

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING)	RESOLUTION NO. 20-5071
EXECUTION OF AN INTERGOVERNMENTAL)	
AGREEMENT WITH THE CITY OF GRESHAM)	Introduced by Interim Chief Operating
FOR IMPLEMENTATION OF THE METRO)	Officer Andrew Scott in concurrence
AFFORDABLE HOUSING BOND MEASURE)	with Council President Lynn Peterson

WHEREAS, on June 7, 2018, the Metro Council adopted Resolution No. 18-4898, referring to the Metro area voters Ballot Measure 26-199 authorizing general obligation bond indebtedness to fund affordable housing (the "Housing Bond Measure"); and

WHEREAS, on June 28, 2018, the Metro Council passed Ordinance 18-1423 establishing that affordable housing is a "matter of metropolitan concern" and exercising jurisdiction over functions related thereto; and

WHEREAS, on November 6, 2018, the voters approved the 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. 19-4956, approving the Metro Housing Bond Measure Program Work Plan (the "Work Plan"), which, among other things, provided that the Housing Bond Measure program would primarily be implemented by local jurisdiction partners who have created individualized plans (each, a "Local Implementation Strategy") to (a) achieve certain unit productions targets, (b) advance racial equity, and (c) ensure community engagement in program implementation; and

WHEREAS, the City of Gresham has created a Local Implementation Strategy, which strategy was reviewed by the Affordable Housing Bond Community Oversight Committee and has been recommended to the Metro Council for approval; and

WHEREAS, in accordance with the Work Plan, Metro staff has negotiated terms and conditions under which Housing Bond Measure funding will be provided to the City of Gresham, 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:

Authorizes the Metro Chief Operating Officer to enter into an intergovernmental agreement with the City of Gresham substantially in the form attached hereto as Exhibit A.

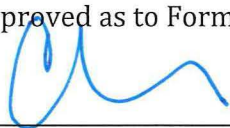
ADOPTED by the Metro Council this 6 day of February, 2020.



Lynn Peterson, Council President



Approved as to Form:



Carrie MacLaren, Metro Attorney



Metro

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

Intergovernmental Agreement

Affordable Housing Bond Measure Program IGA

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 City of Gresham ("Local Implementation Partner" or "LIP"), located at 1333 NW Eastman Parkway, Gresham, OR 97030, 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, which, among other things, provides that Metro will distribute a portion of the proceeds of the Bonds (the "Bond Proceeds") to eligible local government affordable housing implementation partners, and LIP is a participating local government partner eligible to receive Bond Proceeds.

C. The parties desire to enter into this Agreement to provide the terms and conditions under which Metro will provide Bond Proceeds to LIP to implement the Bond Measure goals, requirements, and restrictions set forth in the Work Plan.

AGREEMENT

1. Definitions. In addition to the definitions above, capitalized terms used in this Agreement have the definitions set forth in this Section 1.

1.1. "Administrative Costs" means Capital Costs that are not Direct Project Costs, including general program administrative expenses (e.g. staff support and overhead costs attributable to Bond Measure program implementation), expenses related to community engagement and outreach, and payments to third-party consultants (e.g. realtors, appraisers, surveyors, title insurers, environmental evaluators, designers, and engineers).

1.2. "Administrative Share" means that portion of the Bond Proceeds totaling \$563,305.

1.3. “Affordable Housing” means land and improvements for residential units occupied by low-income households making 80% or less of area median income, consistent with the intents and purposes of the Bond Measure.

1.4. “Affordable Housing Project(s)” or “Projects” means Affordable Housing that is developed, built or acquired by LIP using Bond Proceeds, or supported by LIP through grants or loans of Bond Proceeds, burdened by a Restrictive Covenant.

1.5. “Area Median Income” or “AMI” means median gross household income, adjusted for household size, for the Portland, Oregon metropolitan statistical area as established each year by HUD.

1.6. “Capital Costs” means costs of Affordable Housing that are capitalizable under generally acceptable accounting principles (GAAP), which costs include the costs of capital construction, capital improvements or other capital costs, as those terms are defined by the relevant provisions of the Oregon Constitution and Oregon law (including ORS 310.140).

1.7. “Concept Endorsement” is as defined in Section 4.1, below.

1.8. “Conversions” means conversion of existing, occupied market-rate housing units to Affordable Housing units burdened by a Restrictive Covenant.

1.9. “Direct Project Costs” means Capital Costs that are expended for the acquisition, development, or construction of an Affordable Housing Project.

1.10. “Disbursement Request” is as defined in Section 4.3, below.

1.11. “Eligible Share” means that portion of the Bond Proceeds totaling \$26,756,995.

1.12. “Final Approval” is as defined in Section 4.2, below.

1.13. “LIS” means the LIP’s local implementation strategy document adopted by LIP and attached to this Agreement as **Exhibit A**.

1.14. “LIS Annual Progress Report” is as defined in Section 9.1, below.

1.15. “New Construction” means development and construction of a new Affordable Housing Project.

1.16. “Oversight Committee” means the Affordable Housing Bond Community Oversight Committee created pursuant to Metro Code Section 2.19.260.

1.17. “Project Funds” means that portion of Eligible Share committed through the Project approval process set forth and distributed in accordance with Section 4.

1.18. “Property Acquisitions” means real property acquisitions by LIP to be used for future development of an Affordable Housing Project.

1.19. “Regional Investment” is as defined in Section 2.2, below.

1.20. “Regional Site Acquisition Program” means the program implemented by Metro to use Bond Proceeds to acquire and develop regionally significant sites for Affordable Housing.

1.21. “Restrictive Covenant” is as defined in Section 5, below.

1.22. “Term” is as defined in Section 11.1, below.

1.23. “Unit Production Targets” means those targets set forth in Section 2.1 below, and include the “Total Unit Target,” the “30% or Below Target,” the “31%-60% Unit Target,” the “61-80% Cap,” and the “Two-Bedroom+ Target,” each as defined in Section 2.1.

1.24. “Unit(s)” means residential units in an Affordable Housing Project.

1.25. “Work Plan” means Metro’s Affordable Housing Bond Measure Program Work Plan adopted by the Metro Council by Resolution 19-4956, as subsequently amended by the Metro Council on October 17, 2019 by Resolution 19-5015.

2. Unit Production Targets

2.1. Unit Production Targets. LIP hereby agrees to adopt and take all necessary and appropriate action to implement the Unit Production Targets set forth below. The parties anticipate the LIP’s Unit Production Targets will be met using a combination of funds, including LIP’s Eligible Share and Metro’s Regional Investment. LIP’s failure to make reasonable progress towards meeting its Unit Production Targets, in accordance with the timeline attached hereto as **Exhibit B**, is grounds for termination of this Agreement by Metro as provided in Section 11, after which Metro shall have no further obligation to distribute the Eligible Share.

2.1.1. Total Unit Target: 187. This is the minimum total number of Units to be built or acquired using LIP’s Eligible Share. Should LIP build or acquire additional units above the Total Unit Target using its Eligible Share, those units may be occupied by households earning anywhere between 0-80% so long as 30% or Below Target and the 31%-60% Unit Target have been satisfied.

2.1.2. 30% or Below Target: 77. This is number of the Total Unit Target that will be restricted to households earning 30% or less of AMI, in accordance with the terms of the Restrictive Covenant.

2.1.3. 31%-60% Unit Target: 91. This is number of the Total Unit Target that will be restricted to households earning 31%-60% of AMI, in accordance with the terms of the Restrictive Covenant.

2.1.4. 61-80% Cap: 19. This is the maximum number of units contributing to the Total Unit Target that may be restricted to households earning 61-80% of AMI.

2.1.5. Two-Bedroom+ Target: 93. This is number of the Total Unit Target that will be two bedrooms or more.

2.2. Impact of Regional Program. Metro will use ten percent of the total Bond Proceeds to fund and operate its Regional Site Acquisition Program. The parties expect that Metro's Site Acquisition Program will spend approximately \$2,972,999 within LIP's jurisdictional boundary (the "Regional Investment"). Units created in projects that utilize Regional Investment will contribute towards LIP's Unit Production Targets, unless otherwise agreed to by the parties. Metro will make good faith efforts to coordinate and consult with LIP to ensure Metro's decisions regarding the Regional Investment support LIP in reaching its Unit Production Targets. Once LIP has spent or has committed to spend 75% of its Eligible Share, if Metro has not yet spent, or committed to spend, the Regional Investment, then the parties will meet to discuss potential alternative options for how the Regional Investment could be spent by Metro to support LIP's remaining Unit Production Targets. If following such meeting the parties are still unable to identify opportunities for collaboration or agreeable potential alternative options, then LIP's Unit Production Targets will be reduced by the lesser of (a) ten percent or (b) the proportionate share equal to the amount of Regional Investment Metro has not yet spent.

3. Local Implementation Partner's Eligible Share.

3.1. Direct Project Costs; Consistency with LIS. Subject to the terms and conditions of this Agreement, including Section 4, below, and the requirements, limits, and restrictions set forth in both the Work Plan and the Bond Measure, Metro will provide to LIP the Eligible Share on a Project-by-Project basis. LIP may only spend the Eligible Share on Direct Project Costs that are consistent with its LIS, as determined by Metro, in Metro's reasonable discretion, and will spend no portion of the Eligible Share on Administrative Costs.

3.2. Public or Private Ownership. LIP may use its Eligible Share to support the creation of Affordable Housing that is either privately or publicly owned. The Eligible Share may be contributed to privately-owned Projects in the form of loans or grants on terms approved by LIP. The identification and selection of a Project will be at the discretion of LIP, provided, however, all Project selections must comply with the LIS and contribute towards the Unit Production Targets. Publicly-owned Affordable Housing financed with the LIP's Eligible

Share must contribute to the Unit production Targets and must comply with the LIS and the terms and conditions of this Agreement, including, without limitation, the same Project approval process and requirements provided for in Section 4 below.

3.3. Approved Project Types. LIP may use its Eligible Share only for the types of projects described in the Work Plan. As of the Effective Date, the Work Plan sets forth the following approved types of Affordable Housing Projects: (a) New Construction, (b) Conversions, and (c) Property Acquisitions.

4. Metro Approval Process; Disbursement of Funds; Repayment

4.1. Concept Endorsement. In order for LIP to receive a disbursement of its Eligible Share to fund a New Construction or Conversion Project, LIP must receive an initial funding commitment for such Project (the "Concept Endorsement") from Metro. LIP's request for a Concept Endorsement must include general project information, including a project narrative, preliminary sources and uses information, a draft project site plan, copies of relevant due diligence documents, and any other information Metro deems reasonably necessary to issue a Concept Endorsement. Metro will issue the Concept Endorsement to LIP upon Metro's determination that (a) the Project will reasonably contribute to the Unit Production Targets relative to the amount of the Eligible Share LIP proposes to use for the Project; and (b) the Project will be consistent with the LIS, the Work Plan and the Bond Measure.

4.2. Final Approval. In order for LIP to use its Eligible Share for an Affordable Housing Project, LIP must have received final approval from Metro, as described in this section ("Final Approval"). Metro will issue Final Approval to LIP upon Metro's determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the LIS, the Work Plan, and the Bond Measure. LIP's request for Final Approval will include the Project information described above in Section 4.1, as well as any additional information Metro reasonably requests related to the finalized development program, including design development drawings and an updated sources and uses budget. If after receiving Final Approval, the amount of the Eligible Share initially proposed and approved increases or the Project's unit count, bedroom mix, or affordability level changes, then LIP must submit an amended request for Final Approval for the Project. Metro will review such an amended request (along with any related Disbursement Request) expeditiously, making best efforts to accommodate LIP's anticipated Project closing timeline.

4.3. Disbursement. Following Metro's Final Approval of LIP's proposed use of its Eligible Share for an Affordable Housing Project, LIP may request disbursement of the Project Funds from Metro ("Disbursement Request"). Such request will be made in writing (a) no more than 45 days and (b) no less than 10 business days prior to any anticipated closing or need for use. The Disbursement Request will include: (a) a certification from LIP to Metro that the Project information LIP provided to Metro in connection with its request for Final Approval has not changed or been modified in any material way; (b) a completed draft of the proposed Restrictive Covenant that LIP intends to record against the Project in accordance with Section 5 below, (c) a list of finalized sources and uses, (d) a final construction contract schedule of values, if applicable, and (e) wiring instructions or other instructions related to the transmittal of funds. LIP will provide to Metro any other information as Metro may reasonably request related to the Project. Metro will review Disbursement Requests expeditiously and will disburse funds within 10 business days of receiving a completed Disbursement Request.

4.4. Project Failure and Repayment. LIP will use the Project Funds strictly in accordance with the manner and method described in the Final Approval. If the Project financing transaction for which disbursement was sought fails to close within sixty (60) days after Metro disburses the requested funds, then, unless otherwise directed in writing by Metro, LIP will immediately repay to Metro the amount of its Eligible Share disbursed for the Project, including any interest earned thereon. LIP acknowledges and expressly affirms the repayment obligation set forth above even if such failure is through no fault of LIP. If LIP uses Project Funds for a Property Acquisition, and is thereafter unable to make substantial progress, as reasonably determined by Metro, towards the development of Affordable Housing on the property within four (4) years following the closing date of the Property Acquisition (or such other time period agreed to in writing by Metro), LIP will repay to Metro the amount of the Eligible Share disbursed for the Property Acquisition. In such an event, Metro will provide LIP with written notice of such determination and will thereafter proceed with the dispute resolution provisions set forth below in section 11.4. LIP's remaining Eligible Share will be adjusted and increased to reflect such repayment.

5. Affordable Housing Restrictive Covenant.

5.1. General Provisions and Recording Obligations. For all Projects that receive Bond Proceeds, LIP will ensure an affordable housing restrictive covenant (a "Restrictive Covenant") is recorded on the title to the land that comprises the Project. The Restrictive Covenant must be recorded at closing, or upon its contribution of the Bond Proceeds to a

Project. LIP will provide Metro a copy of the recorded Restrictive Covenant within ten (10) business days following its recording. If for any reason LIP fails to record a Restrictive Covenant in accordance with this section, Metro may, at its sole option and upon written notice to LIP, terminate this Agreement in accordance with Section 11, in which case LIP will refund Metro the Bond Proceeds disbursed to LIP for such Project.

5.2. Form for Property Acquisitions. For Property Acquisitions, the Restrictive Covenant will be granted to Metro directly, be recorded in such priority approved by Metro, and shall be substantially in the form attached hereto as **Exhibit C**, or as otherwise approved by Metro.

5.3. Form for New Construction and Conversion Projects. For New Construction Projects and Conversion Projects, the Restrictive Covenant will (a) acknowledge the use of Bond Measure funds, (b) include applicable long-term affordability restrictions, (c) burden the property for a minimum duration of sixty (60) years or thirty (30) years for Conversion Projects where the building is more than ten (10) years old), (d) provide monitoring and access rights to LIP and Metro, (e) name Metro as a third-party beneficiary and (f) unless otherwise agreed to in writing by Metro, be recorded in a priority position only subject to and subordinate to a primary first mortgage or deed of trust and a State low-income housing regulatory agreements. The monitoring, access and third party beneficiary language will be subject to Metro's review and approval during the Final Approval process. LIP acknowledges that such language will require Projects to provide to Metro certain data (including financial reports, physical inspection reports, and tenant data) typically collected and prepared by Oregon Housing and Community Services. Metro acknowledges that the Restrictive Covenant may provide for a waiver or temporary relief from the limitations on qualifying income, in accordance to address incomes rising in place to avoid undue hardship or displacement, financial hardship for building operations, or to conform to other regulatory or policy requirements.

6. Project Information Reports; Funding Recognition

6.1. Project Information and Updates. Upon Metro's disbursement of Eligible Share for any particular Project, LIP will provide Metro with regular updates regarding Project construction and completion. LIP will notify Metro of any events during construction that materially affect the Project, including (a) significant extensions of the Project schedule, (b) significant increases to the Project budget, (c) any notices of default issued by LIP or other Project lenders, or (d) any other changes that impact the quality or nature of the Project described in the Final Approval process. If any such material events occur during Project

construction, LIP will provide Metro with any additional information Metro reasonably requests related to such events. In addition to providing the general Project updates and information described above, LIP will provide Metro with the documents listed on the attached **Exhibit D** at the Project milestones referenced therein.

6.2. Funding Recognition. LIP will publicly recognize Metro and the Bond Measure in any publications, media presentations, or other presentations relating to or describing Projects receiving Bond Proceeds. LIP will coordinate with Metro in selecting the date and time for any event recognizing, celebrating or commemorating any Project ground-breaking, completion, ribbon cutting or opening, and provide Metro an opportunity to participate. LIP will ensure that the Bond Measure is officially recognized as a funding source at any such event, and will provide a speaking opportunity for the Metro elected official representing the district in which the Project is located, if such opportunities are provided to LIP or other public officials.

7. Administrative Funding. Subject to the terms and conditions of this Agreement, and the requirements and restrictions set forth in both the Work Plan and the Bond Measure, Metro will provide LIP the Administrative Share. Within thirty (30) days of the Effective Date, Metro will disburse to LIP its Administrative Share in accordance with the schedule set forth on Exhibit B attached to this Agreement. Interest earnings on the Administrative Share while held by LIP may be retained by LIP, provided such interest is used for affordable housing, residential services, or supportive services for residents of affordable housing. Metro's obligation to distribute the Administrative Share is conditioned on LIP making reasonable progress towards its Unit Production Targets, as reasonably determined by Metro in accordance with the timeline set forth on the attached Exhibit B.

8. General Obligation Bonds. All Bond Proceeds disbursed to LIP pursuant to this Agreement (including both the Eligible Share and the Administrative Share) are 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. LIP covenants and agrees that it will take no actions that would adversely affect 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. LIP further covenants and agrees that (a) all Bond Proceeds disbursed hereunder will be used only to pay for or reimburse costs that are of a type that are properly chargeable to a Capital Costs (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; and (b) within ten (10) days of the event, LIP will disclose to Metro any events that are required to be included in Metro's continuing disclosure obligations as the issuer of the general obligation bonds. If LIP breaches the foregoing covenants, LIP 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 Project Funds.

9. LIP Required Annual Reporting

9.1. Local Implementation Strategy Progress Reports. By the end of each calendar year of the Term, or until LIP has fully expended its Eligible Share, LIP will provide a report to Metro summarizing its LIS progress and outcomes (the "LIS Annual Progress Report"). LIP will create the LIS Annual Progress Report using a template provided by Metro, which template Metro will develop with input from all participating local government partners receiving Bond Proceeds. The Oversight Committee will review the LIS Annual Progress Report and may recommend changes to the LIS to achieve the Unit Production Targets and to better align the LIS with the Work Plan. LIP agrees to participate fully in such annual review process; provided, however, the LIS may be revised or amended only upon written agreement by both LIP and Metro. Failure by LIP to agree to a proposed amendment will not constitute an event of default.

9.2. Financial Eligible Share Reports. Beginning with Metro's first disbursement of any portion of the Eligible Share to LIP for a Project, and continuing each year thereafter, on or before September 15 of each year during the Term until Unit Targets are completed and/or all Eligible Share is disbursed, LIP will provide an annual financial report to Metro containing (a) an itemized list of LIP's expenditure of Project Funds (and interest earnings thereon) through the end of the applicable fiscal year and (b) a certification from LIP to Metro that the Eligible Share was used only to pay for or Capital Costs.

9.3. Administrative Share Reports. On or before September 15 of each year during the Term, LIP will provide an annual report to Metro containing (a) an itemized list of LIP's expenditure of its Administrative Share (and any investment earnings thereon) through the end of the prior fiscal year detailing each entity LIP paid any portion of the Administrative Share and (b) a certification from LIP to Metro that the Administrative Share was used only to pay for or Capital Costs.

10. Audits, Inspections and Retention of Records. LIP will keep proper books of account and records on all activities associated with the expenditure of all funds disbursed by Metro under this Agreement. LIP will maintain these books of account and records in accordance with generally accepted accounting principles through the date that is three (3) years after the anticipated maturity date of the Bonds or the anticipated maturity date of any obligations issued by Metro to refund the Bonds. Metro expects the Bonds will be outstanding until approximately May of 2039. LIP will permit Metro and its duly authorized representatives, upon prior written notice, to inspect books and records, 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 Bond Proceeds 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

11. Term; Termination; Default Remedies; Dispute Resolution

11.1. The term of this Agreement commences on the Effective Date and terminates on ten years after the Effective Date (the "Term"). The expectation of the parties is that LIP will spend its Eligible Share within seven (7) years after the Effective Date and that all Projects will be completed within the Term of this Agreement. Metro will have no obligation to disburse any remaining portion of LIP's Eligible Share or Administrative Share after the expiration of the Term. The repayment obligations and indemnities set forth in Sections 4, 5, 8 and 14 survive the expiration or earlier termination of this Agreement.

11.2. Metro and LIP 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 only upon the mutual, written termination agreement signed by both Metro and LIP.

11.3. If Metro reasonably believes LIP is not spending its Eligible Share according to the terms herein or otherwise has otherwise failed to comply with the terms of this Agreement, in addition to any other rights and remedies set forth herein or available at law, or in equity, Metro has the right to immediately withhold or suspend future distributions of Eligible Share and Administrative Share. In such an event Metro will provide LIP with written notice of such determination and will thereafter proceed with the dispute resolution provisions set forth below in Section 11.4.

11.4. Metro and LIP will negotiate in good faith to resolve any dispute arising out of this Agreement. Subject to the provisions set forth below, Metro or LIP may terminate this

Agreement during the term if it reasonably determines the other party has failed to comply with any material provision of this Agreement and is therefore in default. Before terminating this Agreement in accordance with this section, the terminating party will provide the other party with written notice that describes the evidence of default and include a description of the steps needed to cure the default. From the date that such notice of default is received, the defaulting party will have 30 days to cure the default. If the default is of such a nature that it cannot reasonably be cured within 30 days, the defaulting party will have such additional time as required to cure the default, as long as it is acting in a reasonable manner and in good faith to cure the default. If the parties are unable to resolve any dispute within thirty (30) days of after receipt of a written notice of default or such additional time as may be needed to reasonably cure the default, the parties will attempt to settle any dispute through mediation. The parties shall attempt to agree on a single mediator. The cost of mediation will be shared equally. If the parties agree on a mediator, the mediation must be held within 60 days of selection of the mediator unless the parties otherwise agree. If the parties cannot agree on a mediator, or the matter is not settled during mediation, the parties will have all other remedies available at law or in equity.

12. Notices and Parties' Representatives

12.1. Any notices permitted or required by this Agreement will be addressed to the other party's representative(s) designated in this section and will be deemed provided (a) on the date they are personally delivered, (b) on the date they are sent via electronic communication, 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.

Metro:

Emily Lieb
600 NE Grand Ave.
Portland, OR 97232
503-797-1921
Emily.Lieb@oregonmetro.gov

City of Gresham:

Brian Monberg
1333 N.W. Eastman Parkway
Gresham, OR 97030
503-618-2418
Brian.Monberg@GreshamOregon.gov

13. Compliance with Law

13.1. LIP will comply with all applicable federal, state, and local laws, regulations, executive orders and ordinances applicable to its investment and expenditure of the Bond Proceeds.

13.2. LIP further recognizes that investing Bond Proceeds (through either a loan or grant) could result in a Project being a “public works” for purposes of Oregon’s prevailing wage rate law, ORS 279C.800 to 279C.870, as it may be amended from time to time. LIP will be solely responsible for ensuring that all Projects receiving Bond Proceeds comply with prevailing wage rate law, as applicable.

13.3. 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 LIP receiving funds pursuant to this Agreement.

14. Insurance; Indemnification; Limitation on Liability

14.1. Metro and LIP will self-insure or maintain general liability insurance and workers compensation insurance coverage. Each party is responsible for the wages and benefits of its respective employees performing any work or services related to this Agreement. LIP will add Metro as an additional insured to all commercial general, excess and umbrella liability policies. LIP will provide a certificate of insurance listing Metro as a certificate holder within 30 days of execution of this Agreement.

14.2. Subject to the limitations and conditions of the Oregon Constitution and the Oregon Tort Claims Act, LIP will indemnify, defend, and hold harmless Metro, its elected officers and employees, 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) suffered or incurred as a result of third-party claims arising out of LIP’s performance of this Agreement or resulting in whole or in part from any act, omission, negligence, fault or violation of law by LIP, its officers, employees, agents, and contractors. This indemnity includes any third-party claims related to the development, construction or repair of Affordable Housing Projects. This indemnity provision does not apply to third-party claims resulting from the negligence or willful misconduct of Metro.

14.3. In no event will either party be liable to the other for, and each party releases the other from, any liability for special, punitive, exemplary, consequential, incidental or indirect losses

or damages (in tort, contract or otherwise) under or in respect of this Agreement, however caused, whether or not arising from a party's sole, joint or concurrent negligence.

15. Oregon Law, Dispute Resolution, and Forum. This Agreement is to be construed according to the laws of the State of Oregon. Any litigation between Metro and LIP arising under this Agreement will occur, if in the state courts, in the Multnomah County Circuit Court, and if in the Federal courts, in the United States District Court for the District of Oregon located in Portland, Oregon.

16. No Third Party Beneficiaries. LIP 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.

17. Relationship of Parties. Nothing in this Agreement nor any acts of the parties hereunder will 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 LIP and Metro. Furthermore, Metro will not be considered the owner, contractor or the developer of any Project funded with Bond Proceeds. This Agreement is not intended to be a contract that provides for the development or construction of any Project, 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 LIP to which Metro is not a party. LIP waives and releases Metro from any claims and actions related to the construction, operation, repair, or maintenance of any Affordable Housing Projects. If LIP obtains an indemnification agreement from any third-party developer or general contractor receiving Bond Proceeds under this Agreement, LIP will contractually require such party to indemnify Metro to the same extent as LIP.

18. 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 LIP 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.

19. 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.

20. 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.

21. No Attorney Fees. Except as otherwise set forth in Section 14 of this Agreement, in the event any arbitration, action or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Agreement, each party shall be responsible for its own attorneys' fees and expenses.

22. Debt Limitation. This Agreement is expressly subject to the limitations of the Oregon Constitution and Oregon Tort Claims Act, and is contingent upon appropriation of funds. Any provisions herein that conflict with the above referenced laws are deemed inoperative to that extent.

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

METRO

CITY OF GRESHAM

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Administrative Share Funding and LIP Anticipated Timeline

Total Administrative Share available as of the Effective Date: \$563,305.00

The parties expect to review the following schedule on an annual basis; provided, however, the schedule set forth below may only be revised or amended upon written agreement by both LIP and Metro.

Fiscal year	Annual Administrative Share Allocation	Percent of total Admin Share	LIP Anticipated Timeline/ Program Milestones
Year 1: 2019-20	\$0	0%	Release of NOFA
			Developer Selection
			Metro annual report
Year 2: 2020-21	\$140,826	25%	Development Contract(s) Negotiation
			Release of Second NOFA (if needed)
			Metro annual report
Year 3: 2021-22	\$168,991	30%	Complete DDA #1
			Metro annual report
Year 4: 2022-23	\$140,826	25%	Complete remaining DDAs (potentially 2 and 3)
			Groundbreaking #1
			Metro annual report
Year 5: 2023-24	\$56,330	10%	Remaining Groundbreaking(s)
			Certificate of Occupancy and Lease-Up
Year 6: 2024-25	\$28,166	5%	Compliance and reporting
Year 7: 2025-26	\$28,166	5%	Compliance and reporting

**Metro Regional
Affordable
Housing
Bond**

This document is the City of Gresham's plan for implementation of the Metro Regional Affordable Housing Bond Program. This Local Implementation Strategy (LIS) guides the City's efforts as it identifies investments for the program.

**GRESHAM LOCAL
IMPLEMENTATION
STRATEGY**



1333 NW Eastman Parkway
Gresham, OR 97030



¿Le gustaría recibir información acerca de este proyecto?
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您是否希望收到關於本工程項目的資訊？

(503) 618-2418

To learn more about the project contact:

Brian Monberg

City of Gresham

1333 N.W. Eastman Parkway

Gresham, OR 97030

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Regional Affordable Housing Bond
Gresham Local Implementation Strategy (LIS)

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January 6, 2020

I. Introduction

Housing is critical to the success and livability of the City of Gresham. And like every city in Oregon, the challenges related to housing are significant. Costs for housing have risen faster than incomes have grown over the last few years. In addition, since the Great Recession the construction of new housing units has not kept pace with demand. These challenges have impacted many residents in Gresham, particularly households with lower incomes. The Metro Regional Affordable Housing Bond Program is a significant funding source for the three-county Portland metropolitan region. The investment of funds from the regional affordable housing bond can complement efforts to create a full range of quality housing for current and future residents.

The City of Gresham has over 111,000 residents living in over 43,000 housing units citywide. Gresham has become more diverse; our population is approximately six percent African American, double the region's rate, and seventeen percent Hispanic, 1.5 times the region's rate. Families comprise a significant share of households, with nearly a quarter of the City's residents under 18. Seniors comprise thirteen percent of the population. The City is committed to supporting a variety of housing types to meet the needs of all residents at all stages in life.

This Local Implementation Strategy (LIS) is the City of Gresham's approach to invest regional bond funds for the development and construction of regulated affordable housing within the City. This Local Implementation Strategy (LIS) will guide the City's efforts as it identifies key investments as part of the Metro Affordable Housing Bond. This document provides the planning context and considerations related to project selection, implementation, and ongoing operations to ensure that investments provide the greatest public benefits to Gresham residents and the region as a whole.

Summary

Gresham Housing Production Targets	
Total regulated affordable housing units	187
Number of units at 30% of Area Median Income (AMI)	77
Number of family sized units with 2 or more bedrooms	93

- This LIS provides the strategy to meet the Housing Production Targets required in the table above.
- Gresham's role in the development of regulated housing has traditionally been in the administration of Housing and Urban Development (HUD) grant funding.
- The City anticipates a solicitation process to identify experienced third-party developers to finance and construct units.
- Gresham has been working with an existing developer base that has developed over 2,200 units of regulated affordable housing; Gresham is also exploring relationships with

developers that have not worked in the City. Proven experience to deliver the unit targets and further equity goals will be a necessary component of developer selection.

- Gresham has been actively reviewing potential projects within the City development pipeline that could be candidates for Bond funds. There is opportunity to fund development that has already progressed in project development.
- While the Metro Bond resources are substantial, these funds will need to be combined with other public and private funding sources. Gresham has limited capacity to directly fund capital and operating costs, but does have incentive programs to support housing development.
- There are opportunities and constraints to provide additional capital funding. Gresham has incentive programs, but limited capital funding for housing development. While programs such as Local Innovation and Fast Track (LIFT) and Low Income Housing Tax Credits (LIHTC) are contemplated as a source of funding, access to Section 8 Project-based vouchers within Multnomah County are limited. No Section 8 Project-based vouchers have been identified to date for implementation in Gresham.
- Development of ownership housing is a component of this LIS. There is significant interest to allocate a portion of available bond funding towards ownership housing.

City of Gresham housing resources

Gresham is the fourth most populous city in Oregon, and the second most populous in the Portland metropolitan region. Housing costs have been historically lower in Gresham relative to Portland and the region; however, costs are rising with demand, and vacancies are low. The need for housing in good condition that fit the incomes of local households is significant. To address the community's complex housing needs, Gresham has established a variety of near and long-term tools, resources and administrative structures suited to its current capacity.

The City utilizes Housing and Urban Development (HUD) grant funding as a primary means of funding regulated affordable housing and community development resources. Gresham is a Federal Entitlement jurisdiction and receives Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds. As a member of the Consortium, Gresham operates under the 2016-2020 Consolidated Plan. Gresham participates with the Consolidated Plan Jurisdictions (Portland, Gresham and Multnomah County) in regional planning concerning housings, public services, homelessness, special needs, economic development and transportation. Through an annual competitive project selection process Gresham evaluates potential recipient projects for HOME and CDBG investments. Eligible activities including the acquisition of real property, rehabilitation of residential properties, provision of public facilities and improvements, homeownership assistance, tenant-based assistance, new construction of housing, demolition, relocation and assistance to for-profit businesses for economic development activities. For HOME program rental housing, at least 90% of the benefitting families must have incomes at or below 60% of the area median income. The remaining 10% of the families benefited must have incomes at or below 80% of the area median income. Assistance to homebuyers and homeowners must be to families with incomes

at or below 80% of the area median income. Gresham is directly responsible for administering the CBDG and HOME funding selection process. Gresham contracts with Portland Housing Bureau for the administration of some responsibilities such as construction monitoring.

Gresham's Vertical Housing Development Zone was created to encourage mixed-use development in the Downtown and Civic neighborhoods. Eligible projects include commercial space on the ground floor with housing above. Projects meeting the criteria receive a partial property tax exemption for 10 years, based on the number of equalized floors of residential development. The abatement is 20-80%. As housing development efforts evolve, there may be an opportunity to evaluate the boundary of the Vertical Housing Development Zone, so future projects may leverage housing development programs.

System Development Charges (SDCs) are one-time fees paid by all new development in Gresham for wastewater, water, stormwater, transportation and parks — collected by the City when a development permit is issued. Gresham's incentive allows for deferral of SDC payments until occupancy, or financing SDCs over a period of up to 10 years. To qualify for deferral or financing of SDCs, the City must obtain a superior lien on the property. As such, this program may not accommodate all new or expanding developments.

Gresham has developed a land use process for Innovative Housing Demonstration Projects, which create housing choices that are not generally allowed in the City. Cottage cluster housing has recently been approved using this process. The initiative responds to changing household size and composition and an interest in more efficiently using urban residential land. Projects must promote a sense of community and be compatible with adjacent developments.

A limited quantity of properties owned by the City of Gresham and the Gresham-Rockwood Urban Renewal Agency may be considered housing development assets. These properties are primarily in downtown Gresham. An initial assessment of land has been completed and Gresham will continue to evaluate whether there is a strong candidate for housing development.

There are several non-profit and private development partners with experience developing housing in Gresham. Moving forward these partnerships can be a significant resource for units developed in the bond program. Partnerships have been cultivated through the HOME and CBDG project selection processes, land use application review, and collaborative efforts to develop Gresham's Civic neighborhood. For example, Station 162 Apartments is a successful completed project developed by QUAD, Inc., which contains below market rents for households with incomes below 60% of area median income. Twenty-five one-bedroom units are specially designed for residents who use wheelchairs and 19 units are targeted for elderly residents. Habitat for Humanity has built and sold over 100 homes in Gresham. HOME funds helped support the acquisition of the 1.6-acre Glisan Gardens site, which includes housing appropriate for multigenerational households. Today over 70 children live at Glisan Gardens. Human Solutions manages nearly 200 units of regulated housing in the City. Cascadia Behavioral Health

operates over 80 units. There are over 1,000 regulated housing units on Low Income Housing Tax Credit (LIHTC) properties in Gresham.

Framework Targets from the Metro Bond Program

The adopted Metro [Affordable Housing Bond Program Work Plan](#) identifies bond targets for partner jurisdictions. Overall, the Regional Bond Program is anticipated to develop 3,900 housing units, of which 1,600 will be for units below 30% of Area Median Income (AMI), and 1,950 will be for units with two-bedrooms or more. The Metro Work Plan identifies a target of 187 units for Gresham, of which 77 will be for units below 30% AMI, and 93 will be for two bedrooms or more.

The Initial Housing Bond Framework calls for distribution of targets and funding to counties on the basis of assessed value, but provides flexibility for how partners within each county further distribute targets and funding. If an alternative distribution is not agreed to by partners for distribution of funding within a county, assessed value will be used as the basis of distribution to all partners. Metro's Regional Site Acquisition Program aims to distribute investments proportionately across the region to support local progress toward the Unit Production Targets. In the event that regional investments are not proportionately distributed, the Unit Production Targets may be adjusted pursuant to a Work Plan amendment. For acquired properties, the targets and cap on homes for households making 61-80% of AMI will be applied upon turnover.

Advancing Racial Equity

The City of Gresham is committed to furthering racial equity in City policies, practices, and projects. The Metro Housing Bond implementation is an important opportunity to make investments that can address historic imbalances in housing patterns, access, and opportunity. This work is demonstrated in the City Core Values: Equity. This is also codified in the City work regarding housing to date, specifically federal investments in the Community Development Block Grant (CBDG) and HOME programs. In this work, the City is committed to Affirmatively Further Fair Housing, and uphold fair housing and non-discriminatory practices in operating City programs. This means that City work related to housing is actively addressing significant disparities in access to community assets, and overcoming the unequal and separate living patterns which have resulted from historic policies in housing.

This LIS ensures that racial equity considerations guide and are integrated throughout all aspects of Program implementation, including community engagement, project location prioritization, tenant screening and marketing, resident services, and inclusive workforce strategies.



Core Values of the City of Gresham

Affirmatively Furthering Fair Housing

The City of Gresham is committed to taking active steps beyond simply combating discrimination to foster more inclusive communities and access to community assets for all. This includes providing fair housing choice, where individuals and families have the information, options, and protection to live where they choose without unlawful discrimination and other barriers.

It is apparent that there are disparities in housing access and income. For example, there are significant differences in the rate of home ownership. In Gresham, the home ownership rate for white households is 65%¹; in other words, sixty-five percent of white households own a home. This is 27% higher than the home ownership rate for Hispanic households (47%). The ownership gap is even higher for African American households; there is a 39% gap between the ownership rate of white and African American households (25%). The home ownership rates in Gresham are larger than the gap within the metropolitan region overall (29% for African Americans; 20% for Hispanic households). Investments in home ownership opportunities for communities of color is one of the themes that has emerged in both demographic information and community engagement. There are also similar differences in income. The median income of white households in Gresham (\$54,318²) is more than \$9,000 higher than Hispanic households (\$45,043), and more than \$30,000 higher than African American households (\$23,716).

¹ All ownership data from ACS 2017 1-year, Tables B25003, B25003A, B25003B, B25003I

² All income data from ACS 2017 1-year, Tables B19013, B19013A, B19013B, B19013

Equity Themes

Several themes have emerged that this LIS responds to as part of the ongoing engagement related to housing policy in the City, and the Metro Housing Bond implementation specifically. These include:

- Residents should have choices for where to live, including the opportunity to remain in the community one lives in now.
- The City should support the development of assets and opportunities in historically underserved areas.
- City investments related to the bond program should create opportunities to participate in the wealth created, specifically for historically marginalized communities. This includes jobs and other workforce opportunities in the program, as well as family asset and equity building, and meaningful ways to foster generational wealth.
- The City will administer the program to ensure meaningful participation in decisions being made, specifically for those who will be affected by the decisions.

Equity Actions

Based on demographics, needs shared, and the community themes, the following actions have been identified in this LIS. Among the actions included in the development plan and other sections of this LIS are:

- **Home Ownership:** Home ownership has not historically been an attainable option for African American, Hispanic, or other historically marginalized communities. Homeownership resources to these communities as part of Gresham's LIS is a means of addressing these historic inequities. Home ownership is also an effective way to stabilize families, allowing them a chance to live in a neighborhood more permanently, as well as build generational wealth.
- **Business and Workforce Equity Goals:** This LIS identifies a requirement for all organizations funded through the program to submit a solicitation plan for subcontracting, with supports for access, opportunity, and education. This LIS also establishes a MWESB target of 20%, and recognizes the Gresham City policy to Buy Local to support purchasing from local businesses in East County.³
- **Culturally specific programming and supportive services:** This LIS identifies that all investment proposals by a third party must demonstrate culturally-specific programming through partnerships with existing organizations with trust and experience in communities being served, and to demonstrate a residential services and site management program.

³ City of Gresham Resolution No.3015, effective 5/18/2010.

- **Reduce barriers to find and apply for housing:** This LIS identifies that all investment proposals must include an engagement plan and identify strategies to eliminate barriers in accessing housing for communities of color and historically marginalized communities. The City will make resources such as the Fair Housing Council of Oregon’s [Inclusive Communities Toolkit](#) available to all project proposals, and require that they demonstrate actions to build long-term community support as identified in the toolkit.

II. Strategy Development

The City of Gresham developed this local implementation strategy through a variety of coordinated efforts that reflect community interest in stable, affordable housing. The cornerstone of this effort has been the needs expressed by City residents through a variety of engagement discussions. Staff incorporated the existing Housing Policy and identified existing conditions and needs based on demographics, housing stock, supply, and the current portfolio of affordable housing units. The strategy was refined over the course of several City Council Policy Development discussions, including in March and July of 2019. Below is a summary of the several components that contributed to the overall strategy.

Housing Policy Background

The City recognizes addressing housing issues is fundamental to community vitality, advancing equity, and promoting greater economic benefits. Gresham’s existing housing policy, internal resources and stakeholder feedback will guide future bond investments. The Housing Policy is a local framework for decision-making and is crafted to foster specific housing characteristics and quantities adequate for Gresham’s current and future residents. To this aim Gresham emphasizes:

- Promoting home-ownership;
- Prioritizing the rehabilitation of the existing aging housing stock;
- Avoiding concentrations of any one housing type;
- Promoting mixed use development in its core areas;
- Fostering creative housing types, such as cottage developments, cohousing and accessory dwellings; and
- Developing partnerships with the private sector.

Gresham’s proactive strategies for advancing housing opportunities fall under the overarching categories of research, partnerships, infrastructure development and program expansion.

Infrastructure & Program Development priorities include investing in capital improvements that enhance residential and mixed-use developments, increasing the number and diversity of programs that promote the rehabilitation of existing housing stock, and fine-tuning the CDBG/HOME application process.

Expanding and developing partnerships with private and non-profit housing providers shall promote collaboration on the siting of market rate and affordable housing. These efforts shall support the development of:

- Multi-family housing units that offer more bedrooms,
- Smaller sized multi-family and single-family housing units,
- Units that allow residents to age in place,
- The proper proportion of workforce and higher end housing,
- Supportive and deeply affordable housing options.

The City of Gresham facilitates a competitive process annually for the distribution of CDBG and HOME funds. As a Federal Entitlement jurisdiction and a member of the Consortium the City participates in regional planning and recognizes the three broad needs identified in the Consolidated Plan. Each need contains a corresponding goal for the City:

- Need: Affordable Housing Choice; Goal: Increase and preserve affordable housing choice.
- Need: Basic services and homeless prevention/intervention; Goal: Reduce homelessness and increase stability.
- Need: Community and Economic Development; Goal: Infrastructure, facilities and economic development.

Gresham continually evaluates new approaches to accelerate housing development. These strategies include but are not limited to the feasibility of City land banking, revitalization programs for urban centers, marketing city-owned properties, and refining permitted land uses and densities. As Gresham's efforts advance, opportunity mapping may also help assess specific locations for housing of varying types and densities in relation to services and amenities.

Housing Needs

This section provides an overview of identified housing needs within the City based on the Housing Needs Analysis and community meetings.

Gresham has over 43,000 housing units Citywide. Of those, approximately 47% are multifamily units, which is higher than the regional rate (38%), and slightly higher than the rate in the City of Portland (44%). Gresham's rents have increased since the Great Recession, but at a lower rate relative to other communities in the Metro region that have seen substantial new development. As rents have increased in other communities, some households have relocated to Gresham in search of lower housing costs, creating more competition for the city's lower cost housing supply. Sales of ownership housing have increased at a rate similar to the rest of the metro region and remain more affordable relative to the region. Based on the 4th quarter of 2018 home sales, Gresham is one of the last places in the region to purchase a home for less than \$320,000. Despite the change in housing costs, overall household incomes in Gresham have not kept pace. Approximately 62% of renter households and 29% of owner households spend more than 30% of their household income on housing. Most residents of Gresham commute outside the City to their jobs.

Housing providers have developed approximately 2,200 regulated affordable housing units within Gresham. This is a little over 11% of the City's total rental housing, and about 6% of all housing. Gresham's housing stock also contains market-based units that are affordable to lower income households. These units are frequently older, have fewer amenities, and/or less expansive furnishings, and therefore command lower rental prices. One measure to assess housing units is by the Co-Star rating system. In Gresham, approximately 87% of units are identified as one, two, or three-star based on the Co-Star system, which is higher than the 74% of such units regionwide. Another measure is by units available under the area median income. Based on the Comprehensive Housing Affordability Strategy (CHAS) data, approximately 90.3% of units are available below 80% of Area Median Income (AMI); regionwide only Forest Grove and Cornelius have a higher share of units available below 80% AMI. Approximately 55% of multifamily units in Gresham were constructed prior to 1990, which creates opportunity for the construction of new high quality housing units.

Family housing typically contains more than one-bedroom, and is an identified need within the region. Gresham's multifamily housing stock is different from the regional supply in this regard. According to Co-star data, over 60% of multifamily units in Gresham are two-bedroom or larger. At the same time, the need for homes with at least two-bedrooms continues to be a consistent request expressed in community meetings.

The City's Housing Needs Analysis estimates that 10,400 new dwellings will be needed in 2032. It is anticipated that 62% of the new demand will be for home-ownership units. The anticipated proportion of ownership units falls short at 54%, suggesting a re-balancing of the housing tenure will need to occur to accommodate the projected demand. As a result, Gresham is attentive to fostering home-ownership opportunities.

Housing needs are shaped by the characteristics of Gresham's current and expected population and the qualities of existing housing. Gresham has been experiencing a shift in the make-up of its population relating to overall diversity, family size and the age of its residents. It also experiences the effects of historical housing development trends. The housing needs and market analysis in Gresham's Housing Policy and the Consolidated Plan provide a more detailed overview of current and projected conditions.

Recommendations from the City's Housing Policy

On March 12, 2019, staff presented an overview of the Bond Work Program to Gresham City Council. Staff received feedback and developed the following guiding principles to shape the future City work program.

Guiding Principles for Affordable Housing Bond Investment Opportunity

- Provide a range of housing types and sizes that reflect the needs of Gresham's citizens through all life stages and circumstances.

- Support the development of housing that reflects the square footage and number of bedrooms needed.
- Ensure that new housing developments are of high quality.

Location

- Avoid concentrations of any one housing type: strive to balance investments throughout the City.
- Permit appropriate housing types in locations that most benefit the viability of the overall City and its centers.
- Ensure new housing developments complement or enhance the character of existing quality neighborhood development.
- Promote a mix of housing types where appropriate.

Housing Types

- Promote home ownership.
- Endorse incentives promoting the rehabilitation of deteriorated but still good quality housing.
- Provide opportunity for mixed use developments.

Community Discussions and Feedback

Community feedback has been essential to the development of this LIS. A number of related efforts have informed the approach. First, the City has utilized existing processes and feedback. For example, the City conducts an annual community needs meeting every fall to discuss priorities for investments, and feedback from these conversations have informed the priorities. The City has also engaged the Coalition of Gresham Neighborhood Associations and other bodies to help inform the priorities and community needs. The City has held sessions with practitioners in affordable housing in east County. This has included a listening session with Home Forward residential service coordinators and a summit of approximately twenty-five organizations that provide residential services and housing. The Gresham Task Force on Housing was a citizen stakeholder group that met from the Fall of 2018 through the Spring of 2019 to review the City's existing work and recommend strategies to further housing in the City. Testimony was heard at every meeting regarding housing needs. This LIS incorporates actions from the recommendation of the Housing Task Force.

Most importantly, the City has engaged community organizations that have trust relationships within communities that will be impacted by the bond. For example, staff conducted interviews with organizations that work with populations of seniors, residents with physical disabilities and mental health support, including QUAD Inc. and Cascadia Behavioral Health. Gresham staff also met with staff at the three school districts within Gresham (Centennial, Gresham-Barlow, and Reynolds). Gresham has also worked with members in the African American, Hispanic, and Slavic communities within the City. This current draft of the LIS (September 2019) incorporates the feedback to date. There will be additional outreach to communities prior to the final adoption of the LIS, identified for the fall of 2019.

Who we are engaging – demographics in the City of Gresham

Gresham has become more racially diverse in the last twenty years, and is one of the most diverse communities in the state. The Hispanic population in the City is currently 17%, which is about 1.5 times the region as a whole (12%), and the African American population is 6.4%, which is a higher rate than the City of Portland (5.3%), and almost double the rate in the region overall (2.7%)⁴.

The City has increasingly become a place for families. About two-thirds of the households in Gresham are families with children, and Gresham has a higher proportion of young residents compared to the Portland metro area and cities of similar size. Over 28% of the City – which means over 26,000 residents – are under the age of 20⁵. Gresham’s senior population represents about 13.1% of the population, which is similar to the rate in the region (14.4%)⁶

The diversity in the City of Gresham is one of the strengths of the City, and an important asset from which to build. City neighborhoods such as Rockwood are among the youngest and most diverse in the Metro region⁷ and state of Oregon. Gresham has also been the first home in the state for many refugee and immigrant households. The foreign-born population Citywide is 17.3%, which is about 1.4 times the regionwide rate (12.5%), and more than one and a half times the rate in Oregon (9.9%). There are some census tracts in the City where the foreign-born population exceeds 30%⁸.

Key themes from engagement

Themes and feedback from engagement to date include:

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 and cost; families are moving east to seek more affordable housing.
- Less available for ‘working families’ in between market rate and deeply affordable housing.
- There are fewer choices for ownership housing, especially for communities of color.

Services

- There is a desire that any new investment includes the necessary services for residents, and also increase services within the neighborhood overall.

⁴ Race and Ethnicity from ACS 2017 1-year, Table B03002

⁵ ACS 2017 1-year; Table B09001

⁶ ACS 2017 1-year, Table S0101

⁷ Portland Business Journal, *Portland metro’s 25 most diverse ZIP codes*, January 2019.

⁸ Foreign-born from ACS 2017 1-year; Table B05012

- On-site services are desired with any investment. This includes financial assistance (subsidies as well as educational resources), culturally appropriate services and activities, health care (including mental health and addiction services), and childcare assistance.
- A concern about the lack of childcare options, activities and programs for children has been a consistent theme expressed in nearly every engagement opportunity. The cost of childcare has become very expensive, with few affordable options. There is a need for more activities for children.
- There is also an expressed need for permanent supportive housing services that can provide resources for families that have experienced homelessness. Access to community health workers is strongly supported.
- Consider including on-site management for any investment. There is a desire to ensure that all investments are well managed, and that residents know who to talk with when questions about the property or their residence arise.

Location

- Safety, security and a sense of well-being are essential. Residents want to feel safe and part of the community where they live. Investments should nurture a sense of welcoming to residents.
- Invest near jobs and schools. When looking for housing, residents prefer to find neighborhoods near where they work and children attend school. Proximity to schools, and maintaining stability in schools, is identified as a key priority.
- Transit access is important. Proximity to MAX or frequent bus is consistently rated as a high priority when looking for a home. But transit is harder for families with children, particularly with the distances and level of transit service in east county.
- Access to a grocery store and daily needs has been the third priority listed. Residents want to find affordable options to meet the daily needs of their household.
- Residents also expressed a desire for improved sidewalks, lighting, and safety improvements. There is an identified need for parks and programs for youth in the community.
- A lot of older buildings need maintenance. Residents want to see buildings in their community maintained and updated.

Barriers

- Residents experience discrimination and lack of their cultural understanding. This was identified as the primary barrier for people of color. There is a need for culturally responsive services, and training for staff.
- Screening criteria has been raised as a significant barrier to residents applying for housing. It is requested that bond investments consider lower barrier screening that balances access to target populations, project operations, and community stability.
- Tenants have a difficult time understanding rights; make it easy to find and lease units, and understand rights as a tenant. Need for coaching and navigation support. Many

agencies dedicate a significant amount of resources for residential service coordination, coaching and navigation, but more resources are needed.

- Cost and navigation: Understanding the application process, and how complicated the ‘maze’ of programs can be (navigation), plus the costs of deposits and fees.

A more detailed list of community needs and considerations is identified in the engagement report.

Local Implementation Strategy Approval

It is anticipated that further community engagement will lead to the final LIS, which is scheduled to be reviewed by Gresham City Council, the Metro Housing Bond Oversight Committee, and subsequently by Metro Council in the fall of 2019.

III. Implementation Timing

Implementation of Bond funded projects is anticipated to occur over a period of **five to seven years**. This time will allow for the identification of sites, securing needed resources for capital and operations, developing partnerships with developers and service providers, and completing construction. During this period, community needs and opportunities may change. New census data will become available, new community planning efforts will be initiated or completed, and new resources or opportunities may become available while other resources or opportunities may not materialize as anticipated. In addition, certain framework goals may be easily fulfilled while others may prove more challenging. Because of the dynamic nature of this work, Gresham proposes to periodically review this Local Implementation Strategy.

Gresham staff proposes a portfolio-based approach to manage the number of units and unit targets to be delivered by the bond. The City anticipates issuing a solicitation for projects shortly after this LIS and the Metro-City of Gresham Intergovernmental Agreement is approved.

Gresham proposes to monitor and adjust this LIS based on the commitment and/or expenditure of bond resources to specific projects. Gresham will use a tracking worksheet to monitor bond investments made into individual projects, the project’s yield of unit production targets, and the overall portfolio of unit production relative to bond investments. This will provide an ongoing, up-to-date evaluation to guide selection of subsequent projects and keep resource investments on track with unit production. Another area of monitoring and review will be racial equity outcomes – namely, the performance of each project and the overall project portfolio in achieving the racial equity components contained in this LIS. If these ongoing reviews indicate that a modification to the LIS is advisable, the amendment process will include community outreach and engagement, review and amendment by the Gresham City Council and submittal to Metro for review and approval.

IV. Organizational Plan for Implementation

Gresham will use a combination of staff and consultants to administer this LIS. City staff will be responsible for community engagement and outreach, project selection process, project documentation and funding processes, as well as overall program monitoring and reporting. Gresham may utilize consultants with expertise in financial packaging of affordable housing to review proposed projects during the selection and commitment phases. Similarly, Gresham may engage consultants or partner with other project funders to leverage their expertise in construction management to help oversee project development. Some aspects of implementation will require the development of systems new to Gresham, or that are not efficient for the handful of projects that are expected to be funded with the Housing Bond. In these cases, City staff may work with consultants and/or other agencies for various components of project implementation.

Metro has also committed \$563,305 for bond implementation to augment Gresham's staffing plan for bond implementation. Initially, Gresham anticipates these funds will help support a City position for project implementation. This would include community engagement, racial equity strategies, contracting, and monitoring regulatory compliance agreements. Any administrative funding from bond proceeds must be consistent with the requirements of Oregon law and the Bond Measure and Metro will, in consultation with bond and tax counsel, request certification from jurisdictions that proceeds are being applied to qualified capital costs.

V. Project Selection Process

Gresham will work in partnership with developers/owners that are skilled and interested in providing affordable housing and services in the community. The City of Gresham itself does not intend to be a developer or owner of housing funded under the Bond, but may choose to acquire land on a strategic basis. The primary role of the City in implementation will be to provide financing to private and nonprofit development partners for delivery of the housing production targets identified in this LIS. Gresham currently anticipates that the Bond funds will provide support for **approximately four regulated affordable housing investments**. The final number of projects may vary.

Gresham's Community Development and Housing Subcommittee (CDHS) advises City Council on community development and housing goals, objectives, policies, programs, projects, and budgets to assist low to moderate-income residents. Their primary function is to recommend projects and budgets for the use of Gresham's allocation of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds each year. These projects include the construction and renovation of affordable housing, down payment assistance grants to first-time homebuyers, and tenant-based rental assistance. This subcommittee is comprised of seven to eleven Council appointed Gresham residents and includes individuals with diverse backgrounds in the banking,

healthcare, automotive, and construction industries as well as several local small business owners. In addition to their role on the CDHS many members further contribute to the Gresham community through work with other local organizations. The group includes individuals who participate in volunteer work with local nonprofits, a member of Gresham's Housing Task Force, and a member of TriMet's Board of Directors. The subcommittee promotes greater public understanding of community development and housing matters for low- and moderate-income residents.

The Community Development and Housing subcommittee will provide feedback to staff on the selection of regulated affordable housing site investments. For all proposed applicants, staff will conduct a completeness check and forward to CDHS for evaluation. CDHS will review proposals and submit recommendations of finalists to City Council for consideration and approval.

Sites identified by the City

The City of Gresham is exploring sites the City already owns, controls, or has already advanced towards development of new housing units. The City may also choose to purchase property on a strategic basis. With City Council approval, the City of Gresham will consider direct investment for the following types of projects if they are viable for regulated affordable housing development, help fulfill production targets and implement Local Implementation Strategy goals:

- **Strategic real estate acquisition:** The City may choose to purchase property that will contribute to the completion of the City unit target goals. The purchase of land is an allowable use under the bond, and will be subject to current opportunities that may exist in the real estate market. The real estate market in Gresham is fluid, and the City may need to respond to market opportunities as they arise. Property acquisition may include land without housing, or may include housing units to be acquired, rehabilitated, and include a new regulatory agreement for affordability. Given this LIS's policy priorities for ownership housing and deeply affordable units (below 30% AMI), real estate acquisition will focus on these two priorities for real estate acquisition.
- **City supported project:** The City may choose to invest in a project for new construction if: a) the developer currently has site control or land is in public ownership; b) has already been selected as part of a public competitive process; c) the development already contemplates public funding that can further leverage bond funds; and d) the development has demonstrated significant project development such as completing land use review and/or design review and approvals.

Sites identified by Metro

Metro Regional Site Acquisition will be spending \$62,016,000 regionwide to acquire and develop affordable housing. Metro intends to invest these regional funds proportionately in implementing jurisdictions based on the share of regional assessed value. Initial estimates

identify a proportional share for Gresham of just under \$3 million (\$2,972,999). Projects developed on Metro-acquired properties will contribute to the City's unit production targets. While it is undetermined whether any such sites will be in Gresham, the City will work with Metro to identify potential strategic sites that will contribute to the completion of Gresham's identified unit targets, and the City is committed to working closely with Metro should such sites be identified and agreed upon by both parties for acquisition and investment. If such sites are identified and meet LIS criteria, Metro and Gresham will plan to jointly select a developer/owner and/or project through a competitive process.

Solicitations

The project selection process will include public and open solicitations via Notice of Funds Availability (NOFA), Requests for Qualification (RFQ), Requests for Proposals (RFP) and/or another competitive public process. Staff and the CDHS will review proposals and make recommendations to the City Council. The recommended project(s) and feedback will be presented as a recommendation to City Council for their selection decision.

Every solicitation document will include a set of expectations for all developers/owners to ensure selected projects achieve both the framework goals and racial equity outcomes. These requirements include a 60-year regulatory agreement for new construction and 30-year regulatory agreement for acquisition and rehabilitation projects, inclusion of minority and women owned contractor participation in the development process, strategies to support marketing and identifying residents for the units. Specific requirements are fully described in the Project Selection Criteria and Project Implementation sections below.

The City of Gresham anticipates two solicitations: an initial one for construction or rehabilitation to create new regulated affordable housing rental units, and a second one specifically for ownership housing of new regulated affordable units. The initial solicitation will establish a clear path for achieving City unit production targets at 30% AMI. Developer/owners are encouraged to work closely with the City to ensure that their proposals for all solicitations are responsive to the needs identified in this LIS and comply with all requirements of this LIS and the bond framework.

VI. Leveraging Other Affordable Housing Resources

The Metro Affordable Housing Bond is a significant funding source for affordable housing in the region. It complements other State and Federal sources and provides an opportunity to increase the number of units that can be developed. While the Metro Bond resources are substantial, in order to accomplish the unit targets of the Bond, these funds will need to be combined with other public and private funding sources. There are several principles that will guide our efforts to leverage the Bond funds:

- Maximize the use of non-competitive resources. For example, the 4% Low Income Housing Tax Credit (LIHTC) program is available on a non-competitive basis to provide equity for affordable housing development. This program is especially useful for larger projects or

scattered site projects that can be bundled to achieve the scale desired by equity investors. Developing projects in Qualified Census Tracts (QCTs) or Difficult to Develop Areas (DDAs) can maximize the usefulness of the 4% tax credits.

- Maximize use of private resources. Some projects will generate sufficient income to be able to make debt service payments on loans from private banks. While ensuring that projects have appropriate operating budgets and reserves, private debt should be secured for projects whenever feasible. This will be more difficult to achieve for projects with a significant share of units below 30% AMI. Owner mortgages are also an available resource for ownership housing.
- Home Investment Partnership Grant (HOME): Gresham administers funds from HUD on an annual basis. Regional Bond projects have the potential to utilize HOME grants with bond funds.
- Vertical Housing Tax Credit: Gresham's current Vertical Housing Development Zone encourages mixed-use development in Gresham's regional center. Projects meeting the criteria receive a partial property tax exemption for 10 years, based on the number of equalized floors of residential development (the abatement is 20-80%).
- SDC financing: Gresham's incentive allows for deferral of SDC payments until final occupancy, or financing SDCs at a competitive interest rate over a period of up to 10 years.
- Pre-development services: Gresham staff will be available to assist projects with the land use, design review, and building permitting process in order to be as efficient as possible in City approvals.
- Seek other existing affordable housing resources (Federal, State and County resources). Gresham recognizes that despite the substantial amount of Bond, projects may have financing gaps that are best filled with other traditional affordable housing program resources. Sources such as State Document Recording Fee, OAHTC, and other sources may be needed to complete financing packages for specific projects. Gresham recognizes that due to the existing commitment to the Portland Housing Bond, use of Section 8 project-based vouchers for the Regional Bond will be limited in Multnomah County. Gresham will work to explore additional resources that could include HUD-VASH vouchers, Multifamily LIFT Rentals, the Federal Housing Trust Fund, and other sources. Gresham will work with other funders in a transparent way to find the most effective and efficient way to bring these resources to Regional Bond funded housing projects.
- Gresham is participating in ongoing conversations to identify necessary capital and operating resources. There is a need for continued conversations with Home Forward, Multnomah County, and the Joint Office on Homelessness to explore additional resources to support operating costs for units to meet the target for 30% AMI units.
- Support the pipeline of other affordable housing projects: While much of Gresham's efforts during the implementation of the Affordable Housing Bond will be focused on moving the pipeline of Bond funded projects forward, the ongoing availability of other Federal and State affordable housing resources mean that there is a likelihood of other projects moving forward during the same timeframe. Gresham will monitor the pipeline of projects being

proposed in Gresham and will collaborate with developers to identify the most appropriate funding packages and other support that can be provided to those projects.

VII. Project Selection Criteria

Gresham will consider a number of factors in the selection of Housing Bond projects. These include but may not be limited to Gresham’s Affordable Housing Goals; Metro Targets; Racial Equity; Capacity and Readiness to Proceed; and Operations and Management. The following section will describe each of these criteria.

Metro Framework Unit Production Targets

Every project must contribute to the City’s goals under the Metro Framework. As stated earlier, Gresham has the following targets:

Gresham Housing Production Targets	
Total regulated affordable housing units	187
Number of units at 30% of Area Median Income (AMI)	77
Number of family sized units with 2 or more bedrooms	93

Gresham does not expect that each project will reflect the ratios expressed by these targets, but instead will ensure that the overall portfolio of funded projects will achieve or exceed this mix.

In some cases, projects will be targeted to low wage earners, while others may be targeted to people with disabilities or other special needs, or people who have experienced homelessness. Projects that include 30% AMI units will require consistent, ongoing funding to maintain rents at this level of affordability, and the corresponding supportive services needed. Properties that are selected will need to demonstrate sources for consistent, ongoing funding.

Gresham will consider the inclusion of 61%-80% AMI units when they can allow for a site to be developed with a mix of income ranges, help the City to meet unit production targets, or be developed in areas with a smaller share of units available at this income range.

Gresham’s Affordable Housing Goals

Gresham will align the housing developed from the bond to support local goals and policies. This will include the existing adopted housing policy, goals identified in the Consolidated Plan, recommendations from the Gresham Task Force on Housing, and from community engagement while developing this LIS. Consistent with the feedback developed from this work, Gresham criteria will include:

- Ownership housing as a component of the bond. For investments that are not explicitly investing in ownership housing, the City will seek ways an investment can demonstrate

programs that promote home ownership, or opportunities to increase asset building. This could include, for example, incorporating Individual Development Accounts (IDA) for residents or other strategies.

- A priority to rehabilitate deteriorating but still good quality housing. This can prevent rent increases in some areas of the City while increasing the quality and habitability of housing.
- A priority for a mix of uses. For new construction investments, the City will be looking for efforts to create mixed-use developments that can provide commercial services and/or resources that benefit residents, particularly the services identified from public engagement.
- A priority for a mix of incomes. The City will prioritize investments and an overall portfolio of units that avoid concentrations of a specific income level. This will help create mixed-income and inclusive communities as well as geographic variation that increases choices for residents. New housing will benefit the overall viability of the City and its centers to enhance the quality of neighborhood development. For investments identified in areas with existing stock of affordable housing, the project must demonstrate opportunities to increase education, recreation, and/or employment in order to increase services in the community. The City will also consider investments for areas that have historically lacked a supply of affordable housing but are located near transit, groceries, and other services identified from public outreach.

Racial Equity

Gresham's approach to racial equity in project selection is shaped by community engagement and will include factors such as:

- Location Strategy
 - Consistent with Gresham's Affordable Housing Goals listed above, the overall portfolio of sites should increase choice for residents on where to live. This includes:
 - Providing new affordable housing in high opportunity neighborhoods and sites. This would include sites that have good access to educational, economic, recreational opportunities in addition to access to transit. Development proposals should demonstrate an analysis of these opportunities and community assets in relation to the project area by utilizing resources including the [Opportunity Atlas](#) or other tools.
 - Increasing affordable housing in areas with existing underserved diverse populations, including areas with increasing housing cost. For investments in these areas, the project must demonstrate community development opportunities that will increase overall services in the neighborhood. Gresham will support development proposals by providing demographic and socioeconomic data.
- Fair Housing Strategies
 - Development proposals will abide by best practices to affirmatively further fair housing, and will incorporate practices to reduce and eliminate barriers to housing for historically marginalized communities.

- Development proposals will be assessed by taking proactive steps beyond simply combating discrimination to foster more inclusive communities and access to community assets for all regardless of protected class status under fair housing laws, including: address significant disparities in access to community assets, overcome segregated living patterns and support and promote integrated communities, end racially and ethnically concentrated areas of poverty, and foster and maintain compliance with civil rights and fair housing laws.
- Business and Workforce Equity Goals
 - Development projects will work with Gresham to select multiple quality conscious and financially sound subcontractors and suppliers, consistent with the City’s Buy Local Policy; and to support minority, women, and veteran owned businesses and emerging small businesses from the Gresham community. The Gresham City Council defines “local” as businesses that have a physical location in the City of Gresham or in East County jurisdictions.
 - Gresham intends to provide professional, supplier, and construction contracting opportunities to disadvantaged, minority, women, or emerging small businesses certified pursuant to ORS 200.055 (“Certified Firms”), and to encourage the participation of businesses owned by veterans, and businesses with a physical location in the City of Gresham. Gresham identifies a target goal of 20% utilization for Certified Firms in connection with this LIS.
 - Gresham anticipates a requirement that Developer shall prepare a competitive subcontractor bidding process (“Solicitation Plan”) as part of the project materials. The Developer shall include provisions in its contract with its General Contractor that require the General Contractor to adhere to the Solicitation Plan for encouraging Certified Firms to bid on the Project.
- Culturally Specific Programming and Supportive Services
 - Gresham recognizes that culturally specific programs can achieve strong outcomes for diverse groups in the community. As such, it will be supporting project teams that provide culturally specific resources and services.
 - Public outreach, notices regarding the project and leasing opportunities will be communicated to emerging community and immigrant media publications and City neighborhood organizations.
 - Programming and non-housing related uses on a development site should draw from City efforts involving diversity, equity, and inclusion.
 - Gresham may require that project sponsors use low barrier screening criteria that balances access to target populations, project operations, and community stability. Project sponsors will be required to review appeals to denials of standard screening criteria that take into consideration efforts of applicants that demonstrate stability and potential for residential success. Project sponsors are also required to review appeals if the disqualifying aspects of a denial are related to a disability and make reasonable accommodations as appropriate.

Connection to Services

Gresham expects that Resident Service Coordination will be provided at all projects, appropriate to the level of need of the target population. Resident Services will focus on residential stability in order to be successful in their tenancy or mortgage payments, helping residents access mainstream services for which they may be eligible, and community building activities.

Projects serving high needs populations will require robust supportive services to ensure resident stability and positive outcomes. Gresham may require full-time on-site management of projects developed with Regional Bond funds. Gresham will work with existing service providers in the City to leverage resources that may be available. Gresham will evaluate a projects' target population and service plan to ensure that it is appropriate and durable.

Project Cost/Leveraging Funds

The City plans to use Bond funds to support a portfolio of projects that provide the best return on investment in the form of long-term, sustainable affordable housing. These projects will be characterized by quality design and durable construction. When possible, they will use cost effective sustainable building measures to create efficient use of energy and water and select materials to create healthy living environments. They will be well-aligned with the needs of the target households in terms of space, amenities and service requirements, and will be valuable assets in the communities in which they are located. The City's Urban Planning and Design department will be available as a technical resource and provide information regarding best practices in design within Gresham.

The blend of funding sources will have an impact on both hard and soft costs. Hard costs will be impacted by development standards of investors, lenders and other public funders. Soft costs will vary with requirements for specific legal, accounting, reserve requirements, and fees. Leverage will also be impacted by the service needs of the residents.

The City will evaluate all proposed projects to ensure that the costs are reasonable and appropriate to the specific project, focusing on the amount of Bond funds requested relative to the housing product(s) delivered. This evaluation may consider:

- Scale appropriate to the target population and income levels.
- Scale appropriate to the size of the units, including number of bedrooms.
- Scale appropriate to the neighborhood in which the project is located.
- Costs associated with mixed-use or mixed-income projects.
- Quality of construction materials.
- Costs associated with service needs of the target population.
- Resident amenities and other services provided.
- Project-related public infrastructure costs.
- Reasonable fees and reserves.

The City recognizes that in order to accomplish the overall unit production target, it will need to have an **average Housing Bond expenditure per unit of approximately \$143,000**. Gresham expects that some projects may receive significantly less Bond funds than this amount, while others may receive significantly more, depending in part on the factors listed above. Gresham will monitor the overall pipeline of projects to ensure that the target number of units will be achieved.

Capacity/Readiness to Proceed

Gresham recognizes that regulated affordable housing is a specialty business that differs in many ways from market rate housing or other real estate development. Gresham will seek to partner with non-profit, for-profit, or governmental organizations that have demonstrated skills as affordable housing developer/owners. Expertise with the framework target unit types and with the specific population proposed by a project, will also be considered.

Timely implementation of the Housing Bond is critically important. Gresham will prioritize projects that have a clear path to timely completion. This may include a priority for projects that have appropriate zoning, have secured much or all of the other financing sources, have secured needed service partnerships, and have secured necessary land use approvals. While Gresham may not make funding commitment until projects meet “ready to proceed” criteria, Gresham suggests that interested developers begin conversations with Gresham at the earliest stages of pre-development to ensure that project programming aligns with the Implementation Strategy.

VIII. Project Implementation

Review & Approval of Projects

Bond funded projects are anticipated to go through a multi-stage review and approval process as follows:

- **Concept Endorsement**
 - Gresham concept endorsement. To be forwarded to Metro for concept endorsement a project must, at a minimum, include a preliminary development plan, preliminary estimate of total development costs, preliminary estimate of needed Housing Bond funds, and an identified development team. The Community Development and Housing subcommittee will provide feedback to staff on the selection of regulated affordable housing site investments. CDHS will review proposals and submit recommendations of finalists to City Council for consideration and approval. The concept endorsement will be reviewed and approved for forwarding to Metro by the Community Development Director or designee.
 - Metro concept endorsement. Gresham staff, in conjunction with Metro staff, will present the project to Metro for endorsement by the Metro COO. Metro will review the project for conformance to the adopted Local Implementation Strategy and the Bond Framework.
- **Approval and Funding Authorization**

- Gresham project approval & funding authorization. As the project moves towards financial closing, Gresham will review final project details and present to City Council for action appropriate to the project. Funding approval will be done by City Manager or City Manager designee and subject to City contracting policy.
- Metro project approval & funding authorization. Gresham staff, in conjunction with Metro staff, will present the project to Metro for final approval and funding authorization.
- Release of Funds. Once a project has received approval by the Gresham City Council and Metro, funds will be released to the City of Gresham and disbursed to the project in accordance with the provisions of the project documents and Metro Intergovernmental Agreement.

Project Closing

- Metro-Approved Regulatory Agreement. All projects will be required to execute a Metro-approved Regulatory Agreement that acknowledges the use of Metro Housing Bond funds and the restrictions associated with the use of such funds. The Regulatory Agreement shall be recorded against the project at or prior to closing.
- Period of Affordability. The Regulatory Agreement will generally specify a 60-year period of affordability for new construction, and for acquisition projects that are more than 10 years old, a period of no less than 30 years. The Regulatory Agreement will provide a first right of refusal for qualified nonprofit organizations or government entities to acquire the project upon expiration of the affordability period.
- Accomplishment of Framework Targets. The Regulatory Agreement will also specify the level of affordability and the unit bedroom sizes of the project.
- Reporting Requirements & Monitoring During Operations. The Regulatory Agreement or similar agreement will also provide requirements for periodically providing information relating to the project's financial performance, physical condition, occupancy, tenant income verification, and voluntarily collected tenant demographics. The reports will be made for the benefit of both Metro and Gresham. The agreement shall also stipulate physical access to the property when requested by Metro, Gresham, or other project financing partners.
- Jurisdiction Documents. The City of Gresham will require a variety of other documents relating to the project. These may include:
 - Disposition & Development Agreements. In the case of properties controlled by the City of Gresham, the City will develop agreements relating to the transfer of property or initiate a long-term ground lease to the developer/owner and associated development commitments.
 - Gresham will develop documents relating to the form of investment of Bond Funds. These may vary depending on projected cash flow of different projects and may take the form of cash flow dependent loans or grants. In general, Gresham will support the allocation of modest amounts of program income to restricted reserve accounts dedicated first to the provision of Resident Services. Projects that

are expected to have more significant program income may have requirements for cash flow dependent distributions to the City.

▪ Gresham will specify requirements relating to implementation of Racial Equity Strategies. Strategies will be developed for each project, and requirements will be documented in agreements with the City. This will include:

- **MWESB (Minority, Women, Emerging Small Business and Disabled Veterans) Contracting.** Project sponsors will be requested to achieve a target of 20% of total development costs for contracts to certified minority, women, and emerging small businesses pursuant to ORS 200.055. Specific NOFAs, RFQs, or RFPs may have additional goals and/or requirements. Project sponsors will be required to provide documentation of contracting efforts and results.
- **Workforce and Apprenticeship Participation.** Gresham is interested in encouraging participation in project workforce hours by minorities, women and disabled veterans. Gresham will work with Metro, other implementing jurisdictions, and with project sponsors to explore ways to maximize participation in project workforce hours. Gresham will explore opportunities to coordinate additional outreach efforts across the region through partnerships with trusted community organizations and community leaders. Gresham may require monitoring or reporting of job training of apprentices, and seek opportunities to formalize mentorship resources.
- **Affirmative Marketing, Tenant Selection & Lease-Up.** Consistent with the Bond Framework and with community feedback, Gresham will work with developers/owners to ensure that Bond financed housing serves communities of color, families with children and multiple generations, people living with disabilities, seniors, veterans, households experiencing or at risk of homelessness, and households at risk of displacement. Gresham will require that project developers/owners make units available to minorities and disadvantaged populations using best practices. In general, this will require:
 - Affirmative outreach and marketing to target populations. Developers/owners, and their property management companies (if applicable) will be expected to engage in proactive efforts to make disadvantaged populations aware of the availability of units, and the process and timeline for application. The City will work with project sponsors to help identify specific target populations for each project and will review the proposed outreach and marketing strategy for each project. Consistent with the feedback provided in the community engagement phase, affirmative marketing may include working with community-based organizations that serve communities of color, low-income and/or special needs populations.
 - The City of Gresham will require project sponsors use low barrier

screening criteria that balances access to target populations, project operations, and community stability. Typical requirements may include less than standard market apartment income-to-rent ratios, reduced credit history requirements, and criminal history requirements that are most directly tied to tenant success. Project sponsors will be required to review appeals to denials of standard screening criteria that take into consideration efforts of applicants that demonstrate stability and potential for tenant success. Project sponsors are also required to review appeals if the disqualifying aspects of a denial are related to a disability and make reasonable accommodations as appropriate.

Project Monitoring

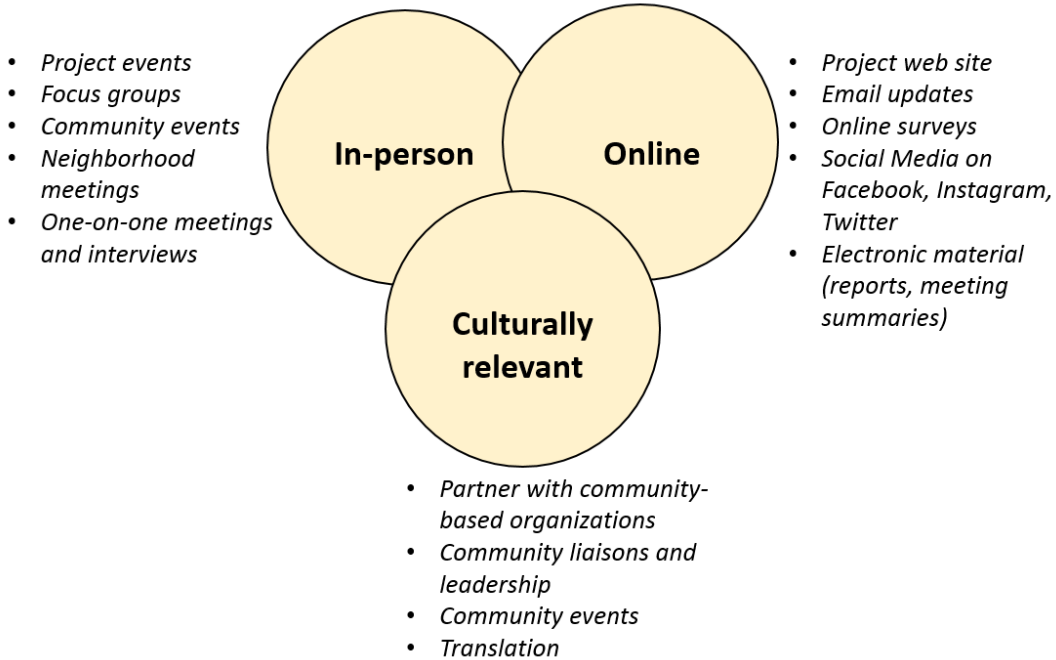
Projects will be subject to monitoring throughout the development process and period of affordability. The monitoring process and expectations will be documented in agreements with the City. In general, this will include:

- Monitoring During Development & Lease Up. Gresham will require monthly reports during the project development and lease up period, and will conduct monthly site inspections in coordination with other funding partners to ensure progress to on-time and on-budget completion. Gresham will sign off of any change orders and on monthly draw requests.
- During Operations. Gresham will require annual reports that include information about project physical condition, fiscal condition, occupancy, tenant income verification, and voluntarily collected tenant demographics. Gresham will conduct periodic site inspections in coordination with other funding partners.

IX. Ongoing Public Engagement

Staff will use multiple methods of outreach to inform community members about the bond implementation process and major project milestones to ensure community members stay informed. Staff will provide information to assist the public in understanding the decisions made throughout the planning process and implementation information will be made broadly accessible through multiple means, channels, and sources. Opportunities for such feedback will be provided via open houses, housing forums, and City Council meeting, as well as online.

All project communication should include in-person opportunities, online opportunities, and a focus on culturally relevant engagement to communities that reside in Gresham.



As identified in the themes for racial equity of this LIS, the City will administer the program to ensure meaningful participation in decisions being made, specifically for those who will be affected by the decisions. A number of attributes will be included in all future engagement, such as culturally specific opportunities and updates with community based organizations that will include opportunities to build long-term capacity for continued civic engagement. This program is an opportunity to increase the capacity of both City staff and organizations within the community that will extend beyond this program.

CITY OF GRESHAM COMMUNITY ENGAGEMENT GOALS

- 1 Build + strengthen trust
- 2 Create opportunities for inclusive + culturally relevant participation
- 3 Collaborate + inform decision-making
- 4 Build long-term capacity for civic engagement
- 5 Facilitate early + ongoing participation
- 6 Communicate the vision + related benefits

The City will maintain a project web site and an email list to share updates for the project. Staff contact will be available, including arranging in-person meetings as requested. The City will also promote, publish and share information in multiple formats and languages as needed. The City

will also ensure that opportunities are available by being held at different times and different locations, as well as coordinated with significant community events in which people currently gather. The City will work to ensure that ongoing engagement is timely, transparent, and include materials in a culturally appropriate way. The City will also develop evaluation measures that allow for feedback and adjustments to the engagement strategy.

X. Reporting on the Implementation Strategy

Annual Report

Gresham staff will prepare a publicly available annual report to City Council on overall progress of this LIS. The report will be made available to the public and interested stakeholders. The report will include information on committed and completed projects (e.g. project status, Bond funding amounts, total project cost, and units produced by unit size, type and income level served). The report will also include information on overall progress toward achievement of the framework goals and balance of funding available.

Reporting to Metro

Gresham will submit annual reports to Metro in accordance with the Intergovernmental Agreement (IGA).

Implementation of the regional affordable housing bond program in the City of Gresham is an important project that will support a wide range of housing and services for our residents. Community engagement is critical to ensuring that the City investment maximizes public benefits and advances racial equity. City staff has been meeting with organizations, service providers, and those directly impacted by the housing market. Input received shapes this Local Implementation Strategy (LIS). The City of Gresham will continue to coordinate with our regional neighbors, such as Metro, Portland Housing Bureau, Home Forward, local jurisdictions and bordering community organizations to make sure efforts are not being duplicated, as well as identifying opportunities to collaborate when possible. Many of the engagement efforts described in this report were done in collaboration with Home Forward.

Questions asked of the community

Throughout the engagement process to date, there have been a consistent set of questions for discussion to help inform the LIS.

- What are the ways you currently find out about housing?
- What types of services and amenities would help you? (both on-site and in neighborhood)
- What kinds of housing do you look for? (Number of bedrooms, rental, ownership?)
- What would help you to find housing, and what challenges or barriers do you have?

Many of the engagement meetings have been coordinated with focus groups and other efforts that have included a wider discussion of housing concerns, issues, opportunities, and assets.

Summary of findings

Themes and feedback from engagement to date include:

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 and cost; families are moving east to seek more affordable housing.
- Less available for 'working families' in between market rate and deeply affordable housing.
- There are fewer choices for ownership housing, especially for communities of color.

Services

- There is a desire that any new investment includes the necessary services for residents, and also increase services within the neighborhood overall.

- On-site services are desired with any investment. This includes financial assistance (subsidies as well as educational resources), culturally appropriate services and activities, health care (including mental health and addiction services), and childcare assistance.
- A concern about the lack of childcare options, activities and programs for children has been a consistent theme expressed in nearly every engagement opportunity. The cost of childcare has become very expensive, with few affordable options. There is a need for more activities for children.
- There is also an expressed need for permanent supportive housing services that can provide resources for families that have experienced homelessness. Access to community health workers is strongly supported.
- Consider including on-site management for any investment. There is a desire to ensure that all investments are well managed, and that residents know who to talk with when questions about the property or their residence arise.

Location

- Safety, security and a sense of well-being are essential. Residents want to feel safe and part of the community where they live. Investments should nurture a sense of welcoming to residents.
- Invest near jobs and schools. When looking for housing, residents prefer to find neighborhoods near where they work and children attend school. Proximity to schools, and maintaining stability in schools, is identified as a key priority.
- Transit access is important. Proximity to MAX or frequent bus is consistently rated as a high priority when looking for a home. But transit is harder for families with children, particularly with the distances and level of transit service in east county.
- Access to a grocery store and daily needs has been the third priority listed. Residents want to find affordable options to meet the daily needs of their household.
- Residents also expressed a desire for improved sidewalks, lighting, and safety improvements. There is an identified need for parks and programs for youth in the community.
- Residents want to see buildings in their community maintained and updated. A lot of older buildings need maintenance.

Barriers

- Residents experience discrimination and lack of their cultural understanding. This was identified as the primary barrier for people of color. There is a need for culturally responsive services, and training for staff.
- Screening criteria has been raised as a significant barrier to residents applying for housing. It is requested that bond investments consider lower barrier screening that balances access to target populations, project operations, and community stability.
- Tenants have a difficult time understanding their rights; make it easy to find and lease units, and understand rights as a tenant. Need for coaching and navigation support. Many agencies dedicate a significant amount of resources for residential service coordination, coaching and navigation, but more resources are needed.

- Cost and navigation: Understanding the application process, and how complicated the ‘maze’ of programs can be (navigation), plus the costs of deposits and fees.

Impact of findings

A summary of some key elements of the LIS that have been shaped by the engagement findings identified above are included in the table below.

Affordability	<ul style="list-style-type: none"> - Shaped equity themes and actions, including creation of opportunities for wealth creation as part of the program. - Informed a priority for ownership housing as a component of the bond portfolio to stabilize communities. - Confirmed need to invest in family-size housing as a component of the bond. - Confirmed identified need to consider units that allow residents to age in place.
Services	<ul style="list-style-type: none"> - Shaped project selection criteria, including Gresham’s Affordable Housing Goals to prioritize mixed use investments with services such as childcare, residential service coordinators, financial assistance, and childcare. - Shaped the project selection criteria regarding connection to services.
Location	<ul style="list-style-type: none"> - Shaped the equity themes identified in the LIS, including the need to increase choices for residents and remain in existing communities. - Informed the location strategy for project selection criteria, which includes increasing housing in areas with underserved diverse populations, as well as providing housing in areas with access to transit and proximity to schools and work.
Barriers	<ul style="list-style-type: none"> - Shaped the equity themes and actions, including need to reduce barriers to find and apply for housing. - Shaped the equity actions regarding culturally specific programming and supportive services for residents. - Shaped the project selection criteria regarding connection to services. - Informed the requirements for developer plans and documentation regarding affirmative marketing, tenant selection & lease-up.

Engagement approaches

- Incorporate existing outreach regarding housing, including Community Needs Hearings and Consolidated Plan.
 - To good stewards of resources, the City of Gresham started by understanding previous outreach that has recently been done. Over the last few years there has also been significant outreach, including in the Rockwood and West Gresham neighborhoods. This work focused on bringing diverse voices to the table from underrepresented communities of color. Similar data has been collected through community needs assessment hearings for our Housing and Urban Development (HUD) consolidated plan. These along with other information start as a foundation for outreach.
- Incorporate the data from Metro’s Community Partners Report.

- This is valuable outreach, and the City will take into account groups that have already been engaged in this process and where there are additional conversations to be had around more specific topics as needed, should some of these community partners pertain to East County.
- Resident Services Meeting
 - This meeting spoke with individuals in the multifamily housing sector that work closely with residents of existing properties in East County. Meeting with Residential Service Coordinators, in collaboration with Home Forward, allowed the City to hear from individuals that have trust relationships with residents.
- East County Community Based Organization Meeting
 - This meeting was in collaboration with Home Forward and Portland Housing Bureau. It involved service providers from a number of organizations that work closely with residents in East County. These community partners, like the Residential Service Coordinators, are ideal conduits for gathering information from underrepresented, hard to reach populations within the Gresham community.
- Coalition of Gresham Neighborhood Associations
 - Staff presented the policy outcomes and approach of the Local Investment Strategy to the Coalition of Gresham Neighborhood Associations on July 13, 2019. Key themes included: housing should be built for low-income and those at risk of homelessness, working families, and seniors; housing should include family units and ownership housing; and there are needs for childcare, parks and recreation for children, and more grocery stores. There was also interest in supportive housing and wrap around services. One note of caution was to be intentional with mixed-use buildings; some have been developed where ground floor retail has not been commercially strong. There was also significant interest in being financially stable and ensuring that all investments are a good use of public dollars and limit financial risk to the City.
- Gresham Planning Commission
 - Staff provided an overview of the housing bond and local implementation strategy on March 25, 2019. The Commission and staff discussed various points of the project including the financial aspects of the project and how that will be managed, public engagement and its connection to planning efforts such as the innovative housing project, and accessible housing. Staff presented the LIS to the Planning Commission on October 28, 2019.
- Gresham City Council review and discussion
 - Gresham City Council has discussed the proposed local investment plan on March 12, 2019 and July 9, 2019. These meetings including establishing the policy goals and guiding principles for the Local Implementation Strategy, a review of the Local Implementation Strategy elements, and the approach to project development and selection.
- Gresham Task Force on Housing

- The Gresham Task Force on Housing was convened by Gresham City Council to facilitate a wide-ranging discussion regarding housing challenges, opportunities, The Gresham Task Force on Housing convened monthly from September 2018 – May 2019. The Task Force was comprised of community members, including property managers, community organizations, those directly impacted by the renting and home ownership market. This group developed recommendations for investment of housing in the City and the services the City can provide to support residents in the City. Public testimony was received at each meeting that discussed barriers and challenges to current housing in the City. The final strategy identified key areas for future investment of the Housing Bond, including considering land trusts and land acquisition, new construction of deeply affordable housing, and ownership housing. The Task Force also explored incentives to support efficient and cost-effective development.
- Nonprofit and developer outreach
 - The City has met with over twenty organizations to discuss housing barriers and opportunities in the City, including Human Solutions, Cascade Behavioral Health, Casa of Oregon, Habitat for Humanity, Proud Ground, Community Development Partners, Albertina Kerr, Wells Fargo, Home Forward, Home First Development, El Progamma Hispano Catolico (EPHC), Manufactured Housing/Oregon State Tenants Association (OSTA), Beyond Black CDC and others.

Engagement with communities of color

Gresham has become more racially diverse in the last twenty years, and engagement with communities of color and historically marginalized community members is essential to the success of this program. The Hispanic population of Gresham is 17%, which is about 1.5 times the region as a whole, and the African American population is 6.4%, almost double the region as a whole. The approach to date has included: drawing from existing reports and work done with communities of color and housing in East County; ensuring that City meetings are done according to best practices for engaging communities, including providing language services; and partnering with culturally-specific community based organizations with existing relationships within the City of Gresham.

In partnership with Home Forward, the City of Gresham has been working with El Progamma Hispano Catolico (EPHC) to identify needs within the Lantinx Community. The development of the Local Investment Strategy was informed by work performed by EPHC in partnership with the Corporation for Supportive Housing in the summer of 2019. This work included focus groups and listening sessions in June 2019 which identified the housing experiences and community needs of residents relating to supportive housing as well as recommendations and opportunities for strategic advocacy. In addition, two additional focus groups were conducted by EPHC in partnership with Home Forward in September 2019; one of which was done in Spanish. These focus groups explored key questions regarding types of housing, location, services and needs.

As part of this LIS, the City has also been working with African American community organizations to engage residents in Gresham. The City has been working with Beyond Black this fall to conduct focus group interviews with residents in the City of Gresham. The City is exploring additional engagement with the African American community in the winter of 2019. City staff has also met with the Nehemiah Group to discuss service needs, development, and job and workforce opportunities. The City has conducted initial outreach to the Slavic community; there is a need for continued and sustained engagement with leaders in the Slavic community. Engagement with communities of color will continue throughout the life of the City implementation program. One important theme with residents has been that many have moved to East County from somewhere else; from displacement, or arriving from a different country. Businesses and services have not been developed to fully support social ties and community development. Staff has heard the need to support the systems for residents to feel fully welcome in the community. It is important to develop services and businesses that focus on communities of color, and ensure that new housing provides culturally relevant services and support.

City Engagement with special needs communities

City of Gresham staff held meetings with Cascadia Behavioral Health and QUAD Inc. The discussions identified several considerations. There is an increasing need for housing for seniors and residents with physical disabilities and mental health needs. There is a demand for supportive services and case managers. Many of the historic support structures have been in downtown Portland, and some people are interested in moving further east to access daily needs. Transit is also very important; most residents with physical disabilities that QUAD Inc. serves do not drive, so they are reliant on transit to meet daily needs or rely on delivery visits. Special consideration needs to be paid to the design of buildings, and QUAD, Inc. provided a lot of insight into their Station 162 development. All of the units in the building are accessible for individuals in wheel chairs or age-adaptable. The community rooms and meeting spaces are flexible. This LIS is also informed by information from Gresham homeless services staff, who work directly with residents facing housing instability in the City.

City Engagement with Schools

Gresham staff met with representatives of the three school districts in Gresham (Centennial, Gresham-Barlow, and Reynolds) on July 30, 2019. Housing stability and homelessness is a significant challenge for the school districts and the families, with the homeless count near 10% for some of the districts. Staff discussed the Federal McKinney-Vento Act and its requirements. Maintaining a stable school environment is a key to educational success, and mobility is a common barrier. It takes four to six months to academically recover after changing schools. Staff discussed best practices, including avoid using the word 'homeless' in contacts with families and youth, increasing awareness, and coordination with community service agencies. While the need for services is a consistent challenge, staff discussed opportunities to make the services currently available more widely understood and accessed. For example, there has been coordination with City homeless services staff, and there are opportunities to communicate resources that are unique to Gresham such as the rental inspection program. In addition, there is interest to coordinate future bond program investments with the school districts. For

example, staff at the school districts are an important resource for future public engagement to ensure that services on properties can address needs for families in the district. Development teams will be encouraged to engage school staff contacts.

On-going engagement opportunities

There are a number of activities that will support future development with housing bond resources.

- **Feedback Sessions:** Going forward, the City anticipates future hosted meetings by community organizations for feedback, review, and engagement of the ongoing bond program administration.
- **Housing events:** City of Gresham staff will be available to present and discuss bond resources at existing events. There is a strong interest to engage the community at standing events and community meetings in which people already gather.
- **City of Gresham program administration:** The City of Gresham will have public engagement staff to support the bond program, and is planning to provide resources to community organizations as part of a liaison program for engagement with communities of color.
- **Developer requirements:** All development teams will be required to conduct meaningful community based engagement as stipulated in the LIS requirements and the future development solicitation.

Attachment 1

Summary of Community Needs Meetings

The Gresham Local Investment Strategy has incorporated the housing needs and opportunities that have been expressed at public meetings over the last few years. Previous engagement has been an important starting point to recognize the considerations raised by residents. This summary shares the comments expressed at community needs meetings at the City regarding housing, most recently in November 2018. These meetings discussed positive and challenges to community experiences, community services, and barriers to housing:

- Attendees highlighted the lack of affordable housing, high move-in costs, and the stigma around multi-family or low-income housing.
- Participants shared their experiences with unfair treatment from landlords and emphasized the need for advocacy and communication with landlords and property management.
- Discussions called attention to senior citizen's housing needs and their increased vulnerability due to rising rents and property taxes. Seniors are often on fixed incomes and cannot afford drastic increases in their expenses. Many programs to prevent homelessness are only available to families with children.
- Participants identified activities for youth as an area of high need and noted the closing of Skate World has had a negative impact on the community. The group recommends improved and additional parks and a new community center.
- Increased housing costs have highlighted the need for affordable healthcare, as many citizens cannot afford both and are going without medical care so they can afford rent.
- Participants highlighted the lack of jobs, especially living wage jobs, in the Gresham area and noted that many historical employers have left the area due to increasing rents.
- Attendees suggested that the City partner with community colleges and local businesses to create career pathways for youth to receive training and get connected with jobs upon program completion.
- Street improvements including better lighting, improved signage, additional flashing beacon cross walks, pothole repairs and increased parking were identified as areas of need by participants.
- Participants noted certain low-income neighborhoods lack grocery stores, making it difficult for residents to buy affordable food for their families.

Services Needed

- Need for more youth programs (after school programs) and additional childcare options
- Gresham needs parks for all age groups, public pools
- Need for areas with more sidewalks, tree maintenance, street lighting, and safety
- Better coordination with TriMet for access to stops and street lighting
- Better access to food and groceries
- Need for mental health services
- Increase of legal services, particularly in other languages including Spanish

Infrastructure Needed

- **Parking and street improvements:** Participants expressed concern about increasing demand for parking as new developments come into the area and the population continues to increase. The groups specifically mentioned a need for more flashing beacon crossings, better lighting, improved signage and more sidewalks.
- **Grocery Stores:** Many neighborhoods where working people live lack adequate grocery stores.
- **Community Center:** The Gresham area could benefit from a community center.
- **Better Bus Stops:** Many bus stations are not covered, which makes them less accessible to families with children in certain weather

Housing

- **Affordability:** There are fewer safe and affordable choices for low income families, especially those with children. There is increased competition for affordable units as more families are pushed East due to Portland's rising rents. Many residents, especially seniors, are going without necessities such as medical care and food in order to afford rent.
- **Senior Citizen Renters:** There is an increased need for housing for seniors in the area.
- **Senior Citizen Homeowners:** Seniors who own their homes and are on a fixed income may not be able to afford the increased taxes, putting them at risk for homelessness.
- **Low Income Families & Move-in Costs:** Many families who may be able to afford an apartment still cannot find a place to rent because landlords will require two times the rent as a deposit. Landlords may also force low income families to sign longer term leases that they may not be able to commit to. If the family can find a unit to rent, move-in costs deplete all their resources.
- **Stigma Around Multi-Family Housing:** There is a negative perception around "affordable" or multi-family housing projects.
- **Homelessness:** Homelessness overall is increasing in the area due to rising rents and an increase in population as people from Portland get pushed East for more affordable housing.
- **Advocacy & Communication with Property Managers:** Service providers who build relationships with their clients' property managers have an easier time keeping their clients housed. The property manager will be more likely to work with the service provider on behalf of the client when they have a positive relationship with the service provider.

Attachment 2



Focus Group with Internal Community Services staff working in East County

Notes from April 23, 2019 discussion

Attending:

- Melissa Arnold, facilitating (RCSC manager)
- Odalis Perez-Crouse (Goals manager)
- Rebecca Enriquez, RCSC
- Jessica Rayos, Goals coordinator
- Nikki Long, Goals coordinator
- Anna Wilson, RCSC
- Tabetha Suda Opoka, RCSC

Observers: Gresham staff Brian Monberg (housing policy) and Alex Logue (community engagement); Pamela Kambur, Home Forward staff working on East County engagement

What are some of the most important locational factors for residents choosing their housing?

- Transportation (can take 2-3 buses to reach places)
 - Transit can be anxiety provoking (presents barriers for riders with mental health concerns or undocumented status)
 - Transit can be impossible for mom with 3 small children without stroller or car seats
- Grocery stores
- Proximity to services (example: food pantry)
- Proximity to youth programming

What do people look for at their apartment community? What type of housing is needed?

- Space for community gatherings (community rooms)
 - Balance bringing services to the property with encouraging people to self-advocate and go out into community
 - Central City Concern model is good with service providers on first floor
- Mixed communities: example of New Columbia with grocery, rentals and homeownership
- Biggest desire: single family homes or duplexes where there is a yard and they get practice of what it's like to be a homeowner (paying utilities, yardwork, etc.)
- Studios and 1-bedrooms are lacking in Home Forward's portfolio in East County
 - Needed by seniors and single parents who's kids have moved out
- Larger family units also needed (recognize need for a mix)
- Well insulated (need to avoid huge utility bills)
- Overall energy-efficient (appliances, insulation)

- Elevator access needed (not just for seniors and physically disabled; helpful for families too)
- Desire for washer, dryers and air conditioners in units
- Outdoor space “that makes you proud of where you live”
- Durable flooring materials
- Focus on safety; adequate lighting
- Adequate space for garbage and recycling (larger properties need multiple locations for enclosures)
- Containers for pet waste disposal and needle disposal
- Seismic safety
- Recognition that noise from kids is natural

What are some of the most common barriers to accessing affordable housing?

- Money for security deposits
- Expenses related to moving
- Jargon is hard to navigate
- Leases are not easy to understand; even when translated into other languages
- Requirements related to standards for numbers of bedrooms household is eligible for (concern with having children of different genders or ages having to share rooms)
- Screening criteria regarding credit history and criminal backgrounds limit access
- People don’t understand how to request reasonable accommodations

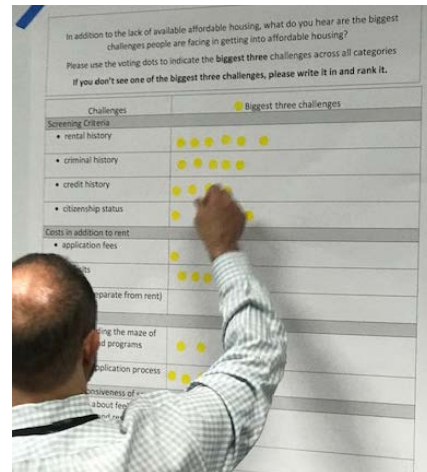
How do people find affordable housing?

- Finding information about current availability is difficult
- People have to try multiple methods
 - Events
 - Internet
 - Community partner agencies and non-profits
 - Especially housing case managers that help people fill out the paperwork
 - Culturally-specific advocacy groups

Initial take-aways: Brian and Alex thanked participants for their expert input. He noted a few things that struck him:

- Need for an east county “resource guide”
- Need for jurisdictions to consider how can we support housing case managers better help people access affordable housing
- Transit can be a barrier – can we consider using Metro’s “Regional Travel Options” grant program for innovative ride-share options to help for situations where transit is just not reasonable
- Need for more ADA, accessible and visitable options
- Need to balance need for studios/1-bedrooms with need for larger 2+ bedroom apartments

Attachment 3 - Community Partners Focus Group



Input for Affordable Housing Planning in east Multnomah County **Executive Summary**

During May 2019, 24 social service providers and affordable housing advocates representing 19 agencies serving areas of East Multnomah County (east of I-205) came together for a discussion in four key areas:

- 1) Housing location preferences;
- 2) Types of housing needs;
- 3) Social services needed; and
- 4) Barriers to access.

Agency participants included specialties in workforce training, healthcare, food insecurity, housing providers, crisis services, and advocates working with specific communities of color. Participants were asked to respond from the perspective of the people they serve in order to help decision-makers better understand priorities. The focus group questions were composed by the host agencies* as a way to verify, prioritize, and identify gaps from comments gathered through outreach by communities of color during Spring 2018 (prior to passing the regional affordable housing bond).

A series of questions at each “station” around the room allowed participants to respond with comments and/or “dots” (priority votes). After all participants had rotated to each station, a large group discussion gathered additional comments. Below are the primary themes that came through in each topic area during the stations and large group discussion:

1) Housing location preferences –

- a. Amenities - When given a wide range of community amenities, access to bus or MAX was the highest priority, followed by proximity to a school where students are already enrolled. Access to a grocery store came in as the third highest priority. Overall, safety and social connections were identified as drivers of location choice.

- b. Willingness to relocate for better services - When asked to choose between an existing neighborhood or moving to a similarly affordable home in an “opportunity neighborhood” (with higher school rankings, more amenities, etc.), more than half the participants (56%) believe their clients would choose to stay in their existing neighborhoods. There was a strong belief that closeness to social networks of friends and family were key determinants of choice, especially during times of economic stress.

2) Types of housing needs –

- a. Unit sizes - A continuum was provided that included small units (studio & 1-bedroom) on one end and larger units (2, 3, & 4 bedrooms) on the other. The majority of participants (64%) indicated larger units are the highest priority in order to accommodate larger families and intergenerational families from immigrant communities. A 50/50 mix of housing types was indicated by 21% and another 14% indicated a need for smaller units to house seniors and previously homeless individuals.
- b. Homeownership opportunities – Advocates emphasized that options for affordable homeownership need to be considered as part of the Metro affordable housing bond implementation.
- c. Design features needed - better sidewalks & streetlights; safe and green areas for children to play outdoors; needs for greater ADA accessibility, better soundproofing & insulation; larger community rooms; laundry facilities; safer enclosures for recycling/refuse; and safe areas for walking pets.
- d. Populations needing assistance – Participants advocated for households at 30% MFI who need resident services support to be successful (i.e. Not only the current focus on the wrap-around supports needed as Permanent Supportive Housing); expressed needs for more culturally sensitive programming and staffing; identified needs of LGBTQ, foster kids, and survivors of trafficking/sex workers, plus people with a range of disabilities (in addition to populations typically served); and suggested congregate SRO (single-room occupancy) models for chronically homeless.
- e. Differences between jurisdictions in East County – In East Portland, lack of sidewalks is a key factor leading to needs for better pedestrian safety/lighting. Also needs for affordable grocery stores; more parks, and coordination with community-driven planning efforts. In Gresham, concerns about stabilizing rents and potential displacement were high, especially for the diverse population in Rockwood and the Rockwood Rising development. In Wood Village, issues around older trailer parks are impacting vulnerable immigrant families (many from indigenous areas of Mexico that are non-Spanish speaking). In Troutdale, workforce housing and rent burden (costs of housing) are issues. In Fairview, similar to all communities, transportation access was cited as a concern.

3) Social Services Needed –

- a. Four top priorities - The following services surfaced as the top four: (i) Financial assistance (subsidies such as vouchers, down payments, etc.); (ii) Culturally appropriate services and activities; (iii) Mental health and addiction services; and (iv) Childcare assistance.
- b. Permanent Supportive Housing (PSH) - In prioritizing populations who need PSH services, over 78% of the participants indicated that the east county focus should be on services for families who have experienced homelessness. When prioritizing the types of PSH services, access to Community Health Workers (a peer support model providing knowledge in criminal justice, mental health and substance abuse issues) were strongly supported and prioritized above more traditional counseling models. The need for culturally-specific services was also highlighted.

4) Barriers to Access –

- a. Screening criteria – Identified as the largest barrier during the voting process, 49% indicated issues of rental history, criminal background, credit history, and citizenship status seriously limit access to affordable housing.
- b. Racial discrimination and lack of cultural responsiveness – During the large group discussion, race was called out as a primary barrier to housing access for people of color. Along with lack of training for property management staff (including topics of racial justice, equity and trauma-informed practices), the lack of culturally responsive services was highlighted.
- c. Overall costs and navigation - Understanding the application process and maze of programs (navigation), plus the associated costs of deposits/fees also were identified as barriers (32% combined).
- d. Supporting access – Participants indicated a large number of staff positions in their agencies that provide housing advocacy, plus direct coaching and navigation supports for their clients. They indicated a need for better education so clients know their rights under fair housing and tenant laws.

In closing, on-going outreach to those most impacted by the lack of affordable housing is essential. In addition, continued collaboration between housing and social service providers is needed to address systemic barriers to initial access to affordable housing and on-going success.

Organizations represented	
Sherry Gray	Bridge Housing Corporation
Jim Hlava	Cascadia Behavioral Health
Mary-Rain O'Meara	Central City Concern
Mercedes Elizalde	Central City Concern
Yesenia Delgado	El Programa Hispano Catolico
Steve Lara	El Programa Hispano Catolico
Erika kennel	Habitat for Humanity Portland/Metro East
Jamie Johnson	Human Solutions
Sarah Schobert	Human Solutions
Andy Miller	Human Solutions
RJ Strangland	Impact NW
Debbie D. Cabrases	Latino Network
David Dimatteo	Latino Network
Anne Sires	Metropolitan Family Services
Natalie Martin	NARA NW
Tony Bethune	New Avenues for Youth
Michelle DePass	Portland Housing Bureau
Tiana Hammon	Portland Opportunities Industrialization Center (POIC)
Jackie Keogh	Proud Ground
Erik Pattison	Rose CDC
Kirsten Wageman	Snowcap
Laura Gumpert	Trash for Peace
Christine Sanders	Wallace Medica Concern
Victoria Libov	Worksystems, Inc.

Attachment 4

Key topics identified by Communities of Color Outreach under contract to Metro – Spring 2018

<p>Location criteria</p>	<ul style="list-style-type: none"> Near schools, parks/pools, community centers, public transportation (LN) Near stores that have fresh food and produce; no liquor stores; near where the jobs are (BPI) Near areas where low-income families already live and have community ties (LN & V-LC) Do not assure preference for "opportunity zones" – instead remain in schools/areas people are already living (WH) Stabilize and strengthen where people already live – stop displacement of people of color (BPI)
<p>Type of housing (# bedrooms; affordability goals, etc.)</p>	<ul style="list-style-type: none"> At least 2-bedroom; preferably 3+ bedrooms (LN); 3+ bedrooms focus for new construction (WH & BPI) Multigenerational housing; housing for different sizes of families (V-LC & NAYA & APANO) Larger units have multiple bathrooms (especially of concern by youth; 11 in household getting ready for school) (LN & NAYA) Need community spaces with apartment buildings (LN); play areas (BPI) No charges for parking (LN) Mobile home park preservation and purchase for affordable housing (V-LC) Purchase existing market-rate buildings and assure existing residents are protected (V-LC) Housing that creates community: gardens, shared outdoor spaces (V-LC) Housing that creates culturally sensitive, Native community owned and operated housing development (NAYA) Ensure community-based and organizations of color develop and own properties developed by bond funds (WH) Serve low-income elderly, families w/kids in school, mental health challenges (BPI)
<p>Resources needed for success</p>	<ul style="list-style-type: none"> Culturally specific and responsive services (NAYA) Respond when people bring their issues to the attention of agency representatives (BPI)
<p>Understanding and accessing affordable rentals</p>	<ul style="list-style-type: none"> Demystify the housing systems (NAYA) Availability for undocumented households (V-LC) Education about screening criteria and how anti-discrimination is enforced (LN) Consider administrative preference policy for communities of color (WH) Address housing discrimination (BPI) and racial diversity access (BPI)
<p>Engagement process</p>	<ul style="list-style-type: none"> Desire to remain involved in decisions moving forward (LN) Get information out to where people are (BPI)
<p>Other concerns</p>	<ul style="list-style-type: none"> Landlord-tenant relations (respect, repairs, rent increases) (LN) Home ownership for undocumented families (V-LC); needed to build intergenerational wealth (APANO) Culturally responsive homeownership funding (NAYA) Funding to prevent displacement (NAYA)
<p>Key: LN – Latino Network summary V-LC – Verde-Living Cully (Cully Housing Action Team) NAYA – Native American Youth and Family Center</p>	<p>WH – Welcome Home APANO – Asian Pacific American Network of Oregon BPI – Black Parent Initiative</p>

Attachment 5: Interview with QUAD, Inc.

On August 19, 2019 Gresham staff conducted a phone interview with Quad, Inc. staff to discuss the needs and opportunities for residents with disabilities. Brian Monberg facilitated the call for the City of Gresham. Curt Germundson and Alena Guggemos participated for Quad, Inc.

Below provides a summary of the residents served, housing needs, and attributes of housing.

Residents served

- Quad Inc. serves residents that are low-income, primarily reliant on a wheelchair for mobility, medically stable, and able to show good judgment in managing their own care and personal needs. Qualifying persons pay 30% of adjusted gross income for rent and a monthly utility allowance.
- Over 12,000 people in metro Portland have limited independence due to a disability that requires full-time, permanent wheelchair use.

Housing Needs

- Currently have a waitlist of over 100 individuals to move into one of Quad's five properties.
- There is demand to serve individuals with mental health needs. There is a demand for supportive services and case managers for mental health support.
- Quad receives a lot of requests for low-income housing for seniors. They may not need a fully accessible unit, but there are very limited choices for housing units outside of assisted living that may have roll-in showers, no stairs and/or on-site support. This is very hard for those with low incomes.

Attributes of housing

- Increasing demand for east county: Many people are looking for housing outside of downtown Portland, and interest in moving further to east to access daily needs.
- Residents seek studio, 1-bed, and 2-bed units.
- Transit really important – most residents with disabilities do not drive, so they are reliant on transit to meet daily needs, or rely on delivery or visits via transit.
- Interested in services that can be brought directly to the building, such as food and health (nutrition, cooking classes, food delivery), medical appointments, or veterinary appointments. These are hard to do within the apartment units.
- Housing design: buildings designed with spaces for residents to meet life needs and goals. For example, having rooms that can be shared office or meeting space for medical visits and other appointments. Residents are interested in cooking and nutrition, but there are very few accessible community gardens.

Attachment 6: Community Interviews

In November of 2019, Beyond Black Community Development Corporation conducted interviews with community members that gave feedback on what they look for in housing, and challenges that they have faced over the years. All of the interviewees identified as African American and live in Gresham.

Below provides a summary of the responses.

How do you find housing?

- Housing Authority
- Internet & word of mouth
- Internet
- By being out and about
- Online, housing brochures
- Human Solutions or Stark Firs Management
- I look for housing when I am out and about driving around. I search for 'for rent' signs. I call realtors. I use rent.com and the internet/Google (online searching). I also use word of mouth and community boards at the grocery store.
- Ask a friend or someone I know. Ask for recommendations from the community. You get a recommendation from someone you know that has experience living in that situation; lived experience.
- Online and from recommendations of friends and family.

What kind of housing? And what attributes are important to you?

- 2 bedroom, 2 bath, affordable housing where they don't raise the rent frequently. I would rather move back to NE Portland.
- More diverse communities. Attributes: parks, schools
- parks, transportation, shopping, housing needed: An apt. W/multiple bathroom, 1-2 bdrm. In a low crime neighborhood.
- I need income based housing, section 8 or voucher based. Stores, public transportation & the library are important to me.
- At least a 2bd. apt, condo, or townhome. Should be all electric.
- Close to shopping, parks, and public transportation.
- Also I would like it to be in a low crime area, because I like nice things and don't want my home broken into.
- Parking, like a garage or driveway is important.
- Washer/dryer hookup in the unit is preferred over having to travel to a Laundromat. A pool and exercise room are also preferred.
- I look for 1-2 bed apts. Attributes I need are close to a bus & store. I also want washer/dryer hookup in the apt. I need the apt. to be on the main level/first floor. Tenant & visitor parking are important & I'd like it to be close to my front door. Multiple bathrooms in my apt., and a great internet signal are very important.

- Access to public transit, parks, grocery stores, community centers, and work are all extremely important amenities in a community.
- Renting or Own: Personally, he would like to own a home but can't because of where he is financially. He feels as though that for a lot of people that he is connected to in the community owning a home is far fetch and out of reach. Primarily because they don't have enough income, credit score and or knowledge on the difference responsibilities that come with owning vs. renting.
- Access to public transit, parks, grocery stores, community centers, and work are all extremely important amenities in a community.
- Activities that are family friendly. Seems like there is more to do in Portland. It would be nice to have more food/restaurant options.

What are challenges or barriers to housing?

- price range, rent control and gentrification
- Cost and the housing has to be affordable.
- maintaining a stable rent, no frequent rent increases, and at least a good landlord, one that will take care of the apartment as they should.
- Expenses, you have to get an apt. you can afford. Barriers - area, activities in the community (ie. crime)
- Population overcrowding, pricing (cost of living) depending on the area, homeless population.
- Barriers & challenges could be budgeting/money management, ethnicity- depending on if the neighborhood is diverse, ability to pay all the move in fees, etc.
- Renting: the size of the living quarters is small and the rental costs are steadily increasing.
- Education – knowing what opportunities are available for future home owners is ideal. Many don't plan for the future because we are focus on the day to day.
- Costs of living has gone up and the rental costs is steadily increasing.

Attachment 7: Gresham City Council Listening Session




On September 24, 2019, Gresham City Council hosted a listening session at St. Aidan's Episcopal Church to discuss and listen to housing needs in the City of Gresham. A brief presentation, including an overview of the housing bond, was followed by small group discussion at stations that included: the Gresham Task Force on Housing final recommendations; Gresham Rental Inspection Housing Program; Gresham CDBG/HOME program; and the Gresham Local Implementation Strategy public review draft. Copies of the Draft LIS were available at the meeting. Below is a summary of comments that pertain to the housing bond and new housing investments.

- Manufactured homes don't fit the mold in housing policy, but their owners and occupants should not be forgotten. Not enough funding is available to revitalize manufactured homes.
- The City is encouraged to participate with Habitat for Humanity when considering Metro Housing Bond implementation.
- Housing support staff are critical resources and should be embedded within low income rental communities.
- Most existing apartments on the market are too small for families. It would be helpful to have more low-income apartment units in Gresham large enough to accommodate families.
- Government housing assistance can change which not only affects access and availability. For example, there is concern voiced regarding federal government rule changes on public benefits. Concern regarding the change to the "public charge" rule and its impacts to benefits and immigration was voiced.
- (From property company employees) Many renters struggle with the criteria needed to qualify for affordable housing, such as income. Our company lowered income barriers and gives rejected applicants a second change to apply. Other management companies should have this practice.

- Having a housing navigator at the City would be helpful. Such a person could, for example, guide community members through all the different requirements different properties have, such as Section 8 vouchers. {Note: Landlords cannot refuse to rent to an applicant, or treat an applicant or tenant differently, because the applicant is using a Section 8 voucher or other local, state, or federal rental housing assistance. Nor can landlords advertise “no Section 8.” This has been in effect since 2014 from HB2639.}
- The ‘maze’ of housing services is a nightmare. Streamlining services would help.
- There is a need for housing resources to refer people to. Private companies would like a list, but keeping and maintaining one is not really their job.
- The system is difficult to navigate for different languages such as Spanish.
- The City should be building new affordable senior housing.
- When “AMI” is used, actual income is rarely shared, making it difficult for a reader to know what’s being discussed.

In addition to the draft Local Implementation Strategy, the following materials were shared at the listening session:



METRO HOUSING BOND:

Gresham's Local Investment Strategy

The City of Gresham's Local Investment Strategy (LIS) is the locally administered plan for investing regional bond funds for development & construction of housing.

DEVELOPMENT PLAN

- 2-4 Housing Investments for 187 new housing units
- Metro targets: 40% of units are deeply affordable (77); 50% family units (93)
- Gresham plan proposes a 'portfolio approach': each investment may include a mix of affordable, deeply affordable, and family units.

POLICY PRIORITIES

Home ownership	Rehabilitation of existing properties	New construction of affordable housing
<ul style="list-style-type: none"> • 3rd-party development with organizations such as Habitat for Humanity and Proud Ground • Co-operative model with organizations such as Casa of Oregon • Land acquisition • Building purchase for renovation and/or conversion • Zombie property conversion 	<ul style="list-style-type: none"> • Building purchase and acquisition by 3rd party organization 	<ul style="list-style-type: none"> • Partner with experienced developer that can successfully complete and manage housing units • Prioritize investments that have completed substantive level of project development

CITY OF GRESHAM



METRO BOND: What we have heard

Affordability/ Communities Served	Housing Needs	Services	Location and Amenities	Barriers
<ul style="list-style-type: none">• 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 are moving east.• Less available for 'working families' in between market rate and deeply affordable housing.• There are fewer choices for ownership housing, especially for communities of color.	<ul style="list-style-type: none">• Larger homes (2,3&4 bedrooms) are needed for families.• Also consider a 'continuum' which includes smaller units for seniors and/or other single persons• Additional options for home ownership: there are less choices for home ownership in areas of the City.	<ul style="list-style-type: none">• On-site services such as jobs, education, healthcare are desired with any investment• Culturally appropriate services and activities• Healthcare should include mental health and addiction services• Lack of childcare options, activities and programs for children.• Consider including on-site management for any investment.	<ul style="list-style-type: none">• Invest near jobs and schools.• A lot of older buildings need maintenance.• Transit access is important, but is harder for families with children, particularly with the distances and amount of service in east county.• Access to a grocery store.	<ul style="list-style-type: none">• Discrimination and lack of cultural understanding• Tenants have a difficult time understanding rights; make it easy to find and lease units, and understand rights as a tenant. Need for coaching and navigation support.• Cost and navigation: Understanding the application process, and how complicated the 'maze' of programs can be (navigation), plus the costs of deposits and fees.

Administrative Share Funding and LIP Anticipated Timeline

Total Administrative Share available as of the Effective Date: \$563,305.00

The parties expect to review the following schedule on an annual basis; provided, however, the schedule set forth below may only be revised or amended upon written agreement by both LIP and Metro.

Fiscal year	Annual Administrative Share Allocation	Percent of total Admin Share	LIP Anticipated Timeline/ Program Milestones
Year 1: 2019-20	\$0	0%	Release of NOFA
			Developer Selection
			Metro annual report
Year 2: 2020-21	\$140,826	25%	Development Contract(s) Negotiation
			Release of Second NOFA (if needed)
			Metro annual report
Year 3: 2021-22	\$168,991	30%	Complete DDA #1
			Metro annual report
Year 4: 2022-23	\$140,826	25%	Complete remaining DDAs (potentially 2 and 3)
			Groundbreaking #1
			Metro annual report
Year 5: 2023-24	\$56,330	10%	Remaining Groundbreaking(s)
			Certificate of Occupancy and Lease-Up
Year 6: 2024-25	\$28,166	5%	Compliance and reporting
Year 7: 2025-26	\$28,166	5%	Compliance and reporting

After recording return to:
Office of Metro Attorney
600 NE Grand Avenue
Portland, OR 97232-2736
Attn: _____

**DECLARATION OF AFFORDABLE HOUSING
LAND USE RESTRICTIVE COVENANTS**

This Declaration of Affordable Housing Land Use Restrictive Covenants (this "Declaration") is entered into as of _____, 2020 (the "Effective Date"), by and between Metro, a municipal corporation of the State of Oregon ("Metro") and _____ ("Owner").

RECITALS

A. Owner is the owner of certain real property commonly known as _____ in _____, Oregon, and legally described on Exhibit A attached hereto.

B. Owner and Metro are parties to that certain Intergovernmental Agreement dated _____, 20__ (the "IGA"), pursuant to which Metro provided to Owner certain funds applied by the Owner to acquire the Property, which funds were proceeds of certain general obligation bonds issued by Metro for the limited purpose of funding affordable housing projects as authorized by Measure 26-199 approved by the voters on November 6, 2019 (the "Ballot Title").

C. Owner plans to improve a ___ acre parcel [and modify an existing building from its current use as a _____] into [BRIEFLY DESCRIBE DEVELOPMENT PLAN].

D. The parties expect that the Property will be redeveloped and comprised of approximately _____ units of affordable housing (the "Project"). At initial occupancy, the Project will serve qualifying persons that earn ___% or less of area median income (AMI).

E. As required by the IGA, and as consideration for Metro's provision of general obligation bond funds to the Owner to acquire the Property, Owner agrees to the restrictions, covenants and obligations set forth herein.

SECTION 1
PROPERTY USE RESTRICTIONS

1.1 **Affordable Housing Land Use.** For the term of this Declaration, the Property and the Project shall at all times be owned, developed, constructed, improved and operated solely as "Affordable Housing" within the meaning of the Ballot Title and as described in the Metro Housing Program Work Plan approved by the Metro Council on January 31, 2019 (the "Work Plan"). For

purposes of the Ballot Title and the Work Plan, “Affordable Housing” is defined as improvements for residential units occupied by households earning 80% or less of median gross household income, adjusted for household size, for the Portland, Oregon metropolitan statistical area as established each year by the U.S. Department of Housing and Urban Development.

1.2 **Nondiscrimination.** In accordance with Title VI of the Civil Rights Act, as amended; 42 U.S.C. Section 2000d; Section 303 of the Age Discrimination Act of 1975, as amended; 42 U.S.C. Section 6102; Section 202 of the Americans With Disabilities Act of 1990; 42 U.S.C. Section 12132, no owner of the Property shall discriminate against any employee, tenant, patron or buyer of the Property improvements because of race, color, creed, national origin, sex, age or disability. In addition, any such owner shall comply, to the extent applicable to the Property, with the applicable federal implementing regulations of the above-cited laws and other applicable state and federal laws. “Owner” shall mean the fee simple title holder to the Property or any part thereof, including contract buyers, but excluding those having such interest merely as security for the performance of an obligation.

1.3 **Running with the Land.** Owner hereby declares that the Property subject to this Declaration shall be held, sold and conveyed subject to the forgoing land use restrictions and covenants, which shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall inure to the benefit of Metro. Owner agrees that any and all requirements of the laws of the State of Oregon to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to ensure that these restrictions run with the Property for the term of this Declaration.

SECTION 2 GENERAL PROVISIONS

2.1 **Enforcement.** Metro shall have standing, and may bring an action at law or equity in a court of competent jurisdiction to enforce all restrictions and covenants established by this Declaration and to enjoin violations, ex parte, if necessary. The failure to enforce any provision shall in no event be deemed a waiver of the right to do so thereafter. If legal proceedings of any type are begun so as to enforce the Declaration, the prevailing party shall recover reasonable attorney’s fees, including attorney’s fees on appeal. However, attorney’s fees shall not be recovered by a prevailing party that initiated the legal proceedings unless the initiating party provided 30 days’ written notice to the other party, its successors, and assigns, prior to filing any legal action.

Metro is the only party entitled to enforce the restrictions and covenants set forth herein. Nothing in this Declaration 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.

2.2 **Duration.** Subject to the provisions of the IGA providing for the early termination of this Declaration upon the occurrence of certain events or conditions, or otherwise upon mutual consent of the parties, the restrictions established by this Declaration shall run with and bind the Property in perpetuity.

2.3 **Amendment.** This Declaration may not be amended or revoked except by written

agreement executed by Metro and Owner, their respective successors and assigns, and duly recorded in the manner then provided for by law.

2.4 **Limitation of Liability of Metro.** Under no circumstances shall Metro have any liability to Owner, its successors and assigns, or other user or tenant, lessee, guest or invitee of Owner, its successors and assigns, by virtue of Metro's enforcement or failure to enforce the rights established by this Declaration, and Owner, its successors and assigns, should defend and hold harmless Metro from same.

2.5 **Choice of Law.** This Declaration shall be interpreted under the laws of the State of Oregon.

2.6 **Breach of Agreements.** Owner represents and warrants that this Declaration does not violate any of the terms or conditions of any other agreement to which Owner is a party, or to which the Property is subject.

The parties have caused this Declaration to be signed by their respective, duly authorized representatives, as of the Effective Date.

OWNER:

By: _____

Name: _____

Title: _____

State of Oregon)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 2020, by _____, as _____, of _____, an Oregon _____.

(Signature of Notarial Officer)

METRO

By: _____

Name: _____

Title: _____

State of Oregon)
 ss.
County of _____)

This instrument was acknowledged before me on _____, 2020, by
_____, as _____, of _____, an Oregon _____.

(Signature of Notarial Officer)

Exhibit A

Property Legal Description

EXHIBIT D to IGA

Required Project Completion Reporting

Immediate Post Closing (within 10 business days after closing):

- Copy of recorded Metro approved restrictive covenant
- Copy of settlement statement

Post Construction Completion (within 3 months of recorded temporary certificate of occupancy):

- Metro project closeout form attesting to use of Metro bond funds for capital costs
- Copy of temporary certificate of occupancy
- Resident Services Plan (OHCS form)
- Affirmative Fair Housing Marketing Plan (HUD Form)
- Community engagement report
- MWESB/COBID participation outcomes
- Workforce outcomes report, if project has stated workforce goals
- Draft project summary

Post-Occupancy (within 3 months of 95% occupancy):

- Marketing and application outcomes report
- Final project summary

IN CONSIDERATION OF RESOLUTION NO. 20-5071 FOR THE PURPOSE OF
AUTHORIZING EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE
CITY OF GRESHAM FOR IMPLEMENTATION OF THE METRO AFFORDABLE
HOUSING BOND MEASURE

Date: January 23, 2020
Department: Planning & Development
Meeting date: February 6, 2020

Prepared by: Emily Lieb
Presenter(s): Emily Lieb
Length: 10 minutes

ISSUE STATEMENT

As directed by the Program Work Plan, staff has prepared an intergovernmental agreement (IGA) setting forth the terms and conditions under which Metro will disburse Metro Housing Bond funding to the City of Gresham for eligible program activities. The proposed IGA is attached as Exhibit A to the Resolution. The IGA is intended to provide clarity and accountability regarding the expenditure of bond funds to achieve specific Unit Production Targets.

Eligible funding amounts

Gresham is eligible for the following funding amounts to support investment in Affordable Housing Projects that are consistent with the Bond Measure, Work Plan, and approved LIS.

- Eligible Share: \$26,756,995 to be disbursed on a Project by Project basis to support direct capital investments in eligible Affordable Housing Projects.
- Administrative Share: \$563,305 to be released in annual disbursements to support general costs associated with program administration activities.

Unit production targets

Gresham agrees to direct the above funding resources toward the creation of Affordable Housing to achieve the following unit production targets:

- Gresham will support investments to create a total of 187 permanently affordable homes.
- At least 77 homes will be restricted to households earning 30% or less of area median income (AMI).
- At least 91 homes will be restricted to households earning 31% to 60% of AMI
- No more than 10% of units (19 of 187 total units) may be affordable to households making 61-80% of AMI.
- At least 93 units will contain two or more bedrooms.

General IGA provisions to ensure transparency and accountability

- All projects selected for bond funding must demonstrate consistency with Gresham's Local Implementation Strategy (LIS), as confirmed through Metro staff review at the concept and final funding stage. See Gresham's LIS attached as Exhibit A to the IGA.

- Gresham will record a restrictive covenant ensuring long-term affordability and monitoring obligations for all approved projects.
- Gresham will submit annual progress reports to Metro, which will be utilized by the Housing Bond Community Oversight Committee as part of their annual review. Along with project progress information, these reports will include metrics and narratives describing outcomes related to advancing racial equity.
- Metro will disburse administrative funding to Gresham annually. See the Schedule of Administrative Funding Disbursement and Program Milestones attached as Exhibit B to the IGA.
- Gresham will submit annual end-of-fiscal-year reports to Metro summarizing direct project expenditures and program administrative expenditures, the latter of which is subject to the 5% administrative cap included in the Housing Bond Measure.

Gresham Local Implementation Strategy (LIS)

In October, Gresham completed its Local Implementation Strategy (LIS). In accordance with requirements set forth in Metro's Housing Bond Program Work Plan, Gresham's LIS includes a development plan to achieve the City's share of unit production targets and strategies for advancing racial equity and ensuring community engagement throughout implementation. Key highlights of Gresham's LIS include:

- Portfolio approach to achieve the unit production targets through approximately four projects;
- Priority for rehabilitation of deteriorating but still good quality housing;
- Interest in utilizing bond investments for affordable ownership housing, or aligning asset building programs such as Individual Development Accounts (IDAs) into rental housing development;
- Focus on development of new affordable housing in high opportunity neighborhoods and sites and in areas with existing underserved diverse populations;
- Requirements for developers to incorporate affirmative marketing strategies, low barrier screening criteria, and culturally specific programming and supportive services;
- Goal of 20% of total development costs awarded to contracts with COBID certified firms

The Gresham LIS was reviewed and discussed by the Housing Bond Community Oversight Committee at their November 6, 2019, meeting, where Committee members present voted unanimously to recommend the LIS to Metro Council for approval with considerations for ongoing monitoring. A copy of the Oversight Committee's recommendation and noted considerations is attached to this Staff Report.

REQUESTED

Adopt Resolution No. 20-5071, authorizing the Chief Operating Officer to execute an intergovernmental agreement with the City of Gresham for implementation of the Metro Affordable Housing Bond Measure.

IDENTIFIED POLICY OUTCOMES

Once the IGA is finalized, Gresham will be eligible to receive \$26,756,995 in Metro bond funding for disbursement on a project-by-project basis, and \$563,305 in funding for program administration costs beginning in fiscal year 2021-22, according to the schedule in Exhibit B of the IGA. Ongoing disbursement of funds will be contingent upon demonstrated progress toward achieving Gresham's share of the Unit Production Targets and Gresham's compliance with its LIS.

POLICY QUESTION(S)

- Does the Council believe the IGA provides the necessary accountability structures and mechanisms to ensure the region's success in fulfilling the commitments articulated in the Housing Bond Measure?
- Does the Council believe Gresham's LIS (attached as Exhibit A to the IGA) meets the requirements established by the Council in the Program Work Plan, as recommended by the Community Oversight Committee?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

- Authorize the execution of an intergovernmental agreement with the City of Gresham for implementation of the Metro Affordable Housing Bond Measure by adopting Resolution No. 20-5071. Such authorization would effectively approve Gresham's LIS, which is incorporated into the IGA as Exhibit A.
- Reject proposed intergovernmental agreement with the City of Gresham for implementation of the Metro Affordable Housing Bond Measure, and direct staff to renegotiate the terms and conditions upon which funding will be provided.

STAFF RECOMMENDATIONS

Staff recommends adoption of Resolution No. 20-5071.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The IGA was shaped through the direction provided in the Housing Bond Program Work Plan, adopted by Metro Council on January 31, 2019, and through consideration of applicable state laws pertaining to the program. Staff from Planning & Development; Office of Metro Attorney; Finance and Regulatory Services; Risk Management; and external bond counsel have all been consulted in development of the IGA.

Metro staff have worked with staff at all seven eligible local implementation partners over the past six months to develop IGA terms that protect the integrity of the program and ability for implementation partners to achieve prescribed outcomes. Gresham City Council is scheduled to consider approval of the IGA, including the final LIS, on February 4, 2020.

To inform the creation of the LIS, the City of Gresham conducted a range of engagement activities, including interviews with service providers, conversations with school district staff, and community members representing the African America, Latino, and Slavic communities within the city. The City partnered with Home Forward to host a listening session with residential service coordinators and a summit of approximately 25 organizations that provide residential services and housing. The Gresham Task Force on

Housing, a citizen stakeholder group that met from Fall 2018 to Spring 2019 also incorporated engagement that helped to inform the LIS through testimonies about housing needs.

Oversight Committee members present at the November 6, 2019 meeting voted unanimously to recommend Metro Council approval of the LIS as part of the IGA. Staff are not aware of any opposition to Gresham's LIS or to the IGA.

The proposed Resolution is based on numerous policies previously adopted by the Metro Council, including but not limited to:

- Resolution No. 19-4956, approving the Metro Affordable Housing Bond Program Work Plan
- Resolution No. 18-4898, referring the Affordable Housing Bond Measure to Metro District voters

ATTACHMENTS

Attachment 1: Metro Housing Bond Community Oversight Committee Recommendations for Gresham's Local Implementation Strategy

METRO HOUSING BOND COMMUNITY OVERSIGHT COMMITTEE

RECOMMENDATIONS REGARDING GRESHAM'S LOCAL IMPLEMENTATION STRATEGY

RECOMMENDATION TO METRO COUNCIL REGARDING APPROVAL OF GRESHAM'S LOCAL IMPLEMENTATION STRATEGY

The Oversight Committee recommends that Metro Council take action to approve Gresham's Local Implementation Strategy. The Committee has identified the following considerations for the City of Gresham's ongoing implementation and monitoring of outcomes:

- The City should further define strategies and outcomes that will be measured to demonstrate the advancement of racial equity, including low-barrier screening criteria, affirmative marketing, universal design, voucher prioritization, wraparound services, and contract and workforce diversity.

The Oversight Committee has requested an early response from the City of Gresham regarding the considerations above and ongoing updates as part of the City's annual progress report. The Oversight Committee expects to address these considerations in its annual program review.

ADDITIONAL GUIDANCE FOR ALL JURISDICTIONS

In addition to the above considerations, Committee members have offered the following considerations for all jurisdictions participating in implementation of the Housing Bond. This list reflects considerations approved by the committee as of their November 6, 2019 meeting and may be further refined as the Committee discusses Local Implementation Strategies from other jurisdictions.

- When describing strategies to advance racial equity, be specific about prioritization among various strategies.
- Use language that acknowledges intersectionality of populations; avoid differentiating between homelessness, disabling conditions including physical and mental health, and addiction.
- Identify screening criteria not relevant to likelihood of successful tenancy that should not be considered.
- Provide further information about jurisdiction commitments to fund supportive services as needed to meet the needs of certain tenants.
- Additional resources need to be identified to successfully serve tenants who need permanent supportive housing.
- Consider further specificity about family sized unit production that includes goals or requirements to ensure three bedroom and larger homes.
- Measuring outcomes regarding workforce equity should include all workers, not solely apprentices.
- Many minority owned businesses need additional support to successfully participate in the COBID certification program.
- Consider sustainability/durability and life cycle costs, and incorporate findings from the 2015 Meyer Memorial Trust study on cost efficiencies in affordable housing in evaluating project.