

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE FY 2022- )  
23 BUDGET AND APPROPRIATIONS SCHEDULE )  
TO PROVIDE FOR CHANGES IN OPERATIONS )  
)  
)

RESOLUTION NO 22-5280

Introduced by Marissa Madrigal, Chief  
Operating Officer, with the concurrence of  
Council President Lynn Peterson

WHEREAS, the Metro Council has reviewed and considered the need to change appropriations within the FY 2022-23 Budget; and

WHEREAS, Metro Code chapter 2.02.040 requires Metro Council approval to add any new position to the budget; and

WHEREAS, the need for the change of appropriations has been justified; and

WHEREAS, adequate funds exist for other identified needs; and

WHEREAS, ORS 294.463(1) provides for transfers of appropriations within a fund, including transfers from contingency that do not exceed 15 percent of a fund’s appropriations, if such transfers are authorized by official resolution or ordinance of the governing body, and

WHEREAS, ORS 294.463(3) provides for transfers of appropriations or of appropriations and a like amount of budget resources between funds of the municipal corporation when authorized by an official resolution or ordinance of the governing body stating the need for the transfer, and

WHEREAS, ORS 294.338(2) allows an increase in appropriations due to specific purpose grants or gifts when authorized by an official resolution or ordinance of the governing body stating the need for the recognition, and

WHEREAS, ORS 294.338(3) allows an increase in appropriations when a request for services, the cost of which is supplied by another entity, necessitates a greater expenditure of public money for any specific purpose in order to provide the services when authorized by an official resolution or ordinance of the governing body stating the need for the recognition, and

BE IT RESOLVED,

1. That the FY 2022-23 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled “September 2022 Amendment” of Exhibits A and B to this Resolution for the purpose of modifying expenditures, approving new FTE, and transferring funds to and from contingency.

ADOPTED by the Metro Council this 8<sup>th</sup> day of September, 2022.



Lynn Peterson, Council President

APPROVED AS TO FORM:



Carrie MacLaren, Metro Attorney

**Exhibit A**  
**Resolution 22-5280**  
**Schedule of Appropriations**

	Adopted Budget	September 2022 Amendment	Amended Budget
<b>GENERAL FUND</b>			
Council	11,452,835	-	11,452,835
Office of the Auditor	1,030,373	-	1,030,373
Office of Metro Attorney	3,517,770	-	3,517,770
Information Services	7,326,100	-	7,326,100
Communications	5,391,204	-	5,391,204
Finance and Regulatory Services	10,457,510	-	10,457,510
Human Resources	5,579,349	-	5,579,349
Capital Asset Management	5,152,070	151,321	5,303,391
Planning, Development and Research Department	37,664,053	-	37,664,053
Parks and Nature	3,227,423	-	3,227,423
Special Appropriations	1,961,161	-	1,961,161
Non-Departmental			
Debt Service	14,482,097	-	14,482,097
Interfund Transfers	25,759,836	-	25,759,836
Contingency	25,666,020	(151,321)	25,514,699
<i>Total Appropriations</i>	158,667,801	-	158,667,801
Unappropriated Balance	27,288,839	-	27,288,839
<b>Total Fund Requirements</b>	<b>185,956,640</b>	<b>-</b>	<b>185,956,640</b>
<b>AFFORDABLE HOUSING FUND</b>			
Planning, Development and Research Department	276,867,864	70,194	276,938,058
Non-Departmental			
Interfund Transfers	2,548,164	-	2,548,164
Contingency	50,000,000	(70,194)	49,929,806
<i>Total Appropriations</i>	329,416,028	-	329,416,028
Unappropriated Balance	205,797,961	-	205,797,961
<b>Total Fund Requirements</b>	<b>535,213,989</b>	<b>-</b>	<b>535,213,989</b>
<b>SUPPORTIVE HOUSING SERVICES</b>			
Planning, Development and Research Department	217,336,486	287,164	217,623,650
Non-Departmental			
Interfund Transfers	13,861,913	-	13,861,913
Contingency	9,475,852	(287,164)	9,188,688
<i>Total Appropriations</i>	240,674,251	-	240,674,251
<b>Total Fund Requirements</b>	<b>240,674,251</b>	<b>-</b>	<b>240,674,251</b>
<b>Total Appropriations</b>	<b>1,271,160,080</b>	<b>-</b>	<b>1,271,160,080</b>
<b>Total Unappropriated Balance</b>	<b>359,199,958</b>	<b>-</b>	<b>359,199,958</b>
<b>TOTAL BUDGET</b>	<b>1,630,360,038</b>	<b>-</b>	<b>1,630,360,038</b>

All other funds remain unchanged.

**Exhibit B**  
**Resolution 22-5280**  
**Schedule of FTE**

	Adopted Budget	September 2022 Amendment	Amended Budget
<b>GENERAL FUND</b>			
Total Fund FTE	339.30	1.00	340.30
<b>AFFORDABLE HOUSING FUND</b>			
Total Fund FTE	5.70	1.00	6.70
<b>SUPPORTIVE HOUSING SERVICES</b>			
Total Fund FTE	8.70	3.00	11.70
<b>TOTAL FTE</b>	<b>1,074.10</b>	<b>5.00</b>	<b>1,079.10</b>

All other FTE remain unchanged.

## **STAFF REPORT**

### **IN CONSIDERATION OF RESOLUTION NO. 22-5280 FOR THE PURPOSE OF AMENDING THE FISCAL YEAR 2022-23 BUDGET AND APPROPRIATIONS SCHEDULE TO PROVIDE FOR CHANGES IN OPERATIONS**

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Date: August 22, 2022

Departments: Planning, Development & Research (PD&R) and Capital Asset Management (CAM)

Meeting Date: September 8, 2022

Prepared by: Patricia Rojas, Regional Housing Director; Rachael Lembo, PD&R Finance Manager; Patrick Dennis, Budget Coordinator

Presenters: Patricia Rojas, Regional Housing Director; Rachael Lembo, PD&R Finance Manager; Patrick Dennis, Budget Coordinator

Length: 10 min.

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### **ISSUE STATEMENT**

This resolution will authorize changes in appropriations and FTE in the FY 2022-23 budget for Metro's Housing programs and Capital Asset Management department.

### **ACTIONS REQUESTED**

Council adoption of Resolution No. 22-5280.

### **IDENTIFIED POLICY OUTCOMES**

Council approval will authorize changes in appropriations and FTE for continued growth and development of Metro's Housing programs and Capital Asset Management department.

### **POLICY QUESTION**

Council should consider whether the changes in appropriations and FTE have been justified, that adequate funds exist for identified needs and that proposed changes appear appropriate.

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

Adoption of the Resolution will provide sufficient appropriations to increase FTE in order to meet the increasing and evolving demands of Metro's housing and Capital Asset Management work.

Disapproval of the Resolution will result in a need to adjust programmatic and operational plans, goals and outcomes in Supportive Housing Services and Affordable Housing Bond to be compatible with limited capacity. Additionally, disapproval of the Resolution will limit

the Capital Asset Management program from fully engaging in special multi-departmental projects and regional interests.

### **STAFF RECOMMENDATION**

Staff recommends that Council adopt the Resolution.

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

#### **Metro's Housing Programs**

##### **Connection to Metro's Strategic Framework**

Metro's strategic framework is built upon two commitments: Keeping our promises and building back better. In 2018, voters of the region passed the Affordable Housing Bond (AHB) wherein Metro promised to take action to address the region's housing crisis by building 3,900 affordable units in partnership with seven jurisdictions across the region. In 2020, voters passed the Supportive Housing Services (SHS) measure wherein Metro promised to end homelessness for thousands of Oregonians in the Metro region and address a growing homelessness crisis. As part of the process of operationalizing each measure, Metro conducted community engagement to identify shared values and commitments to shape the development of programmatic work plans which drive how Metro delivers on these promises. Central to SHS, the AHB and Metro's strategic framework is a commitment to racial equity.

Both housing programs are still in growing phases. June 2022 completed the first year of implementing the ten-year SHS program. The SHS appropriation budget increased from \$203.9 million in FY 21-22 to \$240.7 million in FY 22-23. The AHB is 82% of the way towards the goal of 3,900 units of affordable housing, with over 1,300 units under construction or completed and over 1,800 expected to break ground in the next year. This new phase of implementation also comes with new phases of reporting and oversight as well as a need to expand capacity to address emerging challenges and opportunities, such as the integration of AHB and SHS investments and the need for regional and statewide coordination to respond to challenges in the financial landscape.

To support these programs and meet the growing scope and complexity of the work, Metro needs to increase the capacity of the Housing team to develop infrastructure and systems that support jurisdictional partners and help us keep our promises to the public. Housing team leadership has been working closely with finance and HR to implement a phased approach to adding staff and meeting the growing need for additional capacity. Council approved four new FTE in the FY 22-23 budget; one position has already been filled and the other three positions will be posted for recruitment in August. Council also added a budget note encouraging additional requests for FTE to meet the needs of the program. This request for an additional four FTE will provide the capacity needed to keep our promises of the Housing programs.

#### **Update on current recruitment**

The FY 22-23 approved budget includes four new FTE:

- An Assistant Director will provide support in the development and implementation of regional strategies, SHS and AHB integration efforts and overall strategic vision and direction.
- A Housing Policy and Planning Coordinator will support a range of needs related to coordination and alignment: integration of AHB and SHS investments; coordination with statewide affordable housing investment criteria; research, analysis and engagement to support effective practices and accountability structures to strengthen equitable outcomes across housing investments; and alignment with intersecting policy issues and planning processes related to advancing racial equity and climate resilience; and supporting coordination and alignment of housing investments with broader planning and policy work related to land use, transportation, and other areas.
- Two new administrative positions will support the Housing program's public committees, particularly the Tri-County Planning body (TCPB) and its associated planning workgroups. The TCPB is charged with the development of the SHS Regional Plan that supports coordination and alignment of local efforts. Administrative staff will be critical to assuring these important committees have the support they need in meeting the obligations of their charge.

#### Proposed new positions

The Housing program is requesting four additional FTE for SHS programmatic support:

- A Program Coordinator II will provide leadership and coordination with our three county partners and the TCPB in the formalization of an SHS data framework and the implementation of a four-party data sharing agreement.
- A Program Coordinator I will support the data work.
- A Program Coordinator II will provide leadership and coordination on the SHS Regional Plan. This position will lead development of the areas of work identified by the TCPB and coordinate with county partners.
- A Program Coordinator I will support SHS Regional Plan development.

#### Racial Equity impacts

The Housing programs are designed to address the historic and contemporary systemic racism which has led to racial disparities in social determinants of health. Among these are racial disparities in income, homeownership, and access to quality housing. There is also a persistent over-representation of Black, Indigenous and Communities of Color (BIPOC) in homeless populations nationally and here in the Metro region.

The AHB is helping to address these racial inequities by increasing access to quality affordable housing for BIPOC and other marginalized communities, and by leading with racial equity throughout implementation. The AHB is implemented in partnership with seven local jurisdictions who developed local implementation strategies (LISs) informed through significant community engagement. With guidance from Metro's AHB Work Plan, each local implementation strategy includes commitments to ensure equitable access to housing as well as equitable benefits through the construction process, and all partners have committed to track and report on outcomes for resident diversity and participation of minority- and women-owned firms and other emerging small businesses. Jurisdictions are developing affordable housing in partnership with community based and culturally specific

developers and service providers, which is demonstrated to increase access to housing for BIPOC and other marginalized communities. With the help of culturally specific organizations, communities have been engaged from the beginning and throughout the housing development processes, to ensure that housing is designed and built in a way that is responsive to the needs of the communities it seeks to serve. These strategies have been proven to increase a sense of belonging which is central to building equitable communities.

Reducing racial disparities in homelessness and homeless services is an explicit goal of SHS. The voices of communities with lived experience and BIPOC were central to the design of the Local Implementation Plans (LIP). Each county conducted an analysis of racial disparities and system gaps, which was included in their LIP. Additionally, the Metro SHS Workplan identifies racial equity metrics and goals that each county must address in implementation and reporting. SHS is funding an expansion of culturally specific services across the region, in some cases creating access to entirely new services. And most importantly, culturally specific organizations are creating pathways for BIPOC communities to better access services and attain housing stability.

A racial equity lens is applied throughout SHS Metro's housing investment program work, including constructing and staffing governing bodies. Having the voices of BIPOC communities, people with lived experience of homelessness and other marginalized communities at decision making tables and spaces of privilege and power are also critical to addressing racial disparities in homelessness. An equity lens was applied to construction of the SHS Oversight Committee, the SHS Tri-County Planning Body (TCPB) and the Housing Bond Community Oversight Committee which resulted in more people with lived experience of homelessness and housing instability as well as BIPOC community members serving on these important committees. Metro will need to add capacity in people and skills to support the work of these committees including the focus on equity. Metro is taking significant strides in centering racial equity in developing a regional system of care for housing and homelessness.

**Capital Asset Management department:**

The Capital Asset Management department is requesting an additional FTE, a Senior Program Analyst. This position will serve as a senior project manager and advisor to the CAM director on special projects. This position will coordinate multi-departmental capital projects that serve regional interests. The anticipated start date for this position would be in September 2022 and this would require a transfer from General Fund contingency to increase the CAM appropriations to fund this position.

**Known Opposition:** None known.

**Legal Antecedents:** ORS 294.463(1) provides for transfers of appropriations within a fund, including transfers from contingency that do not exceed 15 percent of a fund's appropriation, if such transfers are authorized by official resolution or ordinance of the governing body. Metro code chapter 2.02.040 requires the Metro Council to approve the addition of any position to the budget.

**Anticipated Effects:** This action provides for changes in operations and FTE as described below.

**Budget Impacts:** This action adds four new FTE to the Housing programs, and adjusts the classification and allocation between SHS and AHB of certain existing staff. Additionally, this action adds one new FTE to the Capital Asset Management department.

- **Affordable Housing Bond Fund: Net zero impact on total fund appropriations.**
  - Add 1.0 FTE to Affordable Housing Bond Fund. Partial year cost increase of \$70,194 in AHB, funded by contingency. This cost includes Personnel Services and related Materials and Services equipment for on-boarding (ex: laptop).
- **Supportive Housing Services Fund: Net zero impact on total fund appropriations.**
  - Add 3.0 FTE to Supportive Housing Services. Partial year cost increase of \$287,164, funded by contingency. This cost includes Personnel Services and related Materials and Services equipment for on-boarding (ex: laptop).
- **General Fund: Net zero impact on total fund appropriations.**
  - Add 1.0 FTE to Capital Asset Management. Partial year cost increase of \$151,321, funded by General Fund contingency. This cost is for Personnel Services.

## **BACKGROUND**

### *Supportive Housing Services (SHS)*

In May 2020, voters approved Measure 26-210 to “prevent and reduce homelessness in Washington, Clackamas and Multnomah counties.”<sup>1</sup> The Metro Council has directed that implementation partners must have an approved Local Implementation Plan in order to receive Supportive Housing Services funds. Metro's adopted Supportive Housing Services work plan (Resolution No. 20-1548) further defined Local Implementation Plans' purpose, process of development and review, and required elements, including "local housing and homeless service needs, current programming and unmet programming capacities, and proposed use of funds in accordance with the purposes of the regional Supportive Housing Services Program."

Council's direction established Local Implementation Plans as high-level frameworks that set local priorities and actions based on identified gaps and regional outcomes. Recognizing how systemic racism is reflected in racial disparities in the region's homelessness and housing crisis, the plans were required to be developed through inclusive community engagement that centers the voices of Black, Indigenous and people of color communities as well as people with lived experience of homelessness and housing instability. The plans also commit Local Implementation Partners to be accountable for tracking and reporting on regionally-identified outcomes, particularly racial equity outcomes.

County partners developed their plans between fall 2020 and winter 2021. As required, the plans were developed through inclusive engagement that centered people with lived experience of homelessness and BIPOC communities, were informed by engagement with community and local practitioners, incorporated an analysis of local conditions and needs,

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<sup>1</sup> [Ballot Measure 26-210](#) as it appeared on ballots in the Multnomah County May 2020 Primary



and included an equity analysis to create the framework for programmatic strategies and investments.

By spring of 2021 all Local Implementation Plans had been approved locally, by the Supportive Housing Services Regional Oversight Committee and by Metro Council. By July 2021, program funding was made available to county partners and programming officially began.

This program brings a groundbreaking level of regional coordination and scale to address the regionwide challenge of homelessness. The LIP investment strategies create a path for our region to simultaneously address emergent life and safety needs of thousands of people while creating pathways out of homelessness and into permanent housing for thousands more. The plans call for significant expansion of immediate and long-term strategies for safety on and off the streets, including shelter, outreach and housing program expansions.

In the first nine months of implementation, 700 households were stabilized in permanent housing, 2,500 individuals were able to avoid homelessness with eviction prevention resources and over 350 shelter beds were added with SHS funding. Additionally, Metro stood up the SHS Oversight Committee, jurisdictional leadership teams and the Tri-County Planning Body and executed intergovernmental agreements between Metro and each of the implementation partners.

#### *Affordable Housing Bond (AHB)*

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, of which at least 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 (30% of area median income or below). The program is anticipated to create homes for 12,000 people – and more over the life of the investment, due to regulatory agreements that ensure affordability in the long term. The housing bond is administered in collaboration with seven local jurisdictions, including counties, public housing authorities, and eligible larger cities. Metro's role is to ensure regional coordination, oversight and accountability for achieving committed outcomes.

The Council further directed staff to ensure that four core values, developed and refined through extensive stakeholder engagement in 2018, would guide implementation:

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

Since the measure's passage, Metro Council has taken the following actions to direct implementation of the program:

- Creation and appointment of the Housing Bond Program Community Oversight Committee, to provide program oversight on behalf of the Metro Council to monitor housing bond activities and expenditures and provide an annual report to the Metro Council;

- Approval of the Metro Housing Bond Program Work Plan, which provides an operational framework for the program;
- Approval of local implementation strategies for all seven of Metro's local implementation partners, as part of intergovernmental agreements which lay out the terms and conditions upon which Metro will provide Metro bond funds to local implementation partners for investment in eligible affordable housing projects; and
- Approval of Metro's Site Acquisition Program Implementation Strategy, through which Metro is working collaboratively with partners to acquire and support development of regionally significant sites.

As of August 2022, there are a total of 3,244 homes in the Metro affordable housing pipeline, representing 82% of the bond program's goal of creating 3,900 homes. Currently 265 homes are open and accepting residents, and nearly 1,400 are under construction and expected to open in the next year.

#### *Capital Asset Management (CAM)*

Metro currently manages more than \$600 million in capital assets and has plans for significant new investments in Parks & Nature and Waste Prevention and Environmental Services (WPES) facilities. These facilities and properties are essential to delivering community programs and services that align with Metro's vision for the region. The Capital Asset Management (CAM) department was formed to bring together programs that could better align resources with Metro's strategic goals.

#### **ATTACHMENTS**

- Resolution 22-5280
- Exhibit A – Schedule of Appropriations
- Exhibit B – Schedule of FTE