# Metro Affordable Housing Bond

Eastern Multnomah County locations  
in Fairview, Wood Village and/or  
Troutdale

**111 total unit goal**

- 66 units for 60% AMI and below
- 45 units for 30% AMI and below
- At least 56 family-sized units
- Potentially one or two sites
- New construction and/or acquisition



homeforward



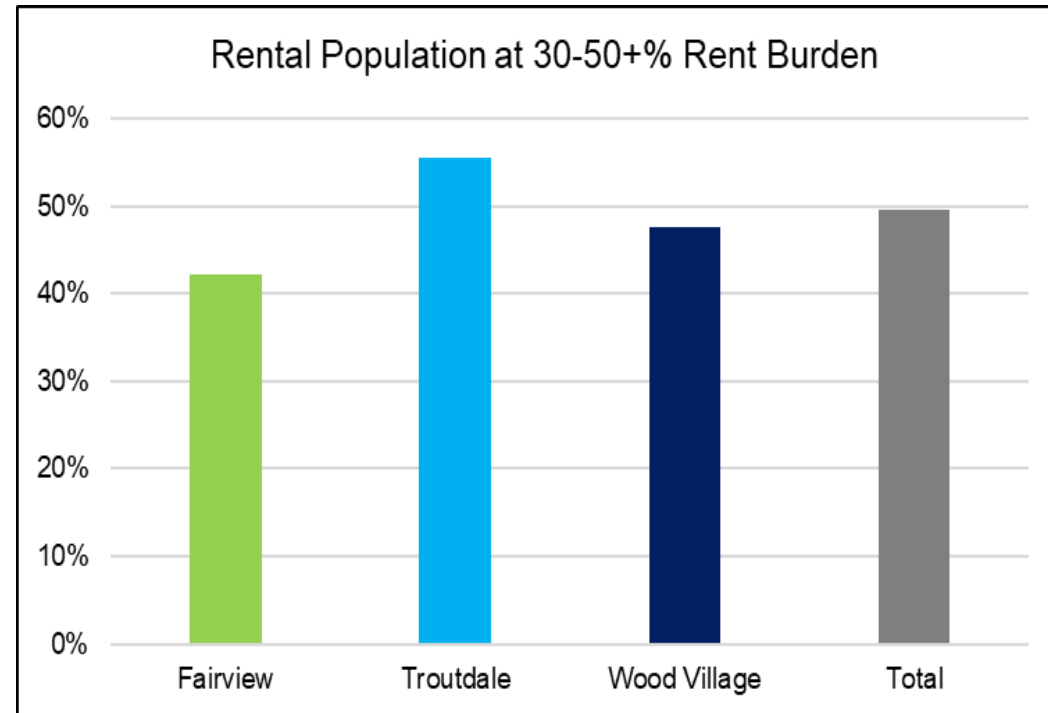
# Getting to know Fairview, Wood Village & Troutdale



homeforward

East County data indicates:

- High rent burden
- Large number of one and two-person renter households
- Median annual income for renters is significantly lower than general population
- Entry level full-time employment opportunities at key employers can result in rent burden

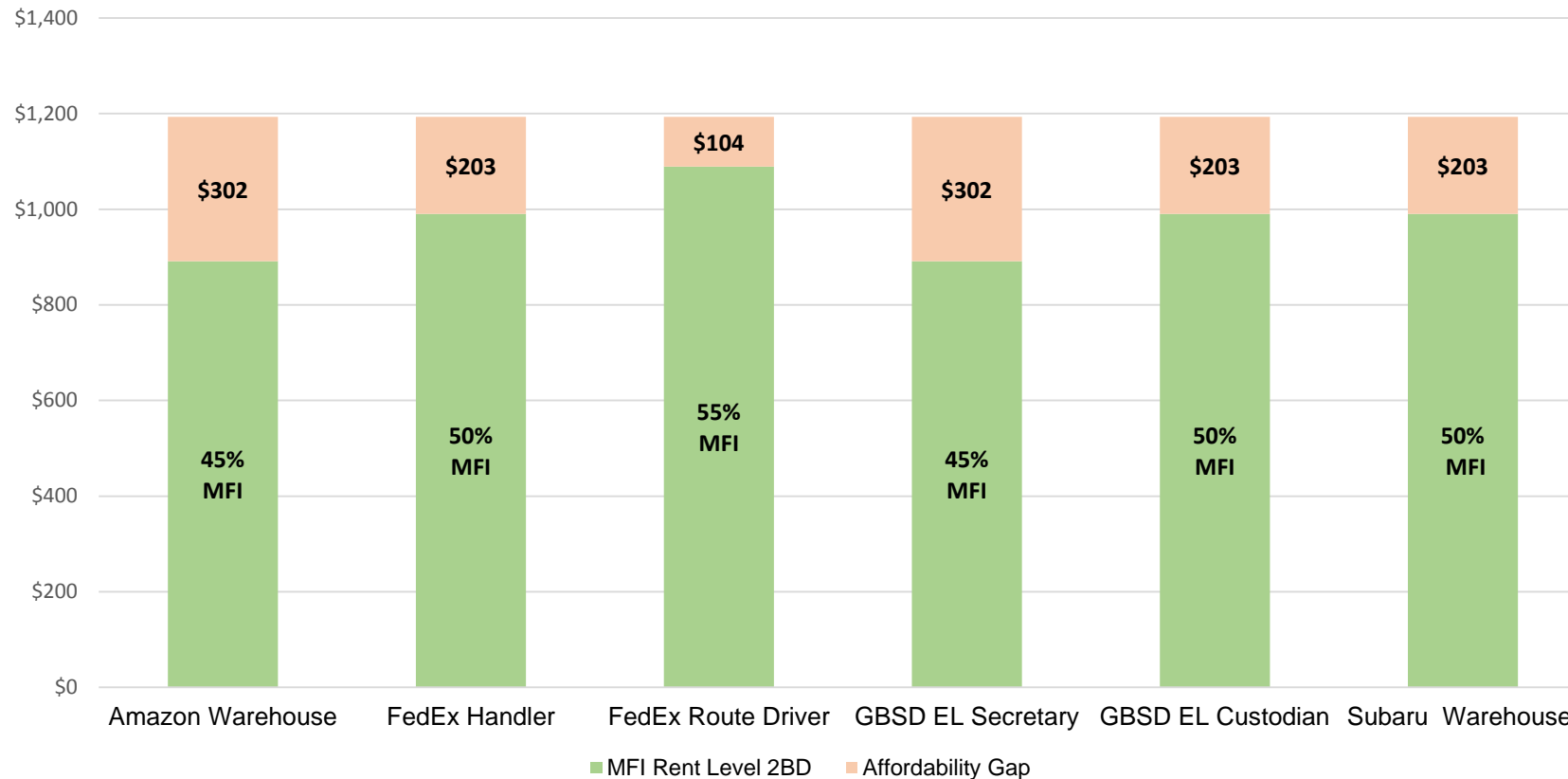


# Getting to know Fairview, Wood Village & Troutdale



homeforward

## Rent Affordability Gap - Single + Child; 2-Bedroom



<sup>^</sup>April 2019 Indeed.com

<sup>\*\*</sup>April 2019 average of 6 nearby Gresham/Troutdale/Fairview Complexes Apartments.com

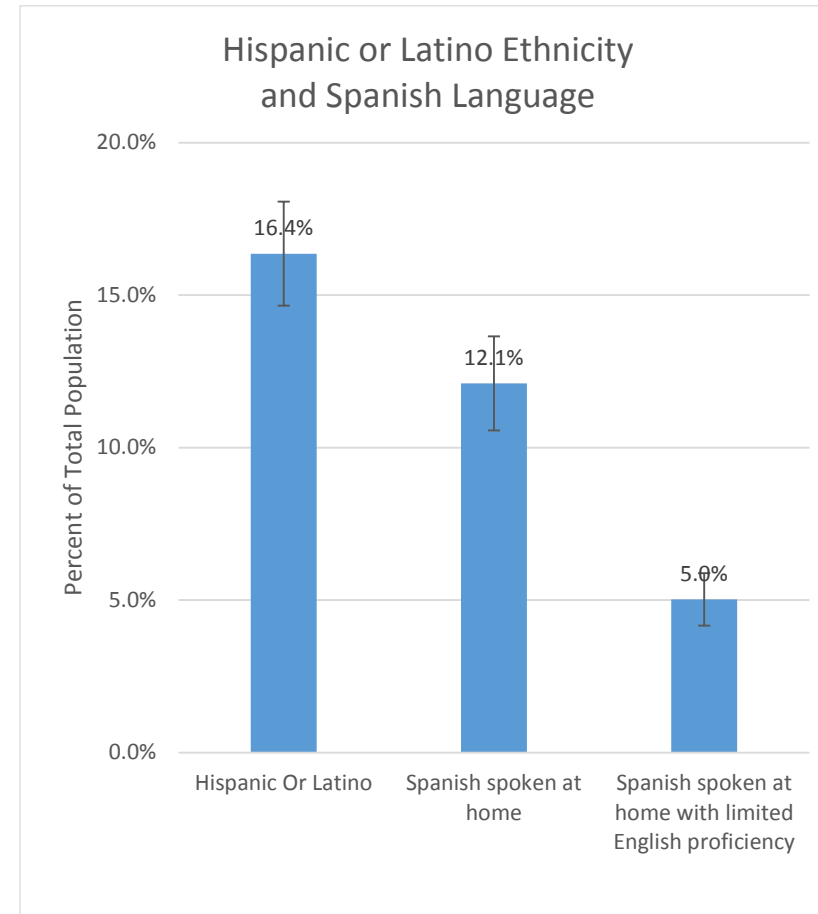
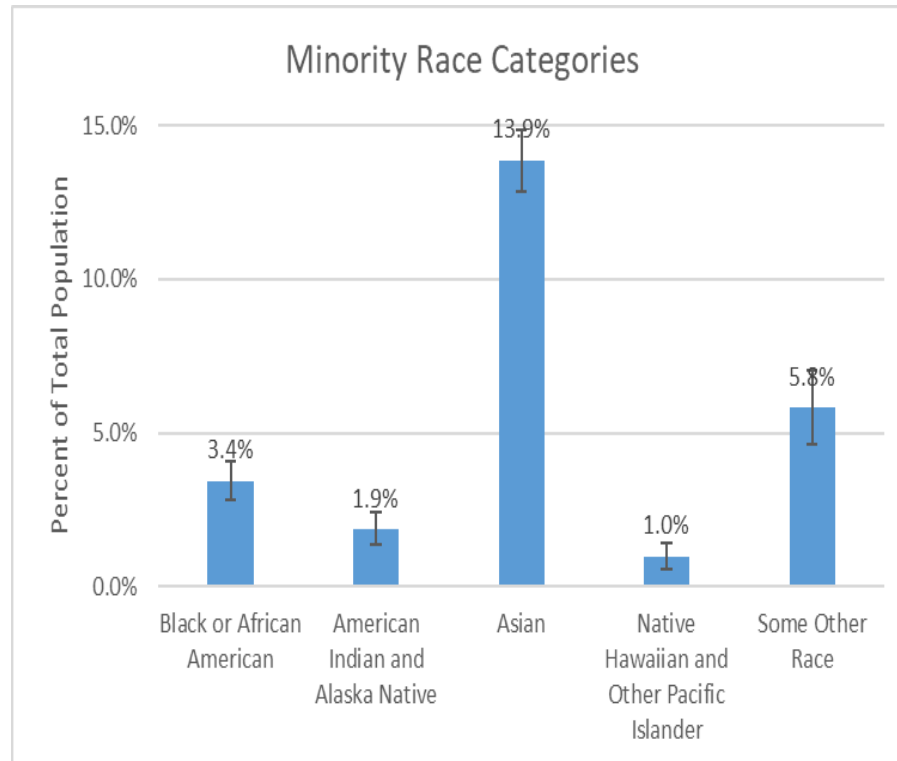
<sup>\*</sup>Classified Salary Schedule 2018



# Getting to know Fairview, Wood Village & Troutdale



homeforward



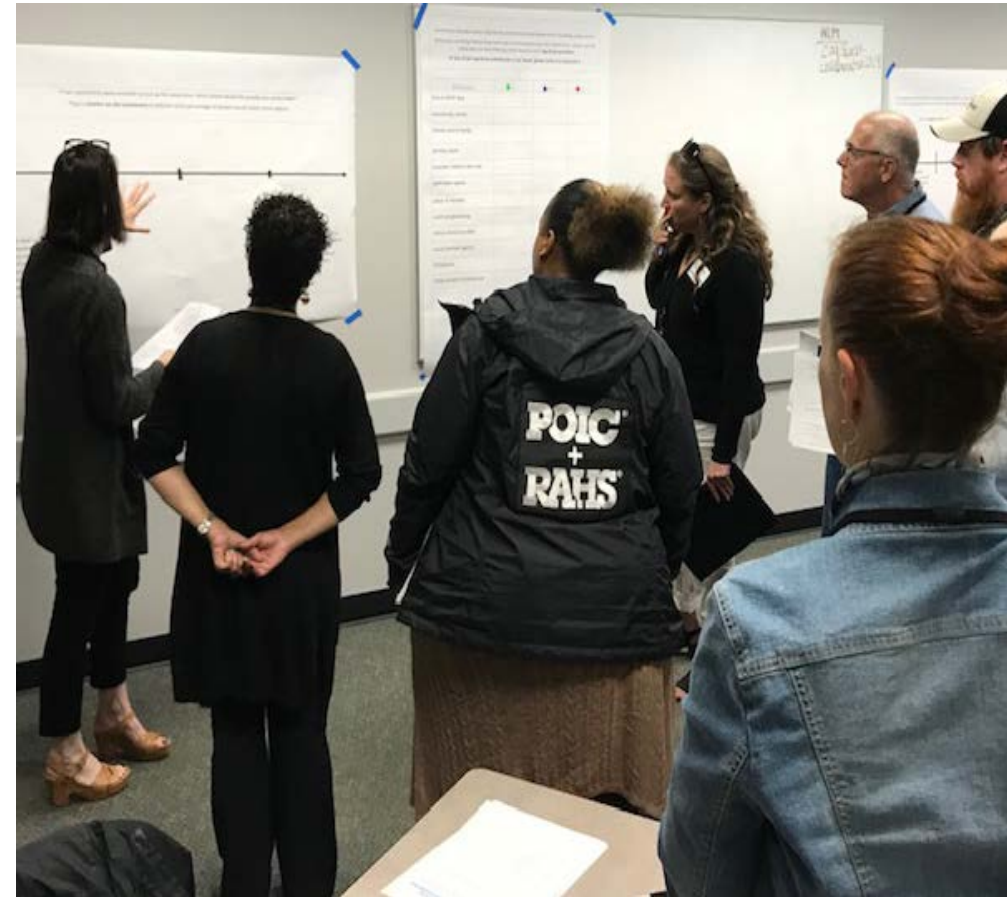
# Getting to know Fairview, Wood Village & Troutdale



homeforward

## Initial community engagement:

- April 23 - Focus group with eight internal Resident Services staff serving east county
- April 25 - Metro\Unite Oregon outreach event in Gresham including people experiencing homelessness and rent-burdened Latinx community members
- May 3 – Introductory meeting with three Mayors/City Managers (hosted by Metro Councilor Shirley Craddick and Multnomah County Commissioner Lori Stegmann)
- May 21 - Home Forward Board of Commissioners meeting in Troutdale
- May 29 – Community Partners focus group (co-hosted with Portland/Gresham)



Focus group goals: verify, prioritize and identify what's missing from April 2018 Metro outreach with communities of color

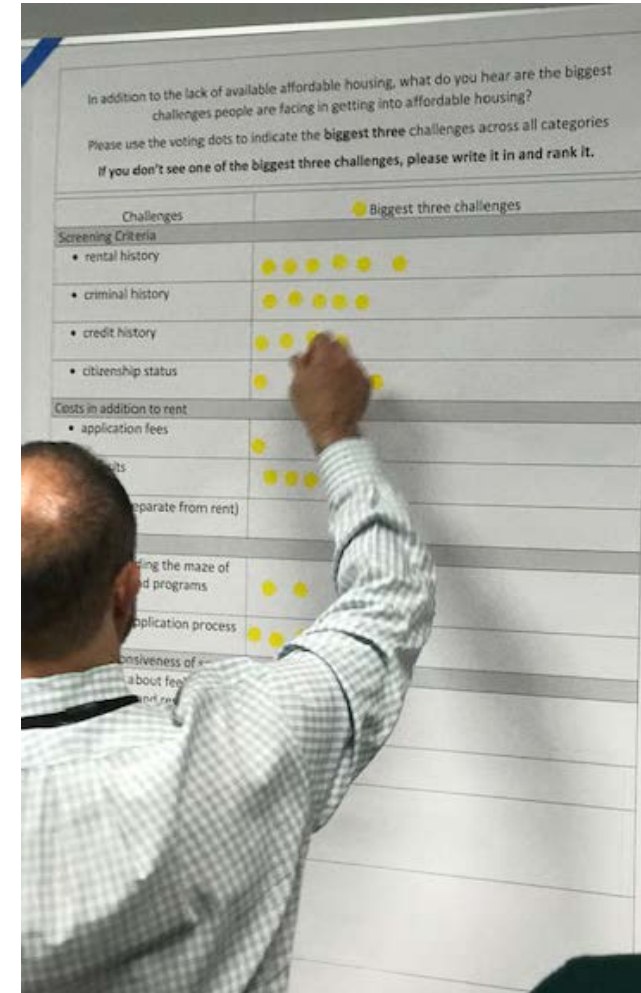
# Getting to know Fairview, Wood Village & Troutdale



homeforward

## Emerging themes

- Large numbers of market rate apartments that are currently under construction have led to concern about “too much multifamily” by longtime residents
- Concern that property management offices need to be staffed on-site (many out-of-state owners)
- Concern that 30% AMI households need significant resident services support; will on-going funding be available?
- Agreement that apartments for larger families are needed
- Recognize that racial profiling is a significant barrier to access
- Interest in affordable homeownership opportunities that maintain affordability over time



# Next Steps



## Commitments to racial equity

- Continue to exceed 20% MWESB contracting goals and apprenticeship participation hours
- Continue to develop enhanced outreach to communities of color during marketing of new homes
- Continue to explore ways to reduce barriers to access



## On-going community engagement

- Schedule a focus group with members of the Latinx community - contact local churches as potential hosts
- Presentation to Troutdale City Council in July
- Development of Community Advisory Committee as a site is identified

# Next Steps



## Local Implementation Strategy (LIS) 2019 Timeline

### April

- Introduced Metro process to Home Forward Board of Commissioners (BOC) Work Session

### April to July

- Community engagement underway

### June, July, August

- Continue discussions with Multnomah County/Cities regarding potential development sites
- Develop initial financial projections given a potential site; if feasible, include a site in LIS as a specific strategy

### September

- Review by Home Forward Real Estate and Development (subcommittee of BOC) followed by review and adoption by the full Board

### October

- Submit LIS to Metro
- Review by Community Oversight Committee

### November

- Metro Council meeting to approve IGA and LIS



# Portland Housing Bureau

Mayor Ted Wheeler • Director Shannon Callahan



Metro

# Metro Housing Bond Portland Implementation Update

Wednesday, June 5, 2019

Metro Bond Community Oversight Committee

# City of Portland: At a Glance



## Portland grows in population, wealth, age, diversity

- 5<sup>th</sup> largest city on the West Coast (est. pop. 650,000)
- 73% of households make less than \$100K annually
- 49% of renters are rent burdened
- Population growth for Communities of Color

**Wealth remains uneven across the board, disparities persist**

# Completely Priced Out

- **0-30% AMI Households**
- **Single Mother Households**
- **Black Households**
- **Native American Households**
- **Pacific Islander Households**

**On average, these households can't afford rents anywhere in the city**





# Portland Housing Bureau

Mayor Ted Wheeler • Director Shannon Callahan

# Implementation of Portland's Housing Bond

# Bond Implementation Team

- Shannon Callahan, Director
- Molly Rogers, Deputy Director
- Karl Dinkelspiel, Affordable Housing Programs Manager
- Tanya Wolfersperger, Bond Program Coordinator
- Jill Chen, Housing Investments and Portfolio Preservation Manager
- Jennifer Chang, Senior Policy Coordinator
- Bobby Daniels, Capital Project Manager
- Stacy Jeffries, Senior Administrative Specialist
- Mike Johnson, Finance Director
- Elizabeth Hilt, Senior Financial Analyst

# Production Goals

## Overview



**\$258.4 M**

Bond to purchase land and existing buildings to develop new affordable housing

**1,300**

Units of affordable housing for households with incomes at or below 60% of the Area Median Income (AMI)

**600**

Units at 0-30% AMI

**700**

Units at 31-60% AMI

**300**

Permanent Supportive Housing units

**650**

Family sized units

# Priority Communities

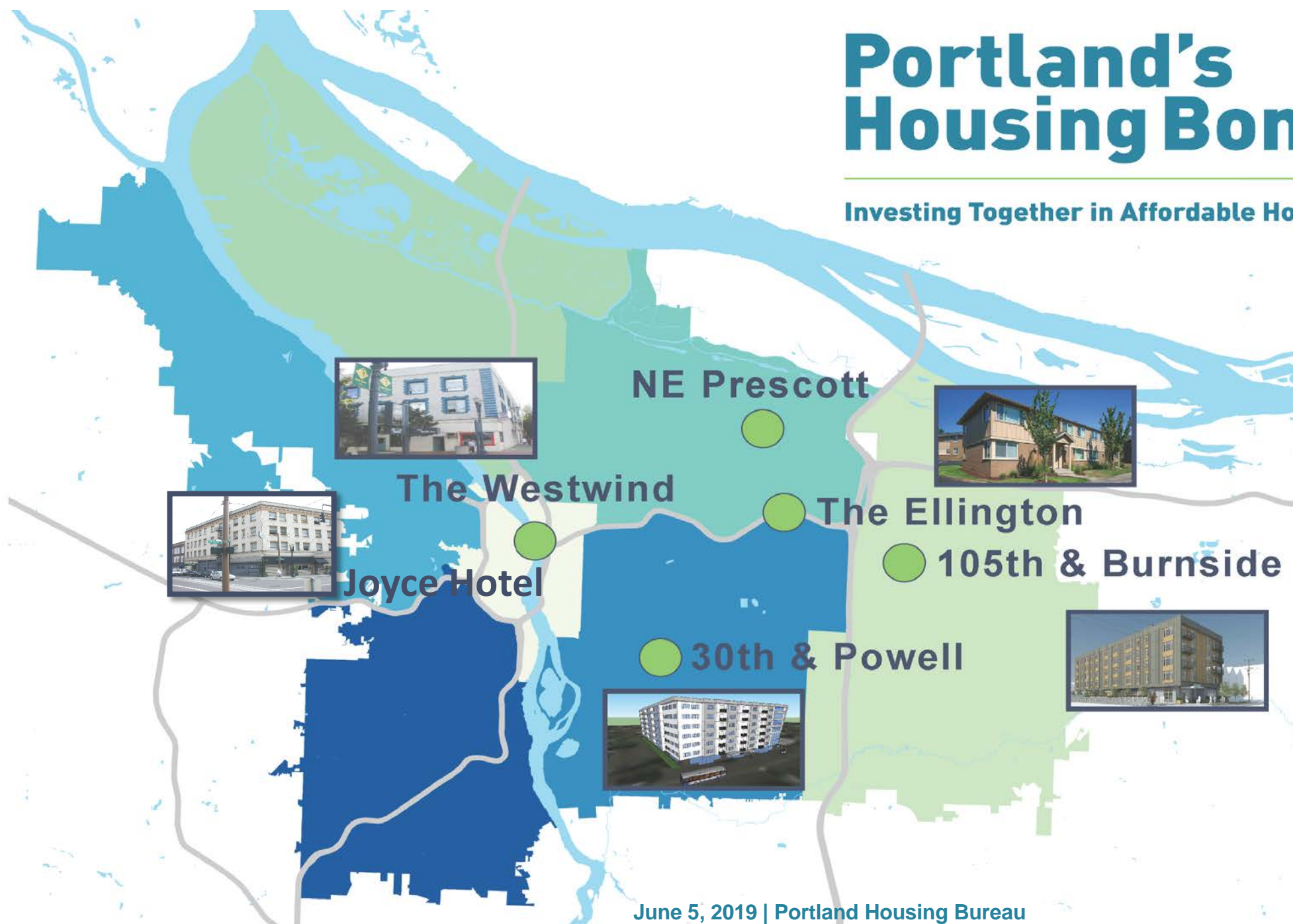
- Communities of Color
- Families
- Households experiencing homelessness
- Households facing imminent displacement

*\* People living with a disability is an important group included in the Framework that often intersects one or all of the above communities. The goal to create Supportive Housing units is specific to serving households living with a disability.*



# Portland's Housing Bond

Investing Together in Affordable Homes



# Strategies to Advance Equity

- Disadvantaged, Minority, Women, Emerging Small Business and Service Disabled Veterans-owned business (DMWESB-SDV):
  - City goal: 20% state-certified DMWESB-SDV firms
  - PHB goal: increase to 30% DMWESB-SDV firms by 2021
- Technical assistance for workforce training and hiring
- Low barrier screening criteria
- Lease-up with culturally specific agencies and Joint Office of Homeless Services

# Bond Opportunity Solicitation: April 2019



**\$77 Million**

**3 Properties**

**Supportive Housing**

**Maximum Subsidy**

**Location priorities: North Portland, SW Portland,  
and East Portland**



# Portland Housing Bureau

Mayor Ted Wheeler • Director Shannon Callahan



Metro

# Metro Housing Bond Portland Implementation Update



# Production Goals: City of Portland

Jurisdiction	Total Units	30% AMI	Family-Sized	Total Project Funds
Portland	1,475	605	737	\$211 million

# Engagement Strategies and Forums

## In-Person Surveys (March 23 - April 6)

- 88 members from 11 cultural communities

## East County Focus Group (May 29)

- 30 attendees from housing agencies

## Collecting feedback via email (June 3 - 21)

- 25 stakeholders and advocates for disability rights



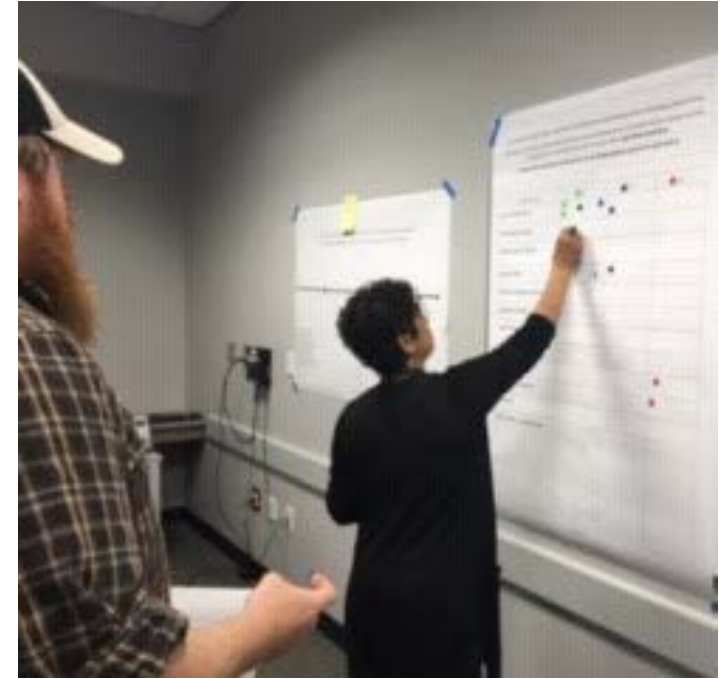
# Engagement Strategies and Forums

## Presentations at Public Stakeholder Meetings (May 1 – July 19)

- N/NE Housing Strategy Oversight Committee – May 9
- Joint Fair Housing Advisory Committee / Rental Services Commission – May 14
- West Portland Town Center Plan – Community Advisory Group – June 3
- Portland Housing Advisory Commission – June 4
- Portland's Housing Bond Oversight Committee – July 18

# Emerging Themes

- Focused efforts needed to reach immigrant and refugee communities
- Goals and policies for accessible units
- Larger sized family units (3, 4, 5 bedrooms)
- Services and rent support for 30% AMI units
- Coordinate and align Metro investments with existing housing strategies and resources



# Issues Under Consideration

- Many similarities between two bonds
- Considerations for Metro Bond include:
  - Operating subsidies to support 30% AMI goal
  - Local goal for Supportive Housing
  - Funds to support 80% AMI units
  - Homeownership as allowable fund use



# Timeline

- May-July: Community engagement to inform LIS
- July-Aug: Finalize LIS
- Sept: Portland City Council Briefing
- Oct-Nov: Present to Metro Community Oversight Committee
- Nov+: Execute Metro Funding IGA and begin implementation



Metro

# Construction Career Pathways Project (C2P2)

Housing Oversight Committee  
June 5, 2019

Raahi Reddy | Diversity, Equity & Inclusion Director  
Sebrina Owens-Wilson | Regional Impact Program Manager



**81 Large Capital Projects**

**Contractors**

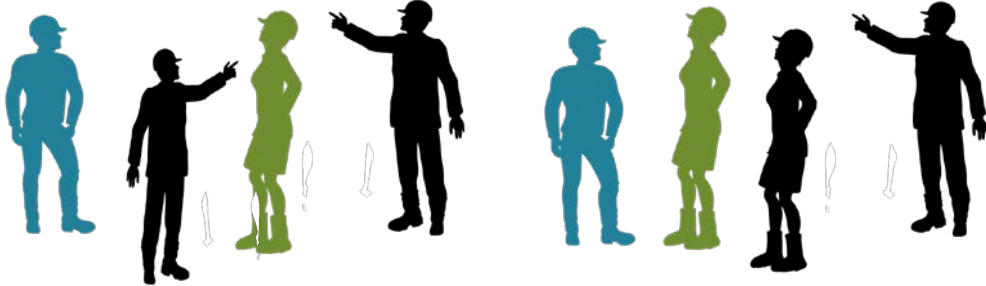
**COBID/MWESB Goals**

**Workforce**

17% Nearing Retirement

Women Completion rate: 38%

People of Color Completion Rate: 36%

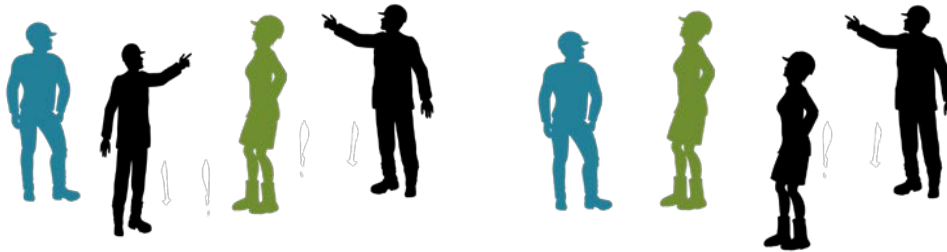


**Loss of \$10K per apprentice that doesn't make it through year one**

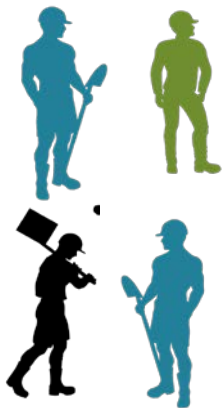


# Equity in Construction

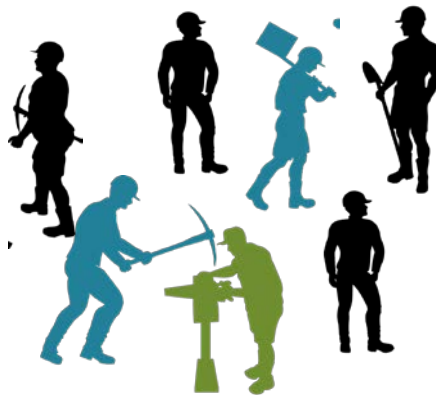
Contractor



Foreman



Journey-level Worker



Apprentice



# Construction Career Pathways

## Project Outcomes

- Increase career opportunities for people of color and women to meet the regional demand for a skilled construction workforce.
- Regional coordination to leverage collective efforts.
- Establish consistent recruitment, training and retention policies & practices.
- Highroad industry standards become the norm.



# Public Owner Workgroup

**City of Beaverton**

**Beaverton**

**School District**

**Bureau of Labor  
and Industries**

**Home Forward**

**Metro**

**Multnomah County**

**North Clackamas  
School District**

**Oregon Department  
of Transportation**

**Oregon Health  
Sciences University**

**Port of Portland**

**City of Portland**

**Portland  
Community College**

**Portland  
Public Schools**

**Portland State  
University**

**Prosper Portland**

**TriMet**

# Integrated stakeholder engagement

- Building Trades
- Contractors – general, subs, minority
- Community based organizations
- Pre-apprenticeship training programs
- Trade associations
- Public agencies
- Private developers



# Metro Construction Workforce Market Study, 2018

## INCREASE RECRUITMENT OF DIVERSE WORKERS

- Ensure steady funding stream to increase capacity of pre-apprenticeship programs
- Increase direct entry from pre-apprenticeship into apprenticeship programs
- Promote recruitment of diverse workers through referrals
- Coordinate additional outreach efforts across the region through partnerships with trusted community organizations and community leaders
- Establish stronger collaboration and alignment across regional and state systems such as K-12, WorkSource, etc.

## INCREASE RETENTION OF DIVERSE WORKERS

- Address construction job site culture through respectful workplace trainings with proven results
- Increase monitoring of on the job training of apprentices by well-trained experts
- Formalize mentorship resources for diverse workers
- Invest in ongoing supportive services for apprentices

## DEVELOP MORE ROBUST EQUITY POLICIES AND PRACTICES

- Enforce contract goals, with consequences for non-compliance
- Improve oversight to achieve workforce goals on public projects
- Create contractor incentives in bidding process for past equity performance and compliance
- Improve and ensure a transparent system for reporting and monitoring of workforce goals
- Create consistent opportunities for connections across sectors to collectively problem solve
- Adopt shared policies and processes across agencies
- Sustain a regional investment in the construction workforce pipeline

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



PORTLAND METRO REGION  
CONSTRUCTION WORKFORCE  
MARKET STUDY

2018

**work.**  
By Portland Metro, Multnomah, Washington, and Clatsop Counties

# 1 Workforce Diversity Goals

The following percentages shall be attained for each Covered Project:

1. A minimum of **20% of total work hours** in each apprenticeable trade shall be performed by **state-registered apprentices**.
2. A minimum of **14% of total work hours** shall be performed by **women and women-identified persons** – both journey and apprentice-level workers in each trade
3. A minimum of **25% total work hours** shall be performed by **persons of color** – both journey and apprentice level workers in each trade



# 1 Diversity Goal Thresholds

Tiers	Cost Threshold	Requirements
<b>Tier 1</b> – <i>not subject to workforce diversity goals</i>	Total project costs under \$200,000	Projects are <u>not</u> subject to workforce diversity goals – but <b>tracking workforce participation and recruitment and retention</b> efforts is preferred.
<b>Tier 2</b> – <i>subject to workforce diversity goals</i>	\$200,000 - \$4,999,999 million	<b>Contractors shall document good faith efforts to meet targeted workforce diversity goals</b> ; Project is <u>not</u> subject to full Labor Agreement
<b>Tier 3</b> – <i>subject to workforce diversity goals and Workforce Agreement</i>	\$5 million and above	<b>Subject to all workforce goals and all provisions outlined in Workforce Agreement.</b>

# 2 Investing in recruitment & retention of diverse workers

- Job readiness
- Wrap around support services
- Consistent funding stream
- Regional stakeholder and agency coordination





# 3 Changing the culture on job sites



- Utilize contracting and workforce agreements to institutionalize positive workplace training
- Contractor and Trades accountability for job site culture
- Identify resources, training curriculum

## 4 Workforce agreements

Boilerplate workforce agreements that establish workforce standards, hiring goals, safety rules, workforce harassment prevention, and conflict resolution

## 5 Regional tracking & reporting

Establishing a coordinated regional system for tracking and ongoing monitoring of workforce diversity outcomes

# Ramp-up Strategies

- Phase in diversity goals
- Tracking workforce diversity
- Utilize boilerplate workforce language
- Workforce diversity plans



# Questions



Date: Friday, May 31,, 2019  
To: Housing Bond Community Oversight Committee  
From: Emily Lieb, Housing Bond Program Manager  
Subject: Preliminary update on cost efficiency considerations in the Housing Bond

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In response to questions raised during the May Community Oversight Committee meeting, our team has compiled some information about existing policy direction and preliminary metrics related to how cost efficiency will be considered in the implementation of the Housing Bond.

### **Metro Council direction**

Metro's Housing Bond Program Work Plan, adopted by Metro Council in January 2019, outlines expectations for participating jurisdictions to develop plans for how they will achieve the local share of unit production goals using the local share of eligible bond funding, as outlined in Exhibit B of the Work Plan. In accordance with this distribution framework, which was informed through extensive stakeholder and expert discussions in 2018, each jurisdiction's portfolio is allocated an average of \$143,000 per targeted housing unit in eligible local share of housing bond subsidy, plus anticipated investment by Metro's Site Acquisition Program equivalent to approximately \$16,000 per unit, for a total average bond subsidy per unit of \$159,000.

The Work Plan provides flexibility for variation in bond subsidy per unit across a jurisdiction's portfolio, as long as the jurisdiction demonstrates a plan and progress toward achieving the local share of unit production targets. There is no per unit cap on bond subsidy, and the Work Plan does not establish any caps on total cost, total subsidy, or other measures of cost efficiency. However, the Work Plan does ask jurisdictions to describe, in their local implementation strategies, goals and commitments for leveraging other capital and ongoing operating and/or service funding as well as cost containment strategies.

### **Reviewing projects**

As directed by the Work Plan, Metro staff will evaluate each project proposal at both the concept and final funding approval stages on the basis of its proportionate contribution to unit production targets relative to bond funds requested and its consistency with the adopted Local Implementation Strategy. Staff will confer with members of the Oversight Committee in the project review process, but this evaluation of individual projects during the funding decision process is not a formal role of the Committee as a whole. Because local implementation strategies have yet to be approved, Metro Council is being asked to take action on Phase 1 project endorsements and funding decisions. Following the approval of Local Implementation Strategies, Metro Council action will not be necessary as staff are authorized to approve projects according to the criteria outlined above.

### **Monitoring trends**

Metro staff are working in coordination with eligible implementation partners to establish performance and outcome metrics to be tracked throughout implementation. Staff will seek input from the Community Oversight Committee to create a series of dashboards and reporting tools to support ongoing monitoring of trends and evaluation of outcomes. These trends and outcomes will be presented to Metro Council as part of the Committee's annual report, along with any recommendations regarding actions needed to ensure that the program stays on track to achieve

the outcomes that have been committed to voters and stakeholders. We anticipate various metrics related to cost efficiency being integrated into these reporting tools, and will ensure that Committee members have opportunities to help shape what those tools look like.

On p. 3 of this memo, you will find sample cost efficiency metrics for our two Phase 1 projects alongside some additional contextual information on modeling assumptions for the bond and costs of affordable housing projects that have received funding from Metro's Transit Oriented Development program since 2017 and Oregon Housing and Community Services during the past three years. As you will see, there is a wide spread in project costs owing to a number of factors, including construction type, presence of non-residential space, size of units, cost of land in different locations, and other factors. We will continue working to assemble data points that will help to provide further context on cost and subsidy efficiency, but we hope this initial data is useful to you.

### **Modeling targets**

In early 2018, Metro contracted Structure Development to develop financial modeling to inform the establishment of unit production targets for the housing bond. This modeling was further shaped by community values and guiding principles established by a stakeholder advisory table and vetted by a technical advisory table. This process is fully described in the Housing Bond Framework adopted by Metro Council in July 2019.

Estimated construction costs used for modeling were informed through analysis of recent costs observed across the region and refined through multiple meetings with technical experts. The modeling did not assume any leverage other than non-competitive 4% Low Income Housing Tax Credits, 400 rental assistance vouchers committed in Clackamas and Washington Counties, and modest private debt. In reality, it is anticipated that most Housing Bond projects will include other sources of leveraged funds.

### **Additional resources**

In October 2015, Meyer Memorial Trust convened a Cost Efficiency Work Group, which published its finding in a final report, also attached for your reference. The executive summary provides an excellent overview of some of the general factors and challenges related to cost efficiency in affordable housing.

**Sample Cost Efficiency Metrics: Bond Modeling, Phase 1 projects endorsed to date, and sample data from Metro TOD and OHCS**

	<b>Modeling assumptions to inform Metro bond targets</b>	<b>Beaverton Phase 1 Project: Mary Ann</b>	<b>Clackamas Phase 1 Project: Gladstone SRO/Supportive Housing</b>	<b>TOD Affordable Housing Projects</b>	<b>OHCS new construction projects in Metro region</b>	<b>OHCS acquisition projects in Metro region</b>
	<i>Modeling conducted by Structure PDX in 2018 with input from a technical advisory committee convened by Metro</i>	<i>Status: Concept Endorsement contingent on pending 9% LIHTC application</i>	<i>Status: Funding approved to acquire building; rehab cost estimates are very preliminary</i>	<i>13 projects approved for TOD funding since 2017</i>	<i>26 new construction projects endorsed for 4% or 9% LIHTC in Multnomah, Clackamas, or Washington Counties over the past three years</i>	<i>12 rehab projects endorsed for 4% or 9% LIHTC in Multnomah, Clackamas, or Washington Counties over the past three years</i>
Bond subsidy/unit	\$159,000**	\$55,556	\$149,209			
Bond subsidy/bedroom*	\$59,800	\$38,372	\$149,209			
Bond subsidy/gross SF	N/A	\$84	\$232***			
Total cost/unit	\$245,000	\$388,401	\$237,104	Avg: \$284,378 Range: \$163,595 to \$426,680	Avg: \$280,391 Range: \$121,346 to \$428,496	Avg: \$230,609 Range: \$158,270 to \$306,532
Total cost/bedroom	N/A	\$243,880	\$237,104	N/A	N/A	N/A
Total cost/gross SF	N/A	\$532	\$374***	Avg: \$345 Range: \$271 to \$536	Avg: \$356 Range: \$184 to \$894	Avg: \$327 Range: \$186 to \$737

\*For the purpose of this summary, we have counted SRO units the same as one-bedroom units.

\*\*Assumes \$620,016,000 bond subsidy after 5% administrative cost for a total of 3,900 units; includes \$143,077/unit in local share subsidy and an estimated \$15,901 in estimated average subsidy from Metro's Site Acquisition program.

\*\*\* Based on an estimated building size of 29,000 square feet

**Draft**

Date:

To: Metro Council

From: Metro Housing Bond Oversight Committee

Re: Leading with Racial Equity: Ensuring Contracting and Workforce Diversity with Affordable Housing Developments

The Metro Bond Oversight Committee is committed to addressing historic barriers with regional and local investments towards creating at least 3900 housing units serving people with lower incomes. We also embrace the Bond program's Guiding principles charge to "Lead with racial equity" and "Create opportunities for those in need".

We recommend to the Metro Council that measureable goals are set around racial equity to ensure economic participation with contracting and workforce diversity in affordable housing developments.

Recommendation: *Set aspirational goals for utilization of MWESB contractors and workforce diversity. Metro and local jurisdictions should work to reduce barriers to achieving these goals; demonstrate accountability by tracking outcomes over time and reporting impacts.*

While we understand that MWESB contracting is not the only strategy needed to achieve racial equity, we do know that it is a strategy that is commonly used and able to be tracked. This committee recommends that Metro set a 20% MWESB contracting goal for the Metro Housing Bond.

As for advancing workforce participation goals, the Oversight Committee strongly encourages the Metro Council to fully participate in and adopt the regional Construction Careers Pathways Project (C2P2); and work with staff to coordinate implementation of C2P2 with the affordable housing bond program.

*(Under a separate cover, this memo/recommendation will be shared with local jurisdiction staff)*