



600 NE Grand Ave.
Portland, OR 97232-2736

Metro Policy Advisory Committee (MPAC)

agenda

Wednesday, September 22, 2021

5:00 PM

<https://zoom.us/j/95889916633>

1. Call to Order, Declaration of a Quorum & Introductions (5:00 PM)

Please note: To limit the spread of COVID-19, Metro Regional Center is now closed to the public. This meeting will be held electronically. You can join the meeting on your computer or other device by using this link: <https://zoom.us/j/95889916633> or by calling +1 669 900 6128 or +1 877 853 5257 (Toll Free)

If you wish to attend the meeting, but do not have the ability to attend by phone or computer, please contact the Legislative Coordinator at least 24 hours before the noticed meeting time by phone at 503-797-1916 or email at legislativecoordinator@oregonmetro.gov.

2. Public Communication on Agenda Items (5:05 PM)

Public comment may be submitted in writing and will also be heard by electronic communication (videoconference or telephone). Written comments should be submitted electronically by emailing legislativecoordinator@oregonmetro.gov. Written comments received by 4:00 pm on Tuesday, September 21 will be provided to the committee prior to the meeting.

Those wishing to testify orally are encouraged to sign up in advance by either: (a) contacting the legislative coordinator by phone at 503-797-1916 and providing your name and the agenda item on which you wish to testify; or (b) registering by email by sending your name and the agenda item on which you wish to testify to legislativecoordinator@oregonmetro.gov. Those requesting to comment during the meeting can do so by using the "Raise Hand" feature in Zoom or emailing the legislative coordinator at legislativecoordinator@oregonmetro.gov. Individuals will have three minutes to testify unless otherwise stated at the meeting.

3. Council Update (5:10 PM)

4. Committee Member Communication (5:15 PM)

5. Consent Agenda (5:20 PM)

5.1 Consideration of the June 23, 2021 MPAC Minutes

[COM](#)
[21-0456](#)

Attachments: [June 23, 2021 MPAC Minutes](#)

- 5.2 Consideration of the July 28, 2021 MPAC minutes

[COM](#)
[21-0467](#)

Attachments: [July 28, 2021 MPAC Minutes](#)

6. Information/Discussion Items (5:25 PM)

- 6.1 Housing Bond Update (5:25 PM)

[COM](#)
[21-0471](#)

Presenter(s): Patricia Rojas, Regional Housing Director; Emily Lieb,
Housing Bond Program Manager, Metro

Attachments: [MPAC worksheet for housing bond update](#)
[Metro Housing Bond 2020 Annual Report](#)

- 6.2 Housing Needs Analysis Discussion (5:55 PM)

Presenter(s): Sean Edging, DLCD
Steve Callaway, Hillsboro

7. Adjourn (7:00 PM)

Upcoming MPAC Meetings

October 27, 2021

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Metro txoj kev ntuxub ntuxaug daim ntawv ceeb toom

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សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro
ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានការបណ្តឹងរើសអើងសូមចូលទស្សនាគេហទំព័រ www.oregonmetro.gov/civilrights។
បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ត្រឹមដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

2021 MPAC Work Program

As of 9/15/2021

Items in italics are tentative

<p><u>September 22, 2021</u></p> <ul style="list-style-type: none"> • Housing Bond Update (30 min, Metro; Emily Lieb) • Housing Needs Analysis Discussion (75 min) <ul style="list-style-type: none"> • Review of HB 2003 (Sean Edging, DLCDC 15 min), • MPAC Member Housing Needs Analysis Discussion (Mayor Callaway, 60 min) 	<p><u>October 27, 2021</u></p> <ul style="list-style-type: none"> • Regional Mobility Policy Update – Introduce Case Study Findings (Kim Ellis, Metro; 40) • <i>Regional Solid Waste Discussion 60 min</i> • Staff memo- SHS update, brief update, possibly as a staff memo or information item • <i>P&N Levy Renewal Presentation and Discussion (Beth Cohen, Scotty Ellis; Metro 30 min)</i>
<p><u>November 24th, 2021- CANCELLED</u></p>	<p><u>December 8, 2021</u></p> <ul style="list-style-type: none"> • <i>Regional Mobility Policy Update – Discuss Case Study Findings and Recommendations for Updating Policy (Kim Ellis, Metro; 30 min)</i> • <i>2023 Regional Transportation Plan Update Work Plan – Scoping (Kim Ellis, Metro; 30 min)</i>
<p><u>January 2021</u></p>	

Parking Lot:

- New transfers station sites
 - Larger conversation of regional solid waste
- Engagement during a pandemic
- Parks bond progress report
- Expo Development Opportunity Study and regional venues
- Employment land
- Census – likely for December
- Transportation funding
- Growth Trends (Ted will schedule)
- Metro code updates to facilitate city and county compliance with HB 2001 Middle Housing requirements (Tim O’Brien or Ted Reid, Metro)



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- 2040 Planning and Development grantee highlights (TBD grant recipients)-
follow up with Lisa

5.1 Consideration of the June 23, 2021 MPAC Minutes

Consent Agenda

Metro Policy Advisor Committee
Wednesday, September 22, 2021



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METRO POLICY ADVISORY COMMITTEE (MPAC)

Meeting Minutes

June 23, 2021

MEMBERS PRESENT

Susheela Jayapal
Christine Lewis
Gerritt Rosenthal
Bob Stacey
Martha Schrader
Joe Buck
Gordon Hovies

Lacey Beaty
Steve Callaway
Kathy Hyzy
Mark Watson

Rachel Lyles Smith
Don Trotter

Temple Lentz
Vince Jones-Dixon
Ed Gronke
Terri Preeg Riggsby

Luis Nava
Kathy Wai
Elizabeth Kennedy-Wong

AFFILIATION

Multnomah County
Metro Council
Metro Council
Metro Council
Clackamas County
City of Lake Oswego, Largest City in Clackamas County
Tualatin Valley Fire & Rescue, Special Districts in
Washington County
City of Beaverton, Second Largest City in Washington County
City of Hillsboro, Largest City in Washington County
City of Milawaukie, Clackamas County
Hillsboro School District Board of Directors, Governing Body of a
School District
City of Oregon City, Second Largest City in Clackamas County
Clackamas County Fire District #1, Special Districts in
Clackamas County
Clark County
City of Gresham, Second Largest City in Multnomah County
Citizen of Clackamas County
West Multnomah Soil & Water Conservation District, Special
Districts in Multnomah County
Citizen of Washington County
TriMet
Port of Portland

MEMBERS EXCUSED

Ted Wheeler
Carmen Rubio
Brian Cooper
Jim Rue
Brian Hodson
James Fage
Linda Glover
Peter Truax

AFFILIATION

City of Portland
City of Portland
City of Fairview, Other Cities in Multnomah County
Oregon Department of Land Conservation and Development
City of Canby, City in Clackamas County outside UGB
City of North Plains, City in Washington County outside UGB
City of Vancouver
City of Forest Grove, Other Cities in Washington County

ALTERNATES PRESENT

Pam Treece
Anthony Martin
Brett Sherman

AFFILIATION

Washington County
City of Hillsboro, Largest City in Washington County
City of Happy Valley, Other Cities in Clackamas County

OTHERS PRESENT: Adam Barber, Anna Slatinsky, Christina D, Colin Cooper, David Berniker, Jaime Huff, Jaimy Stasny, Jeff Gudman, Jeff Owen, Katherine Kelly, Katheryn Harrington, Kelvin Valdovinos, Monique Smiley, Terra Wilcoxson, Tom Armstrong, Devin Ellin, Alma Flores, Tom Marnella, Ernesto Fonseca, Nathan Teske

STAFF: Carrie MacLaren, Jaye Cromwell, Connor Ayers, Anne Buzzini, Ramona Perrault, Elissa Gertler, Patricia Rojas, Roger Alfred, Ina Zucker

1. **CALL TO ORDER, INTRODUCTIONS, CHAIR COMMUNICATIONS**

Chair Steve Callaway called the virtual meeting to order at 5:03 PM.

2. **PUBLIC COMMUNICATIONS ON AGENDA ITEMS**

There were none.

3. **COUNCIL UPDATE**

Councilor Gerritt Rosenthal gave the Council Update. He shared that parks providers can now begin to submit projects to the 2019 parks and nature bond local share program. He gave an update on work being done at Blue Lake, Chehalem Ridge, and Newell Creek Canyon. Two community meetings were held recently with BIPOC community members to discuss the values of trail projects. He announced that vaccine clinics have been closed at the Oregon Convention Center where free zoo passes were given out to those receiving their vaccine. He announced that the Tualatin Riverkeepers are pursuing a National River Trails status for the Tualatin River. Metro is cooperating with the group and evaluating accessibility sites to the river.

Councilor Christine Lewis added that Metro has passed its budget and that there will be faster response of the RID program in the future.

4. **COMMITTEE MEMBER COMMUNICATIONS**

Director Don Trotter announced that he chose not to run for re-election and will no longer serve as an MPAC member as of June 30th. A new member an alternate will be selected in July. He encouraged members to keep up the good work of MPAC.

Chair Steve Callaway noted that Director Mark Watson was re-elected recently and congratulated him.

Mr. Watson expressed appreciation for the service of Alternate Karen Emerson and announced that they are looking for a new alternate. He noted that if members know a school board member who wants to join MPAC, they should email him.

Director Kathy Wai announced that Sam Desue had been selected as the new General Manager of TriMet.

5. CONSENT AGENDA

MOTION: Commissioner Terri Preeg Riggsby moved to adopt the consent agenda. Commissioner Martha Schrader seconded the motion.

ACTION: With all in favor, motion passed.

6. INFORMATION/DISCUSSION ITEMS

6.1 Port of Portland Seismic Resilient Runway Discussion

Chair Callaway introduced Port of Portland Staff Alexandra Howard and Ann Gravatt to present on the PROJECT

Key points from the presentations included:

Ms. Howard began by explaining the Port of Portland's Response and Resilience approach over the last year. She explained the purpose of the Port's Resilience Program and how its goals would be accomplished. She noted that the initial focus is on seismic resilience. She informed members that a seismic resilient runway would be able to withstand the ground motion and shaking of a major Cascadia Subduction Zone earthquake. She gave an overview of the main goals of the project and timeline. She shared details of the Port's partnership with the National Institute of Building Sciences to create Natural Hazard Mitigation Saves: PDX Case Study. The study's benefit-cost analysis found that the project could have a benefit ratio of 50:1. She described some of the ongoing work being done by the Portland State University Equity analysis.

Ann Gravatt provided an overview of the project's funding strategy. She noted that the project does not qualify for FAA Airport Improvement Program Grants, though this may change in the future. She explained that even with AIP funds, they would not fully cover the cost of the project. She expressed hope to gain more regional support as they ask for congressional funds.

Member Discussion Included:

Mr. Ed Gronke asked how a seismic resilient highway is constructed, and how long the project would take.

Ms. Howard explained the risks present at the airport and what would need to be constructed in response. She noted that in terms of construction, runways already have to be replaced on a cyclical basis, so operationally they are prepared to shift all flights to

a different runway. Design is still underway so it is unclear how long it would take to construct.

Commissioner Pam Treece asked how about the resilience of Hillsboro Airport runways.

Ms. Howard noted that there was an assessment done on this recently and offered to share it with Commissioner Treece and Chair Callaway.

Chair Callaway asked how the levy separating the airport from the river would withstand a major seismic event. He also asked what potential work would be done on the levy.

Ms. Howard noted that the Port has done a probability assessment to look at the likelihood of both a seismic event and flood happening at the same time and found it to be very small. She acknowledged the importance of doing contingency planning and thinking about how to protect the area around south runway from flooding once it is seismically resilient. She pointed out that should there be a flood it would be possible to clear the runway enough for it to function.

Councilor Lewis asked how the Regional Disaster Preparedness Organization is involved in the project.

Ms. Howard informed members that they are coordinating with RDPO for planning of the project.

Ms. Gravatt added that their funding strategy to date has mostly focused on the federal level, with also a request at the state level.

Councilor Rosenthal asked what magnitude earthquake the designs are accounting for and how long after an earthquake the runway would be closed.

Ms. Howard answered that they are planning for an earthquake greater than 9.0 and they are hoping to be able to resume use of the runway within 48 hours. She added that the main thing they are looking for from MPAC is members' support for the project.

6.2 Breaking Down Barriers to Affordable Housing Panel

Chair Callaway introduced panelists for the Breaking Down Barriers to Affordable Housing Panel, Reach CDC Staff Alma Flores, Hacienda CDC Staff Ernesto Fonseca, Housing Authority of Clackamas County Staff Devin Ellin, Bienestar Staff Nathan Teske, and Marnella Homes Staff Tony Marnella. He also introduced the panel moderator, Metro Staff Patricia Rojas.

Metro Staff Jaye Cromwell explained the panel format and how questions could be asked.

Ms. Rojas reminded members of the affordable housing crisis in the region and the country, and reviewed the Metro Affordable Housing Bond passed by voters in 2018.

Panelists did a round of introductions for themselves and their organizations.

Ms. Rojas asked panelists to share one of the biggest obstacles they have experienced in developing new affordable housing and any examples of them overcoming that obstacle.

Mr. Fonseca noted that a major challenge for him was to gain the trust of the community when developing a new affordable housing development team. It took a while for others to want to partner with the team. Another major problem is having the assets to fund a project, which can be overcome by partnering with financial institutions.

Ms. Flores emphasized that land, labor, materials, infrastructure, and capital are key to developing affordable housing. Many of these are outside of developers' control. Governments can help with some of these. She advised integrating policy and infrastructure goals so that goals around affordable housing are tied to capital improvement policies.

Mr. Teske agreed with Ms. Flores and Mr. Fonseca and asked that planning staff be flexible when there is ambiguity in codes and help developers.

Mr. Marnella added that it takes a lot of time to get through the planning process. He emphasized applying the intent of codes instead of their logical extreme. The added time it takes to get a project approved makes it more expensive.

Ms. Ellin shared that a major challenge she faced was the optics of how expensive affordable housing is compared to market rate housing. One way to help with this is to educate the public and decision makers on the unique costs of affordable housing.

Mr. Marnella asked for clarification on why affordable housing costs more.

Mr. Fonseca explained that the process of market rate housing is different from the affordable housing process, which is longer and more complicated. Another factor is that there are many more financial providers with their own reporting requirements.

Ms. Rojas asked the second question which was "what are some of the drivers to cost when building housing".

Mr. Marnella answered that just the time it takes to get through the approval process is a major cost driver. Labor and material costs are common, but procedural costs is one area that could be improved. He noted that streamlining approval processes would help affordable housing developers lower their costs as well.

Mr. Fonseca noted that there is no funding for middle income housing, which is needed.

Ms. Rojas asked panelists what kind of system they would like to see if they could create one themselves.

Mr. Teske answered that the solution to a housing crisis is simply more housing. He emphasized that it is needed at all income levels, not just lower income.

Mr. Marnella agreed with Mr. Teske and shared that one thing he would change if he could is the prevailing wage requirement, which would lessen the cost of projects.

Ms. Flores noted that the system as it is now pits organizations against one another for limited funds. She would like to see more certainty around the planning process and coordination among officials working on a project. She noted that Community Development Corporations are not as in touch with the community as they would like to be.

Mr. Fonseca added that there needs to be more investment in affordable housing ownership.

In the Chat, Mayor Rachel Lyles Smith asked how best to use land that could be good for affordable housing if a city does not want to build that housing itself.

Ms. Flores answered that an RFP would be a good equitable option, which also allows the city to provide some direction for future projects.

Councilor Hyzy thanked panelists and asked about the best way for small cities with fewer resources to invest their funds.

Mr. Teske answered that the best way to invest funds would be to look for ways to bring more housing to the city in general. He also noted that not everyone that falls into the 0-30% Area Median Income category necessarily needs wraparound services.

Ms. Flores encouraged the city to look at other mechanisms for reducing the cost of affordable housing in terms of policy and zoning.

Mayor Buck noted that he had heard that building for affordable housing ownership is more expensive than building for rent and asked how true this is. He also acknowledged that the gap between affordable housing and market rate is large and difficult to overcome.

Mr. Fonseca spoke to the benefits that come with homeownership, though there aren't a lot of tools at the federal level to support this.

Commissioner Jayapal asked about the Low Income Housing Tax Credit and asked if it would be better if there was a direct subsidy of some kind instead of relying on the tax system to provide financing.

Mr. Teske responded that some sort of direct subsidy would help because tax credit accounting fees are a significant cost. He also noted that partnerships with private investors do bring a level of rigor to the work that needs to be done.

Mr. Fonseca agreed but added that the system as it is right now is inefficient and expensive.

Ms. Flores noted that the process costs make up only about 10% of costs while construction and labor make up 60%.

Mr. Fonseca added that the LIHTC should still be used, but it is important to start building up assets in local communities. He noted that philanthropy is important but not sustainable, and Oregon may not have enough big companies to sustain it.

Chair Callaway thanked panelists for coming to MPAC and members for being engaged in the discussion.

7. **ADJOURN**

Chair Callaway adjourned the meeting at 7:05 PM.

Respectfully Submitted,



Connor Ayers
Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JUNE 23, 2021

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT NO.
6.1	Presentation	06/23/21	Seismic Resilient PDX Presentation	062321m-01
6.2	Presentation	06/23/21	Panelist Bios	062321m-02

5.2 Consideration of the July 28, 2021 MPAC Minutes

Consent Agenda

Metro Policy Advisor Committee
Wednesday, September 22, 2021



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METRO POLICY ADVISORY COMMITTEE (MPAC)

Meeting Minutes

July 28, 2021

MEMBERS PRESENT

Christine Lewis
Gerritt Rosenthal
Martha Schrader
Joe Buck
Gordon Hovies

Lacey Beaty
Kathy Hyzy
Mark Watson

Rachel Lyles Smith
Vince Jones-Dixon
Ed Gronke
Terri Preeg Riggsby

Pam Treece
Carmen Rubio
Linda Glover

AFFILIATION

Metro Council
Metro Council
Clackamas County
City of Lake Oswego, Largest City in Clackamas County
Tualatin Valley Fire & Rescue, Special Districts in
Washington County
City of Beaverton, Second Largest City in Washington County
City of Milawaukie, Clackamas County
Hillsboro School District Board of Directors, Governing Body of a
School District
City of Oregon City, Second Largest City in Clackamas County
City of Gresham, Second Largest City in Multnomah County
Citizen of Clackamas County
West Multnomah Soil & Water Conservation District, Special
Districts in Multnomah County
Washington County
City of Portland
City of Vancouver

MEMBERS EXCUSED

Ted Wheeler
Brian Cooper
Jim Rue
Brian Hodson
James Fage
Peter Truax
Susheela Jayapal
Kirstin Greene
Elizabeth Kennedy-Wong
Luis Nava
Kathy Wai
Temple Lentz
Steve Callaway

AFFILIATION

City of Portland
City of Fairview, Other Cities in Multnomah County
Oregon Department of Land Conservation and Development
City of Canby, City in Clackamas County outside UGB
City of North Plains, City in Washington County outside UGB
City of Forest Grove, Other Cities in Washington County
Multnomah County
Oregon Department of Land Conservation and Development
Port of Portland
Citizen of Washington County
TriMet
Clark County
City of Hillsboro, largest city in Washington County

ALTERNATES PRESENT

Anthony Martin
Kate Mohr
Jeannine Rustad
Kathryn Harrington

AFFILIATION

City of Hillsboro, Largest City in Washington County
King City, Other Cities in Washington County
Tualatin Hills Parks & Recreation District
Washington County

OTHERS PRESENT: Adam Barber, Anne Debbaut, David Berniker, Erin Doyle, Jaimie Lorenzini, Jean Senechal Biggs, Jeff Gudman, Jeff Owen, Jules Walters, Megan McKibben, Rachel Dawson

STAFF: Carrie MacLaren, Jaye Cromwell, Connor Ayers, Rachael Lembo, Megan Gibb, Nui Bezaire, Patricia Rojas, Anneliese Koehler, Anne Buzzini, Ramona Perrault, Ted Reid

1. CALL TO ORDER, INTRODUCTIONS, CHAIR COMMUNICATIONS

First Vice Chair Joe Buck called the virtual meeting to order at 5:00 PM.

2. PUBLIC COMMUNICATIONS ON AGENDA ITEMS

There were none.

3. COUNCIL UPDATE

Councilor Christine Lewis gave the Metro update. She announced that Metro Councilors would soon go on their August recess when they do not hold regularly scheduled meetings. Refinement continues on the Parks and Nature Bond Program, which started with local share materials. The 2019 parks bond will start to fund additional trails throughout the region. The Parks and Nature bond measure and local option levy aim to make the region's parks, trails, and natural areas as seamless and beautiful as possible. Parks and Nature staff have been asked to develop a potential levy renewal that can be referred to voters in 2022. Metro Council will decide by early 2022 whether to place the measure on the ballot that year.

4. COMMITTEE MEMBER COMMUNICATIONS

Director Mark Watson suggested members talk to their local school boards to discuss decisions that they will need to make in the fall as guidance on the pandemic changes rapidly.

5. CONSENT AGENDA

Agenda Item 5.1 was set aside until the next MPAC meeting.

6. INFORMATION/DISCUSSION ITEMS

6.1 Supportive Housing Services Update

Vice Chair Buck introduced Metro Staff Rachael Lembo to provide an overview on how the Supportive Housing Services tax is being collected and Metro Staff Patricia Rojas and Nui Bezaire to present on the program implementation.

Key points from the presentations included:

Ms. Lembo began by giving an overview of the tax, which is a new personal and business income tax. The program uses a 1% high earner personal income tax and 1% business profits tax. The implementation phase will take place over two years and is being worked on by the City of Portland. The first tax returns will be due in April 2022. As of June 30, 2021 \$1.5 million had been collected, though collections are expected to begin slowly. Ms. Lembo informed members that the original revenue estimate was \$250 million a year, which has now been revised to \$215 million a year. Metro remains confident in the impact of the measure in terms of population served. The expected revenue for the 2022 fiscal year is \$180 million, which is lower than other years due to pandemic impacts and the timing of payments. She concluded by emphasizing that we are only halfway through the implementation phase for these two new taxes, that while revenue estimates have been revised program outcomes are still achievable, and that collections are starting slow but substantial collections are expected in April 2022.

Ms. Rojas emphasized that they have a commitment to follow up promises to voters of the region, making it important to get the details of the program right. It is also a commitment to those who the program would help. She defined “supportive housing” as a strategy that combines permanent housing and wraparound services, which include healthcare, addiction/recovery, employment, education, rent subsidy, and more. The program also focuses on housing first. Ms. Rojas described how the program is leading with race to center lived experience and voices of BIPOC communities. She went over the other core values of the program which included stable housing for all, funding proven solutions, transparent oversight, and demonstrating outcomes. She reviewed the ways and strategies that will enable the program to provide services. Over the next 10 years the program expects to place 5,000 people into supportive housing and help 10,000 households that are experiencing or at risk of homelessness. Ms. Rojas shared a short video.

Ms. Bezaire shared how many people would be serviced by what aspects of the program in each of the three counties over the first year. She shared the capacity building goals over the first year that each county is working on. She gave an overview of an investment allocation snapshot for Washington, Clackamas, and Multnomah counties, highlighting projects in each county. She shared a short video with MPAC members. She explained what SHS hopes to accomplish in the short and long term, including reaching functional zero homelessness and getting thousands of people into housing each year. She shared one final short video demonstrating how SHS can change how different sectors can work together.

Ms. Rojas concluded the presentation by sharing the next steps for the program.

Member Discussion Included:

Citizen Ed Gronke asked how taxes would be collected for those outside of Multnomah County.

Ms. Lembo answered that Metro would be sharing information with those who live and work within the Metro boundary. Collection will look similar to filing state taxes. The city of Portland's role is to help Metro create and later process tax forms.

Vice Chair Buck asked if people would need to file through a Metro website or somewhere online.

Ms. Lembo confirmed that taxpayers would file their return through a website with the city of Portland: pro.portland.gov. There will be information on Metro's website but it will not collect forms.

Councilor Kathy Hyzy asked about the budget of \$10 million for Clackamas County and who had approved it. She noted that Clackamas County will receive an estimated \$30 million dollars.

Ms. Rojas confirmed that the Clackamas County Board of Commissioners has approved the budget and had committed to making budget amendments in the future.

Councilor Hyzy asked for confirmation that Clackamas County had approved a budget of less than half of what is expected to come from the SHS measure.

Ms. Rojas clarified that Clackamas County is using a different approach than other counties but is committed to delivering the full outcomes promised in its local implementation plan.

Councilor Hyzy asked if there is a deadline for the process to be completed and Ms. Rojas answered that Metro does not currently have a deadline in place. Councilor Hyzy asked what would happen to excess funds if the county does not approve a budget to use them all.

Ms. Rojas explained that the intergovernmental agreement between Metro and Clackamas County currently being worked on will have terms to determine what would happen in that circumstance.

Councilor Lewis emphasized the importance of education and asked how each of the counties would be using funds to pick up where the Metro 300 program leaves off.

Ms. Bezaire explained that it would look different for each county. Washington County would be using Housing Authority vouchers and Multnomah County would be using SHS funds.

Councilor Lewis thanked Ms. Bezaire and expressed concern for continuing the service in Clackamas County.

Councilor Anthony Martin asked for a description of the kind of engagement being done. He also asked what it means for the program to be able to adapt to different levels of revenue.

Ms. Bezaire answered that thousands of stakeholders were engaged over the course of the process in multiple ways.

Ms. Rojas explained that the program gets its flexibility from looking at different opportunities in each of the counties.

Ms. Lembo added that the program would drastically increase the budget for each county involved. Another major factor is that the program has regular funding obligations but the source of funding can go down, like during a recession. Finance teams are working to make sure there is enough of a reserve to respond to different levels of revenue.

Councilor Martin asked how jurisdictions could help to implement funds and how they would trickle down if at all.

Ms. Rojas answered that funds would be distributed to the three counties who would in turn distribute funds to various providers. She emphasized the importance of understanding what the needs are on the ground.

Councilor Gerritt Rosenthal asked if Washington and Clackamas counties also had long term rental assistance programs.

Ms. Bezaire noted that both of those counties are building their programs more from scratch than Multnomah County. The framework created by Multnomah County is helping the work being done in the other two counties as they build their programs.

6.2 Legislative Update

Vice Chair introduced Metro Staff Anneliese Koehler to share legislative highlights from the most recent session that relate to the region. He noted that Ms. Koehler had coordinated with workers at Thorn Run in advance, who could not make it to the meeting.

Ms. Koehler began by explaining the context of the legislative session. The pandemic meant that the session was almost entirely remote except for legislators. This created challenges for getting information about bills. One of the highlights was that at the start of the session it was expected that there would be major issues with the budget, which is no longer the case. This resulted in a historic level of spending. She noted that one of the most significant pieces of transportation legislation was HB 3055. She highlighted

provisions that carried on pieces of legislation from HB 2017. It was an omnibus bill that expanded use of funding dedicated to the Rose Quarter project. It also fleshed out aspects of the planned tolling program, requiring that tolling reduce congestion, improve safety, and address diversion. HB 2342 did not pass and would have introduced a deadline to implement a road usage fee. Ms. Koehler commented that it will likely come back in some form. She gave overviews of bills related to funding of state owned highways that run through the region and are in need of repair. Another major part of HB 3055 was to give ODOT more authority to delegate speed limit setting to certain local jurisdictions.

Vice Chair Buck asked if the idea of a road usage or per mile traveled vehicle fee would be in addition to tolling.

Ms. Koehler clarified that the idea of a per mile road usage fee was envisioned as a replacement to the gas tax. It would be in addition to any tolling program.

Ms. Koehler continued by discussing bills related to housing. There were large increases in funding for various aspects of affordable housing and homelessness. HB 2006 requires that local governments approve emergency shelters under certain circumstances. HB 3115 dictates that local regulations regarding the ability of a person experiencing homelessness to sit, lie, sleep, or keep warm or dry must be objectively reasonable based on the totality of circumstances. The bill recognizes that “objectively reasonable” varies by community and provides a framework to cities to manage public space.

Councilor Martin brought up the idea of a regional conversation that looks at different lands around the region in a new light in response to housing bills passed by the legislature. He suggested for MPAC to take a broad look at the various ways that policy from the state and regional level affect land use decisions.

Ms. Koehler agreed that that type of high level conversation would be good for MPAC to take up and mentioned that it would be interesting to see what sort of impact bills like HB 2006 have on the ground for local jurisdictions.

Ms. Koehler also brought up bills considered by the legislature that related to local taxation for the group. HJR 13 failed but would have proposed an amendment to the state constitution which would have modified the state’s property tax system. SB 299 was killed and would have authorized the formation of special children’s districts with the authority to tax. She noted that the bill had often failed in the past and recently due to its impact on local governments’ tax revenues. HB 3040 related to system development charges and their practices. The bill was amended to limit it to being a study of system development charges. Ms. Koehler noted that the conversation around SDCs would likely continue in future legislative sessions. She concluded by reviewing SB 582 which made significant changes to Oregon’s recycling system. It requires producers to take responsibility for products they put out, ensures that recycling workers have a living wage, and creates a statewide list of what can be recycled.

7. **ADJOURN**

Chair Callaway adjourned the meeting at 6:45 PM.

Respectfully Submitted,

Connor Ayers

Connor Ayers
Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JULY 28, 2021

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
6.1	Presentation	07/28/21	SHS Update Presentation	072821m-01
6.2	Memo	07/28/21	Legislative Update MPAC Memo	072821m-02

6.1 Housing Bond Update
Information/Discussion Items

Metro Policy Advisory Committee
Wednesday, September 22, 2021

MPAC Worksheet

Agenda Item Title: Affordable Housing Bond Implementation Progress Update

Presenters: Patricia Rojas, Regional Housing Director; Emily Lieb, Housing Bond Program Manager

Contact for this worksheet/presentation: Ash Elverfeld, 503-396-1870

Purpose/Objective

Provide an update on implementation progress in the affordable housing bond program.

Outcome

MPAC has strong awareness of implementation progress in the Affordable Housing Bond program; opportunity to comment and ask questions.

What has changed since MPAC last considered this issue/item?

MPAC last received an update on Housing Bond program progress in November 2019. Since then, significant progress has been made, as highlighted in the 2020 Annual Program report. Currently, there are a total of 2,246 units of housing in the housing bond pipeline – which is 58% of our total unit production goal of 3900 units – with the first units now complete at Rockwood Village in Gresham and the Mary Ann Apartments in Beaverton.

Additional highlights from the 2020 annual report include:

- *Doing more with more.*
 - Thanks to a combination of policy changes and market forces, as well as early action from implementation partners, the average amount of funding needed per unit to achieve our targets is lower than initially forecasted.
 - This means there is an opportunity to stretch bond investments even further, to build more overall units and/or support the most challenging-to-fulfill needs such as permanent supportive housing and larger, family-sized units.
- *The bond is creating housing opportunities throughout the region*
 - Bond investments show strong outcomes toward the goal of advancing fair housing and reducing segregation regionally.
 - Bond investments are largely in walkable areas with easy access to public transportation.
 - 73% are located in places that have higher than average concentrations of either people of color or people who speak English less than “very well.”
- *Equity remains at the forefront*
 - Metro and its partners remain committed to leading with equity. Several projects have established partnerships with culturally specific service providers, many of which will support the marketing and lease-up process in addition to providing ongoing resident services.

- All developers have committed to meeting (and many will exceed) the bond's goals for achieving a minimum of 20% of construction contracts for bond-funded projects awarded to minority-owned, women-owned and service-disabled veteran-owned firms.
- Efforts to engage communities of color and other historically underrepresented communities are resulting in meaningful engagement. Engagement themes that are shaping local implementation and project planning/design include the need for larger units, communal spaces, varied outdoor spaces and laundry facilities.

What packet material do you plan to include?

Metro Housing Bond 2020 Annual Program Report



Executive Summary

Metro Housing Bond 2020 Annual Report

May 2021

Production progress

In November 2018, greater Portland's voters took action to address the region's housing crisis, overwhelmingly passing the nation's first regional affordable housing bond with a goal of creating 3,900 affordable homes across the region; half (1,950) would be sized for families with two bedrooms or more and 1,600 would be affordable to households with very low incomes.

Metro and partners are more than **halfway to achieving the goal of 3,900 units with only one third of bond funds committed.** As of December 2020, there were four projects under construction and 15 more in the pipeline, collectively representing 2,045 affordable homes.



52%



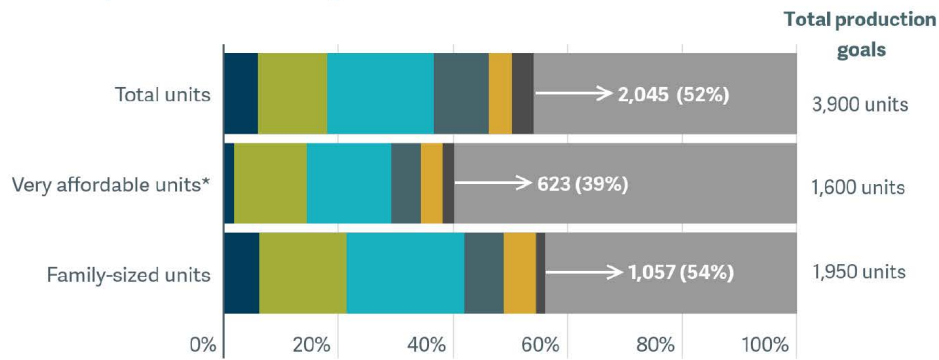
33%

- Homes in development
- Homes remaining

- Funds used
- Funds remaining

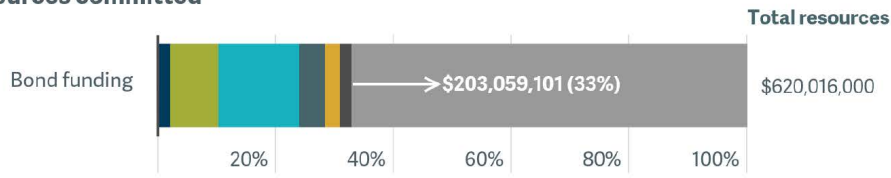


Predevelopment underway as of December 2020



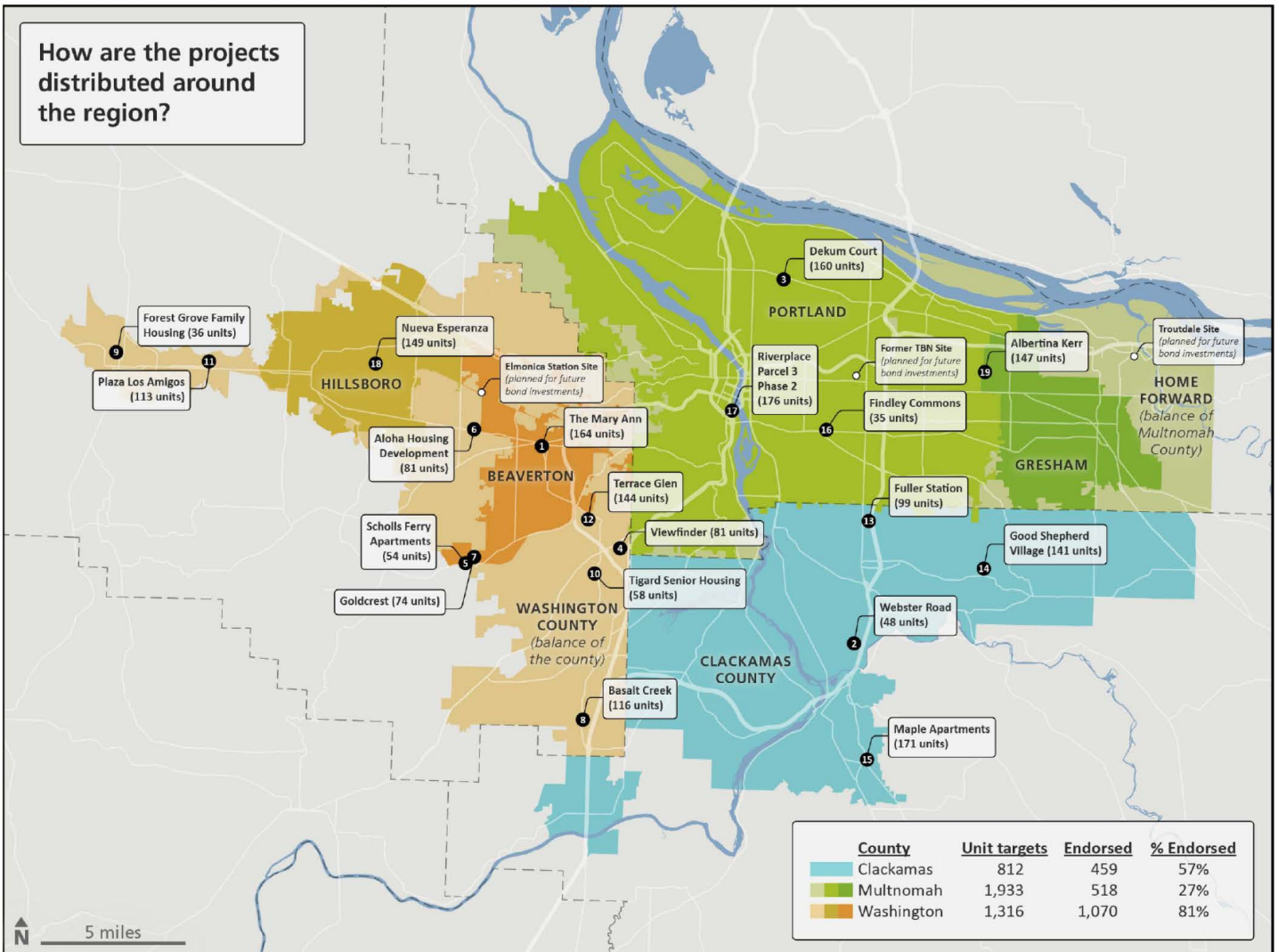
*refers to households at 30% Area Median Income (AMI)

Resources committed



- Beaverton
- Clackamas
- Washington
- Portland
- Hillsboro
- Gresham
- Home Forward
- Remaining

How are the projects distributed around the region?





Policy goals

Decisions about where and how to invest in new affordable housing are guided by a set of core values and policy goals established through Metro-wide engagement in 2018 and further informed through local community engagement and planning from 2019 onward.

The program seeks to ensure that investments serve people currently left behind by the region's housing market, especially:

- communities of color
- families with children and multiple generations
- people living with disabilities
- seniors
- veterans
- households experiencing or at risk of homelessness
- households at risk of displacement.

Goal: Create housing opportunities throughout the region in locations that (a) expand affordable housing options in neighborhoods that have not historically included sufficient supply of affordable homes, (b) increase access to transportation, employment, education, nutrition, parks and natural areas, and (c) help prevent displacement in changing neighborhoods where communities of color live today.

Outcomes:

- Bond investments demonstrate **strong outcomes toward the goal of advancing fair housing and reducing segregation regionally**. Forty-six percent of units are in areas with lower than the regional average percentage of people of color, and 59% are in areas with a lower share of per capita regulated affordable housing. Four projects, representing 19% of the total units, have no existing regulated affordable housing within a one-mile radius.
- Bond investments are largely **located in areas with access to public transportation and in walkable areas**, including 69% of total units within either a quarter-mile of frequent service bus or a half-mile of MAX, and 70% with a walkscore of 50 ("somewhat walkable") or better.
- The distribution of bond investments across the region shows **substantial support for the goal of stabilizing communities at a higher risk for displacement**, particularly communities of color and people with limited English proficiency. Of the total units in the pipeline, 54% are located in areas that have a higher proportion of people of color, and 73% are located in places that have higher than average concentrations of either people of color or people who speak English less than "very well."



Goal: Increase access and stability for priority communities

Outcomes:

- All local implementation partners have reported on efforts to support the bond program's goal of advancing fair housing access through low-barrier screening and affirmative marketing in projects.
- Several projects have established partnerships with culturally specific service providers, many of which will support the marketing and lease-up process in addition to providing ongoing resident services.

Goal: Create economic opportunities through the construction process

Outcomes:

- All developers have committed to meeting, and many developers have committed to exceeding, the bond's goals for achieving a minimum of 20% of construction contracts for bond funded projects awarded to minority-owned, women-owned and service-disabled veteran-owned firms.

Goal: Engage communities of color and other historically marginalized communities

Outcomes:

- Efforts to engage communities of color and other historically underrepresented communities are resulting in meaningful engagement. Engagement themes that are shaping local implementation and project planning/design include the need for larger units, communal spaces, varied outdoor spaces and laundry facilities.

Date: April 2021

To: Metro Council

From: Metro Affordable Housing Bond Community Oversight Committee

Re: 2020 Annual Report

A report to the community from the Metro Affordable Housing Bond Community Oversight Committee

Over the past two months, the Metro Affordable Housing Bond Community Oversight Committee has reviewed progress reports from all eight implementation partner agencies, as well as an analysis of regional progress and performance presented by Metro staff. We are happy to report that, in a year of unprecedented challenges, the Metro affordable housing bond program is **on track to exceed the promises made to voters**. What's more—there are opportunities to go above and beyond. And we should.

So much has changed in the past year. The housing crisis has been intensified by the ripple effects of the global pandemic, increasing the urgent need for more affordable homes and other services to ensure that everyone in our community has access to safe, stable affordable housing.

The program is on track to exceed its goals due to a combination of policy and market forces, as well as early action from implementation partners. Federal policy changes have increased the value of 4% Low Income Housing Tax Credits, a major source of leveraged funding in the housing bond portfolio. Interest rates are low, meaning projects can leverage more private debt than initially anticipated. Finally, housing bond implementation partners have moved quickly to deploy resources; in addition to responding to the urgent need for housing, these rapid efforts to advance implementation are reducing the impact of construction cost escalation (although cost escalation is expected to increase the cost of delivering units later in implementation).

Combined, this early progress and market/policy changes impacting leveraged funding opportunities mean that the average per unit need for Metro bond funding required to achieve our targets is lower than initially forecasted.

From the passage of the Metro supportive housing services measure in May to economic recovery efforts at the state and federal level, there is an influx of new resources in the system of funding that layers and intersects with affordable housing development. Additional federal funding for housing development is anticipated in forthcoming federal infrastructure funding packages.

With the region on track to exceed the unit production goals established for the measure, and new resources coming online, we believe there is not only an opportunity, but an imperative, to do more with these resources - whether that means going broader to achieve more overall units and/or going deeper to support the most challenging-to-fulfill needs such as permanent supportive housing and larger, family-sized units. There are also opportunities to look for synergies that allow housing bond investments to leverage state/federal/other local funds and to be integrated with complementary investments, such as digital equity and co-location with early learning facilities. **We need to ensure that, as a system, we are working toward “doing more with more.”**

Along these lines, there is an important opportunity to **support integration of Metro supportive housing services funding with affordable housing bond investments to ensure that these**

voter approved funding sources can fulfill their game-changing potential to address the needs of community members who are experiencing or at risk of homelessness. It is essential that supportive housing implementation plans include prioritization of long-term rental assistance funding in the form of project-based vouchers that can be integrated early in the development process, so that we are designing and programming affordable housing buildings specifically to meet the needs of individuals and families exiting homelessness. There's a critical opportunity for ongoing coordination between Metro bond implementation and supportive housing implementation within each county, as well as between Metro and implementers.

As an oversight committee, we have been charged not only with ensuring progress toward the unit production targets, but also with ensuring that implementation is aligned with the core values established by the Metro Council, including the charge of leading with racial equity throughout implementation. Early indicators show that jurisdictional and development partners are taking these commitments seriously—with much more remaining to be seen as projects begin to lease up.

Key highlights of progress on advancing racial equity include:

- *Fair housing access:* Projects are distributed across the region and are incorporating strategies for fair housing access through thoughtful approaches to low-barrier screening and affirmative marketing—consistent with the expectations established in Metro's work plan. Continued monitoring will be needed to evaluate fair housing outcomes once projects start to lease up. Beyond lease up, Metro should work with partners to explore creative approaches to monitor stability and resident satisfaction over time.
- *Culturally responsive programming and services:* Local progress reports reflect robust community engagement throughout planning, and we believe this early engagement will help to improve resident livability throughout the life of the investments. It will be important for the relationships established through engagement to continue beyond development to operations. Implementing partners need to think about who is providing services for residents, as well as the need to invest in capacity building (i.e. cultural competency) among property managers.
- *Equitable contracting and workforce:* We are seeing strong commitments for equity in contracting, which was emphasized by the committee in the local implementation strategy review process. More work and investment is needed to support economic opportunities for women and people of color through construction. Tracking workforce diversity may be a positive first step, but requirements could have unintended consequences, particularly for smaller subcontractors. Workforce strategies are a priority area that should be considered for technical assistance.

The Metro affordable housing bond is already catalyzing new regional coordination and partnership to respond to the region's housing crisis. There are opportunities for Metro to engage local jurisdiction partners in a conversation about how to expand the impact of our investments beyond initial targets. These conversations need to acknowledge that jurisdictions face different challenges and are participating in implementation at varying scales and with varying internal capacity. **We recommend that Metro work with implementing jurisdiction partners to ensure that project investment decisions are being made with an eye toward maximizing collective impact of Metro bond and leveraged funds, as well as aligning with complementary investments, such as digital equity, early learning, and green building. We also recommend**

that Metro provide funding and technical assistance to increase the region's capacity to implement permanent supportive housing and equitable workforce strategies.

Finally, we want to underscore the need for Metro to further staff up to support this work. The housing bond team has accomplished so much with limited capacity, but, as noted in the recent audit, additional investments in staff are essential to ensure that Metro can take advantage of the opportunities outlined above. We are excited for the recent arrival of a new regional housing director, who can support those conversations with partner jurisdictions about opportunities to elevate commitments together, and for other staff who will join Metro's housing team soon to support program evaluation and administration. We look forward to continuing to build on this progress in 2021.

Housing Bond Community Oversight Committee:

Melissa Erlbaum

Dr. Steven Holt

Mitch Hornecker

Mesha Jones

Jenny Lee (co-chair)

Ed McNamara

Steve Rudman (co-chair)

Nicole Stingham

Andrew Tull

Juan Ugarte Ahumada

Tia Vonil



Metro Affordable Housing Bond Program

2020 Annual Report

April 2021

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

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

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

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Metro Council President

Lynn Peterson

Metro Councilors

Shirley Craddick, District 1

Christine Lewis, District 2

Gerritt Rosenthal, District 3

Juan Carlos González, District 4

Mary Nolan, District 5

Bob Stacey, District 6

Auditor

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Project web site: www.oregonmetro.gov/housing

ACKNOWLEDGEMENTS

Metro wishes to thank the following staff for their contributions in developing the Affordable Housing Bond Program 2020 annual report.

Emily Lieb

Valeria McWilliams

Choya Renata

Michaela Skiles

Rebecca Small

Lakeeyscia Griffin

Ash Elverfeld

Pilar Karlin

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CHAPTER 1: INTRODUCTION

On Nov. 6, 2018, greater Portland's voters took action to address the region's housing crisis, overwhelmingly passing the nation's first regional affordable housing bond. Since that time, Metro and our partners in community, government and business have worked together to deliver the results sought by voters. And the news is good.

The purpose of this report is to summarize implementation progress for the Metro affordable housing bond, to support the Housing Bond Community Oversight Committee in its annual review of progress and report to the Metro Council. This is the first annual report of the housing bond program, reflecting the first year of active implementation following completion of local implementation strategies and intergovernmental agreements.

Beginning in early 2020, Metro program staff have produced quarterly progress reports summarizing implementation activities, progress toward targets and commitment and expenditure of bond funds. Supported by annual progress reports from local implementation partners, this report provides a more comprehensive analysis of activities, outcomes and progress through December 2020, including:

- Summary of local and regional progress toward unit production targets, funding commitments and expenditures;
- Analysis of progress to advance racial equity through unit production goals, community engagement, geographic distribution of investments, commitments for equitable contracting and hiring, and project plans for low-barrier screening, affirmative marketing and services to meet the needs of residents;
- Activities and outcomes for community engagement to ensure that communities of color and other historically marginalized groups have a say in shaping project outcomes to meet their needs; and
- Financial analysis of the current project pipeline to understand trends, challenges and opportunities related to cost efficiency and leverage.

CHAPTER 2: KEY FINDINGS

Unit production progress

- As of December 2020, Metro and partners were more than **halfway to achieving the total unit targets with only one-third of bond funds committed.**
- Metro and partners were **on track to exceed the program’s overall goal of 3900 units and family-sized unit goal of 1950 units** and meet the goal of creating 1600 very affordable units.
- As of December 2020, for **five of seven local implementation partners, more than half the units in their production goals were already in development or under construction.** Several more funding solicitations are planned for 2021.

Geographic distribution

- **Bond investments were geographically distributed across the three counties.** Of the current pipeline units, 22% are in Clackamas County, 25% are in Multnomah County and 52% are in Washington County. This reflects early action by Washington County and Beaverton to commit funding to projects. It is expected that Clackamas County and Multnomah County will add many more units to the pipeline in 2021.
- The distribution of bond investments across the region shows **substantial support for the goal of stabilizing communities at a higher risk for displacement,** particularly communities of color and people with limited English proficiency. Of the total units, 54% are located in areas that have a higher proportion of people of color, and 73% are located in places that have higher than average concentrations of either people of color or people who speak English less than “very well.”
- Bond investments demonstrate **strong outcomes toward the goal of advancing fair housing and reducing segregation regionally.** Forty-six percent of units are in areas with lower than the regional average percentage of people of color, and 59% are in areas with a lower share of per capita regulated affordable housing. Four projects, representing 19% of the total units, have no existing regulated affordable housing within a one-mile radius.
- Bond investments are largely **located in areas with access to public transportation and in walkable areas,** including 69% of total units within either a quarter-mile of frequent service bus or a half-mile of MAX, and 70% with a walkscore of 50 (“somewhat walkable”) or better. Many of the projects also have access to a range of amenities, including grocery stores, natural areas, schools and jobs.

Economic opportunity through construction

- Many developers have committed to **exceeding the bond's goals for achieving a minimum of 20% of construction contracts for bond funded projects awarded to**

minority-owned, women-owned and service-disabled veteran-owned firms.

Outcomes are not yet available to evaluate performance toward these goals.

- **Efforts to support the program’s goal of advancing construction workforce diversity are limited in jurisdictions without a history of setting goals or tracking workforce diversity.** Capacity building and technical assistance may be needed to support these outcomes.

Engagement of communities of color and other historically marginalized communities

- Efforts to engage communities of color and other historically underrepresented communities are resulting in **meaningful engagement**, and **feedback is informing project implementation**.
- **Partnerships with community-based organizations are crucial to accomplishing community engagement goals** of reaching communities of color and other marginalized communities and ensuring their feedback informs projects in support of future tenant success. Compensating organizations leads to more effective partnerships.
- Major themes of engagement so far have included the **need for larger units, communal spaces, varied outdoor spaces and laundry facilities**.
- More work is needed to support **demographic and other data collection to understand engagement outcomes**.

Reducing barriers to access

- All local implementation partners have reported on efforts to support the bond program’s goal of advancing fair housing access and culturally responsive programming through **low-barrier screening and affirmative marketing** in projects. Several projects have established **partnerships with culturally specific service providers**, many of whom will support the marketing and lease-up process in addition to providing ongoing resident services.

Efficient use of funds

- The current affordable housing bond pipeline represents **over \$745 million in investments**, of which approximately 27%, or \$203 million, is affordable housing bond funding, and **over \$542 million is leveraged from other sources**.
- **In general, development costs for the Metro affordable housing bond portfolio are consistent with costs for similar affordable housing across the region and nationally.** The housing bond’s focus on family-size units and goals for equitable contracting and workforce, among other factors, contribute to higher costs than smaller units and/or those without contracting goals.

- Variation in local investment practices suggests that **stronger regional coordination** may be needed to ensure that bond investments are optimizing the use of Metro bond funding and leveraged public subsidy.
- **A combination of policy and market changes, as well as swift action by implementation partners, has enabled the program to exceed expectations in early phases of implementation.** The targets for the housing bond were established based on projections that reflected current conditions as of 2018. Since then, significant and unanticipated policy and market changes have occurred, enabling greater leverage of bank debt and federal tax credits than was initially anticipated. In addition, swift action by implementation partners is reducing the impact of construction cost escalation; while escalating costs will mean that more per unit funding is needed for projects built later in implementation, if implementation continues at the current pace, construction cost escalation is likely to have less of an impact across the portfolio than was initially forecasted.
- The federal economic recovery bill passed in December 2020 significantly **increases the value of 4% Low Income Housing Tax Credits (LIHTC) — the most significant source of leveraged funding in the bond portfolio.** While the increase in the value of 4% LIHTCs will likely be partially offset by a reduction in tax credit yields paid by investors, it is estimated that, on a net basis, this policy change will result in a \$30-45 million boost in leveraged equity across the portfolio. Metro will work with implementing jurisdictions and sponsors to evaluate opportunities to ensure that this unanticipated increase in equity available to pipeline projects results in expanded public benefits within the project and/or a reduction in the Metro bond contribution and other sources of local subsidy.
- The supportive housing services measure passed by greater Portland voters in May 2020 presents **opportunities to integrate rental assistance and supportive services** with housing bond investments to deepen affordability, expand overall unit production, and provide wraparound supportive services to meet the needs of people with disabilities who are experiencing or at risk of homelessness. Housing bond local implementation partners are exploring strategies to integrate this funding across their bond portfolios.
- Local funding and policy tools to support affordable housing investments — such as **land contribution, system development charge and other fee waivers, property tax abatements, density bonuses and local funding contributions — vary across the region.**

CHAPTER 3: BACKGROUND

Implementation of the housing bond is guided by a framework that was developed through months of engagement with partners and community members leading up to the measure's referral to voters.

Core values

The program framework includes four core values that guide implementation:

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

Leading with racial equity

Because people of color have been and continue to be among those most deeply impacted by housing discrimination and lack of access to safe, stable, affordable housing, the Metro Council directed the housing bond program to lead with racial equity in all aspects of the program. Explicitly focusing policies and investments to benefit communities of color can reduce racial disparities while benefiting the whole community.

The housing bond program addresses historic barriers first and foremost through its ambitious goals for family-size and deeply affordable homes. But this isn't enough. The program also prioritizes leading with racial equity throughout implementation — from community engagement that informs projects, to the geographic distribution of investments, to creating economic opportunity with the development of affordable housing,

to strategies for reducing barriers to access and promoting culturally appropriate services to meet the needs of future residents.

Implementation partners

Metro is working to deliver the housing bond program in close partnership with seven local implementation partners: the cities of Beaverton, Gresham, Hillsboro and Portland; Clackamas and Washington counties; and Home Forward, as the implementation partner for east Multnomah County. In recognition of the unique knowledge, experience and opportunities in communities across the region, each partner has developed its own implementation strategy to meet local needs while serving the bond's overall regional goals. Jurisdictions are responsible for administering funding to invest in property acquisition and eligible development projects. Some projects will be developed and operated by public housing authorities but the majority will be public-private partnerships with third-party affordable housing developers, owners and property managers.

Metro is responsible for providing oversight and accountability, including reviewing each proposed investment at conceptual and final stages to ensure alignment with program requirements and contribution to the production outcomes committed to voters. In addition, Metro directly invests housing bond funding through the site acquisition program, which works to strategically acquire sites and invest in development of the sites as affordable housing in partnership with local implementation partners.

Work plan and local implementation strategies

In 2019, Metro Council adopted a program work plan to provide operational guidance for program administration activities including roles and responsibilities, funding allocation and eligibility criteria and processes for funding approvals. In accordance with requirements set forth in the work plan, each implementing partner created a local implementation strategy informed by local engagement processes. Each strategy includes a development plan to achieve the local share of unit production goals and commitments for advancing racial equity and ensuring community engagement informs projects throughout implementation.

Housing Bond Community Oversight Committee

Independent community oversight is a hallmark of accountability to voters and the community. The Metro Council appointed a community oversight committee in January 2019 to provide independent and transparent oversight of housing bond implementation, including evaluating local implementation strategies for consistency with program goals and guiding principles, monitoring investment outcomes and providing an annual report to the Metro Council. Throughout 2019, the committee reviewed and recommended local partners' implementation strategies to Metro Council for approval. The committee also identified considerations for ongoing monitoring and evaluation (see Exhibit A).

Intergovernmental agreements

Intergovernmental agreements provide a foundation of cooperation between Metro and local partners. The Metro Council approved local strategies as part of intergovernmental agreements describing the terms and conditions for using bond funds for eligible investments and program administration. Intergovernmental agreements include these provisions:

- All projects selected for bond funding must demonstrate contribution to unit production targets and consistency with approved local implementation strategies as confirmed through Metro staff review at the concept endorsement and final funding stages.
- All funded projects will have a regulatory agreement ensuring long-term affordability and monitoring obligations for a term of 60 years (or 30 years for acquired buildings that are more than 10 years old).
- Implementing jurisdictions will submit annual progress reports to Metro, to support the oversight committee's annual review.
- Metro will disburse administrative funding to implementation partners annually based on a schedule established in the intergovernmental agreement. One exception is City of Portland, which will have its administrative share included in project funding, to be reimbursed to the City through a 'project delivery fee.'
- Implementing jurisdictions 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.

The community oversight committee completed its review and recommendation of local implementation strategies between July 2019 and February 2020, and Metro Council approved strategies as part of intergovernmental agreements. The majority of intergovernmental agreements were executed between November 2019 and August 2020. The intergovernmental agreement for Home Forward was approved in March 2021; it was on a slower track because Home Forward, the implementation partner for east Multnomah County, only has a small funding allocation to complete one project and will not be seeking funds for that project until later in 2021.

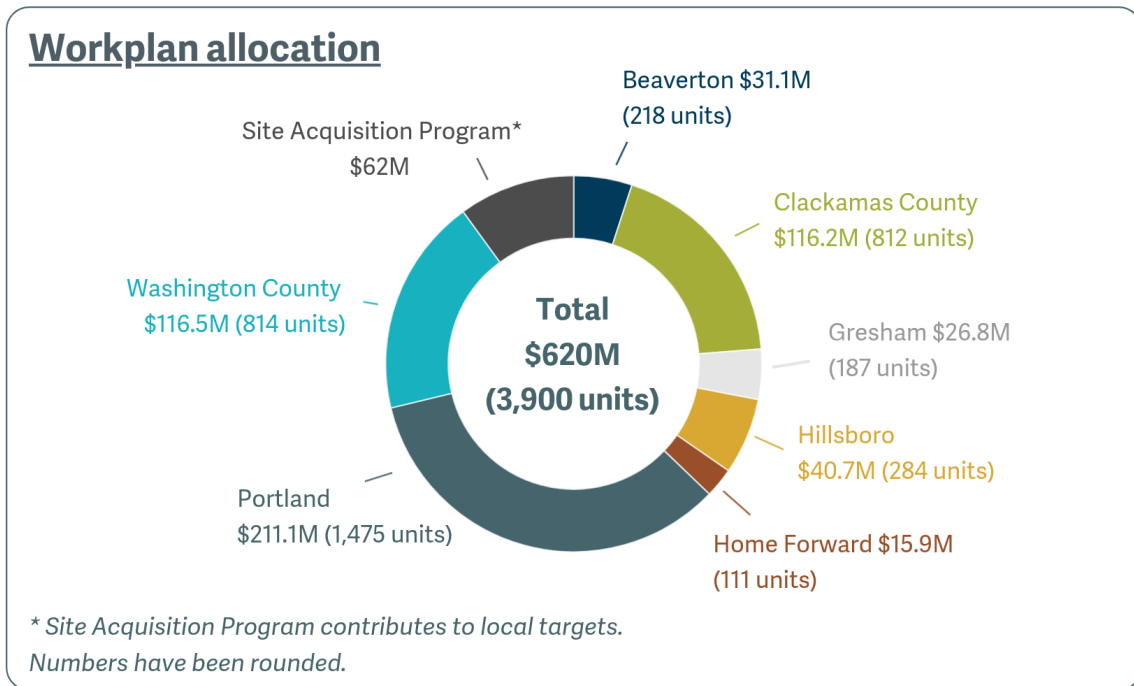
Funding allocation

As stipulated in the housing bond measure framework adopted by Metro Council in 2018, funding is allocated region-wide based on assessed value of property in each of the three counties. A total of \$620,016,000 in funding is allocated to support investments in property acquisition and development.

Ninety percent of these funds, or \$558,000,000, is dedicated to local implementation, distributed on the basis of share of assessed property value to achieve a proportionate distribution of investments across the region (45% in Multnomah County, 34% in Washington County and 21% in Clackamas County).

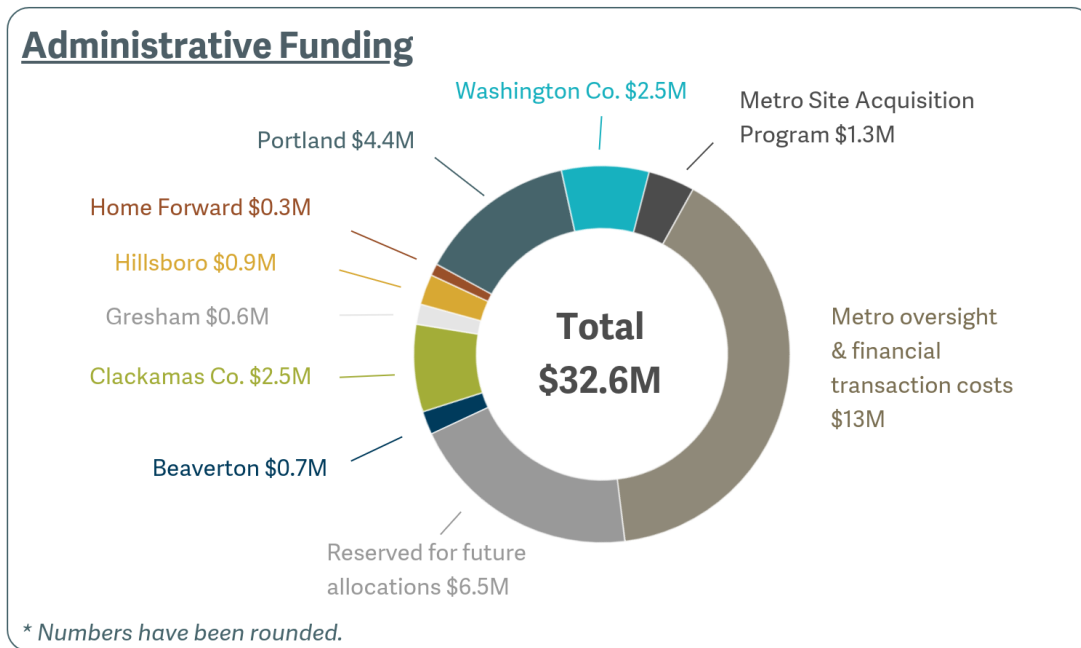
Ten percent of investment funding, or \$62,016,000, is reserved for investment by Metro's site acquisition program, which acquires regionally significant sites and supports their development in coordination with local implementing jurisdictions.

Figure 3.1. Work plan distribution of funding and production targets



The measure included an administrative funding cap of 5%, or \$32,640,000. Of these funds, \$13,056,000 is directed to Metro’s regional oversight and accountability functions, and an equal amount is allocated for implementation partner administration costs across all eight implementation partners, including Metro’s site acquisition program. Additionally, \$6,528,000 in funding within the 5% cap is designated as “reserved for future allocation as determined necessary to achieve targets.”

Figure 3.2. Work plan distribution of administrative funding



Targets and metrics

Defining success with clear metrics has been a vital regional conversation. From 2019 through 2020, Metro engaged implementation partners, stakeholders, practitioners and the community oversight committee to further define metrics for evaluating progress toward goals and targets in the measure.

Metro established the following goals for the program:

- Create 3,900 affordable homes.
 - Reserve 1,600 homes for people with very low incomes (30% or less of area median income, or about \$27,000 per year for a family of four).
 - Build half of the homes with two or more bedrooms — big enough to accommodate families.
 - Up to 10 percent of homes may be moderately affordable for people with below average incomes (61-80% of area median income, or about \$73,000 per year for a family of four).
- Distribute investments across the region to create 21% of homes in Clackamas County, 45% in Multnomah County and 34% in Washington County.
- No more than 5% of total funding may be spent on program administration activities.
- At least 20% of construction contracts for each project should be awarded to state certified minority- or women-owned and emerging small business (MWESB) firms, and

jurisdictions should demonstrate progress toward increasing equitable contracting outcomes over time.

In addition, Metro has established a number of other performance metrics to support program evaluation and future policy discussions. These include metrics related to the following topics:

- Community engagement outcomes, including demographics of participants
- Location outcomes related to access, fair housing and community stabilization
- Outreach to COBID/MWESB firms
- Construction workforce diversity
- People served and resident diversity
- Projects' cost and cost drivers
- Efficient use of subsidy and leveraged funding
- Affirmative marketing activities and outcomes (e.g., referral sources)
- Screening and lease-up outcomes (e.g., application denials)

A summary of outcome and performance metrics is included in Exhibit B. It is important to note that many metrics will not be reported until after projects reach completion (e.g., contracting/workforce outcomes) and lease-up (e.g., marketing/lease-up outcomes, resident demographics) and are therefore not discussed in this annual report.

Investments of this scale provide an opportunity to catalyze new practices in tracking and reporting on metrics in affordable housing development. Each metric is vital, but some — particularly around racial equity outcomes — do not have existing baseline data from which to establish a target. Metro expects that instituting new reporting practices on these metrics will ultimately establish a baseline that could inform future policy goals and targets, as well as providing benchmarks to support program evaluation and continual improvement in the near term.

Project and annual reporting

Metro has developed guidelines and templates for implementing jurisdictions, in coordination with developers, to submit post-completion and post-lease-up reports for each project to Metro. Metro is also working on an intergovernmental agreement with Oregon Housing and Community Services to provide Metro with ongoing monitoring information for all properties that also receive state funding, regarding physical inspections, compliance and occupancy (including resident demographics) and asset management. Metro will receive similar reports from implementing jurisdictions for projects without state funding.

In fall 2020, Metro developed annual progress reporting templates to support consistent reporting on local progress toward goals and objectives outlined in local implementation strategies. Local implementation partners submitted reports in January 2021 covering

activities and outcomes through December 2020. The local progress reports are available on Metro's housing bond webpage.

Supportive housing services measure

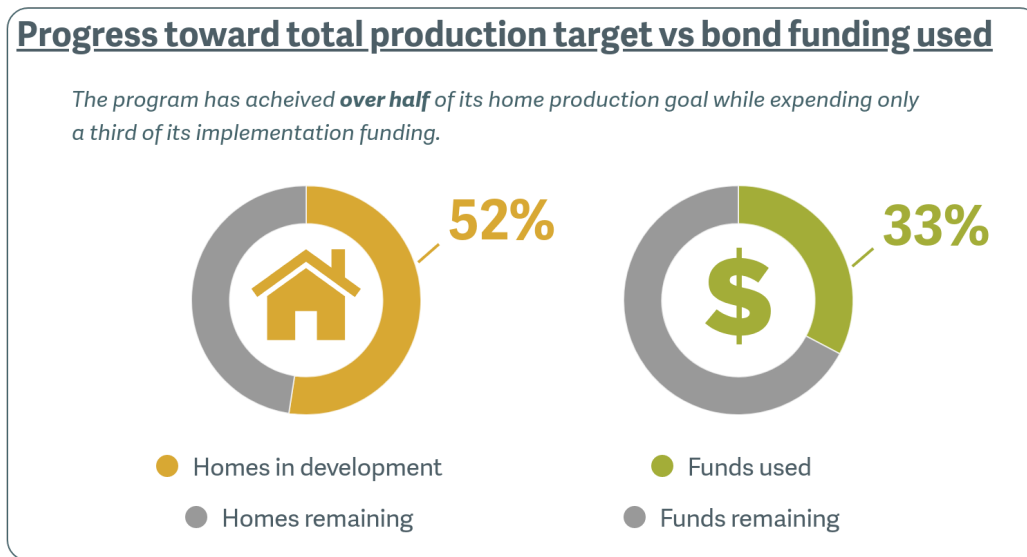
In May 2020, greater Portland voters passed a supportive housing services measure, an unprecedented effort to direct funding toward investments in rental assistance and supportive services for people experiencing or at risk of homelessness. The program aims to provide services for as many as 5,000 people experiencing prolonged homelessness with complex disabilities, and as many as 10,000 households experiencing short-term homelessness or at risk of homelessness.

This measure, which will be implemented by the three Metro area counties (Clackamas, Multnomah and Washington), presents an opportunity to integrate rental assistance and supportive services funding with capital investments through the bond program to maximize the ability of both programs to serve the region's most vulnerable residents. As part of the annual progress reports, each jurisdiction has also submitted an addendum describing anticipated approaches to integrating supportive housing services funding with housing bond investments.

CHAPTER 4: UNIT PRODUCTION PROGRESS

The bond program is on track to exceed the goal of creating 3,900 affordable homes and the goal of 1,950 family-size homes, and to meet the goal of 1,600 very affordable homes. As of December 2020, over \$203 million in bond funding, or 33% of allocated funding, had been committed to support 2,045 new affordable homes, or 52% of the total production target.

Figure 4.1. Regional progress toward unit production goals relative to funding commitment



A combination of policy and market changes, as well as swift action by implementation partners, has enabled the program to exceed expectations in early phases of implementation. The targets for the housing bond were established based on projections that reflected conditions in 2018. Since then, significant and unanticipated policy and market changes have occurred, enabling greater leverage of debt and tax credits than was initially anticipated. In addition, swift action by implementation partners is reducing the impact of construction cost escalation; while escalating costs will mean that more per-unit funding is needed for projects built later in implementation, if implementation continues at the current pace, construction cost escalation is likely to have less of an impact across the portfolio than was initially forecasted.

The program is on track to exceed the 1,950 unit goal for homes with two or more bedrooms, with 1,053 family-size units already in the pipeline (54% of the target for family-size homes).

The program is on track to meet the goal of 1600 very affordable (30% AMI or below) units, with 625 units currently planned to serve households with incomes at or below 30% AMI (39% of the target). (In greater Portland, 30% of AMI is an annual income of

\$19,410 for a household with one person, or \$27,650 for a household of four.) As anticipated, the targets for very affordable units have been the most challenging to achieve. These units require additional subsidy because their rental income is lower and their operating expenses can be higher, creating operating funding gaps and limiting projects' ability to carry debt. Additionally, buildings serving very low income households often require investment in ongoing services that are beyond the scope of traditional real estate related operating expenses.

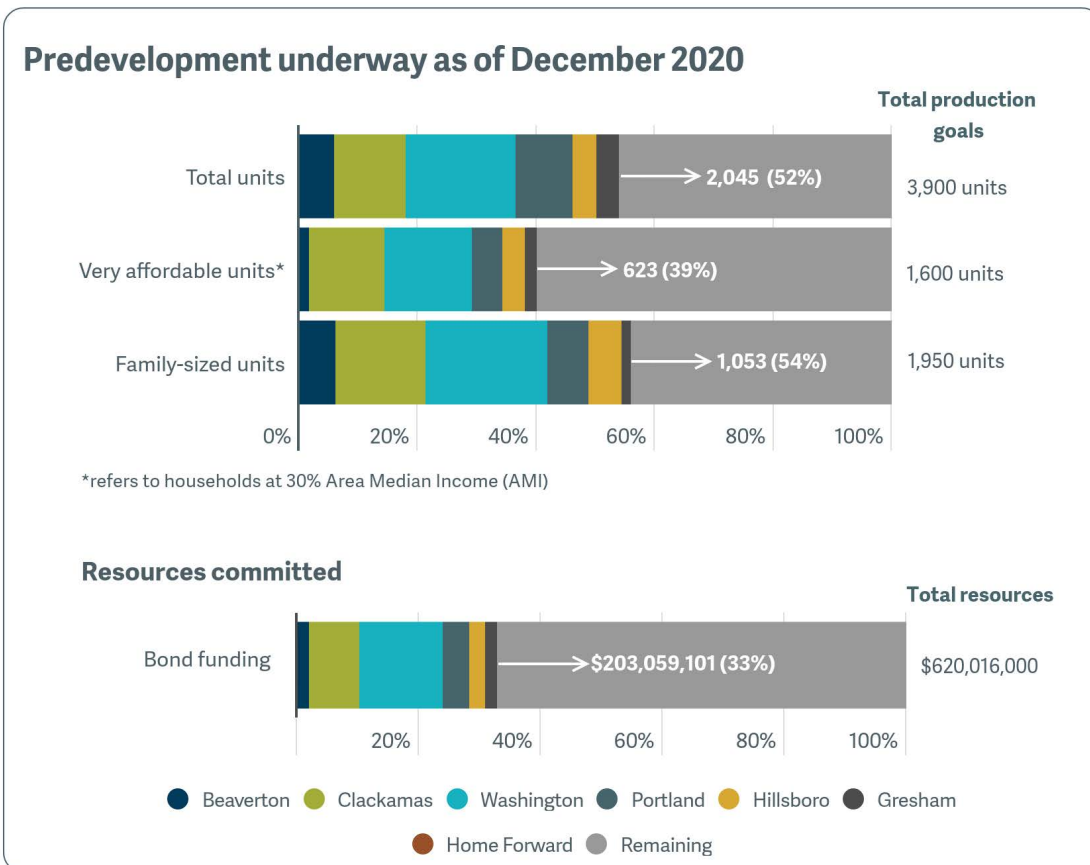
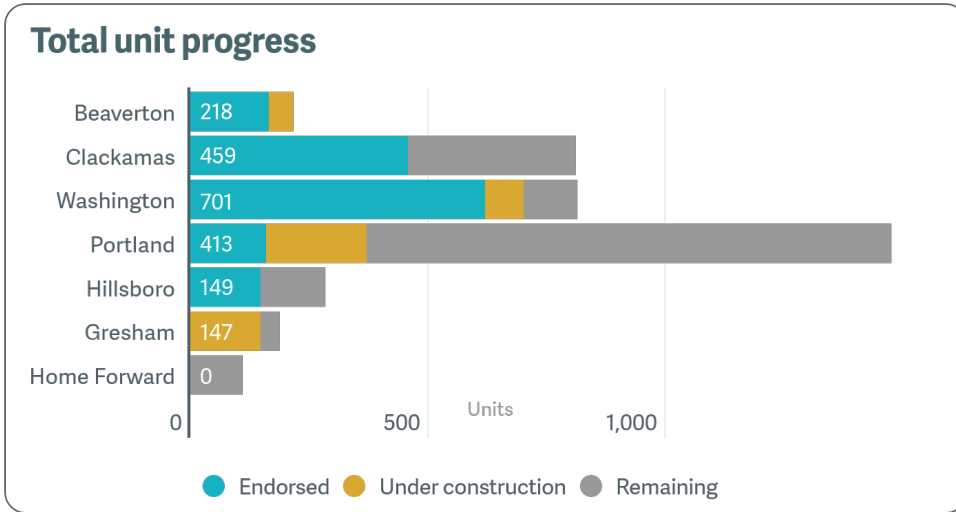
The pipeline portfolio includes a significant number of greater bedroom sizes and larger units designated for families with very low incomes — both needs consistently identified in community engagement themes. The pipeline currently includes a total of 1,053 family-size units, of which 752 (69%) are two-bedroom, 317 (29%) are three-bedroom and 24 (3%) are four-bedroom units. Of the 1,053 total family-size units, one-fifth are regulated for affordability at 30% AMI.

This report does not reflect changes to projects that occurred after December 2020, including: reduction in the Metro contribution to Fuller Road Station and Albertina Kerr due to the impacts of federal policy changes on the value of 4% Low Income Housing Tax Credits (LIHTC), concept endorsement and final approval of Rockwood 10, concept endorsement of Aloha Inn, and a reduction in the number of units and proportionate reduction in the Metro bond funds anticipated for Dekum Court. For this reason, some information for projects provided in local jurisdiction progress reports may vary from that included in this report.

Local progress

As of December 2020, five of seven local implementation partners have more than half their total unit production goals already in development or construction. Several more funding solicitations are planned in 2021.

Figure 4.2. Local progress toward unit production goals



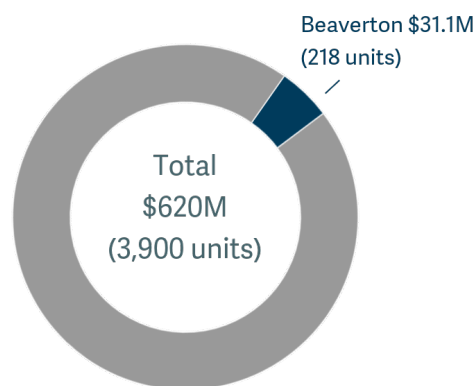
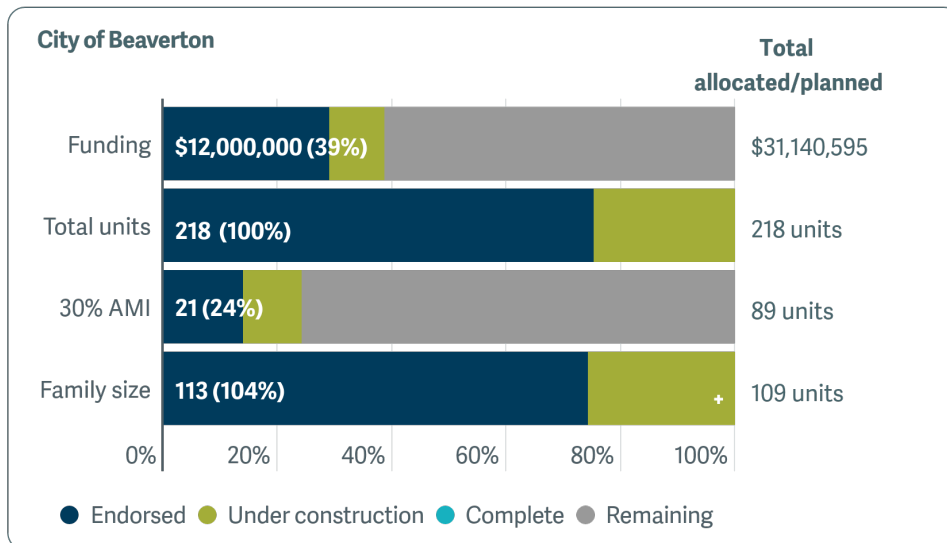
Beaverton



Beaverton has achieved its total and family-size unit production targets in its first two projects, with \$19.1 million in remaining funds not yet committed to projects. In November, Beaverton and Metro’s site acquisition program issued a joint RFQ to select a

developer for the Metro-owned Elmonica site. Beaverton plans to issue another solicitation later in 2021 for development of a city-owned property; it is expected that this project will include a significant focus on very affordable units.

Figure 4.3. Beaverton progress toward unit production goals



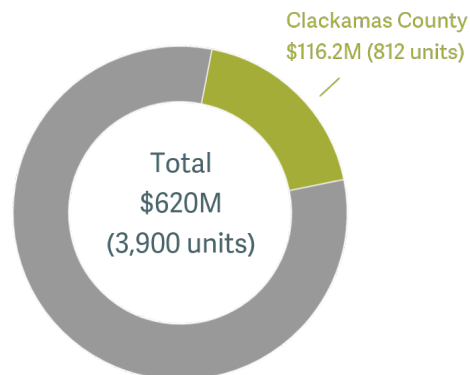
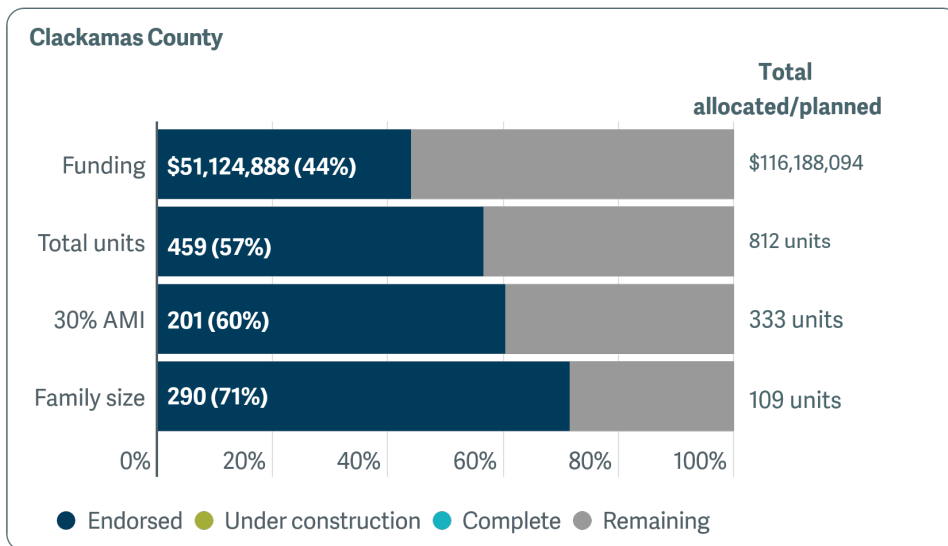
Clackamas County



Clackamas County was 57% of the way toward its overall unit production targets in December, with 44% of funding committed toward four projects. Clackamas County's portfolio includes a former residential care facility in Gladstone acquired by the Housing Authority of Clackamas County with bond

funding as a Phase I project which will be converted to supportive housing for older adults, and three projects selected through a solicitation in spring 2020. Clackamas County is exploring strategies to invest bond funding to support its housing authority's redevelopment of the Hillside Park public housing complex, which could facilitate the development of up to 400 new affordable homes. The county plans to allocate any remaining funding through a solicitation in 2022.

Figure 4.4. Clackamas progress toward unit production goals



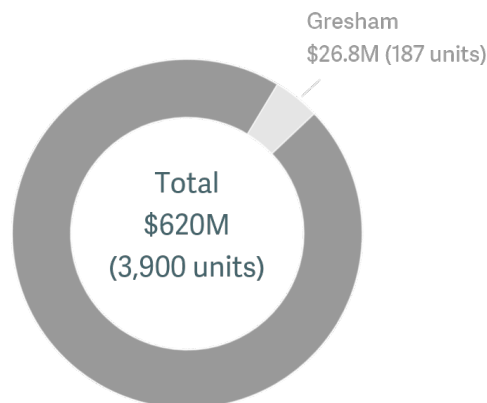
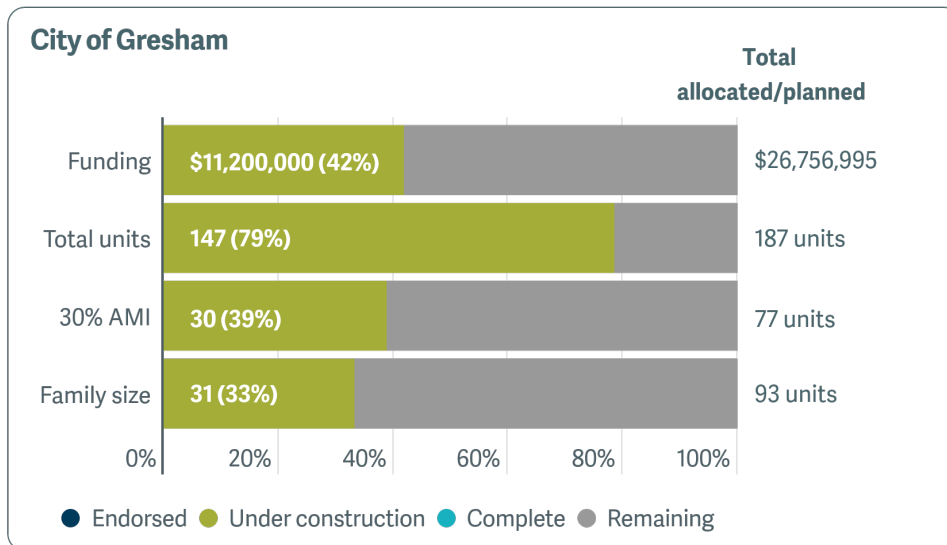
Gresham



As of December 2020, Gresham was 79% of the way toward meeting its overall unit targets through the Albertina Kerr project, which began construction in February 2021. Gresham had \$15.6 million in remaining funds not yet committed to projects. A total of \$5.15 million has since been committed to the Rockwood 10 project, which is under construction and will use Metro bond funds to support the

conversion of 47 units initially planned for affordability at 60% AMI to be made affordable for households making 30% or less AMI. The Rockwood 10 project will bring Gresham to 100% of its total goal for very affordable units.

Figure 4.7. Gresham progress toward unit production goals

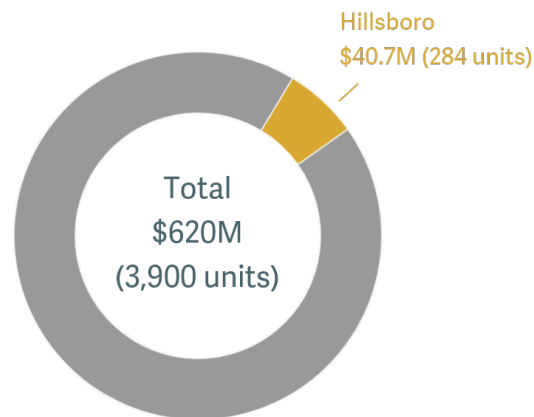
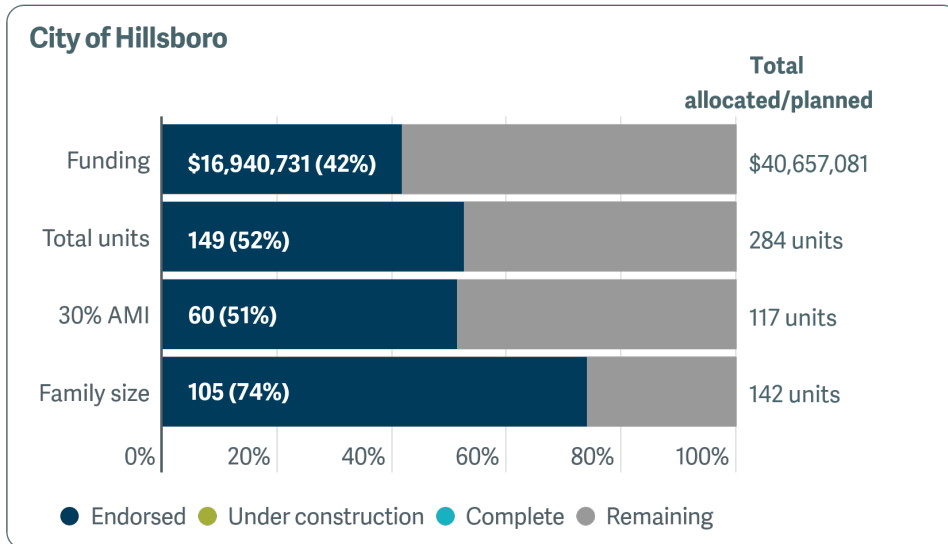


Hillsboro



Hillsboro was 52% of the way to its overall unit production in December, after committing funding to the development of the 149-unit Nueva Esperanza project on the city-owned 53rd Avenue site. Hillsboro has \$23.7 million in remaining funds not yet committed to projects.

Figure 4.6. Hillsboro progress toward unit production goals



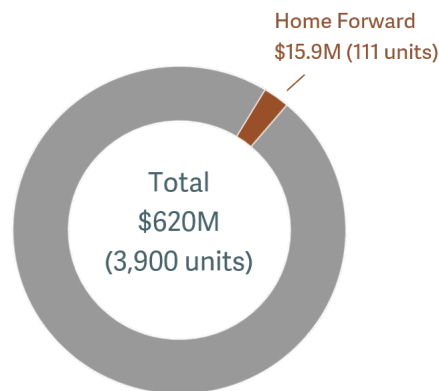
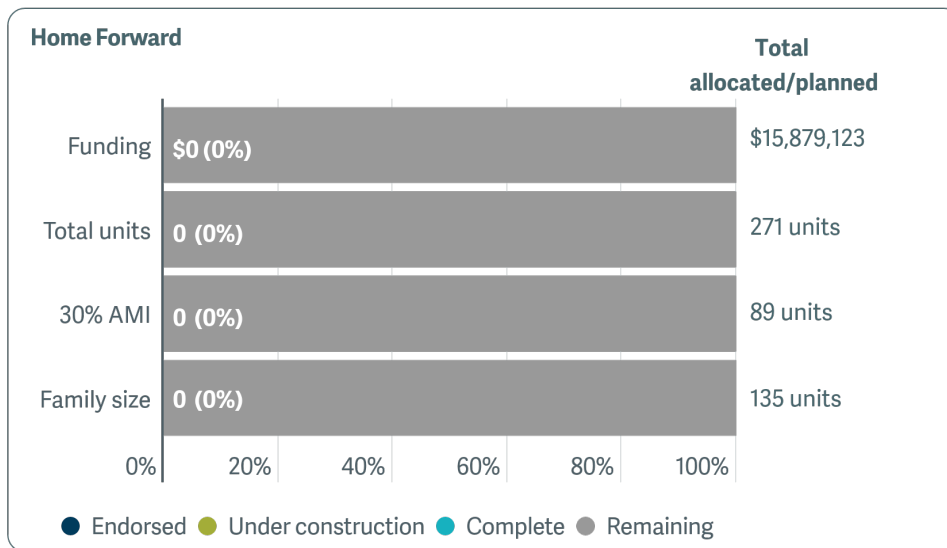
Home Forward



As the housing authority for Multnomah County, Home Forward is responsible for implementation in portions of east Multnomah County not covered by Portland and Gresham. Home Forward may also serve as the developer for projects in Gresham and Portland, as in the case of Dekum Court, Portland’s Phase 1 project. Home Forward is advancing plans

to achieve its overall unit production target for east Multnomah County on a 3.5-acre, county-owned parcel of land in Troutdale. In summer 2021, Home Forward plans to break ground on Dekum Court, Portland’s Phase I project which received a concept endorsement in 2019 to create 160 net new affordable homes through the redevelopment of an existing public housing site.

Figure 4.9. Home Forward progress toward unit production goals



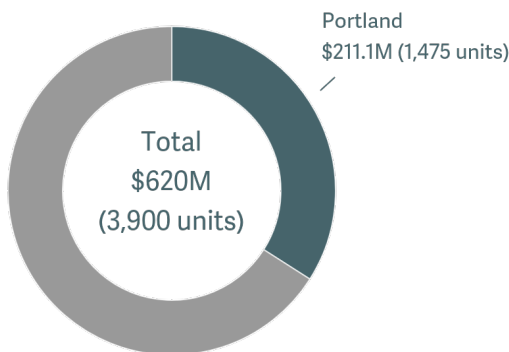
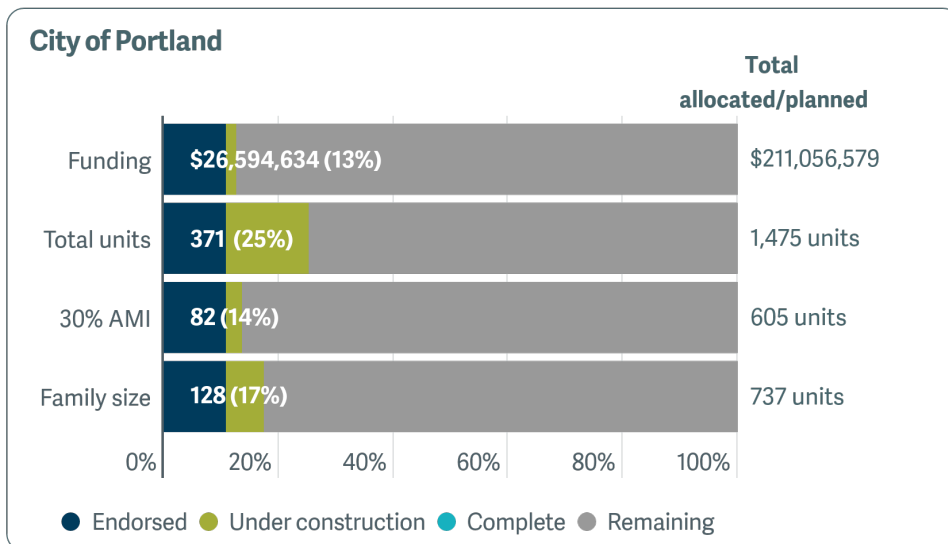
Portland



Portland was one-fourth of the way toward meeting its overall unit target as of December, with one project in predevelopment (Portland’s Phase I project, Dekum Court, sponsored by Home Forward) and two projects under construction. The two projects that are under construction (Findley Commons and RiverPlace Parcel 3) are part of “Phase 2” of Portland’s

implementation plan, which identified up to 10 percent of its Metro bond funds to fill small funding gaps in their existing pipeline. In the fall, Portland released an RFQ for supportive housing, which will result in additional project funding commitments this spring. Starting in 2021, Portland will issue annual Metro bond solicitations that include aligned SHS program funds and supportive housing goals. Portland has \$184.4 million in remaining funds not yet committed to projects.

Figure 4.8. Portland progress toward unit production goals



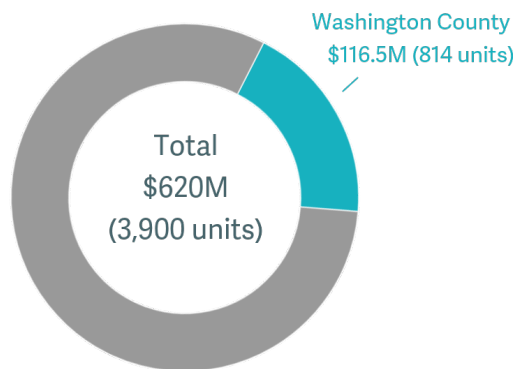
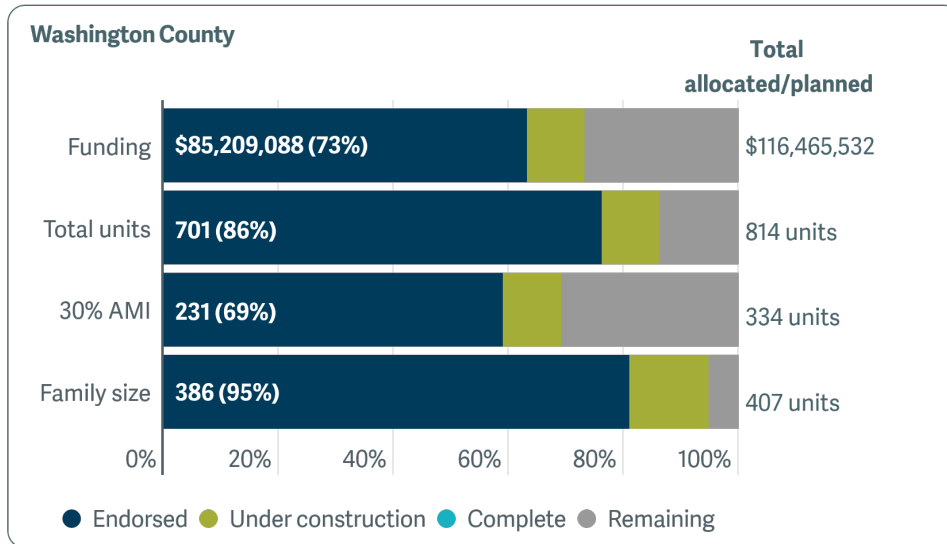
Washington County



Washington County was 86% of the way toward its unit production targets with 73% of funds committed in December. Seven projects were in predevelopment and one (the Viewfinder in Tigard) under construction. The county's pipeline includes 334 very affordable units regulated for 30% AMI

affordability. Of these, 58 will be permanent supportive housing (PSH) — supporting a county goal of achieving 124 PSH units in their housing bond portfolio. As of December, the county had \$31.2 million in remaining funding not yet committed to projects, of which \$8.5 million has since been committed to support the acquisition of the Aloha Inn in Forest Grove and its rehabilitation to produce 54 studio units of permanent supportive housing designated for individuals with very low incomes who are exiting homelessness.

Figure 4.5. Washington County progress toward unit production goals



Metro site acquisition program

Metro's site acquisition program is pursuing acquisition and development of several properties throughout the region. In the near term, the program is actively preparing for the development of two sites previously acquired with funding from Metro's transit oriented development program. These sites include the Elmonica Station property at 17030 Baseline Road in Beaverton and the former Trinity Broadcasting Network property at 432 NE 74th Avenue in Portland.

The program is under contract to purchase a property on SW Barbur Blvd. in Portland. This property is currently being utilized as a COVID-19 shelter run by the Portland/Multnomah County Joint Office of Homeless Services. If the transaction is finalized, site acquisition program and joint office staff anticipate that it will continue to be operated as a shelter until the existing building is demolished and the site developed into permanent affordable housing in partnership with City of Portland utilizing Metro housing bond funds.

The site acquisition program also anticipates developing a Metro-owned site near Gresham's Civic Drive MAX station and a property on SW Boones Ferry Road in partnership with Clackamas County and the city of Lake Oswego. The program continues to pursue opportunities to acquire property for affordable housing development, working in close coordination with local jurisdiction partners.

The site acquisition program's implementation strategy aims to invest its funds proportionately in implementing jurisdictions based on the share of regional assessed value. Projects developed on Metro-acquired properties will contribute to each jurisdiction's unit goals. In most cases, projects developed on Metro-acquired properties will require additional funding assistance from each implementing jurisdiction's bond allocation. The following table shows the estimated number of property acquisitions Metro currently anticipates in each jurisdiction and progress toward identifying investments.

Figure 4.10. Metro site acquisition program LIS plan and current progress to distribute investments proportionately

Implementation Partner	Metro site program funds	Estimated acquisitions	Notes
Beaverton	\$3,460,066	1	Funds will be invested in development of the Metro-owned Elmonica Station property.
Clackamas County	\$12,909,788	1-2	Pursuing MOU with City of Lake Oswego and Clackamas County for Boones Ferry Rd. property acquisition. Seeking and evaluating additional sites in coordination with county staff.
Gresham	\$2,972,999	1	Evaluating Metro-owned parcel at Gresham Civic Drive MAX Station.
Hillsboro	\$4,517,453	1	Seeking and evaluating sites in coordination with City staff.
Home Forward (balance of Multnomah County)	\$1,764,347	NA	Given insufficient funds to acquire and provide gap financing for a site, funds will be transferred to Home Forward to support Troutdale development—the only project that will be implemented in East County.
Portland	\$23,450,731	2-3	Funds will be invested in development of the 74th & Glisan site. Due diligence underway on the SW Barbur site.
Washington County	\$12,940,615	1-2	Seeking and evaluating sites in coordination with County staff.

CHAPTER 5: PROJECTS IN PIPELINE – DETAILS

As of December 2020, there were 19 projects in the regional housing bond pipeline. Four projects were under construction; 15 projects plan to break ground in 2021.

Phase I projects

While local implementation planning was underway, each local implementation partner was invited to submit up to one “Phase 1” project. In 2019, the Metro Council endorsed preliminary reservations of funding for four of these Phase 1 projects, subject to final approval to demonstrate consistency with each partner's local implementation strategy.

Figure 5.1. Phase I Projects endorsed in 2019

Project name, location	Implementing jurisdiction	Project team	Total cost / Metro bond*	Description
Mary Ann Apartments, Beaverton	Beaverton	REACH, Walsh	\$21.9M / \$3M	54 units of new affordable housing in downtown Beaverton, including 29 family-size units. Walking distance to high school, library, farmer’s market, MAX and bus. Under construction and planned to open this summer.
18000 Webster Road, Gladstone	Clackamas County	Housing Authority of Clackamas, Walsh	\$10.8M / \$6.9M	Acquisition and conversion of a former residential care facility to provide 48 units of deeply affordable single room occupancy and studio housing for older adults – the only SRO housing in Clackamas County. Construction will begin in 2021.
Dekum Court Apartments, North Portland	Portland	Home Forward, Walsh	\$65.9M / \$22.9M	Redevelopment of an existing public housing site to create 160 net new affordable homes, including 80 family-size homes and 65 deeply affordable homes. Partnership with Faubian Elementary and Head Start facility on site. Construction will begin in 2021 and will be phased to avoid displacing existing residents during construction.
Viewfinder, Tigard	Washington County	CDP, Bremik	\$32.9M / \$11.5M	81 units of new affordable housing in the Tigard Triangle, including 55 family-size units and 33 deeply affordable homes, with eight deeply affordable units for veterans at risk of or experiencing homelessness. Under construction and planned to open this summer.

**Project costs reflect preliminary estimates for projects not yet under construction. Total cost and Metro bond contribution are subject to change during final approval process.*

Projects endorsed in 2020

Metro’s work plan delegates approval authority for funding requests to its Chief Operating Officer, following staff evaluation of projects at a concept and final stage. In 2020, partners collectively released competitive solicitations that resulted in the selection of 15 projects that have been endorsed by Metro. All plan to start construction by end of 2021.

Figure 5.2. Projects endorsed in 2020

Project name, location	Implementing jurisdiction	Project team	Total cost / Metro bond*	Description
17811 Scholls Ferry Rd, Beaverton	Beaverton	Wishcamper, Colas	\$53.7M/ \$9M	Located in the up and coming South Cooper Mountain development area, three new buildings with 164 affordable units, including 84 units dedicated to seniors, with ground-floor amenities.
Aloha Housing, Beaverton	Washington County	BRIDGE, LMC	\$27.8M/ \$10.2M	82 units of new housing near TV Highway, 62 of which will be two- or three-bedrooms. Amenities include gardens, playgrounds and a community room.
Goldcrest, Beaverton	Washington County	BRIDGE, Colas	\$28.1M/ \$8.7M	The second of two bond projects in South Cooper Mountain, comprised of 75 units. Mostly one- and two-bedrooms with some three-bedrooms, the project will offer resident services by Hacienda CDC including housing stabilization, food pantry, youth and family services and economic opportunity services.
Basalt Creek, Tualatin	Washington County	CPAH, LMC	\$43.6M/ \$14.3M	116 units of housing in the planned urban expansion area spanning Wilsonville and Tualatin. Includes a community building, education space, expansive landscaping and elevators in each three-story building so each unit can be adapted for ADA access.
Forest Grove Family Housing, Forest Grove	Washington County	DCM Communities, LMC	\$11M/ \$3.8M	36 units featuring several three-bedroom townhomes as well as one- and two-bedroom units. Five two-story buildings will cluster around community amenities and outdoor spaces including playground, gardens, sitting area and ample space for culturally specific social activities.

Tigard Senior Housing, Tigard	Washington County	NHA, Walsh	\$19.2M/ \$6.3M	58 units of new housing for seniors, near Fanno Creek Park, Tigard Public Library and Tigard Senior Center. Universal design principles are included with ADA accessibility in every unit and throughout common spaces, some units with special auditory and visual accommodations.
Plaza Los Amigos, Cornelius	Washington County	REACH, LMC	\$39.2M/ \$12.8M	113 units, including 16 units of supportive housing with a specific focus on serving Latinx families. A park and trailhead for a planned regional trail system are also slated for development here.
Terrace Glen, Tigard	Washington County	Related NW, Walsh	\$48.4M/ \$17.5M	144 units located in the Metzger neighborhood within the Washington Square District along Greenburg Road. Adjacent to retail, grocery and rapid transit, the building will have a multipurpose room for informal resident gatherings which will also flex as an art center.
Fuller Road Station, Happy Valley	Clackamas County	GSA, GRES, R&H	\$47.3M/ \$10M	100 units located on the MAX Green line. The project will include a mix of one-, two, and three-bedrooms, including 25 units designated for individuals and families who are homeless or at-risk of homelessness, including youth who have exited the foster system.
Good Shepherd Village, Happy Valley	Clackamas County	Caritas, Catholic Charities, Walsh	\$53.9M/ \$18.3M	Happy Valley's first affordable housing development, with 141 units, including 15 units prioritized for veterans and seniors and eight supportive housing units.
Maple Apartments, Oregon City	Clackamas County	CDP, Hacienda CDC, LMC	\$53M/ \$15.9M	171 units around a central green space designed as a publicly accessible park and located minutes from Clackamas Community College. Includes 70 very affordable units, with 12 set aside for agricultural workers and 9 designated for individuals and families transitioning out of homelessness.
Findley Commons, Portland	Portland	Home First, Beaudin	\$7M/ \$2M	A large and under-utilized church-owned parking lot will be transformed into 35 supportive housing units for veterans who are homeless or at risk of homelessness. Construction underway, anticipated completion in fall 2021.
Riverplace, Portland	Portland	BRIDGE, Walsh	\$80.3M/ \$1.7M	176 affordable units next to a streetcar station in South Waterfront. Impact NW will provide resident services onsite, with focus on serving veterans and households with very

				low incomes. Under construction, anticipated completion in fall 2022.
Nueva Esperanza, Hillsboro	Hillsboro	Bienestar, HDC, LMC	\$47.9M/ \$17M	149 affordable units across 12 buildings, the design configures buildings in three distinct neighborhoods or colonias, each with their own unique identities, to foster a sense of community for residents.
Albertina Kerr	Gresham	Kerr, Edlen and Company, Pence	\$45.2M/ \$11.2M	The 4th largest multifamily Net Zero project in the U.S. 146 units of new affordable housing of which 30 units will be for adults with intellectual and developmental disabilities and restricted to 30% AMI, and 117 units for direct service professionals.

**Project costs reflect preliminary estimates for projects not yet under construction. Total cost and metro bond contribution are subject to change during final approval process.*

CHAPTER 6: ADVANCING RACIAL EQUITY THROUGH PROJECT LOCATIONS

Metro’s bond work plan required local implementation strategies to include a **location strategy that considers geographic distribution of housing investments; access to opportunity; strategies to address racial segregation; and strategies to prevent displacement and stabilize communities**. Local implementation strategies were consistent in describing prioritization for project locations that consider geographic distribution and access to public transportation, groceries, schools, jobs and open spaces.

For this annual report, Metro analyzed the pipeline project locations to assess how they are distributed and how they support goals for advancing racial equity. Each implementing jurisdiction’s progress report provides additional detail on access to transportation, employment, education, nutrition and parks and natural areas for the specific project locations.

The following table summarizes which projects support each location-based metric and the percentage of the total eligible units that support each metric. See Exhibit E for a more detailed table. Each metric is described in more detail after the table, including how it supports the program’s core values and how it has been measured for this analysis.

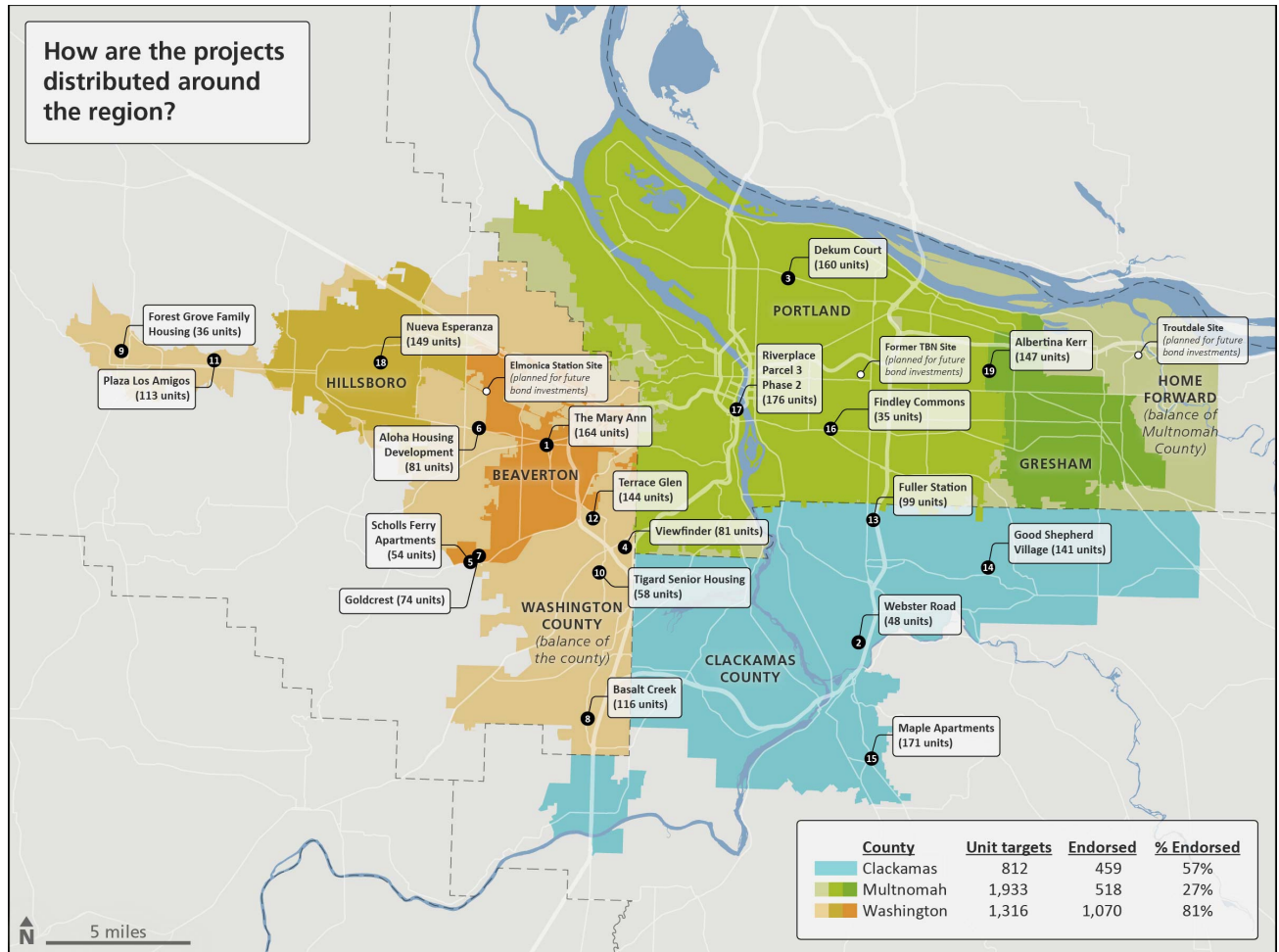
Figure 6.1. Summary of project location metrics

Project	County	Eligible units	Areas where communities at risk of displacement live today	Areas historically inaccessible to comm. of color	Areas with limited regulated affordable housing	Areas with access to transit	Walkable areas
The Mary Ann	Wash.	54	X		X	X	X
Webster Road	Clack.	48		X	X		X
Dekum Court	Mult.	160	X		X	X	X
Viewfinder	Wash.	81		X		X	X
Scholls Ferry Apartments	Wash.	164	X		X		
Aloha Housing Development	Wash.	81	X			X	X
Goldcrest	Wash.	74		X	X		
Basalt Creek	Wash.	116		X	X		
Forest Grove Family Housing	Wash.	36		X			X
Tigard Senior Housing	Wash.	57	X	X		X	X
Plaza Los Amigos	Wash.	112	X		X	X	X
Terrace Glen	Wash.	144	X	X	X	X	X
Fuller Station	Clack.	99	X			X	X
Good Shepherd Village	Clack.	141	X		X		
Maple Apartments	Clack.	171		X			
Findley Commons	Mult.	35		X	X	X	X
Riverplace Parcel 3 Phase 2	Mult.	176	X	X		X	X
Nueva Esperanza	Wash.	149	X		X	X	
Albertina Kerr	Mult.	147	X			X	X
Percent of total eligible units			73%	46%	59%	69%	66%

Geographic distribution across the three counties

Project locations are distributed throughout the three counties. Of the total units, 22% are in Clackamas County, 25% are in Multnomah County and 52% are in Washington County. This reflects early action by Washington County and Beaverton to commit funding to projects. It is expected that Clackamas County and Multnomah County will add many more units to the pipeline in 2021.

Figure 6.2. Distribution of project locations



Preventing displacement and stabilizing communities

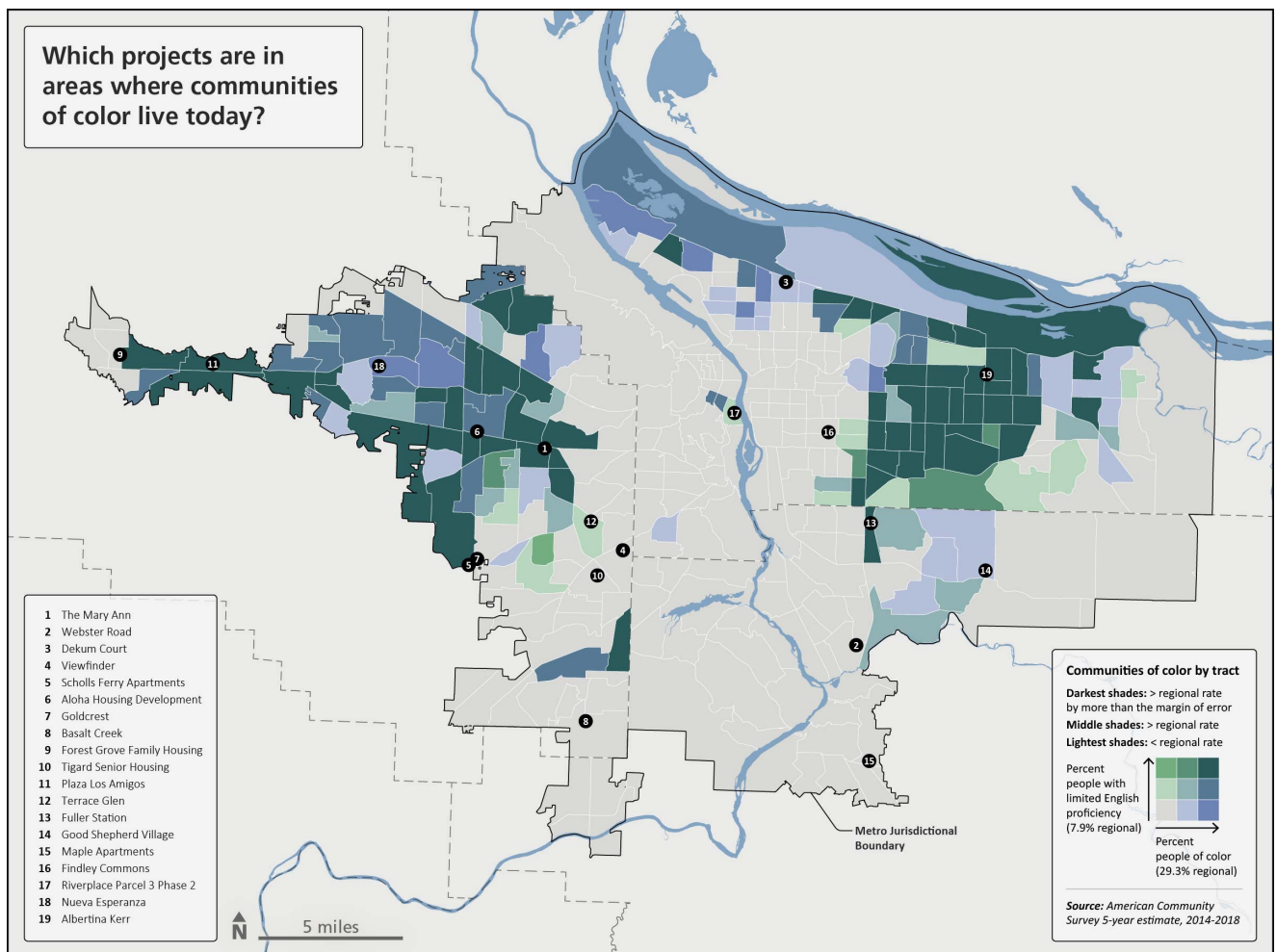
The distribution of units across the region shows substantial support for the goal of stabilizing communities at a higher risk for displacement, which was measured by identifying which projects are located in areas where the population has a high proportion of communities of color and/or people with limited English proficiency. Of the total eligible units, 73% are located in census tracts with higher proportions than the region of either people of color or people with limited English proficiency (people age 5 or older who speak

English less than “very well”) based on recent American Community Survey (ACS) estimates.

Because there is considerable error in ACS estimates, the analysis also identified areas where the percent of people of color or people with limited English proficiency exceeds the regional average by more than the margin of error. These represent areas where there is more certainty of concentrations of communities of color and people with limited English proficiency: census tracts with up to 49% people of color and up to 16% people with limited English proficiency, compared to region averages of approximately 29% people of color and 8% people with limited English proficiency. See the detailed table in Exhibit E for more information.

Figure 6.3 illustrates these areas across the region overlaid with the project locations.

Figure 6.3. Projects located in areas where communities of color live today



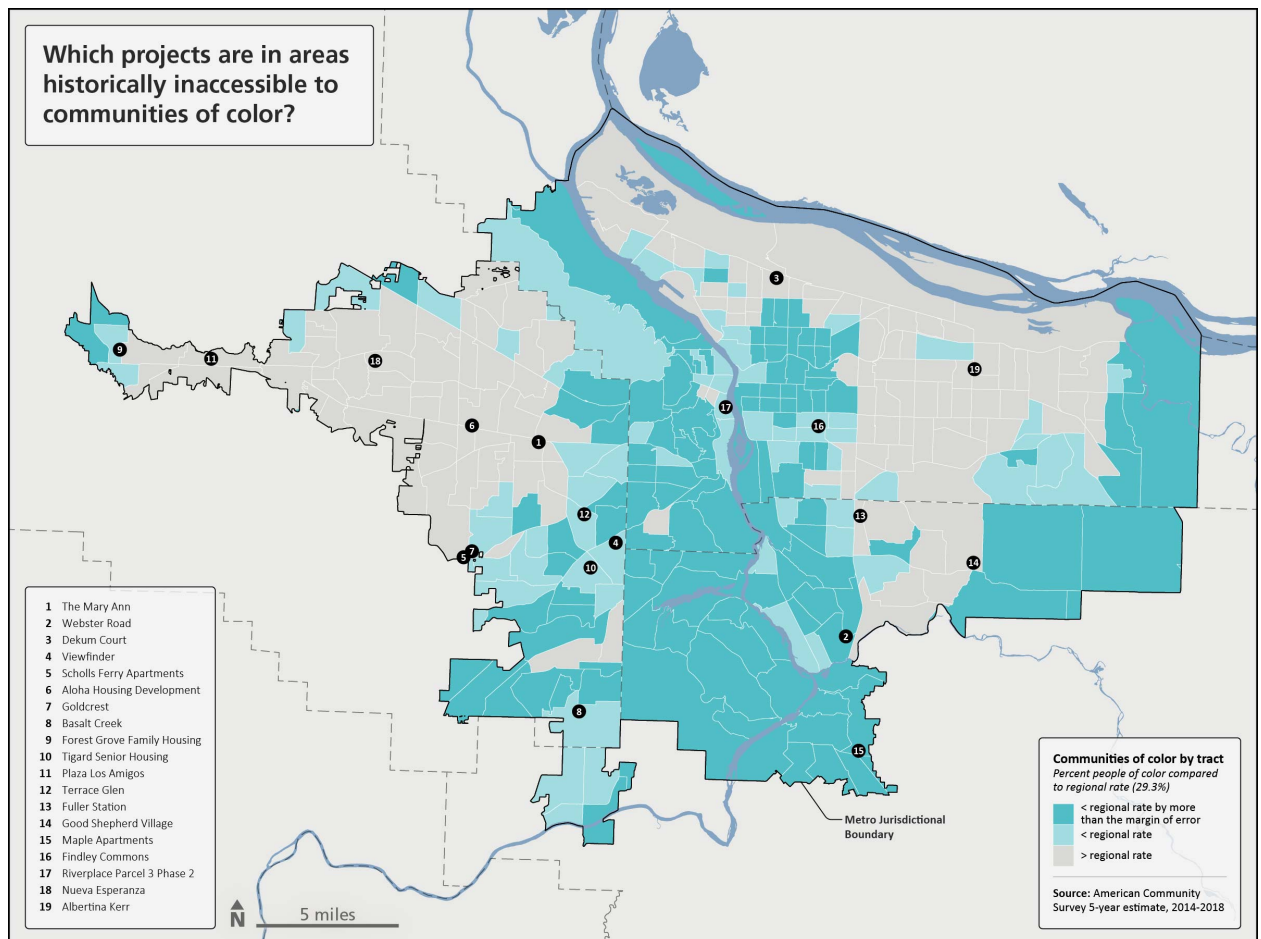
Advancing fair housing access and reducing segregation

The projects also demonstrate strong outcomes for advancing regional fair housing goals and reducing segregation, by locating affordable homes in areas that have been historically inaccessible to communities of color. This goal was measured by identifying which projects are located in areas where the population has a lower proportion of people of color than the region, based on recent ACS estimates. Of the total eligible units, 46% are in areas with a lower proportion of people of color than the regional average.

As with the measurement of areas at risk of displacement above, the analysis has identified areas where the percent of people of color is lower than the regional average by more than the margin of error in the ACS data. See the detailed table in Exhibit E for more information.

Figure 6.4 illustrates the areas with a lower percentage of people of color than the region overall, overlaid with the project locations.

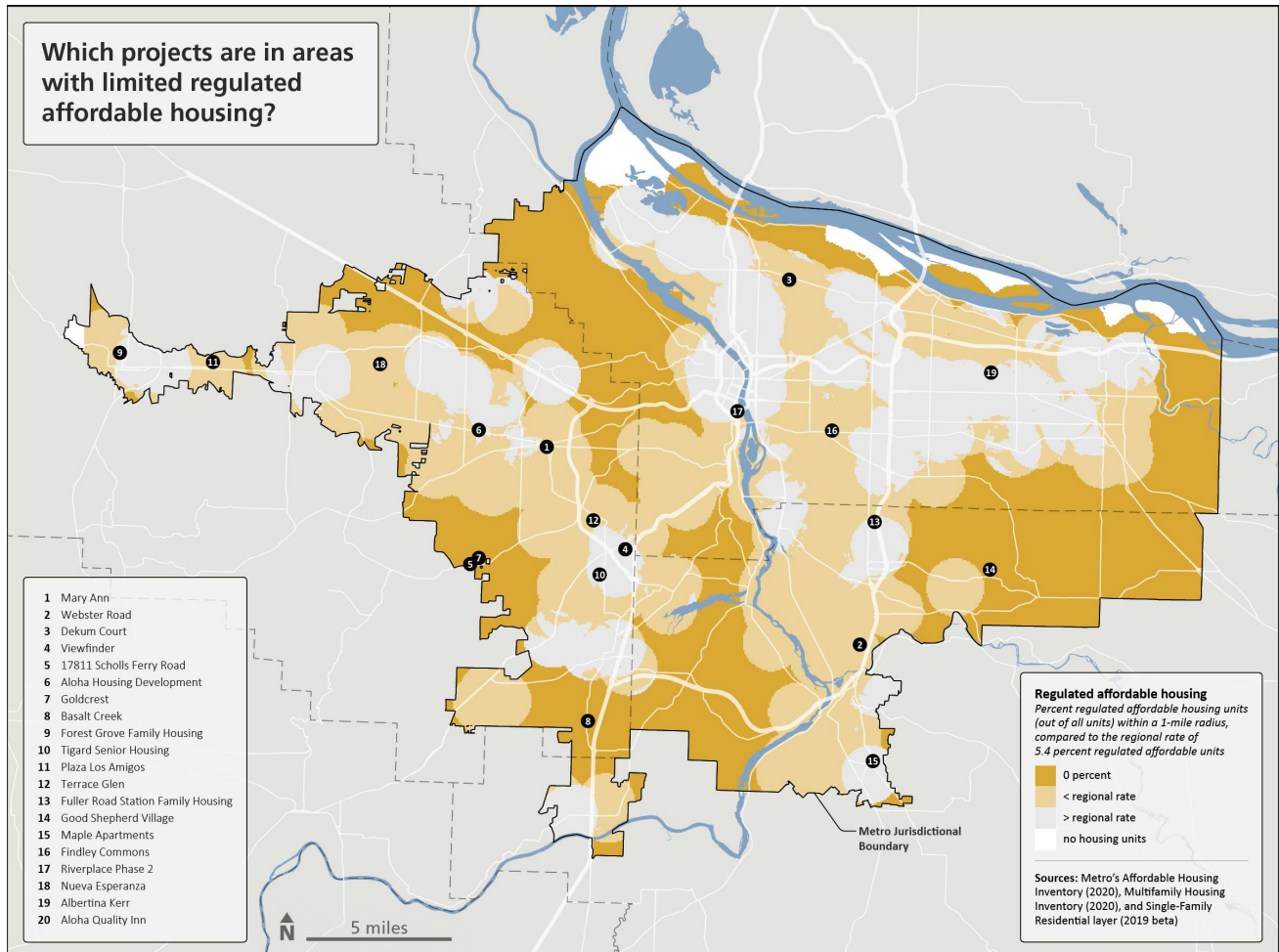
Figure 6.4. Projects located in areas that have been inaccessible to communities of color



The projects improve the distribution of affordable housing across the region by locating over half of the total pipeline units in areas with a relatively low share of affordable housing nearby. This was measured by calculating the share of housing units within 1 mile of each project that are regulated affordable units. Of the total eligible units, 59% are in areas with less than the regional rate of regulated affordable housing (5%) within a 1-mile radius. Four projects, representing 19% of the total units, have no existing regulated affordable housing within a 1-mile radius.

Figure 6.5 illustrates the areas across the region with no nearby regulated affordable housing, less than the regional rate, and more than the regional rate, overlaid with the project locations. The detailed table in Exhibit E shows the percent of housing units that are affordable within 1 mile of each project location.

Figure 6.5. Project locations relative to existing regulated affordable housing



Access to transit and amenities

Projects to date are largely located in areas with access to public transportation and in walkable areas. Of the total eligible units, 69% are within either ¼ mile of a frequent service bus stop or ½ mile of a MAX station, and 70% are rated with a walkscore of 50 (“somewhat walkable”) or better. The detailed table in Exhibit E provides the walkscore and the distance to the nearest frequent service bus stop or light rail station for each project location.

Many of the projects also have access to a range of amenities, including grocery stores, natural areas, schools and jobs. Each implementing jurisdiction’s progress report provides additional detail on nearby amenities.

CHAPTER 7: ADVANCING RACIAL EQUITY THROUGH OPPORTUNITY IN CONSTRUCTION

Metro's work plan required that local implementation strategies include strategies and/or policies, such as goals or competitive criteria related to diversity in contracting or hiring practices, to increase economic opportunities for people of color. In June 2019, while local implementation planning was still underway, the Housing Bond Community Oversight Committee submitted a memo to Metro Council expressing that simply requiring goals or criteria was not enough; the committee urged Council to establish an expectation that local implementation strategies should set expectations for a minimum goal of 20% MWESB participation. In response, the Metro Council directed jurisdictions to ensure that their local implementation strategies describe a path to get to 20% COBID participation in a reasonable timeframe.

The oversight committee and Metro Council further articulated that Metro's Construction Career Pathways Project (C2P2) could be useful in informing workforce development strategies and capacity that will support the implementation of the housing bond program, and further encouraged all participating jurisdictions to consider participating in the C2P2 program, including "setting workforce goals, tracking and reporting on workforce diversity, requesting workforce diversity plans for contractors, and building partnerships with workforce development providers that serve communities of color."

Equitable construction contracting

All local implementation partners have established 20% COBID/MWESB goals, and the city of Portland has a goal of 30% for the Metro bond (it was already exceeding 20% participation). Metro has established a primary metric of the amount and percentage of total payments above \$250,000 made to COBID certified firms by category (MBE, WBE, DBE, SDV, ESB) and by construction trade.

While outcomes will not be available until projects begin to reach completion, project level goals for equitable contracting demonstrate commitments to achieve, and in several cases exceed, local goals. The two Phase I projects under construction are both on track to meet or exceed local goals; the Viewfinder is tracking at 26% and the Mary Ann at 23% COBID participation.

Expanding construction workforce diversity

Efforts to support construction workforce diversity are limited in jurisdictions without a history of setting goals or tracking workforce diversity. Currently, no pipeline projects located outside the City of Portland have established project-specific goals for workforce diversity. However, 12 of 19 projects have committed to tracking workforce outcomes, creating opportunities to establish baseline data that could inform future goals. With the exception of two projects in Beaverton, most projects planning to track workforce outcomes are projects with prevailing wage requirements which create a need for projects to use a certified payroll system (making tracking easier).

Figure 7.1. Summary of equitable contracting goals, workforce tracking commitments and prevailing wage requirements

Project	Implementing jurisdiction	Developer & general contractor	Total cost/ Metro subsidy (millions)	COBID goal	Workforce tracking?	Prevailing wage
The Mary Ann	Beaverton	REACH, Walsh	\$21.9 / \$3.0	20%	X	
Webster Road	Clackamas	Housing Authority of Clackamas, Walsh	\$32.9 / \$10.8	20%	X	DB
Dekum Court	Portland	Home Forward, Walsh	\$66.5 / \$22.9	28%	X	DB
Viewfinder	Washington	CDP, Bremik	\$32.9 / \$11.5	20%	X	DB
Scholls Ferry Apartments	Beaverton	Wishcamper, Colas	\$53.7 / \$9.0	20%	X	
Aloha Housing Development	Washington	BRIDGE, LMC	\$27.9 / \$10.2	25%		
Goldcrest	Washington	BRIDGE, Colas	\$28.1 / \$8.7	25%		
Basalt Creek	Washington	CPAH, LMC	\$43.6 / \$14.3	25%		
Forest Grove Family Housing	Washington	DCM Communities, LMC	\$11.0 / \$3.8	35%		
Tigard Senior Housing	Washington	NHA, Walsh	\$19.2 / \$6.3	30%	X	DB
Plaza Los Amigos	Washington	REACH, LMC	\$39.2 / \$12.8	35%	X	DB
Terrace Glen	Washington	Related NW, Walsh	\$48.4 / \$17.5	20%		
Fuller Station	Clackamas	GSA, GRES, R&H	\$47.3 / \$10.0	20%	X	DB, BOLI
Good Shepherd Village	Clackamas	Caritas, Catholic Charities, Walsh	\$53.9 / \$18.3	25%	X	DB
Maple Apartments	Clackamas	CDP, Hacienda CDC, LMC	\$53.0 / \$15.9	20%	X	DB
Findley Commons	Portland	Home First, Beaudin	\$7.0 / \$2.0	24%	X	DB
Riverplace Parcel 3 Phase 2	Portland	BRIDGE, Walsh	\$80.3 / \$1.7	30%	X	BOLI
Nueva Esperanza*	Hillsboro	Bienestar, HDC, LMC	\$47.9 / \$17.0	20%		
Albertina Kerr		Edlen and Company,	\$45.2 / \$11.2	20%		
Total projects					12	10

*The Nueva Esperanza project will include informal tracking of workforce participation with narrative reporting.

Increasing capacity to advance construction diversity

Local implementation partners have noted the need for capacity building and technical assistance to support successful outcomes in both contracting and workforce diversity. Several implementation partner jurisdictions lack software systems to support tracking of contracting outcomes and/or workforce diversity. Additionally, local implementation partners and stakeholders have identified a need for technical assistance to support outreach and networking among established developers/contractors and MWESB contractors and workforce organizations — as well as the need to invest in minority- and women-owned firms to support a pipeline of diversity in the construction trades.

Currently, two local implementation partner jurisdictions (City of Portland and Clackamas County) have signed on to Metro’s Construction Career Pathways Program and two others (City of Beaverton and Washington County) are considering signing on. The initiative brings together stakeholders from public agencies, private industry, apprenticeship programs, unions and community-based organizations to develop reliable career pathways for women and people of color in the construction trades.

CHAPTER 8: ADVANCING RACIAL EQUITY: MARKETING, SCREENING AND SERVICES

Metro's work plan required that local implementation strategies include fair housing strategies/policies to eliminate barriers in accessing housing for communities of color and other historically marginalized communities, as well as plans to align culturally specific programming and supportive services to meet the needs of tenants. While the success of these strategies will ultimately be evaluated based on the outcomes (e.g., resident diversity and stability) reported to Metro after buildings are leased up, early reports provide some information about implementation partners' activities to support these outcomes.

All local implementation partners have reported on efforts to ensure low barrier screening and affirmative marketing in projects, and several projects have established partnerships with culturally specific providers, many of whom will support the marketing and lease-up process in addition to providing ongoing resident services.

Ensuring equitable access through low barrier screening and affirmative marketing

While all bond projects have submitted an affirmative fair housing marketing plan complying with federal standards, local implementation partners' annual progress reports varied in the level of detail provided regarding specific plans to reduce barriers through marketing and screening. A lesson learned from Washington County is to provide specific sample screening criteria rather than simply requiring "low barrier screening," so developers, owners and managers can work with concrete examples and gain familiarity with ways to approach this crucial equity issue. Metro's site acquisition program also included competitive criteria to address low barrier screening in their Elmonica solicitation.

All implementation partners reiterated their commitment to create an inclusive tenant screening criteria process and minimize barriers to housing often experienced by communities of color. The cities of Hillsboro and Gresham provided the most specific examples of how they plan to reduce barriers to access, including:

- Management will consider relevant individualized evidence of mitigating factors throughout the process, and approach it through the lens of proactive fair housing and equity
- Management will not deny an applicant for negative rental history or prior evictions if they were based on excessive rent burden
- Criminal conviction review process has removed any crimes that are no longer illegal at the state or federal level
- Applicants are encouraged to provide professional letters to assist in the review process
- Lower income-to-rent and credit history requirements

- Lower application fees and deposits

One of the most common strategies partners reported to further their affirmative marketing goals was engaging service providers who work with priority and/or marginalized communities and communities of color as part of their leasing process. Tools such as distribution of multilingual/multicultural marketing materials through partnerships, leveraging service partners' peer and community-based networks for direct referrals, in-person outreach and community meetings were the most mentioned strategies in local progress reports. Both Clackamas and Washington Counties required bond funded projects to include partnership with a culturally specific organization (as co-developer or service provider).

Plans to align culturally responsive programming and supportive services

A common theme in early engagement activities was a need for on-site services to meet the needs of tenants, helping to support their stability and ability to prosper. In the local implementation strategies, all partners committed to the integration of culturally specific services. While some pipeline projects have already established relationships with on-site service providers, others are less clear on their plans to integrate culturally specific programming and supportive services to meet the needs of residents.

Across the pipeline of housing bond projects, several projects have already established partnerships with culturally specific service providers, with plans to provide a range of services including:

- providing language translation services
- hiring on-site staff with cultural competencies
- providing asset building and educational opportunities
- increasing food access through on-site pantries
- creating community building events in communal spaces
- hiring case managers to connect tenants with other supportive services

Of the partners who have turned to community organizations with established roots in priority populations, Hillsboro's partnership with Bienestar on the Nueva Esperanza project is an excellent example of the strengths of partnership with community organizations. As a culturally specific organization working within Latinx and immigrant communities, Bienestar is well positioned to provide services they know community members need to succeed. Bienestar's unique promotores program recruits and trains residents from each housing site to act as "connectors" for their community, facilitating relationships with neighbors to assess needs and connect residents to crucial services while advocating for important community issues.

Projects are at different stages of development and it is anticipated that partners will be integrating more detailed plans for tenant services as projects progress.

Sustainability

Although Metro has not developed sustainability related metrics or requirements for projects, the program still tracks any information our partners highlight related to a project's sustainability features. The project that most exemplifies the commitment to sustainability in the program's portfolio is the Albertina Kerr project in Gresham. It will operate as one of the largest net-zero multifamily affordable housing developments in the nation. In order to achieve the goal of net-zero energy use, developers utilized multiple energy conservation techniques, as well as developing onsite renewable energy. Based on estimated onsite energy consumption, developers included energy efficient appliances, cooling and heating systems, as well as an energy conserving building design. In tandem with these energy conservation efforts, there will be an onsite solar PV system. This solar PV system will be the largest on any affordable housing project in the Pacific Northwest and is projected to generate about 727 megawatt-hours of electricity annually. Utility cost savings will be passed on to tenants in the building, making their housing even more affordable and accessible.

CHAPTER 9: COMMUNITY ENGAGEMENT OUTCOMES

Metro’s work plan described elements required of each implementing jurisdiction regarding community engagement. To remedy decades of disinvestment and displacement, a priority focus is effectively engaging communities of color and other marginalized groups (including people with low incomes, seniors and people with disabilities, people with limited English proficiency, immigrants and refugees, existing tenants in acquired buildings and people who have experienced or are experiencing houselessness or housing instability) and ensuring their input informs project outcomes to support the success of future tenants. Local implementation strategies, responding to this guidance, laid out community engagement approaches describing what was already known about communities of color and other marginalized groups in their area, how these groups would be reached, how partnerships would support engagement efforts and how feedback would inform solicitations and specific projects. Each jurisdiction submits plans for and reports on this community engagement, including participant demographic information, description of outreach and activities, themes from engagement and how feedback informed implementation of the project.

In annual progress reports, each implementing jurisdiction provided information on community engagement completed to date. Metro staff evaluated progress on these requirements, reviewing information submitted in relation to work plan and local implementation strategy goals and identifying themes and best practices at a regional level.

Engagement of communities of color and historically marginalized groups

Engagement has effectively reached Black, Indigenous and other people of color. It has been moderately effective at reaching immigrants and refugees, seniors and people with disabilities, and less effective at reaching (or documenting participation by) people with low incomes, people with limited English proficiency and people with experience of houselessness. See appendix (Exhibit F) for more information on demographics of participants in engagement activities.

Engagement methods

Local progress reports included a description of engagement activities and the outreach methods that garnered participation. Engagement has occurred during local implementation strategy planning, creation of solicitations (both broad and project-specific) and to inform specific projects. Engagement to inform local strategies and solicitations was typically done by jurisdictions. Project specific engagement was typically done by developers, with some exceptions. In many cases, culturally specific and other community-based organizations collaborated on engagement in partnership with jurisdictions and developers.

Though jurisdictions did not report challenges specific to the pandemic, it must be mentioned that COVID 19 complicated engagement and outreach during the past year. Many

activities were adapted to occur online, and though reporting regarding bridging the digital divide was not requested, it is clear that several implementing partners made efforts in this area.

“The number of staff members present in each listening session was limited with engagement partners leading the sessions to help create a safe, comfortable space for participants to share their experiences. Engagement partners helped determine best ways to facilitate discussion in a virtual setting.” – Housing Authority of Washington County

Engagement activities included (in order of most frequently mentioned): neighborhood meetings, focus groups, listening sessions, surveys, meetings with established boards and commissions particularly those with BIPOC and/or disability focus, public and resident meetings.

Outreach methods included: coordination with community-based organizations, coordination with schools/school groups and neighborhood associations, fliers to immediate neighbors, contact with businesses, email, social media posts, text and Whatsapp.

Partnerships for engagement

All implementing jurisdictions described partnerships; working with community-based groups was crucial to accomplishing community engagement goals.

Partnerships with culturally specific community-based organizations were most common. Partnerships with other community-based organizations (often those providing mainstream social services to houseless people, people with mental health needs, low income people, etc.) were used almost as frequently. Partnerships with faith-based organizations were also mentioned. Some implementing partners reported compensating their partners and others did not report on this aspect. **Fair compensation for partnerships with community-based groups increases effectiveness of engagement activities and is recommended.**

Engagement themes

All reports described themes from engagement; most indicated what feedback came specifically from communities of color and other historically marginalized community members.

Most frequently reported feedback, especially from BIPOC and immigrant/refugee communities (see appendix Exhibit F for a full summary of all engagement themes):

Larger units	Communal spaces	Outdoor spaces	Laundry facilities
Metro’s “family size” designation of two or more bedrooms must be complemented with creation of even larger units to effectively serve marginalized communities.	Community rooms, parks and green spaces, libraries, spaces for communal cooking, family celebrations, gatherings and to celebrate cultural heritage.	Varied; especially gardens, playgrounds, age-specific play areas, sports courts and covered spaces.	Washer/dryers in unit, or hookups so households can use own machines; mix of washer/dryers in larger units and communal laundry for use by smaller households; concern about cost burden of pay laundry.

Some of the feedback has already informed projects; for others, it is too soon to know specific outcomes. Of the above themes:

- Four-bedroom units were added to Hillsboro’s Nueva Esperanza project.
- Communal/community space, especially for cultural celebrations, has been incorporated in the Nueva Esperanza project, as well as Washington County’s Forest Grove Family Housing project.
- Varied outdoor spaces have been included in the Nueva Esperanza project as well as City of Portland and Home Forward’s Dekum Court renovation.
- Innovative laundry solutions were reached through collaboration with the community advisory committee for Dekum Court.

From Washington County’s report: “The Forest Grove Family Housing project is the closest to beginning construction... feedback suggested that family-sized units should be closest to the outdoor space so parents can easily look out of their units and monitor children playing outside. It was also suggested that play areas be divided to provide age-specific play areas. Additionally, feedback indicated that onsite community space was very important for larger gatherings such as birthday parties and other celebrations. This feedback was incorporated into the design with the unit configuration shifted to allow for family-size units closest to outdoor play areas, age-specific play areas, and addition of community space.”

The Nueva Esperanza project in Hillsboro “was explicitly conceived within the framework of racial equity... The focus on family-sized units at Nueva Esperanza, including 4 bedroom

units, is a foundational integration of the feedback from communities of color... The development team intentionally created a distinctive neighborhood feel within the development... Bienestar added thoroughfares that will connect the surrounding community to the property and increase an atmosphere of inclusivity and broader camaraderie... The team will also provide boot washing stations so that residents who do agricultural labor can wash away pesticides and other hazards before coming home to their families.”

Metro’s role

Metro provides support to partner jurisdictions in developing and carrying out effective engagement. This has included consultation and coaching on best practices (particularly for developing effective partnerships and reaching marginalized communities) and processing feedback to inform project implementation, convening and facilitating regular peer mentorship meetings, support on adapting engagement activities to safer methods during a pandemic and co-leading developer information sessions on Metro’s community engagement requirements. As described in Clackamas County’s progress report, in the developer session “we discussed best practices for collecting demographic data and highlighted the importance of collecting this data to help measure outcomes. Project sponsors seemed to understand the importance of data collection and showed a willingness to incorporate this in their outreach efforts moving forward. HACC anticipates more participation demographics will be collected as these projects progress through predevelopment and programming.” Metro also gathered and published (with their consent) a list of community-based organizations open to potential partnerships on engagement, service provision and beyond.

Metro has identified best practices for effective engagement, particularly with marginalized communities. These practices should be replicated for future projects.

- **Language access** is an important practice for effective engagement (including translation of outreach/written materials and interpretation of engagement activities) and was described in half the reports. This was most commonly for Spanish and Arabic, and Clackamas County also reported Russian, Ukrainian, Vietnamese and Mandarin.
- **Compensating participants** is a helpful practice. Three reports described using stipends; other incentives such as gift cards, transit tickets, food and childcare are helpful as well.
- **Long-term relationship building** was mentioned explicitly once, and can be a very beneficial practice for effective engagement. Beaverton is currently contracting with Unite Oregon for multicultural engagement on bond projects and general housing education and engagement, and anticipates extending the contract through 2023.

CHAPTER 10: EFFICIENT USE OF FUNDS

Good use of public funds is a core guiding principle of the regional housing bond for Metro and its partners. When a significant new source of funding is infused into an existing affordable housing delivery system, monitoring and regional coordination is essential to ensure maximum public benefit from this limited public funding source. To support evaluation of system-level outcomes for efficiency and stewardship, Metro hired a consultant with 31 years of experience in affordable housing financial analysis to evaluate financial performance across the existing Metro affordable housing bond pipeline portfolio. A full summary of findings from the pipeline analysis is provided in Exhibit C.

This analysis is based on real estate development pro formas received for 18 of the 19 projects that had received a Metro endorsement as of December 2020. Clackamas County's Webster Road property was not included due to the fact that a full rehabilitation budget was not reviewed as part of the Phase I approval which provided bond funding to the county to acquire the property. Additionally, as noted above, this report does not reflect changes to projects that occurred after December 2020, including: reduction in the Metro contribution to Fuller Road Station and Albertina Kerr due to the impacts of federal policy changes on the value of 4% Low Income Housing Tax Credits, concept endorsement and final approval of Rockwood 10, and a reduction in the number of units and proportionate reduction in the Metro bond funds anticipated for Dekum Court. For this reason, some information for projects reported in local progress reports may vary from that included in this report.

Development costs

The housing development industry recognizes two general categories of cost: *hard costs*, which are focused on construction itself; and *soft costs*, which include a variety of project development, permitting and financing costs. Affordable housing is widely recognized to have higher per-unit soft costs, due to the need to combine various public and private funding sources, and greater regulatory and compliance requirements.

The bond program's priority focus on family-size units also contributes to higher hard costs per unit. For this reason, cost per square foot and cost per bedroom are important metrics. Similarly, the program's priority focus on advancing racial equity was made with an understanding that prioritizing equitable contracting and workforce diversity may mean additional costs. Finally, the use of federal funding, including rental assistance vouchers, is an essential tool to achieve the program's targets for deeply affordable units, and triggers prevailing wage requirements which also impact costs. A number of other factors impact costs including project size, construction type, parking and more.

The Metro affordable housing bond portfolio includes 19 projects ranging in size from 13,000 to 191,000 square feet, with an average size of 122,000 square feet. Projects are configured with a range from one to 12 buildings, with an average of three buildings. Projects include a range from 35 to 200 apartment units, with an average of 133 units.

In general, the Metro affordable housing bond portfolio's development costs align with general and historic costs for development of similar affordable housing in the

Portland metropolitan area, which also aligns with patterns in other regions in the Pacific Northwest and across the nation.

Figure 10.1. Weighted average total project cost and Metro bond funds

	Minimum	Maximum	Weighted average
Metro bond funds per unit	\$9,771	\$143,000	\$95,883
Total cost per unit	\$192,620	\$471,751	\$342,214
Total cost per bedroom	\$134,910	\$317,819	\$199,251

Leveraged funding

Building affordable housing is almost always an exercise in layering funding from a variety of sources. The current affordable housing bond pipeline represents over \$745 million in investments, of which approximately 27%, or \$203 million, is affordable housing bond funding and over \$542 million is leveraged from other sources.

The average per unit investment of Metro bond subsidy is \$96,000, which is considerably lower than the average of \$143,000 per unit in Metro bond subsidy available to achieve the goals. The program is on track to exceed the goals due to several trends favorably impacting leveraged funding and costs across the portfolio, most significantly: **unanticipated federal policy changes positively impacting leveraged funding** through the 4% Low Income Housing Tax Credit (LIHTC — commonly pronounced “lie-tech”), **low interest rates** enabling more leveraged debt than anticipated, and **early action by implementation partners** to commit funds to projects quickly, thereby minimizing the impact of construction cost escalation across the portfolio.

Seventeen of the 18 projects included in the pipeline analysis are financed using federal LIHTC. The exception is the smallest project in the portfolio, which lacks sufficient scale to effectively use these tax credits and which has instead used substantial grant funding.

Of the seventeen projects financed with tax credits, one project is financed using 9% LIHTCs, a highly competitive resource that is subject to an annual limit. The remaining 16 LIHTC financed projects utilize 4% LIHTCs. While the availability of 4% LIHTCs is not limited, they must be used in conjunction with tax-exempt, private activity bond debt, which is subject to an annual statewide cap of \$467 million that effectively limits the use of the tax credits. Although this cap has not historically been met, it may become a constraint in the future. Additionally, the federal economic recovery bill passed in December 2020 significantly increases the value of 4% LIHTCs (the impact of this change is discussed below). This increase in available 4% LIHTCs is expected to, correspondingly, increase the demand for tax-exempt, private activity bond debt.

LIHTC equity and permanent loan debt are the primary sources of leveraged funding for projects in the Metro bond portfolio. LIHTC equity ranges from 47% to 60% of project funding, with an average of 52%, and permanent loans range from 0% to 47% of project funding, with an average of 25%. Other funding sources include grants and subordinated

loans, sponsor contributions including cash investment, contributed land, and/or deferred developer fees, and Metro bond funding. As the gap funding for the projects in the portfolio, bond funding provides the balance of funding needed to fully fund the projects, representing 27% of the portfolio's funding.

Local affordable housing policy tools and incentives

There are affordable housing policy tools or incentives in place in the region that can support development of affordable housing, including housing bond projects. Tracking these policies helps the program anticipate what resources and incentives exist to encourage the development of affordable housing throughout the region, and which are being leveraged in Metro affordable housing bond projects. To gather this information, the housing team distributed a survey to all 24 cities in the Metro region, to which 15 cities responded. The following table summarizes the results of that survey:

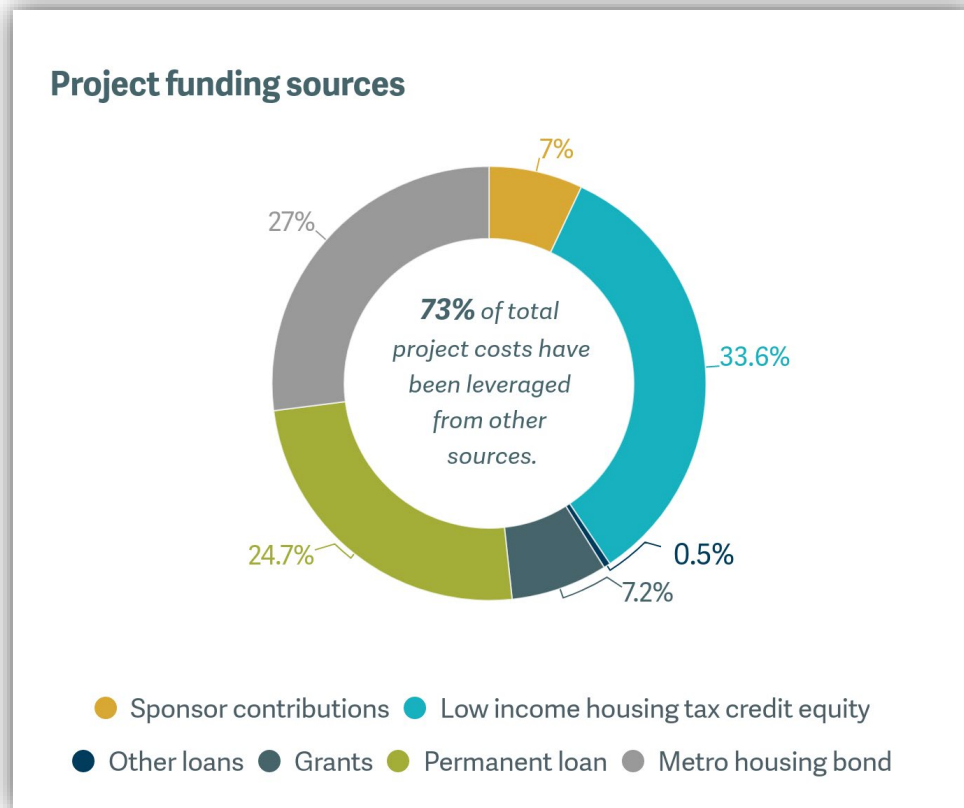
Figure 10.2. Incentive/policy profile of city

Responding Jurisdiction	Property tax abatement or exemption	SDC waiver	Local general funding for affordable housing	Public land availability	Reduced parking requirements	Density bonus	Vertical Housing Tax Credit	By right-development or accelerated approvals	Flexible design	Inclusionary zoning
Beaverton	X	X	X	X	X		X			
Cornelius	X									
Durham						X				
Forest Grove						X				
Gladstone										
Happy Valley		X			X	X		X		
Hillsboro		X			X	X		X		
King City								X	X	
Milwaukie	X	X	X	X			X			
Oregon City						X		X	X	
Portland	X	X	X	X	X	X	X	X	X	X
Rivergrove										
Tigard	X	X	X	X	X	X	X	X	X	
Troutdale										
West Linn										

***The following jurisdictions did not respond to the survey: Fairview, Johnson City, Lake Oswego, Sherwood, Tualatin, Wilsonville, Wood Village, Gresham and Maywood Park.*

Exhibit G provides a breakdown of leveraged funds by type of source for each project in the portfolio. LIHTC is the most common leveraged funding source in bond projects, followed by weatherization funds, OHCS multifamily energy program, Metro transit oriented development funds and SDC waivers. The Mary Ann project in Beaverton has leveraged up to nine different sources of funding, including local, state and federal sources.

Figure 10.3. Average leverage across the portfolio



Analysis of the current Metro housing bond pipeline shows variation in investment practices due to a lack of regional guidance to standardize practices. **Stronger regional coordination may be needed to ensure that bond funding investments are optimizing leveraged funding.**

Additionally, the federal economic recovery bill passed in December 2020 significantly increased the amount of 4% Low Income Housing Tax Credits — the most significant source of leveraged funding in the bond portfolio. While the increase in these credits will likely be partially offset by a reduction in tax credit yields paid by investors, on a net basis this policy change could result in a \$30-45 million boost in leveraged equity across the portfolio. Metro will work with local implementation partners to evaluate opportunities to reduce the Metro bond contributions previously reserved for projects in light of this unanticipated increase in equity available to projects.

Operating costs and subsidy

Metro's affordable housing bond program includes ambitious goals for very affordable units, defined as those affordable to households making less than 30% of the area median income. (In greater Portland this is an annual income of \$19,410 for a household with one person, or \$27,650 for a household of four.) Providing deeply affordable units requires

additional subsidy. Rental income from these units is lower and their operating expenses can be higher, creating operating funding gaps and limiting projects' ability to carry debt.

Additionally, buildings serving very low income households often require investment in ongoing services that are beyond the scope of traditional real estate related operating expenses and require external operating funding to be financially feasible. Lender and/or tax credit investors may also require the capitalization of reserves to mitigate the risk that these operating expenses may not be able to be adequately funded from projects' operating revenue.

Of the pipeline portfolio's current 625 units serving households with very low incomes, 285 have project-based rental assistance that funds some or all of the monthly rent, making the assisted units affordable to households with very little or no income.¹ The vast majority of these units have federal project-based rental assistance vouchers administered by a local housing authority. A few of the units will be the first to use rental assistance provided through the Metro supportive housing services program.

Planning for integration of Metro supportive housing services funding

The supportive housing services measure passed by Metro voters in May 2020 presents opportunities to integrate rental assistance and supportive services with housing bond investments. Funding is expected to provide services for as many as 5,000 people experiencing prolonged homelessness with complex disabilities, and as many as 10,000 households experiencing short-term homelessness or at risk of homelessness.

Clackamas County and City of Beaverton are exploring opportunities to infuse supportive housing services funding throughout their portfolios, including options to deepen affordability and expand production in addition to integrating supportive services. City of Portland and Washington County expect to integrate supportive housing services funding in future housing bond investments to support progress toward their local implementation strategy goals for permanent supportive housing (300 units in Portland and 100 units in Washington County); they are not currently evaluating opportunities to utilize funding to increase or exceed these goals. Other jurisdictions are exploring the use of supportive housing services funding to fill operating gaps and provide additional services across their housing bond portfolio.

¹ Includes Clackamas County's Webster Road project, which will create 48 deeply affordable, voucher supported units. This project was not included in the pipeline analysis provided in Exhibit C.

Figure 10.4. Anticipated approaches to integrating supportive housing services funding in housing bond portfolio

Jurisdiction	Anticipated approach
Washington County	No plan to increase targets or integrate supportive housing funding into existing seven projects with existing concept endorsements. Will explore opportunities to integrate supportive housing funding in future projects, including plan to leverage supportive housing for rental assistance and services on the planned acquisition of the Aloha Inn in Forest Grove, which the county plans to convert to 54 units of permanent supportive housing.
Hillsboro	No plan to increase targets; anticipated use of supportive housing rental assistance to fill identified operating gaps and provide supportive services in future solicitations.
Beaverton	Evaluating opportunities to utilize supportive housing funding to expand unit production, increase the number of 30% AMI units and integrate supportive services on existing and future pipeline projects.
Clackamas County	Evaluating opportunities to utilize supportive housing funding to expand unit production, increase the number of 30% AMI units and integrate supportive services on existing and future pipeline projects.
Portland	No plan to increase targets; focus on meeting existing local implementation strategy goal of 300 PSH units as part of bond implementation.
Gresham	No plan to increase targets; interest in future exploration of supportive housing funding for expansion of services in Rockwood 10 and Albertina Kerr projects.
Home Forward	No plan to increase targets; use of supportive housing only for rental assistance to fill operating gaps in Troutdale project.
Metro site acquisition program	Coordination with local plan and approaches.

CHAPTER 11: ADMINISTRATIVE FUNDING

The Metro affordable housing bond measure included a 5% cap on administrative funding, or \$32,640,000, allocated to support administration needs of Metro and all seven local government implementation partners. As of December, only \$5,525,011 (17% of the administrative cap) had been expended. Below is a summary of administrative expenditures to date.

Figure 11.1. Administrative funding for implementation partners

Jurisdiction	Work plan funding allocation	Amount disbursed or expended	% Disbursed or expended
Beaverton	\$655,591	\$223,898	34%
Clackamas County	\$2,446,065	\$489,213	20%
Gresham	\$563,305	\$140,826	25%
Hillsboro	\$855,939	\$171,188	20%
Home Forward (balance of Multnomah County)	\$334,297	\$0	0%
Portland*	\$4,443,296*	\$84,094	2%
Washington County	\$2,451,906	\$1,068,690	44%
Metro site acquisition program	\$1,305,600	\$3,869	0.3%
Total implementation programs	\$13,055,999	\$2,097,684	16%

* Portland's administrative funding is allocated through a "project delivery fee" charged to each project and recovered through a fee paid to Portland by each project.

Figure 11.2. Administrative funding for Metro oversight, accountability and financial costs

Jurisdiction	Work plan funding allocation	Amount disbursed or expended	% Disbursed or expended
One-time financial issuance costs	\$13,056,000	\$655,591	5.0%
Ongoing financial management costs		\$2,446,065	18.7%
Accountability and oversight (staff, materials and services)		\$563,305	4.3%
Total oversight, accountability and financial transaction costs	\$13,056,000	\$3,427,328	26%

The work plan designated \$6,528,000 in funding within the administrative funding cap as “reserved for future allocation” as determined necessary to fulfill the program goals. This funding is subject to future allocation by the Metro Council.

EXHIBIT A: COMMUNITY OVERSIGHT COMMITTEE CONSIDERATIONS FOR LOCAL IMPLEMENTATION

During their review of local implementation strategies between July 2019 and February 2020, prior to their recommendation to Metro Council, the Affordable Housing Bond Community Oversight Committee identified the following considerations for all partnering jurisdictions for ongoing implementation and monitoring of outcomes. Following the considerations listed for all jurisdictions are additional considerations for two of the jurisdiction partners.

- 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.
- When describing strategies to advance racial equity, be specific about prioritization among various strategies.
- Expand the impact of the affordable housing bond program by seeking ways to achieve more than the minimum housing unit production targets.
- Work with your own jurisdiction and overlapping jurisdictions to identify local regulatory tools and financial incentives that could be implemented to support affordable housing. Examples could include property tax abatements or exemptions, SDC and fee waivers, local construction excise tax, reduced parking requirements, etc.
- 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 size 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 costs.

Washington County

The committee identified the following additional considerations for the county's implementation:

- The county should provide further clarification regarding intentions for geographic distribution as part of project solicitations.
- The county should provide a plan and measurable outcomes that demonstrate progress toward reaching the 20% MWESB participation goal.

City of Portland

The committee identified the following additional consideration for the city's implementation:

- The city should make a good faith effort to identify opportunities to accelerate the implementation timeline to commit funding to projects within the 5-7 year timeline committed to voters in 2018.

EXHIBIT B: HOUSING BOND PROGRAM METRICS

This document summarizes metrics that will be used to evaluate performance and outcomes for Metro’s affordable housing bond program. Metro has worked with implementing jurisdiction partners to develop reporting standards and templates for gathering data from project sponsors and owners at different points in the development process (funding approval, construction completion and post-lease-up). In addition, Metro is identifying metrics for regional analysis such as outcomes related to project location. Finally, Metro is working with Oregon Housing and Community Services and implementing jurisdictions to ensure plans for ongoing monitoring of properties throughout the term of the regulatory agreement.

These metrics are intended to align with the affordable housing bond framework and work plan adopted by Metro Council, and to align with strategies and plans described in local implementation strategies. They have also been informed by research regarding emerging best practices for advancing racial equity in affordable housing, and through conversations with community stakeholders, practitioners and the community oversight committee that occurred between 2018-2020.

In addition to the below metrics, Metro is tracking a range of financial and budget metrics to ensure that expenditures are aligned with allocations in the work plan and with the 5% administrative cap in the measure.

Outcomes metrics

The following metrics directly measure primary program outcomes related to goals and priorities in the affordable housing bond framework and work plan. The definitions describe the specific metric to be tracked, and “what constitutes success” describes established or proposed approaches to evaluating outcomes based on those metrics.

In some cases, “what constitutes success” is goals or program targets established by the work plan or in local implementation strategies. In other cases, this has not been defined due to lack of baselines for establishing a meaningful goal. For the latter, the annual review process will include a discussion of what constitutes success and/or jurisdictions will demonstrate progress over time, using the first year’s metrics as a baseline.

Some metrics are noted as “optional/if applicable.” These refer to targets or goals that are described in some local implementation strategies and not in others. These are included so Metro can help ensure consistent tracking and reporting when multiple jurisdictions report on a metric that does not relate to a regionally required metric or target.

Category	Definition	What constitutes success
Unit production	<i>Total units:</i> Number of new regulated affordable homes	Achieve or exceed unit production targets (jurisdiction, region)
	<i>Deeply affordable units:</i> Number of new affordable homes restricted for households making 30% AMI	
	<i>Family sized units:</i> Number of new affordable homes with 2+ bedrooms	
	<i>Units regulated at 61-80% AMI:</i> Number of new affordable housing units restricted for household making 61-80% AMI	Remain within cap of 10% of total local unit production target (jurisdiction)
	<i>Creation of homes in areas where communities of color live today:</i> Number/percentage of homes created in Census tracts with higher than average non-white population	
	<i>Creation of homes in areas where communities of color live today:</i> Number/percentage of homes created in Census tracts with higher than average population of people with limited English proficiency	Annual review will include a discussion of what constitutes success
Location (fair housing)	<i>Creation of homes in areas that have historically been inaccessible to communities of color:</i> Number/percentage of homes created in areas with lower than the regional average of non-white residents	No established targets due to lack of baseline Annual review will include a discussion of what constitutes success
	<i>Creation of homes in areas with limited regulated affordable housing supply:</i> Number/percentage of homes created in or adjacent to Census tracts with lower than average per capita regulated affordable housing units	
Location (physical access)	<i>Access to transit:</i> Number/percentage of units located within 0.25 miles of frequent service bus or 0.5 miles of light rail transit stop	No established targets due to lack of baseline
	<i>Walkscore:</i> Average walkscore weighted by number of units, broken down by county	Annual review will include a discussion of what constitutes success
	<i>Quantitative or narrative data regarding additional location/access outcomes:</i> <ul style="list-style-type: none"> • Proximity to parks/green spaces/trails • Proximity to public elementary/middle/high schools 	

	<ul style="list-style-type: none"> Proximity to other types of schools and groceries (not setting specific definitions to allow for flexibility in reporting) Proximity to employment centers 	
Equitable contracting	<i>Equitable participation in construction contracts:</i> Percentage goal, percentage outcome, and amount of total payments above \$250,000 made to COBID certified firms by category (MBE, WBE, DBE, SDV, ESB) and by construction trade	Achieve or exceed LIS goals for equitable contracting (jurisdiction)
Workforce participation (if applicable based on LIS/project goals)	<i>Participation of apprentices:</i> Number/percentage of hours worked by apprentices, disaggregated by race	Achieve or exceed LIS goals if applicable (only some jurisdictions have targets or existing infrastructure and capacity for tracking)
	<i>Participation of women:</i> Number/percentage of hours worked by women, disaggregated by race	
	<i>Participation of people of color:</i> Number/percentage of hours worked by people of color, disaggregated by race	
Number of people served	<i>People initially served:</i> Number of people occupying the building following initial lease up	12,000 people
	<i>People served over time:</i> Number of people who have live in the building over time (includes new occupants as units turnover)	No established targets
Resident diversity (people served/equitable access)	<i>BIPOC residents:</i> Number and percentage of residents who identify as non-white, disaggregated by race	Percentage of non-white occupants (disaggregated by race) equals or exceeds comparable population percentages in the County where the project is located
	<i>Age/family makeup:</i> Number and percentage of households with senior (62+), children 18 and under, and families with multiple generations*	
	<i>Veterans:</i> Number of residents who are military veterans	
	<i>Percentage of households experiencing homelessness prior to moving into bond-funded housing:</i> Number of people referred to housing through the county's "coordinated entry" system	No established targets

Key performance metrics

In addition to the above outcomes metrics, Metro will also work with implementing jurisdictions to gather data about the following performance metrics for each project approved for bond funding. These metrics and qualitative data points are intended to support collective understanding about cost/subsidy efficiency and effective strategies to

achieve goals for advancing racial equity and ensuring participation of historically marginalized communities in shaping project outcomes.

Category	Definition	What constituted strong performance
Efficient use of resources	<i>Subsidy efficiency</i> : Metro bond subsidy per bond eligible unit	Portfolio averages \$143,000 or less in bond funding per unit (jurisdiction, region)
	<i>Cost efficiency (units)</i> : Total cost per total units by project, jurisdictions, and region	Compare individual projects to portfolio averages
	<i>Cost efficiency (bedrooms)</i> : Total cost per total bedrooms, by project, jurisdiction and region	
	<i>Cost efficiency (per square foot)</i> : Total cost per total residential square foot	
	<i>Use of vouchers</i> : Number and percentage of 30% AMI units with/without vouchers	
	<i>Leverage</i> : Amount of funding leveraged by bond investments	
Prevailing wage	<i>Prevailing wage</i> : Number of project and number of units subject to federal (Davis Bacon) or state commercial (BOLI) prevailing construction wages	
Community engagement	<i>Participation of people of color and historically marginalized community members</i> : Participant information, including demographics or other information to demonstrate participation of people of color and other historically marginalized community members, including (all disaggregated by race): <ul style="list-style-type: none"> • people with low incomes • seniors and people with disabilities • people with limited English proficiency • immigrants and refugees • existing tenants in acquired buildings • people who have experienced or are experiencing housing instability 	Qualitative/narrative data intended to ensure people of color and other marginalized community members have meaningful access to informing project outcomes and to understand best practices for ensuring that projects are planned, designed and programmed to meet the needs of historically marginalized groups
	<i>Event/outreach summary</i> : Description of engagement events/activities and outreach strategies used to encourage participation	
	<i>Engagement partnerships (if applicable)</i> : Description of partnerships for engagement including organization name and type (culturally specific,	

	<p>community-based, faith, etc.), how they participated, and lessons learned</p> <p><i>Summary of feedback received, and how feedback from communities of color and other historically marginalized community members informed project implementation and outcomes:</i> Description of engagement themes and how they informed the project. Examples of “project outcomes” include solicitation selection criteria, location, unit composition, individual project design principles or specific features (e.g., community space, landscaping), development of service partnerships, and property management practices</p> <p><i>Evaluation (optional):</i> Evaluation of effectiveness of engagement efforts</p>	
Equitable contracting	<i>Outreach:</i> Description of outreach methods to reach COBID-certified firms and lessons learned	Qualitative/narrative data intended to further collective understanding about effective approaches to achieve desired outcomes for COBID certified firms
Marketing and referrals	<p><i>Affirmative marketing:</i> Total number of applicants referred by culturally specific organizations (only tracks formal referrals through established partner agencies)</p> <p><i>Marketing partners:</i> List of community contacts and/or partners that directly supported affirmative marketing activities and description of role played by each organization</p> <p><i>Source of information/referral:</i> Summary of how applicants heard about the project</p> <p><i>Marketing evaluation:</i> Evaluation of effectiveness of affirmative marketing efforts</p>	No targets; understand effectiveness of strategies and develop baseline to inform future targets
Screening and lease up	<p><i>Low barrier screening:</i> Percentage of applications screened that resulted in initial acceptance</p> <p><i>Low barrier screening:</i> Percentage of applications denied, disaggregated by reason for denial</p> <p><i>Accessibility:</i> Percentage of accessible (Type A/ADA) units matched to tenant requesting accessible unit</p>	No targets; understand effectiveness of strategies and develop baseline to inform future targets

EXHIBIT C: FINANCIAL ANALYSIS SUMMARY TABLES

To: Metro

From: John Warner

Affordable housing finance consultant

Date: March 16, 2021

Subject: Metro affordable housing bond pipeline analysis through December 2020

Introduction

This memorandum summarizes my analysis of the financial pro formas for 18 of the 19 projects that have received Metro concept endorsement as of December 2020.

Clackamas County's Webster Road project was not included in this analysis because the rehabilitation budget for the project was not reviewed as part of the Phase I approval, which provided bond funding to the county to acquire the property.

Additionally, this analysis does not reflect changes to projects that occurred after December 2020, including: reduction in the Metro contribution to Fuller Road Station and Albertina Kerr due to the impacts of federal policy changes on the value of 4% Low Income Housing Tax Credits (LIHTC), concept endorsement and final approval of Rockwood 10, and a reduction in the number of units and proportionate reduction in Metro bond funds anticipated for Dekum Court. For this reason, some information for projects provided in local jurisdiction progress reports may vary from that included in this report.

Project portfolio description

The Metro affordable housing bond portfolio includes 18 projects with a range of building sizes, configurations and densities, as summarized in the following table.

Project characteristics

	Site area	Total sq ft	No. of buildings	Total units	Avg unit size	Density (units/acre)
Weighted average	4.71 Ac.	123,681 SF	3	135	756 SF	54
Minimum	0.43 Ac.	13,150 SF	1	35	314 SF	11
Maximum	11.00 Ac.	191,106 SF	12	200	981 SF	220

Development costs

Total project costs

It is well documented that the cost for construction and development of affordable rental housing — that is developed through public-private partnerships, using layered public financing mechanisms including Low Income Housing Tax Credits (LIHTC), tax-exempt debt and grants from private foundations and local and state government, and which must adhere to layered public sector regulatory compliance and public benefit requirements — is typically higher than the cost for privately developed, market-rate rental housing that is financed using conventional debt and equity sources.

The Metro affordable housing bond portfolio of projects conforms to this general pattern of higher construction and development costs for affordable rental housing, in alignment with the general and historic cost for development of similar affordable housing in the Portland Metropolitan region, which is also aligned with patterns in other regions in the Pacific Northwest and across the nation.

The weighted average cost per square foot, per unit and per bedroom for the projects in the Metro affordable housing bond portfolio are included in the following table.

	% of total	\$/sq. ft.	\$/unit	\$/bedroom
Acquisition	4.2%	\$16.38	\$15,045	\$8,760
Construction	63.5%	\$245.77	\$225,652	\$131,384
HC contingency	3.1%	\$12.00	\$11,022	\$6,417
FF&E	0.3%	\$1.11	\$1,017	\$592
Development costs	9.9%	\$38.12	\$35,010	\$20,385
Cash developer fee	7.3%	\$28.14	\$25,818	\$15,032
Deferred dev fee	3.7%	\$14.39	\$13,218	\$7,696
Financing	5.5%	\$21.16	\$19,405	\$11,299
SC contingency	0.8%	\$3.15	\$2,899	\$1,688
Lease-up/relocation	0.3%	\$1.31	\$1,199	\$698
Reserves	1.4%	\$5.60	\$5,146	\$2,996
Total dev cost	100.0%	\$387.12	\$355,432	\$206,947
(-) Deferred dev fee	-3.7%	-\$14.39	-\$13,218	-\$7,696
Net total dev cost	96.3%	\$372.74	\$342,214	\$199,251
Minimum net total dev cost		\$295.26	\$192,620	\$134,910
Maximum net total dev cost		\$512.68	\$471,751	\$317,819

Note that total project costs are presented on a gross basis, including deferred developer fees, as well net of deferred developer fees, because deferred developer fees are not paid out of capitalized development sources for the project (see developer fees section below for additional information). Minimum and maximum total development costs are also presented net of deferred developer fee.

Construction costs

Project attainment of Metro policy framework goals, including production of family-size units and implementation of equitable contracting/workforce participation goals, increases construction (“hard”) costs. Use of nine or more Section 8 project-based vouchers to increase a project’s very low income affordability triggers federal Davis-Bacon prevailing wage requirements (PWR) for project construction. Construction five stories or higher or mixed use development, including uses other than affordable housing, triggers state Bureau of Labor and Industry (BOLI) PWR.

The weighted average cost per square foot, per unit and per bedroom for construction with and without PWR costs for the projects in the Metro affordable housing bond portfolio are included in the following table.

Impact of prevailing wage requirements on construction cost
(Weighted average)

	\$/sq. ft.	\$/unit	\$/bedroom
Without PWR	\$229.93	\$210,960	\$127,154
With PWR	\$259.91	\$238,844	\$134,945
Variance	\$29.97	\$27,883.96	\$7,790.35
% Variance	13%	13%	6%

Development costs

Development (“soft”) costs vary based on jurisdictional requirements (land use approvals, building permits and fees, system development charges), development team composition, capabilities and experience, and requirements (architecture and engineering, legal and accounting, other consultants, developer fee), financing (costs, fees and interest), development contingency, and lease-up and relocation expenses.

The weighted average percent of total project cost and cost per square foot, per unit and per bedroom for development cost and minimum and maximum development costs for the projects in the Metro affordable housing bond portfolio are included in the following table.

Development (“soft”) costs

(Weighted average)

	% of Total	\$/sq. ft.	\$/unit	\$/bedroom
Average	9.9%	\$38.12	\$35,010	\$20,385
Minimum	5.8%	\$19.40	\$19,333	\$11,847
Maximum	18.8%	\$100.46	\$50,761	\$37,745

Developer fees

Developer fees are all funds paid to a developer as compensation for developing a project, including developer overhead and profit, development consulting fees, construction management oversight fees (whether performed by the developer or a third-party), personal guarantee fees, loan processing agent fees, tax credit syndicator consulting fees and reserves in excess of those customarily required by tax credit investors and multi-family housing lenders.

Because affordable housing is subject to rent restrictions that substantially limit operating cash flow for projects, affordable housing developers cannot rely on project cash flow as a source of profit, as is the case for developers of market-rate rental housing. Instead, developers of affordable housing substantially rely on developer fees to fund their operations and as a source of working capital to fund their growth and pay for predevelopment expenses for future projects.

There are three sub-categories of developer fees, each with distinguishing characteristics, some or all of which may be applicable to any given project based on its unique circumstances and characteristics:

- Capitalized (“cash”) developer fee is the amount of developer fee that is paid out of capitalized development sources for the project.
- Deferred developer fee is the amount of developer fee that is unable to be paid out of capitalized development sources for the project and, therefore, must be financed by the developer by taking back a developer fee promissory note that is paid out of the developer’s portion of net cash flow from operations of the project. (In order to be included in tax credit basis, this amount must be payable generally within 12–15 years, as defined by the project’s tax counsel.)
- Contributed developer fee is the amount of the developer fee that is contributed by the developer as a source of equity for the project. (In order to be included in tax credit basis, this amount must be an equity contribution as defined by the project’s tax counsel.)

Oregon Housing and Community Services (OHCS) has established maximum limitations for developer fees for affordable housing projects that use LIHTCs and/or access other OHCS funding sources that vary by project type (new construction vs. acquisition/rehabilitation), project size (number of units) and tax credit type (4% vs. 9% LIHTC), which range from

12% to 22-plus% of total development cost, less the cost of acquisition, capitalized reserves, developer's fee and overhead, and costs attributable to tax credit syndication.

Of the participating local jurisdictions in the Metro affordable housing bond program, Portland and Hillsboro have established maximum limitations for capitalized developer fees that are lower than OHCS maximums. The rest of the jurisdictions have not established maximum limitations for capitalized developer fees.

The weighted average developer fees for the projects in the Metro affordable housing bond portfolio are included in the following table.

Developer fees
% of total cost

	Average	Minimum*	Maximum*
Capitalized developer fee	6.9%	-6.9%	14.7%
Deferred developer fee	4.4%	0.0%	9.4%
Contributed developer fee	1.0%	0.0%	6.1%
Total developer fee	12.3%	-3.5%	18.0%

**The minimums and maximums for the sub-categories of developer fees are independent and do not sum to the total developer fee minimums and maximums.*

Note: The instance of a negative developer fee is associated with Home Forward's Dekum Court project, which includes a replacement housing component for which Home Forward is contributing a substantial amount of its reserves as a funding source. These funds are characterized as sponsor equity, which serves to offset the cash developer fee for the project in the Metro affordable housing bond portfolio analysis.

Financing costs

Financing cost for affordable housing is generally higher as a percent of total project cost than for market-rate rental housing. This difference is attributable to the increased complexity of the public-private partnerships used to own and finance affordable housing projects and the programmatic requirements of the layered public financing mechanisms including LIHTC, tax-exempt debt and grants from private foundations and local and state government, that are used to finance affordable housing projects.

Financing costs include fees and expenses for construction, bridge and permanent loans; tax credits; and bond issuance, as well as capitalized reserves for loan interest expenses for the construction period, bridge to permanent loan closing and the post-completion lease-up period.

The weighted average financing cost for the projects in the Metro affordable housing bond portfolio are included in the following table.

Financing costs
(Weighted average)

	% of total	\$/sq. ft.	\$/unit	\$/bedroom
Average	5.5%	\$21.16	\$19,405	\$11,299
Minimum	0.0%	\$0.00	\$0	\$0
Maximum	8.4%	\$35.94	\$37,850	\$27,387

Capitalized reserves

The projects in the Metro affordable housing bond pipeline include capitalized reserves for operations, debt service, capital replacement, resident services and/or cash accounts (insurance and tax escrows, etc.) to mitigate risks that these ongoing needs may not be adequately funded from projects' operating cash flow.

The sizing of capitalized reserves for a project is dependent on several of factors including project size and construction type, resident characteristics (e.g., low-income, very low-income, families, seniors, special needs), projected operating cash flow for the project and developer financial strength.

The weighted average level of capitalized reserves for the projects in the Metro affordable housing bond portfolio are included in the following table.

Capitalized reserves
(Weighted average)

	% of total	\$/sq. ft.	\$/unit	\$/bedroom
Average	1.4%	\$5.60	\$5,146	\$11,299
Minimum	0.6%	\$2.43	\$2,138	\$1,318
Maximum	3.6%	\$11.33	\$11,738	\$7,347

Operating analysis

The 18 projects in the Metro affordable housing bond portfolio have a diversity of unit types, from studio to four-bedroom apartments, and mixes of affordability. Of the 577 units affordable at less than or equal to 30% of area median income (AMI), 237 units have Section 8 rental assistance and the remaining 340 are unassisted. Of the 1,415 units affordable at between 31–60% of AMI, 35 units have Section 8 rental assistance and the remaining 1,380 are unassisted. Five units are affordable for households with incomes between 61–80% of AMI. The Metro affordable housing bond portfolio's affordability by bedroom size is described in the following table.

Unit affordability by bedroom size

	Unit size					Total	%	2+ Bedroom	
	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm			Total	%
≤ 30% AMI									
Without Section 8	69	154	93	23	1	340	17%	117	34%
With Section 8	4	115	71	47	0	237	12%	118	50%
Total ≤ 30% AMI	73	269	164	70	1	577	29%	235	41%
31–60% AMI									
Without Section 8	106	456	572	223	23	1,380	69%	818	59%
With Section 8	8	27	0	0	0	35	2%	0	0%
Total 31–60% AMI	114	483	572	223	23	1,415	71%	818	58%
61–80% AMI	0	5	0	0	0	5	0%	0	0%
Total units	187	757	736	293	24	1,997	100%	1,053	53%

The weighted average affordability for projects in the Metro affordable housing bond portfolio ranges from 47% of AMI to 60% of AMI, with an average 52% of AMI.

The U.S. Department of Housing and Urban Development (HUD) annually publishes income and rent limits that are used to regulate maximum allowed tenant incomes and rents for affordable rental housing. While HUD incomes and rents are generally assumed to increase on an annual basis at the approximately two percent rate of natural long-term rate of price inflation rate in the U.S. economy, there can be substantial year-to-year variability in the change in HUD incomes and rents (the COVID-19 pandemic may precipitate such a variance in 2021). This variability notwithstanding, the rents for the projects in the Metro affordable housing bond portfolio are escalated on a pro forma basis at two percent per year.

Operating income for the projects in the Metro affordable housing bond portfolio is composed of tenant paid rents, Section 8 project-based operating subsidy and other income from laundry facilities and fees for tenant application and screening, late rent payment and non-refunded security deposits. The per unit per year (PUPY) weighted average annual operating income breakdown for the projects in the Metro affordable housing bond portfolio are described in the following table.

Operating income, per unit per year

(Weighted average)

	Rent	Sec 8	Other	Total
Average	\$10,962	\$1,251	\$139	\$12,352
% of total	88.7%	10.1%	1.1%	100.0%
Minimum	\$6,123	\$0	\$49	\$10,184
Maximum	\$12,871	\$4,926	\$350	\$16,025

Operating income for the projects in the Metro affordable housing bond portfolio is reduced by a vacancy and credit loss factor that ranges from five to seven percent of gross income, with an average of just over five percent, to calculate effective gross income (EGI).

Project operating expenses vary, depending on the project type and scale and resident incomes and service needs. The average annual operating expenses for the project portfolio range from \$3,678 to \$8,036 PUPY, with an average of \$5,989 PUPY. Operating expenses for the projects in the Metro affordable housing bond portfolio are escalated on a pro forma basis at three percent per year.

Project net operating income (NOI) is calculated by subtracting annual operating expenses from annual EGI.

The income to expense ratio (ITER) is a key indicator of a project’s long-term ability to maintain adequate NOI, as rents and operating expenses change over time due to price inflation. ITER is calculated by dividing annual EGI by annual operating expenses.

The weighted average annual operating performance of the projects in the Metro affordable housing bond portfolio PUPY by EGI, operating expenses (op exp), NOI and ITER, is described in the following table.

Operating performance
(Weighted average)

	PUPY			
	EGI	Op exp	NOI	ITER
Average	\$11,686	\$5,989	\$5,698	2.02
Minimum	\$9,675	\$3,678	\$2,315	1.29
Maximum	\$15,224	\$8,036	\$9,003	3.27

Leverage funding

The 18 projects in the Metro affordable housing bond portfolio are funded with a variety of funding sources, including federal Low Income Housing Tax Credits (LIHTC) derived equity, grants, permanent and subordinate loans, sponsor equity contributions and Metro housing bond funds. The combination and relative proportion of funding sources for each project is impacted by factors including:

- geographic location (impacts extent of LIHTC availability),
- size of project (impacts ability to access scale sensitive resources, with high minimum fixed cost),
- size of net operating income (impacts permanent loan capacity),
- resident characteristics, including average household size, composition, incomes and service needs (impacts LIHTC and grant funding),
- local jurisdiction (impacts availability of local funding and other subsidy sources), and

- financial strength of the project sponsor (impacts sponsor’s ability to invest equity in the project and secure favorable terms from LIHTC investor and permanent lenders).

The weighted average, minimum and maximum of funding sources as a percentage of total project funding for the projects in the Metro affordable housing bond portfolio are included in the following table.

Funding sources as percentage of total project funding
(Weighted average)

	% of total		
	Average	Minimum	Maximum
LIHTC equity	33.6%	0.0%	54.9%
Permanent loans	24.7%	0.0%	46.9%
Grants	7.2%	0.0%	68.1%
Subordinate loans	0.5%	0.0%	5.5%
Sponsor contribution	7.0%	0.0%	18.0%
Total leverage	73.0%	63.3%	97.8%
Metro bond	27.0%	2.2%	36.7%
Total	100.0%	NA*	NA*

**Totals are not applicable for funding source minimums and maximums.*

Low income housing tax credits

Seventeen of the 18 projects in the Metro affordable housing bond portfolio are financed using federal Low Income Housing Tax Credits (LIHTC). The exception, Findley Commons, is the smallest project in the portfolio and lacks sufficient scale to effectively use LIHTCs. The developer for Findley Commons has used substantial grant funding to offset the lack of LIHTCs.

Of the 17 projects financed with LIHTCs, one project, The Mary Ann, is financed using 9% LIHTCs. The availability of 9% LIHTCs is subject to an annual limit and allocation of this scarce resource is highly competitive.

The remaining 16 projects are financed using 4% LIHTCs. While the availability of 4% LIHTCs is not limited, the requirement that they be used in conjunction with tax-exempt, private activity bond debt which is subject to an annual statewide cap of \$467 million (only a portion of which is available for affordable rental housing) effectively creates a limit on the use of 4% LIHTCs. While the demand for tax-exempt, private activity bond debt used to finance affordable rental housing with 4% LIHTCs has not historically exceeded annual limits, it is anticipated that this may become an actual constraint in the future, as financing of affordable housing with 4% LIHTCs increases.

This increase in available 4% LIHTCs is expected to, correspondingly, increase the demand for tax-exempt, private activity bond debt.

LIHTC regulations for 4% LIHTCs provide projects that are located in designated qualified census tracts (QCT) or difficult to develop areas (DDA) with a 30% increase in the amount of the eligible project costs that are used to determine the amount of tax credits allocated to a project (eligible basis). This increase in eligible basis correspondingly increases the tax credits available for these projects by 30%.

All things being equal, it is preferable to develop a project financed with 4% LIHTCs in a QCT or DDA because doing so increases the available LIHTC equity by 30%. However, as a practical matter, available developable land is a finite resource, and not all property located in QCTs and DDAs are well-suited for the development of affordable housing. Ultimately, issues such as land availability and cost, zoning and land use requirements, and proximity to transportation, services, amenities and schools determine where affordable housing is developed.

Additionally, the federal economic recovery bill passed in December 2020 significantly increased the amount of tax credits available for projects that are financed with 4% LIHTCs. While the increase in these credits will likely be partially offset by a reduction in tax credit yields paid by investors, on a net basis this policy change could result in a \$30-45 million increase in leveraged equity across the portfolio.

Twelve of the 17 projects in the Metro affordable housing bond portfolio that are financed with 4% LIHTCs are located in QCTs or DDAs and receive the 30% increase in LIHTCs.

While all of the 9% and 4% LIHTC projects in the Metro affordable housing bond portfolio have been structured to maximize the use of available LIHTCs, each project sponsor has independently sought out and secured commitments from LIHTC investors to purchase the LIHTCs for the projects. There is variation in the tax credit pricing (yield) which these investors have agreed to pay for the LIHTCs. These tax credit yields vary depending on a number of factors including the type and location of the project, the level of affordability and residents served, the experience and financial strength of the project sponsor, the timing of the pay of the investor equity, the level of capitalized reserves for the project, the structure and sizing of other aspects of financing for the project and the investor's level of interest in the project, the developer and the location of the project relative to the investor's market focus.

The tax credit yields for the projects in the Metro affordable housing bond portfolio ranges from \$0.87 to \$1.02, with an average of \$0.92.

Permanent loans

The Mary Ann uses conventional, taxable, permanent loan in conjunction with the OHCS administered Oregon Affordable Housing Tax Credit (OAHTC) program that provides a state income tax credit for affordable housing loans for which a lender reduces the interest rate by up to four percent for a period of 20 years. The entire benefit of the tax credit must be entirely passed on to reduce tenant rents.

The remaining 16 projects in the Metro affordable housing bond portfolio that are financed with 4% LIHTCs must use tax-exempt private activity bond debt financing for their permanent loans.

Whether the project permanent loan is financed with taxable or tax-exempt debt, project sponsors have secured permanent loans from a wide variety of lenders at differing interest rates and loan terms.

The lenders use underwriting criteria including evaluating the above described ITER and underwriting guidelines like debt service coverage ratio (DSCR, which is calculated by dividing NOI by annual debt service) to size the permanent loan amount for the projects.

The capacity of the projects in the Metro affordable housing bond portfolio to leverage debt is constrained by the program’s goals for deep affordability (which was an intentional policy choice). The Metro affordable housing bond serves to fill the funding gap that would otherwise be filled with permanent debt in a less deeply affordable project.

The conventional, taxable, permanent loan for The Mary Ann has an interest rate of 6.00%, a term of 30 years, and a DSCR of 1.20.

The weighted average, minimum and maximum interest rates, loan terms and DSCRs for the tax-exempt, private activity bond financed projects in the Metro affordable housing bond portfolio are included in the following table.

Terms for tax-exempt, private activity bond debt

(Weighted average)

	Interest rate	Loan term	DSCR
Average	4.243%	35 Years	1.27
Minimum	0.000%	20 Years	1.15
Maximum	6.000%	40 Years	3.24

Subordinate loans and grant funding

Subordinate loans and grant funding for the projects in the Metro affordable housing bond portfolio come from OHCS, Metro transit oriented development, local participating jurisdictions and other sources.

There is substantial variability for the projects in the Metro affordable housing bond portfolio as to the extent of project funding provided by grants and subordinated loans.

There is also substantial variability in the extent to which participating local jurisdictions provide subordinate loans and grant funding to finance affordable housing. Some offer little or no financial assistance. Others have an extensive array of financial assistance for the development of affordable housing, including land contribution, subordinate loans and

grants, system development charge (SDC) waivers, building and development fee waivers and property tax and other tax exemptions.

Grants and subordinated loans

(% of total cost)

	Grants					Subord. loans
	OHCS	Metro TOD	Local	Other	Total	
Average	2.0%	0.3%	4.2%	0.2%	6.7%	0.5%
Minimum	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Maximum	28.4%	1.8%	34.8%	11.4%	68.1%	5.5%

Metro affordable housing bond funding

The combined total project cost and total Metro affordable housing bond funding for the 18 projects in the Metro affordable housing bond portfolio, as well as the weighted average, minimum and maximum total project costs and Metro affordable housing bond funding for individual projects, are included in the following table.

**Total project costs, leveraged funding and
Metro affordable housing bond funding**

(Weighted average)

	Total project cost	Leveraged funding		Metro housing bond	
		Total	% of total	Total	% of total
Total	\$727,213,339	\$531,036,139	73.0%	\$196,177,453	27.0%
Average	\$47,975,549	\$35,431,156	73.0%	\$12,544,407	27.0%
Minimum	\$7,041,707	\$5,096,532	63.3%	\$1,739,219	2.2%
Maximum	\$80,233,569	\$78,494,350	97.8%	\$22,910,240	36.7%

The weighted average, minimum and maximum Metro affordable housing bond funding per square foot, per unit and per bedroom for the projects in the Metro affordable housing bond portfolio are included in the following table.

Metro housing bond funding

(Weighted average)

	\$/sq. ft.	\$/unit	\$/bedroom
Average	\$104.23	\$95,883	\$55,827
Minimum	\$9.28	\$9,771	\$7,070
Maximum	\$154.98	\$143,000	\$108,103

EXHIBIT D: DETAILED TABLE OF LOCATION METRICS

Note: Project map IDs and cell shading in this table correspond to Figures 6.2 through 6.5 in the 2020 Annual Report

Map ID	Project name	Eligible units	How are the projects distributed around the region? (see Figure 6.2)	Which projects are in areas where communities of color live today? (see Figure 6.3 and notes A, B and C below)					Which projects are in areas historically inaccessible to communities of color? (see Figure 6.4 and notes A, B and C below)		Which projects are in areas with limited regulated affordable housing? (see Figure 6.5 and notes A and D below)		How is the physical access near each project? (see notes E and F below)		
				People of color (vs. regional rate of 27.3%)		Combined POC and LEP, vs. regional rates	People with limited English proficiency (vs. regional rate of 7.9%)		People of color (vs. regional rate of 27.3%)		Affordable housing share (vs. regional rate of 5.4%)	Access to transit (miles to nearest stop/station)		Walkscore	
				Estimate	MOE		POC / LEP	Estimate	MOE	Estimate		MOE	MAX ½ mi		FS Bus ¼ mi
1	The Mary Ann	164	Washington	42%	±7%	> / >	16%	±5%	42%	±7%	4.6%	0.3	0.1	93	
2	Webster Road	48	Clackamas	15%	±5%	≤ / ≤	5%	±3%	15%	±5%	0.3%	3.1	1.3	53	
3	Dekum Court	160	Multnomah	31%	±4%	≥ / ≤	2%	±1%	31%	±4%	2.9%	2.1	0.1	52	
4	Viewfinder	81	Washington	23%	±9%	≤ / ≤	5%	±6%	23%	±9%	11.4%	4.5	0.2	59	
5	Scholls Ferry Apartments	54	Washington	38%	±5%	> / >	14%	±4%	38%	±5%	0.0%	5.1	3.8	8	
6	Aloha Housing Development	81	Washington	42%	±5%	> / ≥	9%	±4%	42%	±5%	7.0%	1.1	0.1	74	
7	Goldcrest	74	Washington	28%	±6%	≤ / ≤	7%	±4%	28%	±6%	0.0%	4.8	3.4	11	
8	Basalt Creek	116	Washington	28%	±6%	≤ / ≤	3%	±1%	28%	±6%	0.0%	8.8	1.9	14	
9	Forest Grove Family Housing	36	Washington	25%	±6%	≤ / ≤	2%	±2%	25%	±6%	6.7%	5.9	0.5	61	
10	Tigard Senior Housing	58	Washington	28%	±6%	≤ / ≥	8%	±4%	28%	±6%	8.3%	5.0	0.2	51	
11	Plaza Los Amigos	113	Washington	48%	±5%	> / >	16%	±4%	48%	±5%	2.6%	2.7	0.2	58	
12	Terrace Glen	144	Washington	28%	±9%	≤ / ≥	10%	±5%	28%	±9%	2.0%	3.1	0.1	70	
13	Fuller Station	99	Clackamas	45%	±7%	> / >	15%	±6%	45%	±7%	5.7%	0.1	0.1	65	
14	Good Shepherd Village	141	Clackamas	30%	±4%	≥ / ≤	6%	±2%	30%	±4%	0.0%	3.7	3.7	30	
15	Maple Apartments	171	Clackamas	11%	±6%	≤ / ≤	2%	±2%	11%	±6%	11.7%	7.0	0.7	35	
16	Findley Commons	35	Multnomah	24%	±6%	≤ / ≤	4%	±3%	24%	±6%	0.9%	2.0	0.1	89	
17	Riverplace Parcel 3 Phase 2	176	Multnomah	27%	±8%	≤ / ≥	9%	±5%	27%	±8%	18.1%	0.3	0.2	73	
18	Nueva Esperanza	149	Washington	47%	±9%	> / ≤	7%	±3%	47%	±9%	3.1%	0.4	0.4	34	
19	Albertina Kerr	147	Multnomah	49%	±8%	> / >	15%	±6%	49%	±8%	7.8%	0.5	0.5	54	

Percent of Total Eligible Units

22% Clackamas	39% > regional	39% > regional	28% > regional	11% < regional	19% none	21% FS Bus and MAX	27% score ≥ 70
25% Multnomah	15% ≥ regional	33% ≥ regional	22% ≥ regional	35% ≤ regional	40% < regional	47% FS bus or MAX	43% score 50-69
52% Washington	46% ≤ regional	27% ≤ regional	49% ≤ regional	54% ≥ regional	41% > regional	31% neither	30% score < 50

> or ≥ region for either POC or LEP

Abbreviations: FS = frequent service; LEP = limited English proficiency; MOE = margin of error; POC = people of color.

Notes on data sources and assumptions

- A Regional rates are calculated based on Metro's jurisdictional boundary.
- B People of color and people with limited English proficiency (people age 5 and older who speak English less than "very well") use the American Community Survey 2014-2018 5-year estimate, by tract.
- C The darkest cell shading for people of color or people with limited English proficiency means greater (or less) than the regional rate by more than the MOE. Middle shades are greater (or less) than the regional rate but within the MOE.
- D Affordable housing share is based on Metro's inventories of affordable housing (2020), multifamily housing (2020), and single-family housing (2019, beta).
- E Access to transit is calculated based on linear distance ("as the crow flies"), using Metro's data on existing transit (RLIS).
- F Walkscore is calculated at <https://www.walkscore.com>. A score of 50-69 is "somewhat walkable" and a score of 70+ is "very walkable" or "walker's paradise"

EXHIBIT E: EXPENDITURES REPORT

Quarter 4 Metrics

Project Name	Location	Implementation Partner	Developer	General Contractor	Number of units			Metro bond funds	Metro bond subsidy per bond eligible unit	Total Project Costs*	Total cost per total unit	Total bedrooms ****	Total cost per total bedrooms	Percent of bond eligible units at 30% AMI	Percent of bond eligible units with 2+ bedrooms	Contracting goal (% of total hard costs to be awarded to COBID firms)	Prevailing wage?	Status (concept endorsement, final approval or groundbreaking)
					Total	30% AMI	2+BR											
Mary Ann	Beaverton	Beaverton	REACH	Walsh	54	11	29	\$ 3,000,000	\$55,556	\$21,867,324	\$404,950	86	\$254,271	20%	54%	20%	no	Under construction (anticipated to
17811 Scholls Ferry Rd	Beaverton	Beaverton	Wishcamper	not yet	164	12	84	\$ 9,000,000	\$54,878	\$51,923,724	\$316,608	262	\$198,182	7%	51%	20-30%	TBD	Concept endorsement 07/2020
Webster Road**	Gladstone	Clackamas	Housing Authority of Clackamas County	Walsh	45	45	0	\$6.9 M	\$151,319	\$17.9 M	\$397,778	45	\$397,778	100%	0%	20%	yes (Davis Bacon)	Concept endorsement 07/2019
Fuller Rd Station Family	Unincorporate	Clackamas	GSA (Anna Geller), GRES (Thomas Brenneke)	Alex	100	25	83	\$ 10,000,000	\$100,000	\$47,223,075	\$472,231	209	\$225,948	25%	83%	20%	yes (Davis Bacon and BOLI)	Final approval 12/2020
Good Shepherd Village	Happy Valley	Clackamas	Caritas Housing + Catholic Charities	Walsh	141	58	79	\$ 18,330,000	\$130,000	\$53,902,667	\$382,288	239	\$225,534	41%	56%	25%	yes (Davis Bacon)	Concept endorsement 08/2020
Maple Apartments	Oregon City	Clackamas	Community Development Partners and Hacienda	LMC	171	70	129	\$ 15,903,000	\$93,000	\$53,041,069	\$310,182	384	\$138,128	41%	75%	20%	yes (Davis Bacon)	Concept endorsement 08/2020
Dekum Court	Portland	Home Forward	Home Forward	Walsh	160***	65	80	\$22.9 M	\$143,089	\$65.9 M	\$329,253	254	\$259,254	41%	40%	20%	yes (Davis Bacon)	Concept endorsement 07/2019
Aloha Housing	Beaverton	Washington	BRIDGE	tbd	81	34	56	\$ 12,890,152	\$159,138	\$27,853,500	\$343,870	131	\$212,622	41%	62%	25-30%	no	Concept endorsement 09/2020
South Cooper Mountain	Beaverton	Washington	BRIDGE	tbd	75	12	46	\$ 8,700,000	\$116,000	\$28,142,095	\$375,228	125	\$225,137	16%	61%	25-30%	no	Concept endorsement 09/2020
Basalt Creek	Tualatin	Washington	CPAH	LMC	116	47	60	\$ 14,320,000	\$123,448	\$43,583,824	\$375,723	194	\$224,659	41%	52%	25%	no	Concept endorsement 09/2020
Forest Grove Family	Forest Grove	Washington	DCM Communities	LMC	36	8	30	\$ 3,792,088	\$105,336	\$10,994,346	\$305,399	72	\$152,699	22%	83%	35%	no	Concept endorsement 09/2020
Tigard Senior Housing	Tigard	Washington	NHA	Walsh	58	23	0	\$ 6,270,000	\$108,103	\$19,209,708	\$331,202	57	\$337,012	40%	0%	30%	yes (Davis Bacon)	Concept endorsement 09/2020
Plaza Los Amigos	Cornelius	Washington	REACH	LMC	113	26	73	\$ 12,830,000	\$113,540	\$39,208,808	\$346,981	198	\$198,024	23%	65%	35%	yes (Davis Bacon)	Concept endorsement 09/2020
Terrace Glen	Tigard	Washington	Related Northwest	Walsh	144	43	73	\$ 17,484,000	\$121,417	\$48,389,878	\$336,040.82	259	\$186,834	30%	51%	20-25%	no	Concept endorsement 09/2020
Viewfinder	Tigard	Washington	Community Development Partners	Bremik	81	33	55	\$ 11,583,000	\$143,000	\$32.9 M	\$405,844	157	\$209,385	42%	68%	20%	yes (Davis Bacon)	Under construction (anticipated to open in Fall 2021)
Findley Commons*****	Portland	Portland	Home First Development	Beaudin	35	0	0	\$ 1,945,175	\$55,576	\$7,041,707	\$201,192	35	\$201,191.63	0%	0%	25%	yes(Davis Bacon)	Under construction (anticipated to open in July 2021)
Riverplace	Portland	Portland	BRIDGE	Walsh	176	17	48	\$ 1,739,219	\$9,882	\$80,268,263	\$456,069.68	242	\$331,687.04	10%	27%	30%	yes(BOLI)	Final approval 10/2020
Nueva Esperanza	Hillsboro	Hillsboro	Bienestar, Housing Development Corporation	LMC	149	60	105	\$ 16,940,731	\$113,696	\$47,884,645	\$321,373.46	308	\$155,469.63	40%	70%	20-35%	no	Concept endorsement 11/2020

*Total project costs reflect most recent estimates provided. These will be updated within 1-3 months prior to anticipated groundbreaking, as projects are submitted for final funding approval.

**\$2.6 million was disbursed to Clackamas County to acquire the property. An additional funding request is expected in fall 2020 for the rehabilitation. A preliminary estimate of \$4.2 million in rehabilitation costs was provided by Housing Authority of Clackamas County in Spring 2020; a refined request is expected in Fall 2020.

***Number of units for Dekum Court only reflects Metro bond funded units. In addition to 160 units eligible for Metro funding, the site will also include 40 units of "replacement housing" for public housing units currently on the site, for a total of 200 units.

****Counting studio units as one bedrooms

*****This project counts with VASH vouchers for the 20 one bedroom apartments. VASH units may have incomes up to 50% MFI. For this reason, we are not counting these 20 units towards the 30% AMI unit progress.

METRO AFFORDABLE HOUSING BOND

Financial Report Through December 2020

FINANCIAL SUMMARY

TOTAL REVENUE:	\$676,869,711
TOTAL EXPENSES and DISBURSEMENTS:	\$38,885,803
TOTAL COMMITTED:	\$182,101,766
TOTAL FUNDING AVAILABLE	\$455,882,142

REVENUE

	FY 2018 - 2019	FY 2019 - 2020	FY 2020-21	TOTAL REVENUE
Bond Proceeds	\$652,800,000			\$652,800,000
Premiums on Bonds	\$2,630,335			\$2,630,335
Interest Earnings	\$250,129	\$15,809,567	\$5,379,680	\$21,439,376
TOTAL REVENUE:	\$655,680,464	\$15,809,567	\$5,379,680	\$676,869,711

<- "Premiums on Bond" & "Interest Earnings" not included in Work Plan Funding = \$24,069,711

EXHIBIT E: EXPENDITURES REPORT

EXPENSES

PROJECTS	FY2018-2019 Expended or Disbursed	FY2019-2020 Expended or Disbursed	FY 2020-2021 Expended or Disbursed	Committed -- Not Yet Disbursed	TOTAL EXPENDED, DISBURSED or COMMITTED	WORK PLAN FUNDING	% of Work Plan Funding Expended, Disbursed or Committed
Jurisdiction:							
Beaverton	\$0	\$3,000,000		\$9,000,000	\$12,000,000	\$ 31,140,595	38.53%
Clackamas County	\$2,609,333	\$0		\$48,515,555	\$51,124,888	\$ 116,188,094	44.00%
Gresham	\$0	\$0	\$12,300,000		\$12,300,000	\$ 26,756,995	45.97%
Hillsboro	\$0	\$0		\$16,940,731	\$16,940,731	\$ 40,657,081	41.67%
Home Forward (East Multnomah Co.)*	\$0	\$0				\$ 15,879,123	0.00%
Portland*	\$0	\$0	\$3,684,394	\$22,894,240	\$26,578,634	\$ 211,056,579	12.59%
Washington County	\$0	\$0	\$11,583,000	\$84,751,240	\$96,334,240	\$ 116,465,532	82.71%
Metro Site Acquisition Program	\$0	\$156,108	\$27,957		\$184,065	\$ 62,016,000	0.30%
TOTAL ACTUAL & COMMITTED PROJECT EXPENSES:	\$2,609,333	\$3,156,108	\$27,595,351	\$182,101,766	\$215,462,558	\$ 620,160,000	34.74%

*Home Forward's Dekum Court project is reflected under the Portland allocation and commitments, since funding for this project was part of the funding initially allocated to City of Portland.

ADMINISTRATIVE	FY2018-2019 Expended or Disbursed	FY2019-2020 Expended or Disbursed	FY 2020-2021 Expended or Disbursed	TOTAL EXPENDED or DISBURSED	WORK PLAN FUNDING	% of Work Plan Funding Expended or Disbursed	Project Delivery Fee **
Jurisdiction:							
Beaverton	\$80,000	\$143,898	\$0	\$223,898	\$655,591	34.15%	
Clackamas County	\$0	\$489,213	\$0	\$489,213	\$2,446,065	20.00%	
Gresham	\$0	\$0	\$140,826	\$140,826	\$563,305	25.00%	
Hillsboro	\$0	\$171,188	\$0	\$171,188	\$855,939	20.00%	
Home Forward (Multnomah County)	\$0	\$0	\$0	\$0	\$334,297	0.00%	
Portland	\$0	\$0	\$0	\$0	\$4,443,296	0.00%	\$84,094
Washington County	\$148,690	\$460,000	\$460,000	\$1,068,690	\$2,451,906	43.59%	
Metro Site Acquisition Program	\$3,869	\$0	\$0	\$3,869	\$1,305,600	0.30%	
<i>Metro Accountability and Financial Transaction Costs</i>							
One-Time Financial Issuance	\$1,867,934	\$0	\$0	\$1,867,934	\$13,056,000	26.25%	
Ongoing Financial Management Costs	\$26,048	\$207,178	\$63,489	\$296,716			
Accountability and Oversight	\$26,695	\$743,020	\$492,963	\$1,262,678			
Reserved for Future Allocations					\$6,528,000	0.00%	
TOTAL ACTUAL & COMMITTED ADMINISTRATIVE EXPENSES:	\$2,153,236	\$2,214,497	\$1,157,278	\$5,525,011	\$32,640,000	16.93%	\$84,094

** PHB's Project Delivery Fee is an administrative reimbursement, not paid for by Metro's Affordable Housing Bonds

EXHIBIT F: COMMUNITY ENGAGEMENT – SUPPLEMENTAL INFORMATION

Further demographic information

Implementing partners reported a total of at least 470 participants in their engagement activities through December 2020. Some progress reports described engagement for local implementation strategies as well as Phase 1 projects and others that occurred prior to the development and publication of Metro’s guidelines for reporting on community engagement, which include an expectation that demographic information be (voluntarily) collected during engagement activities. Because of this, the true total is likely higher, and more thorough demographic information will be available for 2021 and beyond.

In spite of a lack of specific data for many engagement activities, most implementing partners reported engagement of people of color. The percentage of people of color participants in activities ranged from 31% to 100%, with four activities reporting 100% BIPOC participation, one reporting 95% and another five reporting at least 50%. Engagement of immigrants and refugees was described second-most often, in half the reports. One activity reported 100% immigrant participation and another two reported at least 50% immigrant participation.

“The City of Beaverton was able to hear feedback from over 200 people. Sixty-nine percent of those who attended feedback events were people of color, where demographic information was provided.” – City of Beaverton

Engagement of seniors and people with disabilities, people with experiences of housing instability and houselessness, people with low incomes, people with limited English proficiency and people of all genders was referenced in one quarter to half the reports. One activity showed over 50% participation of people who have been houseless or lived in low income housing. One activity engaged 50% women and 50% men and another was mostly women with one nonbinary person and two men.

Engagement of existing tenants in acquired buildings occurred in one project (the only project with existing tenants). Engagement of domestic violence survivors and varying age groups was also described.

Themes beyond the four top themes described

Other themes mentioned multiple times included needs for: very low income units, fully ADA accessible units, project to be well connected to surrounding neighborhood including features for pedestrian safety, access to transit and access/proximity to neighborhood amenities and services. Parking came up once as a need of future residents, and three times as a concern of neighbors.

Themes that were mentioned once or twice include these from particular cultural communities/priority populations: closed floor plans (Somali communities may prefer kitchens separated from living spaces), boot washing stations for agricultural workers, units and programming for seniors, play areas centrally located/family sized units near outdoor space for easy monitoring and safety of children, low barrier screening criteria, and bathtubs even in small units.

Evaluation (optional this year on jurisdiction partner reports)

One report, Washington County's, included explicit evaluation of effectiveness of engagement efforts: "At one listening session the [desired] number of participants was not met due to participants having last minute scheduling conflicts and technological issues (issues with connecting to Zoom, internet connection). Learning for the future based on this experience include recruiting more participants or having alternates for participants who cannot attend the meeting, sending the participants more reminders in the days leading up to sessions, and having the facilitators do more thorough Zoom assistance check-ins prior to the session."

EXHIBIT G: LEVERAGED FUNDS BY TYPE OF SOURCE

	4% LIHTC	9% LIHTC	Local housing account program	Weatherization funds	OHCS Multifamily Energy Program	OHCS Agricultural Worker Housing Tax Credits	Local housing trust fund	Local design grant	Predevelopment grant	Business Oregon Brownfields	Energy Trust	County HOME Funds	Metro TOD Funds	Donated land	City development bonus	Fee waivers (SDC)	CET	Others
Beaverton																		
Mary Ann (Phase 1)		x	x		x		x	x	x	x	x							
17811 SW Scholls Ferry Road	x			x														
Clackamas County																		
Fuller Road Station	x				x							x	x					
Good Shepherd Village	x				x									x	x			
Maple Apartments	x				x	x												
Gresham																		
Albertina Kerr	x				x													
Hillsboro																		
Nueva Esperanza	x				x													
Portland																		
Findley Commons																x	x	Meyer Memorial Trust, Portland Bureau of Planning and Sustainability, Church Land Lease
Riverplace			x										x			x		Veterans OHCS
Dekum Court (Phase 1)	x																	Home Forward Reserves, Land
Washington County																		
Aloha Bridge	x			x							x		x					
Goldcrest	x				x						x	x				x		City of Beaverton funds
Basalt Creek	x			x														OHCS PSH funds
Forest Grove	x			x														
Tigard Senior	x			x									x					
Plaza Los Amigos	x			x								x				x		Freddie TEL
Terrace Glen	x			x									x					Cash
Viewfinder (Phase 1)	x															x		Property Tax Abatement

6.2 Housing Needs Analysis Discussion
Information/Discussion Items

Metro Policy Advisory Committee
Wednesday, September 22, 2021



Building on New Ground:

**Working towards more affordable, fair,
and equitable housing outcomes**



DLCD

*Planning for thriving
communities and protecting
our natural resources legacy*



**March 2021
Evaluation Report:**

**Assessment of the Regional
Housing Needs Analysis**

Executive Summary

To access a full copy of this report, please visit the following hyperlink: https://www.oregon.gov/lcd/UP/Documents/20210301_DLCD_RHNA_Assessment_Report.pdf

Legislative Context

House Bill 2003 directs the Department of Land Conservation and Development (DLCD) to submit a report to the Legislature evaluating a prototype Regional Housing Needs Analysis (RHNA) conducted by Oregon Housing and Community Services (OHCS). This report includes an assessment of the RHNA, a comparison to the existing Goal 10 housing planning framework, and recommendations for how a RHNA could be incorporated into this framework.

Goal 10 Framework

Through the development of Goal 10 and associated statute and administrative rule, Oregon has established a land use planning system that requires local jurisdictions to periodically plan for an adequate land supply to accommodate housing needed over a twenty-year timeframe. This process occurs at the local level, and with the implementation of House Bill 2003 in 2019, local jurisdictions must now also consider strategies that promote the actual development of needed housing.

This process begins with a population projection provided by the state (or Metro), at which point, local jurisdictions use this information to develop a housing needs projection that estimates the total housing needed within a jurisdiction over twenty years. The implementation of a RHNA would shift the existing housing needs projection from independent local analyses to a regional analysis with allocations of housing need to local jurisdictions. Under such a framework, housing need by income is defined at the regional level and each local jurisdiction is responsible for a share of that need. Decisions about housing type and where and how to accommodate needed housing are made by local jurisdictions under a RHNA.

RHNA Evaluation

Under the administrative rules adopted in 2020 to implement House Bill 2003, local jurisdictions now have an affirmative obligation to consider fair and equitable housing outcomes and address existing patterns of racial and economic segregation and inequity in planning for needed housing. In evaluating

the prototype RHNA, while there are variety of technical and implementation considerations to weigh, the core question DLCD considered is how current technical processes implementing Goal 10 affect affordable, fair, and equitable housing outcomes.

As a result of this process, DLCD finds that **the current system chronically underestimates housing need, especially for lower-income households, does not enforce responsibilities of local governments to comprehensively address housing need, and perpetuates geographic patterns of racial and economic segregation, exclusion, and inequity.** These inequities extend beyond housing into other outcomes driven by location, including education, employment, amenities, transportation, and health. The Regional Housing Needs Analysis methodology addresses the shortcomings of the current system in two key ways – it uses a methodology that more accurately captures need, and it allocates a share of this regional need to local cities and counties.

This report concludes that a Regional Housing Needs Analysis could serve as an acceptable methodology statewide for land use planning relating to housing and could appropriately allocate housing shortage among local governments in a region. More specifically, **the implementation of a RHNA establishes a shared responsibility among communities to address the overall housing need of a region, especially affordable housing need, which does not exist today.**

The incorporation of such an analysis can produce more accurate and consistent results, reduce local contention in projecting housing need, and set the ground-work to reflect on how effective policies are over time. However, the incorporation of a RHNA into the existing Goal 10 framework will require addressing various implementation considerations raised through this study. DLCD recommends a legislatively-chartered task force to work through these considerations.

Executive Summary

Recommendations

In recognition that the Oregon Legislature will face a variety of urgent issues in the 2021 Legislative Session, this report provides both near-term and long-term recommendations. These recommendations build on existing legislative action and work towards reform that supports more affordable, fair, and equitable housing outcomes.

Near-Term Recommendations

There are various actions that DLCD and local governments can implement in the near-term that improve housing planning, work towards more equitable outcomes, and build towards the future implementation of a RHNA and accompanying housing planning reform. Recommendations include:

1. **Put equity at the center** of housing planning with the Legislature affirming in policy the obligation of state and local governments to work towards more affordable, fair, and equitable housing outcomes;
2. **Improve data availability and quality** for current housing planning processes, including homelessness, race/ethnicity, disability, and Tribal trust land;
3. **Address Goal 10 gaps**, including housing planning in small cities and less populated portions of Oregon as well as through public facilities planning and finance; and
4. **Charter a Task Force** lead by OHCS and DLCD to recommend a comprehensive legislative concept for the implementation of a RHNA and associated housing planning reforms.

Long-Term Recommendations

The results of the Regional Housing Needs Analysis make clear that meeting the housing needs of Oregonians will require systemic change to how we plan for housing statewide. DLCD considers the implementation of a RHNA to be one critical component of a comprehensive reform to housing planning that supports more affordable, fair, and equitable housing outcomes. These components include:

1. A **shared responsibility** among local, regional, and state governments to address housing affordability via a Regional Housing Needs Analysis or similar mechanism;
2. A realistic and productive **expectation and accountability framework**; and
3. Directed and coordinated **state and local resources, investment, and capacity** to support more affordable, fair, and equitable housing outcomes and ensure accountability.

To develop a comprehensive legislative framework, the recommended task force will need to address implementation considerations and challenges identified during this process, including:

- Who will be responsible for preparing and adopting RHNA's around the state, when they will undertake this responsibility, and how often they will amend the RHNA;
- The implementation of a RHNA in the Metro region;
- How a RHNA will take into account housing type in addition to quantity and affordability;
- Addressing fair housing, geographic inequity by race and class driven by segregation, and climate mitigation and adaptation;
- Reconciling second-home demand with housing need in regions with a significant share of second homes;
- Developing and implementing a realistic and productive accountability framework;
- Measuring implementation and outcomes;
- Addressing Goal 10 gaps, including in small communities, less populated areas of Oregon, urban unincorporated areas of counties, and housing need for members of Tribal Nations; and
- How to direct and coordinate resources and investments at state and local levels to support equitable housing outcomes and ensure accountability.

Materials following this page were distributed at the meeting.



Affordable Housing Bond: Implementation Progress

Metro Policy Advisory Committee, September 22, 2021

What Will We Accomplish?

- Thousands more people **stabilized in housing** each year
- Homelessness will be brief and non-recurring, reaching “**functional zero**” for chronic homelessness over the next 10 years
- Better access to housing and services and **better outcomes for Communities of Color**
- Better integration of **behavioral health services**
- **Expanded geographic reach** of affordable housing, services/programs within counties and across region

Today's presentation

Affordable housing bond program goals and framework

Implementation progress highlights

Oversight Committee recommendations

Next steps and Q/A

Housing bond core values

Lead with racial equity.

Create opportunity for those in need.

Create opportunity throughout the region.

Ensure long-term benefits and good use of public dollars.



Production goals

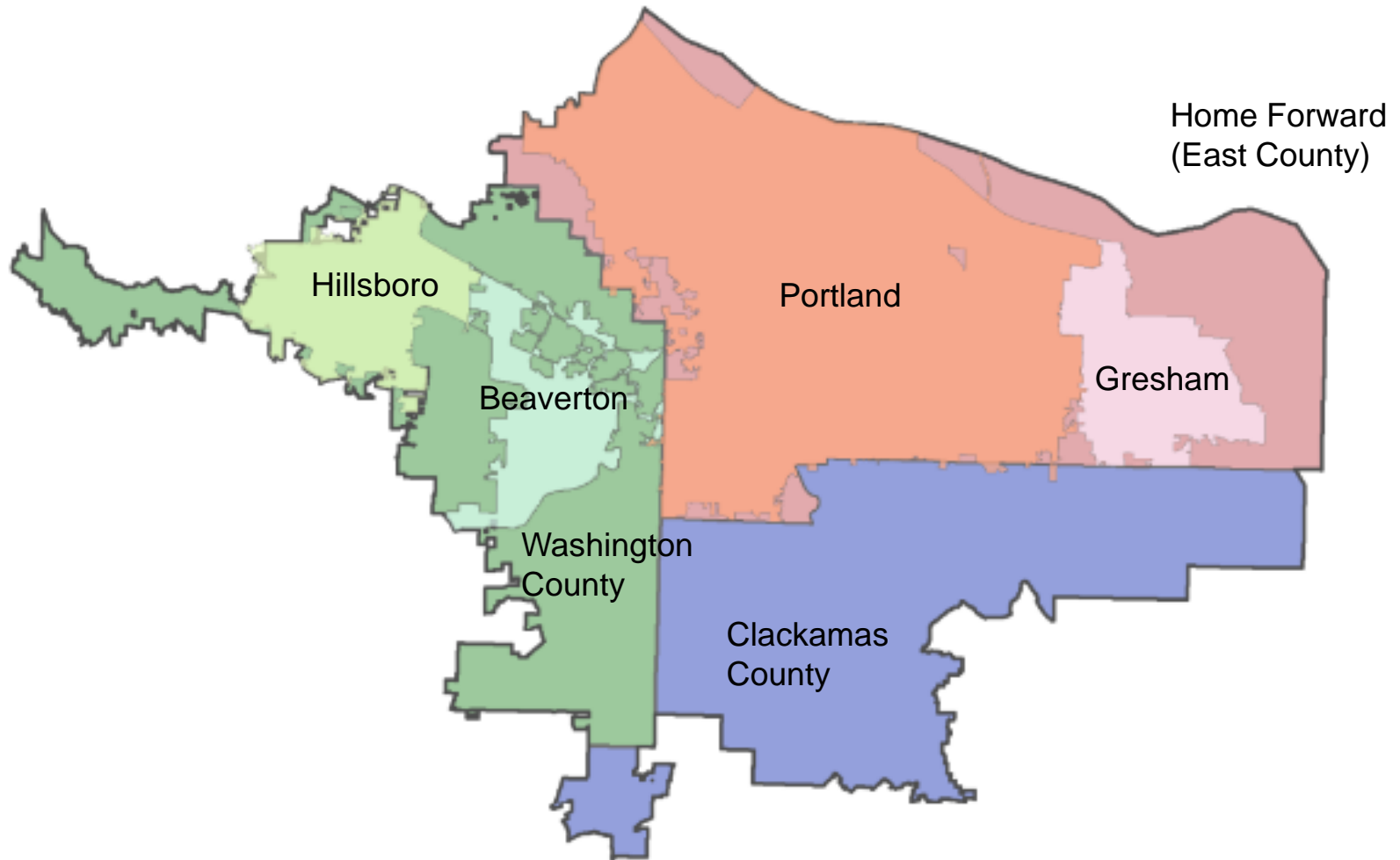


Create **3,900** affordable homes

- At least half will be family-sized (2+ bedrooms).
- At least 1,600 will be very affordable (30% AMI or below).



Implementation partner jurisdictions



Implementation structure

Regional ballot measure, policy framework,
and work plan

Local implementation strategies including
goals and commitments for unit production
and advancing racial equity

Local project selection and investment;
Metro project review

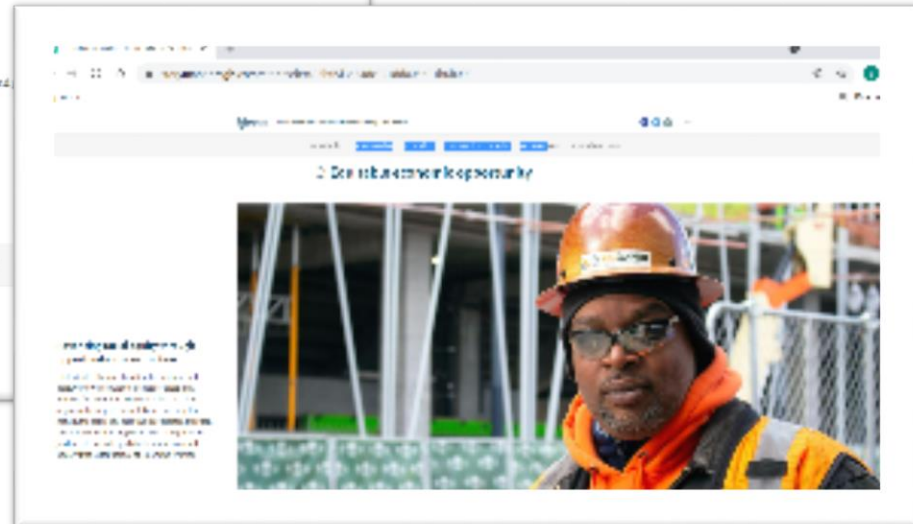
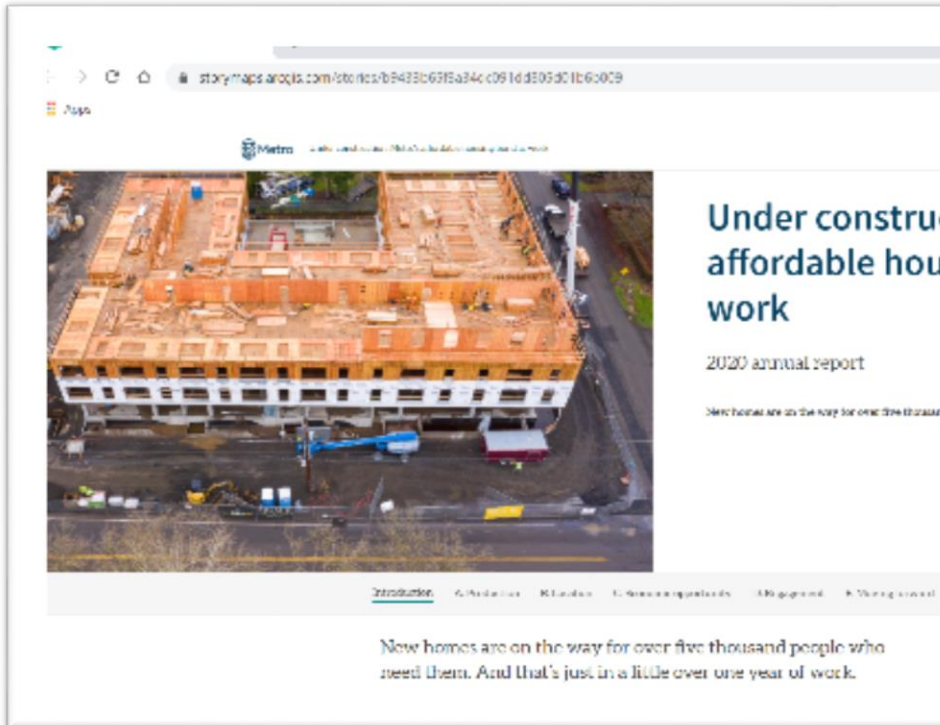
Metro Site Acquisition Program

Community oversight and annual reports



2020 annual report

oregonmetro.gov/2020housingbondreport



Projects opening soon



A resident gets a key to his apartment at Rockwood Village in Gresham. Photo compliments of Hacienda CDC.

First units opened at Rockwood Village in Gresham this month.

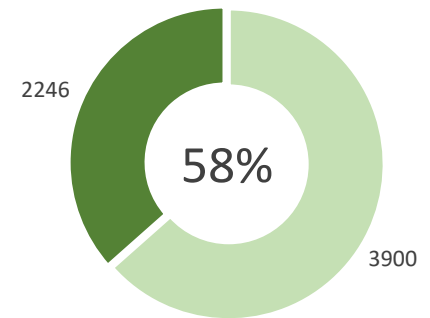
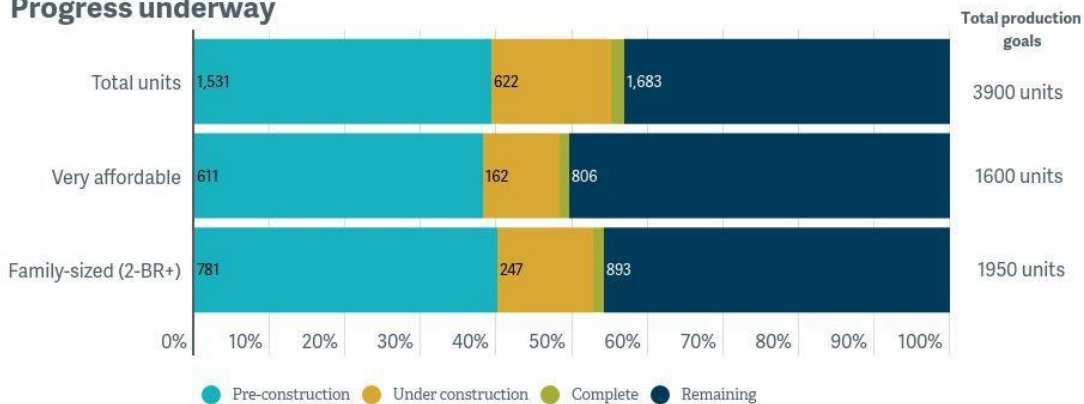
The Mary Ann (Beaverton) and Viewfinder (Tigard) will open to residents this fall.

Six more projects are under construction, and three will break ground this fall/winter.

There are over 600 units of affordable housing under construction across the region today, and more than 750 that will open by June 2022.

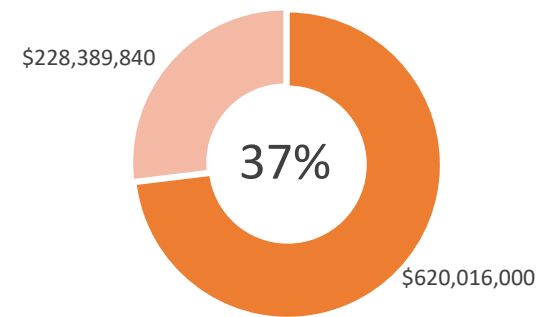
Progress on production goals

Progress underway



Percentage of total unit goal in the HB pipeline

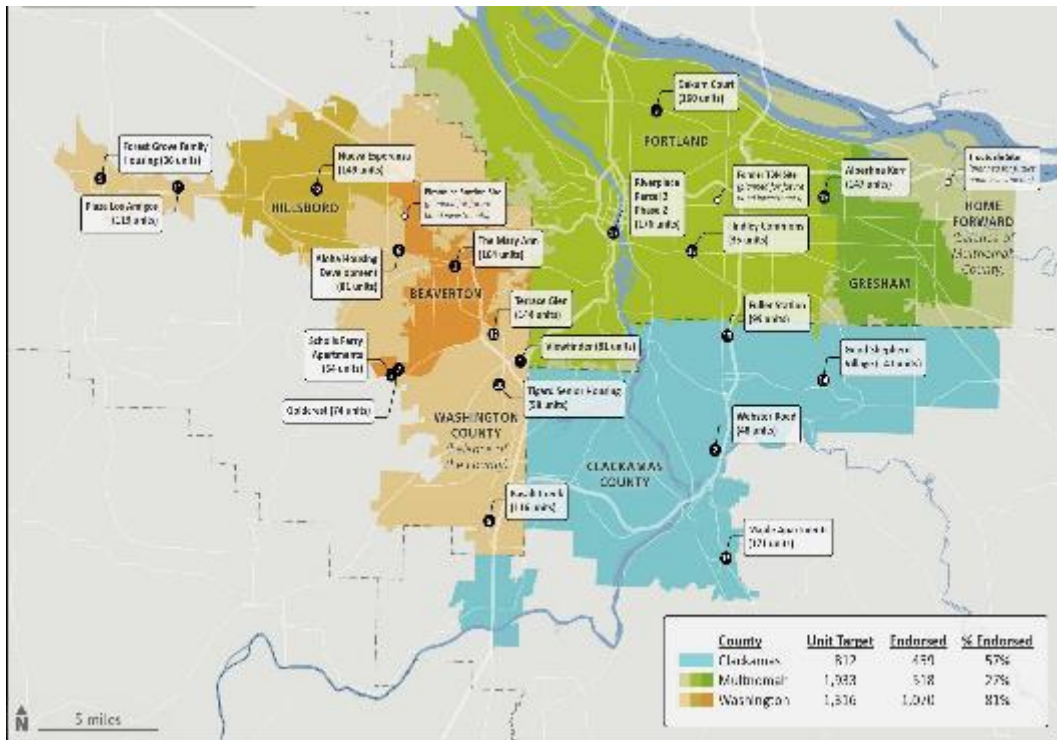
Resources committed



Percentage of funding committed to projects



Geographic distribution



Affordable housing opportunities are distributed across the region.

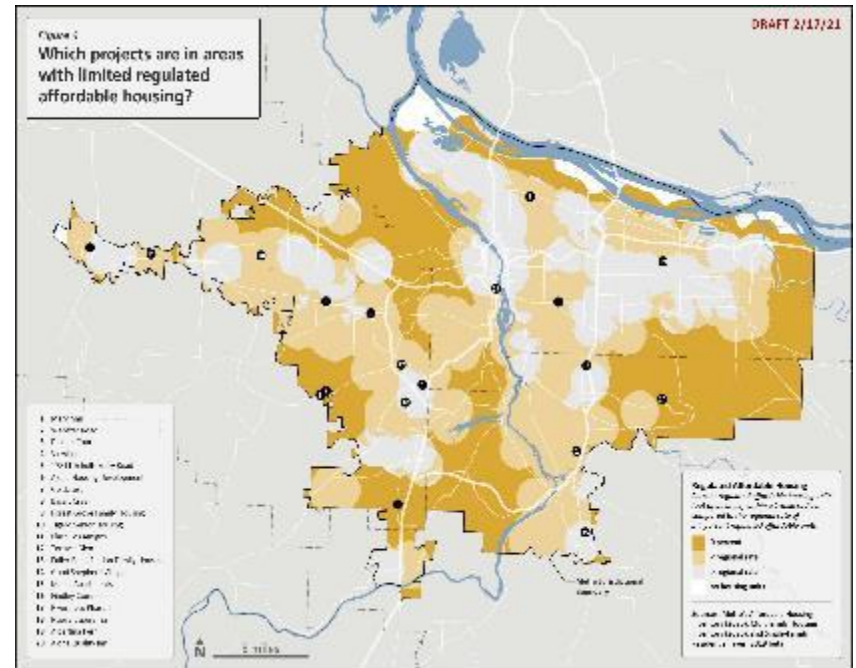
As of Dec. 2020

Advancing fair housing opportunity

59% of homes are in areas with a lower per capita rate of regulated affordable housing.



Good Shepherd Village



As of Dec. 2020

Access to transit & amenities



Terrace Glen (Tigard)



Riverplace Parcel 3 (SW Portland)



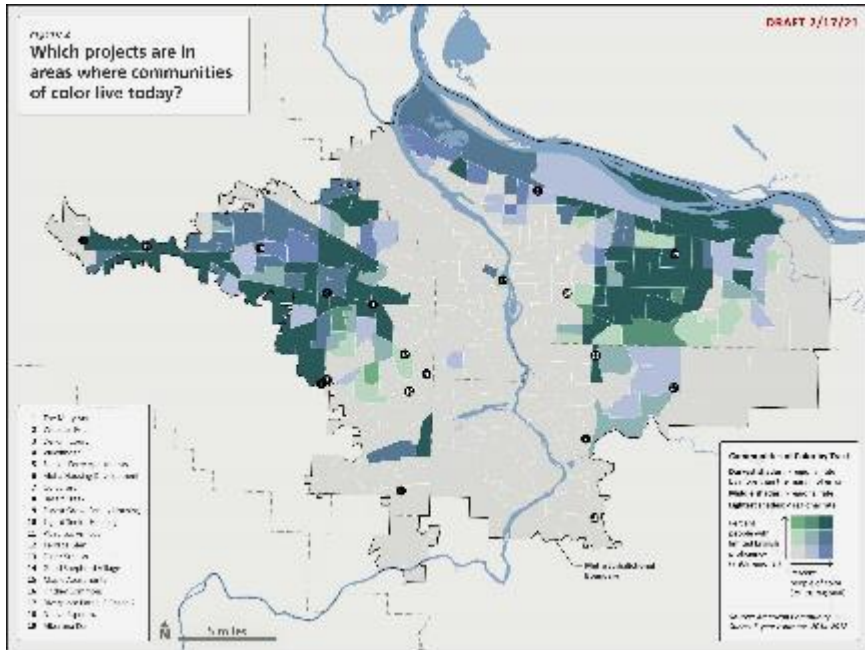
Fuller Road Station (Clackamas)

69% of homes are within a quarter-mile of frequent service bus or a half-mile of MAX.

70% have a walkscore of 50 (“somewhat walkable”) or better.

As of Dec. 2020

Stabilizing communities



As of Dec. 2020

*Dekum Court
(North Portland)*



73% of homes are located in places with higher than the regional average concentration of either people of color or people who speak English less than “very well.”

Contracting & workforce

Half of pipeline projects have goals that exceed 20% COBID/MWESB participation.

12 projects have workforce diversity tracking commitments.

As of Dec. 2020



Reducing barriers to access

Project plans address low-barrier screening and affirmative marketing.

Further monitoring needed as projects lease up.



Priority communities

- *Communities of color*
- *Families with children and multiple generations*
- *Veterans*
- *Seniors*
- *People living with disabilities*
- *People experiencing or at risk of homelessness*
- *People at risk of displacement*

Community engagement

Strong engagement outcomes

Themes include the need for larger units, communal spaces, varied outdoor spaces and laundry

Opportunities to improve data collection



"To be able to have a listening session during a pandemic signifies the importance of listening sessions. To be able to listen to understand one another empowers us as a whole."

-Balkhiis Noor, of the Somali Empowerment Circle

Supporting housing stability

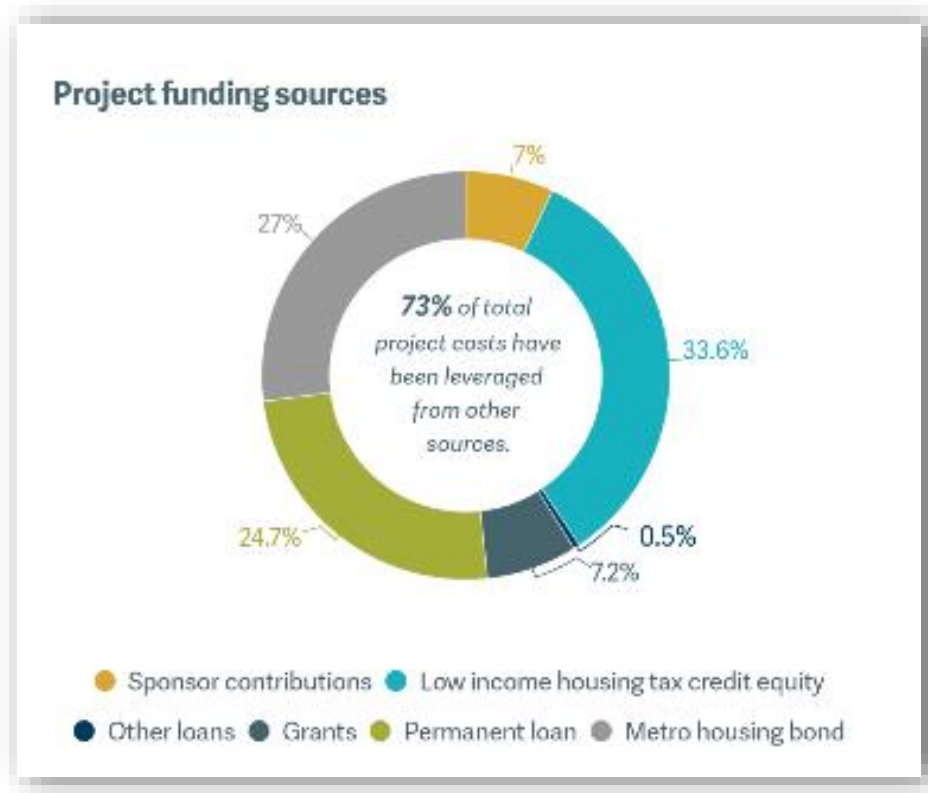


Several projects have established partnerships with culturally specific service providers.



Nueva Esperanza (Hillsboro)

Good use of limited funds



Average costs in line with comparable affordable housing

Lower bond subsidy per unit and higher leverage than anticipated

As of Dec. 2020

Housing Oversight Committee program recommendations

“Do more with more.” Maximize the collective impact of Metro bond and leveraged funding.

Support integration of AHB and SHS funding to fulfill the game-changing potential of these two measures to address the needs of those experiencing homelessness.

Invest in technical assistance to **support strong outcomes for equitable contracting and workforce diversity.**

As projects begin to open, ensure **monitoring and reporting of racial equity outcomes** through the marketing and lease up process.

Next steps

Work underway to respond to the Housing Oversight Committee recommendations

- Supporting SHS integration
- Supporting A/C upgrades
- Assessing needs for contracting/workforce

Housing Oversight Committee (Oct. 20)

Metro Council update (Nov. 2)

Quarterly progress reports

Q/A and discussion

Does MPAC have questions or feedback regarding implementation progress to date?

The Future of Housing Planning in Oregon



Sean Edging, Housing Policy Analyst
Department of Land Conservation and Development

Metro Policy Advisory Committee

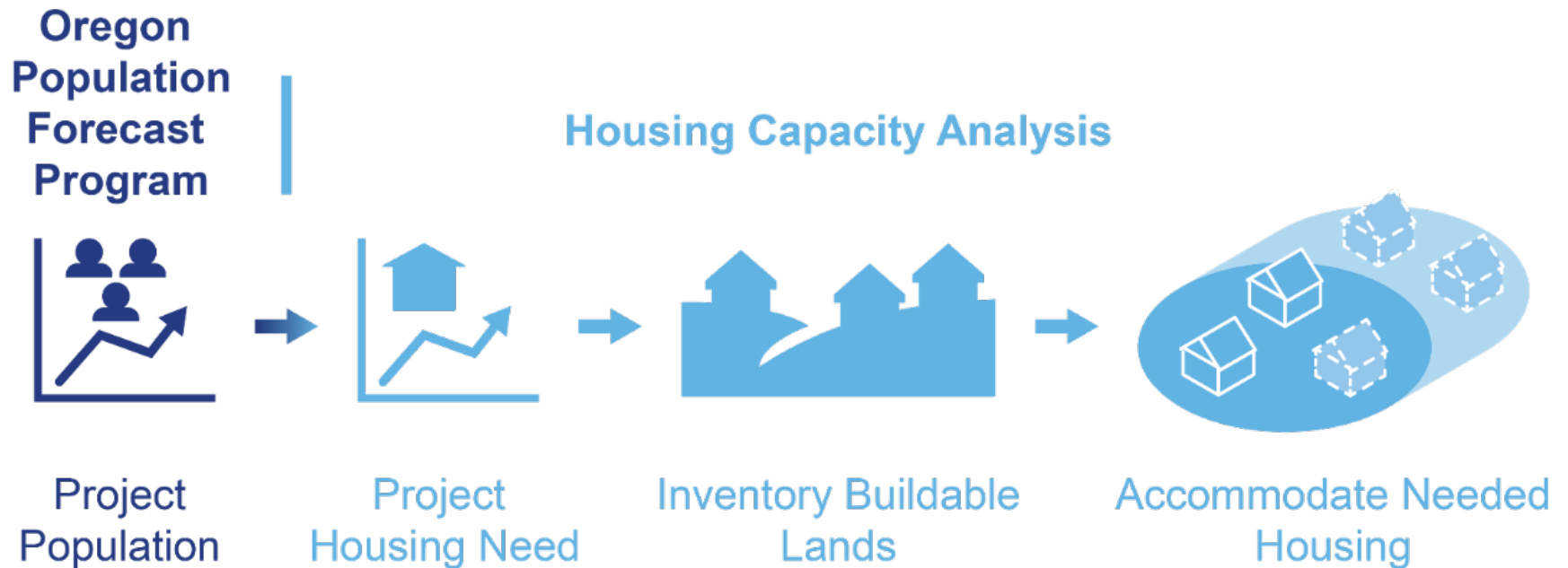
Sep 22, 2021

Goal 10 Context

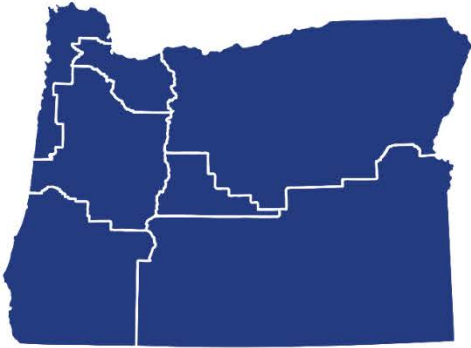


Housing Needs/Capacity Analysis

Core Question: Is there enough land zoned to the appropriate densities within an Urban Growth Boundary (UGB) to accommodate housing need projected over twenty years?

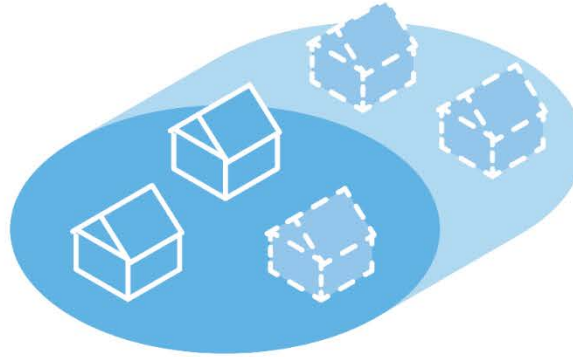


Pilot a statewide housing analysis



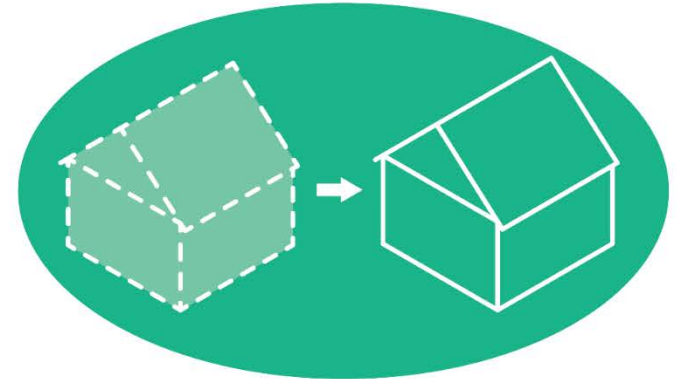
Regional Housing Needs Analysis (RHNA)

Plan to accommodate needed housing on a regular schedule



Housing Needs/Capacity Analysis (HNA)

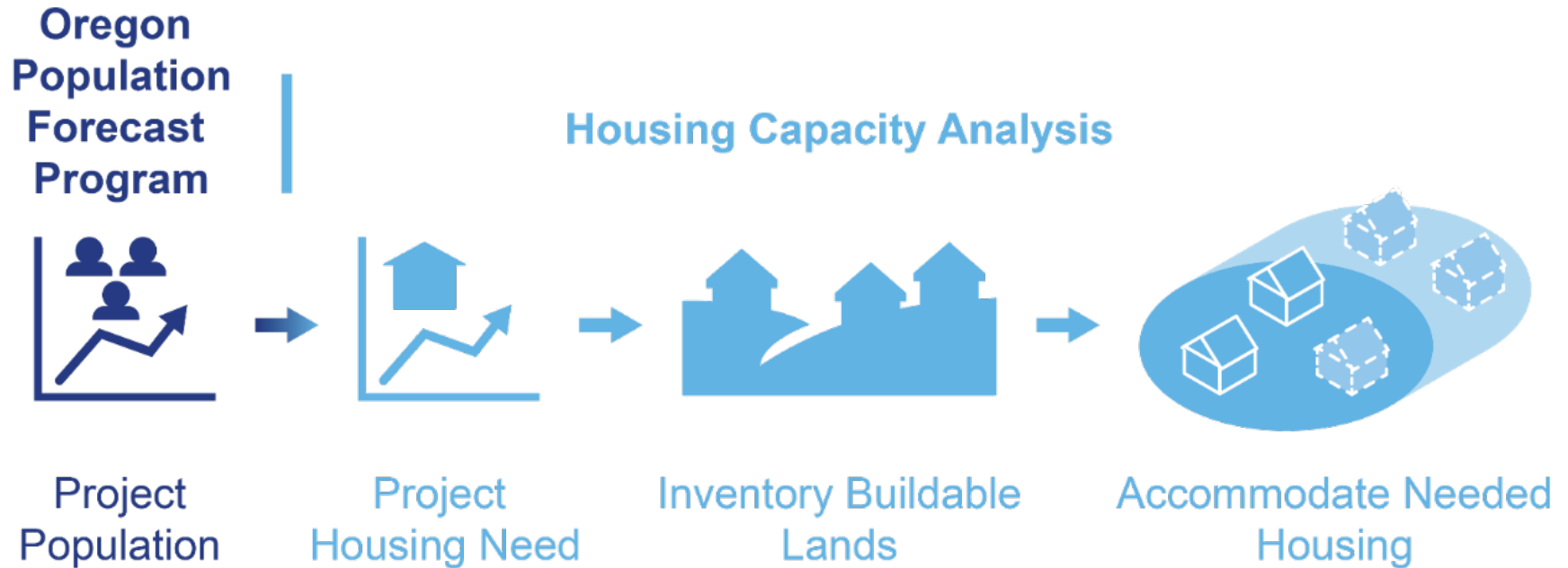
Promote the development of needed housing



Housing Production Strategy (HPS)

House Bill 2003

OLD Goal 10 Framework

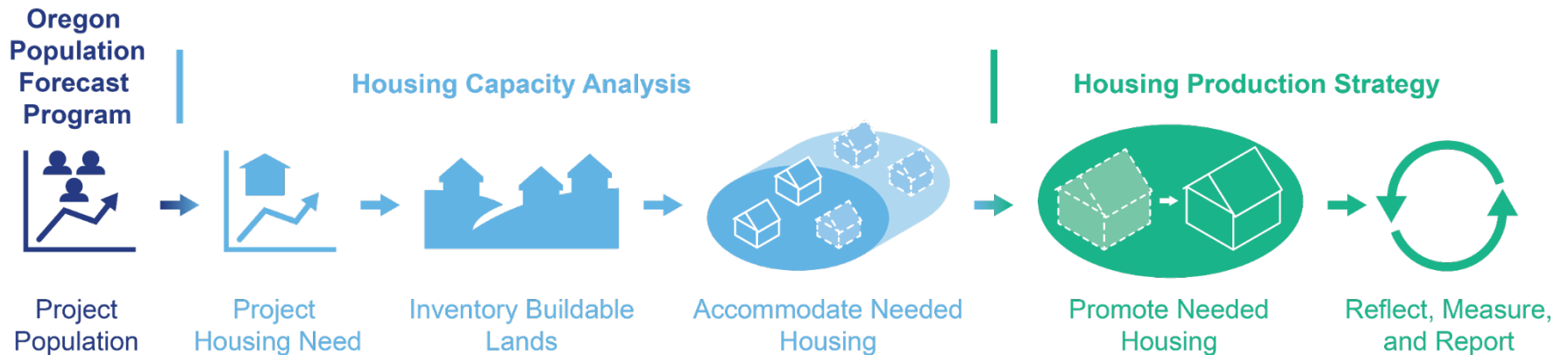


Six-Year Schedule for Metro Cities

aligns with Metro UGB decision process


NEW Goal 10 Framework

Core Question: What actions will the city implement to encourage the production of needed housing and achieve more equitable outcomes?



Strategies to Meet Future Housing Need

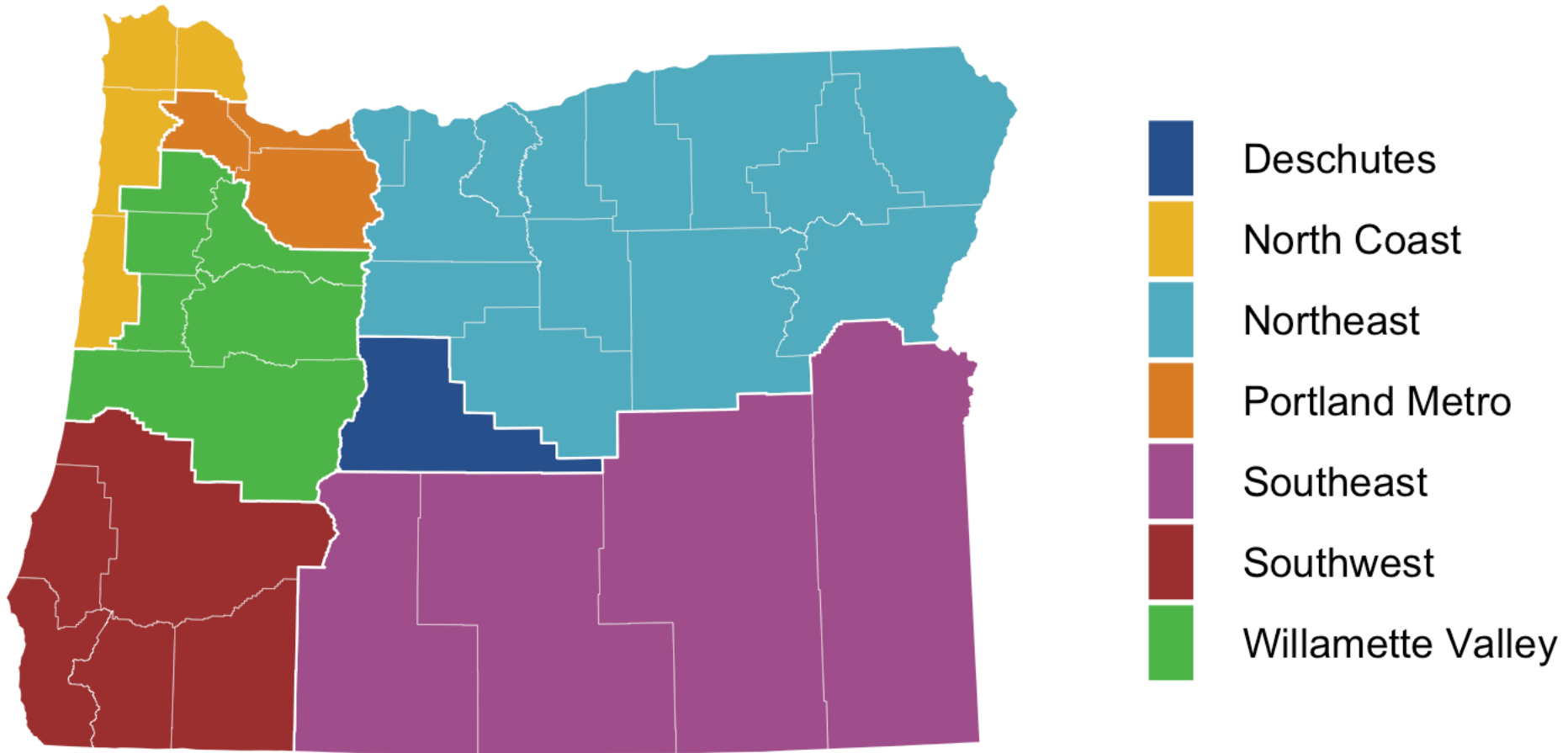
Category A	Zoning and Code Changes	These are strategies that a jurisdiction can take to proactively encourage needed housing production through zoning and code modifications. These strategies may also include regulations to ensure housing goals are met.
Category B	Reduce Regulatory Impediments	These strategies address known impediments to providing needed housing. These include but are not limited to zoning, permitting, and infrastructure impediments.
Category C	Financial Incentives	These are a list of financial incentives that jurisdictions can give to developers to encourage them to produce needed housing.
Category D	Financial Resources	These are a list of resources or programs at the local, state and federal level that can provide money for housing projects. The majority of these resources are intended to provide money for affordable housing projects.
Category E	Tax Exemption and Abatement	These are a list of tax exemption and abatement programs that are intended to encourage developers to produce housing.
Category F	Land, Acquisition, Lease, and Partnerships	These are strategies that secure land for needed housing, unlock the value of land for housing, and/or create partnerships that will catalyze housing developments.
Category Z	Custom Options	Any other Housing Production Strategy not listed in Categories A through F that the jurisdiction wishes to implement will be outlined in this section and numbered accordingly.



Fair and Equitable Housing Outcomes

- Location / Transportation
- Fair Housing
- Housing Choice
- Homelessness
- Opportunities for Affordable Rental Housing and Homeownership
- Gentrification, Displacement, and Housing Stability

Regional Housing Needs Analysis



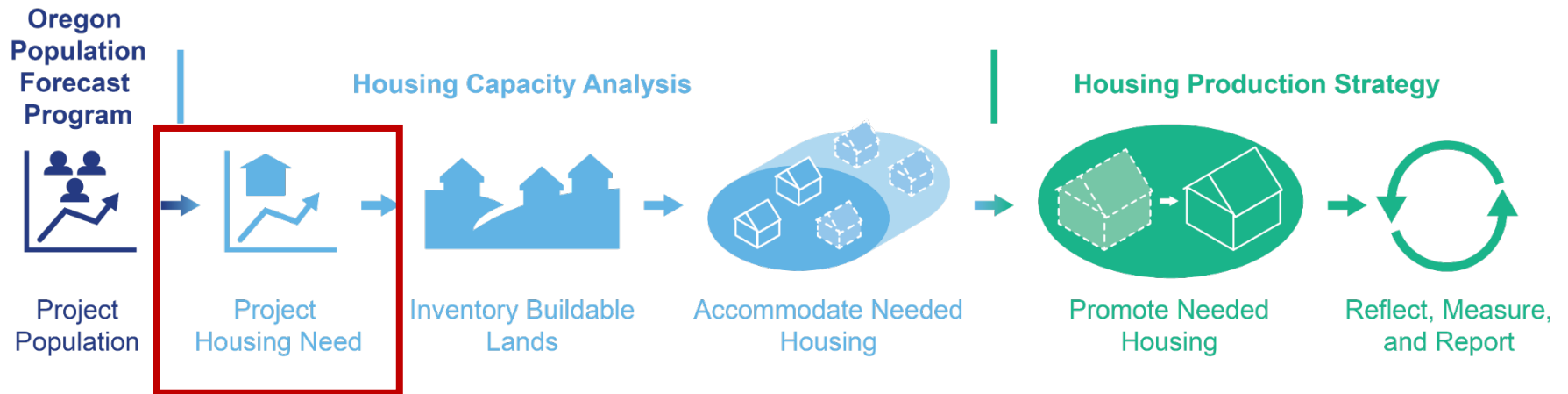
Results by unit income target

Median Family Income	New units for each of the following...			Total Units	% of Units
	Projected Need	Underproduction	Housing for the Homeless		
120%	201,656	7,725	-	209,381	36%
80-120%	82,796	18,326	-	101,121	17%
50-80%	70,013	30,574	875	101,462	17%
30-50%	44,400	26,119	2,334	72,852	12%
0-30%	44,701	28,076	25,965	98,742	17%
Oregon	443,566	110,819	29,174	583,559	100%
% of Units	76%	19%	5%	100%	

29% of units will require public support

An additional 17% is likely to require public support

Evaluate Goal 10 Framework



Projecting Inequitable Outcomes

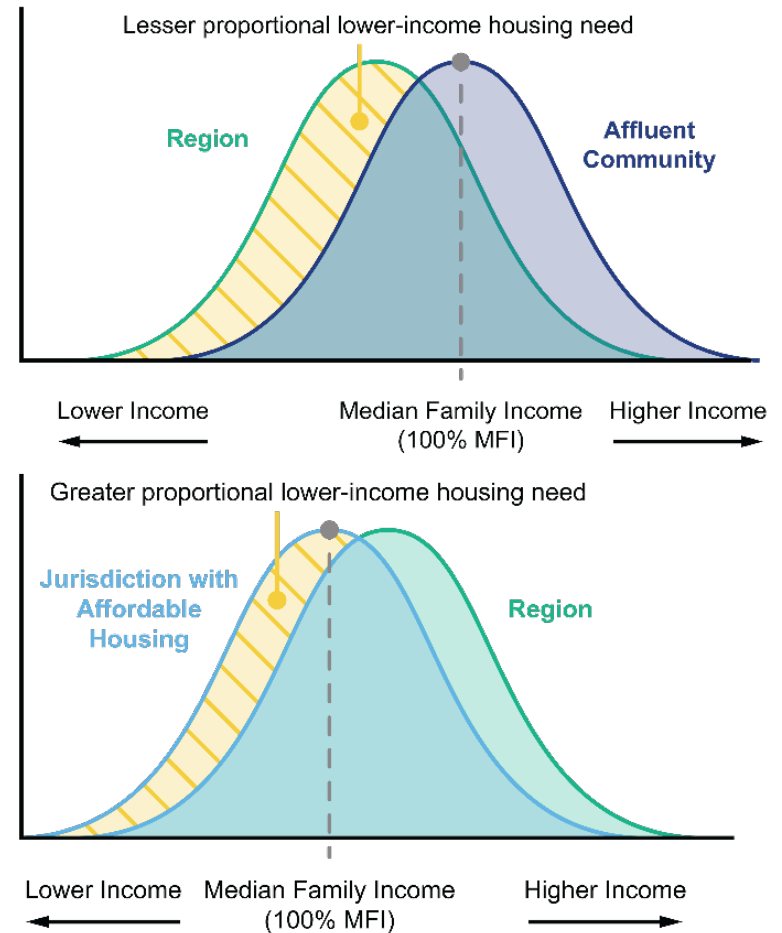
Underestimate Housing Need



Reinforce Geographic Disparities



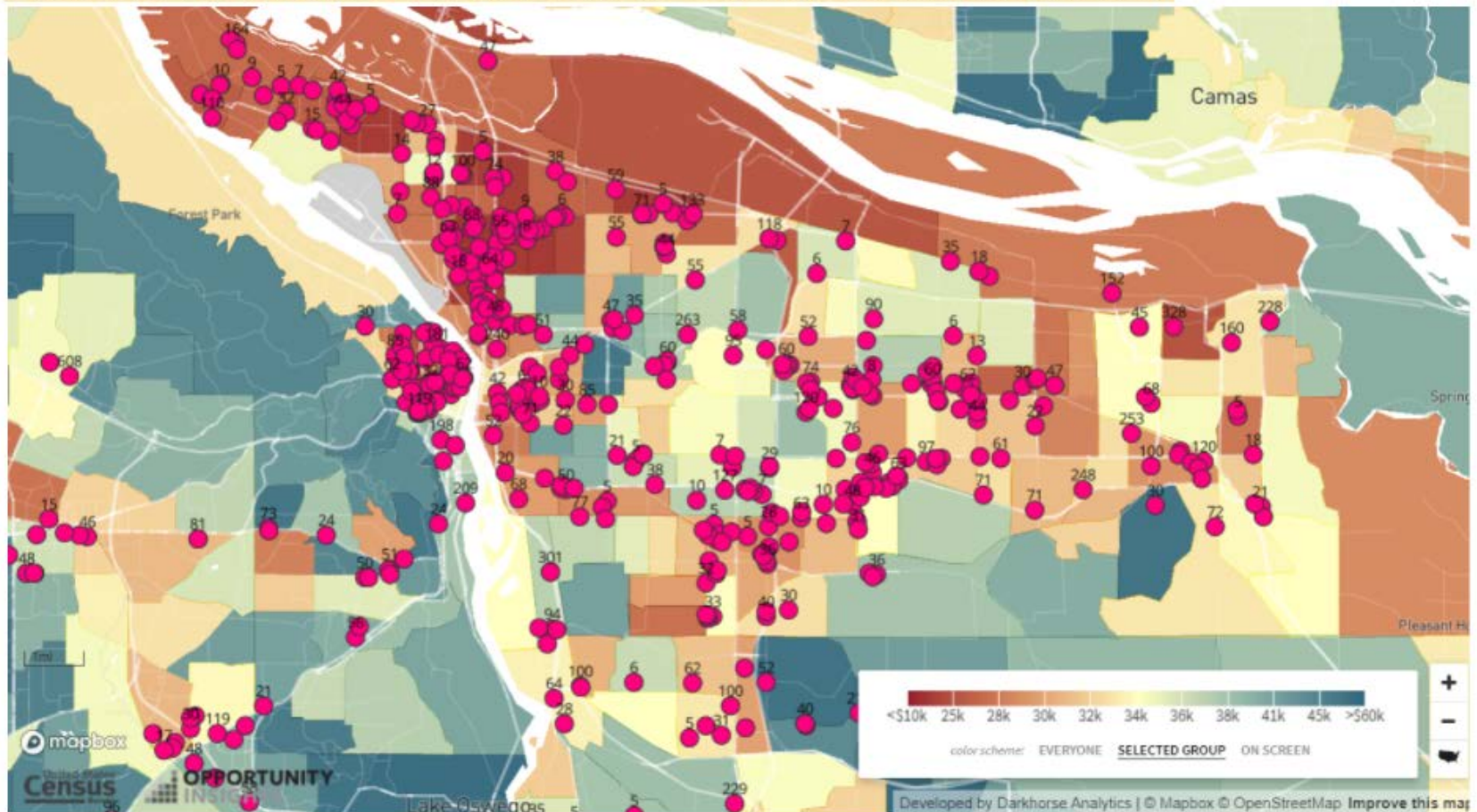
Effect of Local Housing Needs Projections



Geographic (In)equity

Affordable Units Are Located Throughout the Portland Metro, but Tend to be in Lower-Opportunity Areas

Map scale shows the upward mobility outcome in dollars for people who grew up in low-income families in each census tract, dots reflect developments listed in the Oregon Affordable Housing Inventory



RHNA Work Underway

- Direction from Legislature to work through implementation issues
- Will include extensive engagement and conversations with Metro, local governments, and communities (planning & procurement underway)
- Goal: Legislative recommendations to achieve more affordable, fair, and equitable housing outcomes



DLCD

Department of
Land Conservation
& Development

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Department of Land Conservation and Development

Metro Policy Advisory Committee

Sep 22, 2021

Discussion