

Agenda



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Meeting: Housing Bond Oversight Committee Meeting
Date: Wednesday, Nov. 9, 2022
Time: 9:30 a.m. to 11:30 a.m.
Place: Virtual meeting ([Zoom link](#))
Purpose: Quarterly progress and financial updates; follow up on Private Activity Bonds, Rapid PSH Funding Allocation, and update on state and federal policy

9:30 a.m.	Welcome and introductions
9:45 a.m.	Director updates
9:55 a.m.	Public comment
10:05 a.m.	Presentation and discussion: Production progress, financial report, and updates on private activity bonds and other state funding alignment
10:35 a.m.	Break
10:40 a.m.	Presentation and discussion: \$20 million allocation for Rapid PSH investments
11:00 a.m.	Presentation and discussion: State & federal policy
11:20 a.m.	Next steps
11:30 p.m.	Adjourn

Meeting minutes

Meeting: Metro Housing Bond Oversight Committee
Date/time: Wednesday, May 25, 9:30 AM – 12:00 PM
Place: Virtual Meeting (Zoom)
Purpose: Follow up on Private Activity Bonds, cost escalation, Supportive Housing Services integration topics, and discuss key themes/recommendations for committee's memo to Metro Council.

Attendees

Kira Cador, Melissa Erlbaum, Mitch Hornecker, Co-chair Jenny Lee, Ann Leenstra, Mara Romero, Co-chair Steve Rudman, Andrea Sanchez, Karen Shawcross, Nicole Stingham, Trinh Tran, Tia Vonil

Absent

Brandon Culbertson, Juan Ugarte Ahumada

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Ash Elverfeld, Nui Bezaire, Rachael Lembo, Emily Lieb, Jimmy Oporta, Alison Wicks

Facilitators

Allison Brown, JLA Public Involvement

Note: The meeting was recorded via Zoom and therefore details will be focused mainly on the discussions, with less detail in regards to the presentations. Presentation slides are included in the archived meeting packet.

Welcome and opening remarks

Co-chair Jenny Lee (she/her) and Allison Brown (she/her), committee meeting facilitator, JLA Public Involvement, welcomed the Committee.

Members confirmed the meeting summary from May 4, 2022.

Public comment

No written or verbal public comment was received.

Presentation and discussion: Private Activity Bonds and cost escalation

Patricia Rojas (she/her), Regional Housing Director, Metro opened up the presentation to present on the changing financial landscape. She introduced Emily Lieb (she/her), Housing Bond Program Manager, and Rachael Lembo (she/her), Planning Development and Research Finance Manager, Metro.

Emily outlined the Private Activity Bonds (PABs) demand for projects in the current Metro Bond pipeline, as well as a PAB forecast for projects closing in 2023 and beyond.

Rachael presented the best and worst case scenarios for Metro receiving Private Activity Bonds (PABs) in the coming years.

Meeting minutes



Emily presented on Oregon's Federal allocation of Private Activity Bonds; State and Federal advocacy strategies; cost escalation risks to the pipeline; and programmatic strategies to address cost escalations.

Mitch Hornecker (he/him) asked if Metro will increase the Bond subsidy for projects or if staff may focus on looking at remaining Site Acquisition Program funds, Metro administrative fee or the interest earnings being allocated to climate change mitigation and permanent supportive housing?

Emily replied that each project could look different when filling funding gaps. There is some flexibility with subsidy since staff had originally forecasted \$143k per unit and the average subsidy provided so far has been less than that. Some jurisdictions have local funding that they may be able to leverage. In regards to the Site Acquisition Program the majority of their funding has been identified for sites already.

Rachael added that A/C funding has already been proportionally committed to jurisdictions. There is a possibility that financial gaps in calendar years 2022 and 2023 can be resolved with State funds, with the encouragement that jurisdictions also use more of their Metro Bond funding for projects. The \$25M in unallocated interest earnings will not be used for projects in 2022/2023, but other financial gaps can be expected in the future for projects in 2024/2025 and throughout the remainder of the program.

Andrea Sanchez (she/her) stated that while Oregon Housing and Community Services (OHCS) doesn't currently use a competitive process for PABs if it moves that direction it sounds like there is no guarantee that Metro Bond projects would be prioritized for funding. She also commented that interest rates are escalating in the moment and added it is worth looking into increasing the developer fee as a way to improve the organizations ability to increase their equity contribution to projects.

Emily replied that staff are working closely with OHCS to receive clarity about their prioritization. Metro staff have raised the idea of a Metro-region set-aside of funds and asking that they consider a criteria around readiness to proceed since the PAB pipeline currently may have projects not ready to close within the upcoming year.

Trinh Tran (he/him) asked what the statewide coordinated PAB pipeline is and how it works?

Emily replied that a coordinated process doesn't currently exist, as PABs have been historically allocated on a first come, first served basis. Developing it would include coming to agreements around prioritization criteria and readiness criteria. Long-term, the statewide coordinated pipeline would mean shifting toward a more competitive process for PABs.

Nicole Stingh (she/her) added that OHCS isn't the only issuer of Private Activity Bonds for affordable housing. There are also Housing Authorities that issue Private Activity Bonds and merging the list of OHCS and Housing Authority PABs is key to ensuring a statewide pipeline. Currently, OHCS is in ongoing discussions with the Public Housing Authorities on this topic.

Kira Cador (she/her) seconded what Andrea mentioned about the interest rate issue. This issue has a real impact on reserves, construction and material costs and procurement of materials.

Meeting minutes



Presentation and discussion: Supportive Housing Services (SHS) Regional Long Term Rental Assistance (RLRA) program overview and update

Nui Bezaire (she/her), Supportive Housing Services Manager, Metro, presented an overview of supportive housing and opportunities to expand permanent supportive housing by aligning the Bond and SHS work. She reviewed the RLRA program, who it serves, examples of integration that has already occurred or is in process (Webster Road, MBOS Solicitation, Aloha Inn).

Mara Romero (she/her), thanked staff for the information presented and wondered how the navigation, application and lease up process is going for members of the public.

Nicole shared Federal and Statewide efforts to provide funding for Permanent Supportive Housing. There may be overlap between Permanent Supportive Housing and the Medicaid waiver the Oregon Health Authority is leading, which is currently under review by the Federal government. This may expand Medicaid services to cover housing needs, which may backfill Permanent Supportive Housing services and rental assistance resources.

Co-chair Rudman clarified the Regional Long Term Rental Assistance program is meant to work with project-based rental assistance, tying the assistance to units. In the future, RLRA can become a great resource for projects designed to serve supportive housing folks. The issue at hand is figuring out how to make it all work, with all the rules and regulations surrounding this resource.

Andrea reminded the group that Clackamas County presented a workaround to the 10-year contract, demonstrating projects can find creative solutions to designing projects that serve PSH populations.

Mitch reminded the group that over the last year, \$42M of SHS funding was pushed out to the counties. In the last two months, April and May [2022], \$150M has come in and there is going to be much more money available to boost these programs.

Break took place from 10:52 to 11:00am.

Discussion: Key themes and recommendations for annual report to Metro Council

See Attachment A to Metro Housing Oversight Committee Meeting 25 Summary for the themes and recommendations for the annual report to Metro Council provided by committee members from this portion of the meeting.

Next steps

Staff will be following up with members to set the date of the next meeting.

Allison adjourned the meeting at 12:05 p.m.

Minutes respectfully submitted by Ash Elverfeld, Housing Program Assistant, Metro.

Metro Housing Bond Oversight Committee

Annual Report to Council: Discussion outline

From Charter: Provide an annual report and presentation to Metro Council assessing program performance, challenges and outcomes. See pp. 64-65 of today's packet (appendix to report) for example of last year's report.

What key findings would you like to highlight in your report to Metro Council? What's going well? What challenges or opportunities do you see?

Unit production progress	<ul style="list-style-type: none">● Highlight size of pipeline and number of projects complete/under construction● Progress toward integrating SHS funding in some units; highlighting progress of jurisdictions to take 30% AMI units and prioritize for homeless placements● Continued work to prioritize integration● Market volatility (cost escalation, rising interest rates, HUD rent levels expected to go down) and PAB are key risks● Optimism that PAB needs will be prioritized for projects closing in 2022 and 2023● This bond is huge but it doesn't get close to addressing the need. Metro has an important role in talking about broader supply issues.
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<p>Advancing equity through project locations</p>	<p>Evidence of thoughtful effort to distribute units geographically</p> <p>44% of units in areas with lower than average proportion of people of color as fair housing success story.</p> <p>Example: First affordable housing in Happy Valley</p> <p>Transportation is a challenge</p> <p>Need for ongoing data/tracking about population demographics of residents compared to surrounding community</p>
<p>Equitable contracting/workforce</p>	<p>Add prevailing wage info to staff report; Paying a living wage is a priority</p> <p>There are still big challenges for workforce equity, which are bigger than this program. Metro Construction Careers Pathways Program is positioned to tackle these broader workforce issues but isn't yet taking on residential.</p> <p>Culturally specific developers rely on developer fee to build their wealth and ability to secure future funding awards. How is this program growing capacity of organizations best suited to serve those we seek to serve.</p>
<p>Planning for equitable access and resident stability</p>	<p>See above re: capacity of culturally specific organizations - would be helpful to understand more about this moving forward.</p> <p>There are strong plans in place but it's all about how they are implemented – area for continued monitoring. Continued work needed to ensure robust and consistent data reporting.</p>

	<p>By next year we will have more data about outcomes.</p>
<p>Community engagement</p>	<p>Lots of personal stories of people who were engaged in development of projects.</p> <p>In general engagement has been high for these projects.</p> <p>Questions about whether this work will face challenges due to funding constraints.</p>
<p>Efficient use of funds</p>	<p>Better alignment between funders (state, local jurisdiction federal funds in addition to Metro) to ensure that we are streamlining and achieving greater impact.</p> <p>On average, Metro subsidy per unit is less than expected, but the context behind why that is is important – and recognizing that this will likely go up in future.</p> <p>Local incentives and policies should be highlighted, particularly given financial landscape challenges. (e.g., tax exemptions, SDC waivers, parking requirements impact costs significantly). Some of these have a cost for jurisdictions, may be burdensome for small jurisdictions; others have only political barriers; advocacy role to ensure that everyone is doing what they can.</p> <p>Above policies and local zoning can impact per unit subsidy and operating costs.</p>

	<p>SHS integration could support more efficient use of AHB capital resources.</p> <p>Questions/fixation on cost per unit. OHCS reports on a KPI that compares cost to RS Means; consider incorporating this metric to demonstrate alignment with typical market construction costs.</p> <p>Also important to highlight that it costs more to build affordable and there are reasons why</p>
<p>Sustainability and climate resilience (including AC funding)</p>	<p>Jurisdictions have made progress in incorporating AC and balancing cost efficiency with need to provide AC</p> <p>Would be helpful to get feedback about AC types and impacts of different types of cooling systems (e.g. tenant and property management impacts)</p>

Do you agree with staff’s recommendations regarding priority focus areas for the year ahead?

Staff recommendations:

- *Work with state and local partners to advocate for state/federal solutions and ensure coordination and alignment to address PAB volume cap and cost escalation challenges.*
- *Work with partners to identify and support opportunities for PSH expansion and SHS integration, including planning for allocation of up to \$25 million in housing bond interest earnings to support investments in PSH*
- *Convene partners to discuss and document effective practices for supporting equitable lease up, and evaluate opportunities to strengthen accountability in this area.*

Notes from committee discussion:

- Thumbs up
- Add rising interest rates to first bullet

- Make sure we are capturing work to solve for cost escalation gaps

Anything else?

Is there anything you would like to share that is not covered in the staff report, or would provide additional context? Does the committee have feedback on program procedures to support accountability and transparency? What is of particular interest for your continued monitoring and oversight moving forward?

Convening partners to discuss integration of RLRA into projects. This is happening one-off and would benefit from convening.

Highlight progress relative to timeframe. This program is moving quickly to get units built.

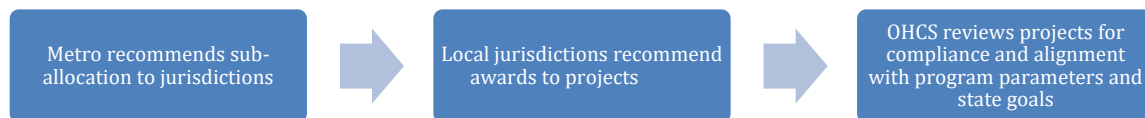
Make sure local elected officials receive the report.

9/27/2022

Final allocation framework for Metro bond HTF/LIFT set aside

In April, OHCS approved a set aside of \$16 million in federal Housing Trust Fund and \$19.28 million in Local Innovation Fast Track (LIFT) funding for layering with Metro affordable housing bond projects, with a goal of easing demand for private activity bonds as well as mitigating the impacts of cost escalation. HTF funds will be available for projects closing in 2022-2023, and LIFT funds will be directed to projects closing in 2023-2024.

OHCS asked Metro to convene partner jurisdictions for the Metro bond to determine a sub-allocation framework to provide a share of eligible funding in each jurisdiction. Local implementation partners (LIPs) will then develop specific project funding recommendations, for review by OHCS. Funding awards will be directly facilitated by OHCS following local recommendations and state confirmation of eligibility.



Requirements for these criteria are fully described in the program manuals:

Housing Trust Fund

<https://www.oregon.gov/ohcs/development/Documents/HTF/2021-HTF-Program-Manual.pdf>

Local Innovation and Fast Track (LIFT)

<https://www.oregon.gov/ohcs/development/Documents/10-27-2021-LIFT-Draft-Framework.pdf>

The final section of this document includes a summary of expectations for Metro bond projects to comply with program expectations for LIFT.

Considerations for allocation of funding among jurisdictions

During the Affordable Housing Bond Implementers meeting on May 26, Metro and local implementation partners (LIP) jurisdiction staff discussed considerations for the allocation of these funds to jurisdictions. Metro's top priority is ensuring that the region and each jurisdiction will be successful in following through on the timeline and production commitments, in spite of significant shifts in the landscape due to PAB volume cap and cost escalation pressures. Considerations raised in the discussion included:

- LIPs are at different places in committing their bond resources to projects to achieve local production goals; there is significant variation in average per unit Metro bond subsidy across the region, and development costs vary across jurisdictions. Some LIPs have significant remaining funds relative to remaining production goals, while others will face greater

challenges in achieving their goals. Uncertainty regarding private activity bond availability combined with unprecedented cost escalation is creating new risks that will require significant contingency planning moving forward.

- The impacts of cost escalation are also impacting LIPs differently. Some projects have not been able to access state Market Cost Offset Fund (MCOF) resources to address cost escalation gaps in their pipeline due to requirements that OHCS be the bond issuer for projects. It is anticipated that the MCOF resources will quickly be fully deployed to projects closing in the next 3-6 months and won't be available for projects with closing dates in 2023. Finally, the cost of development is higher in some jurisdictions which has led to higher per unit costs and less flexibility to increase bond subsidy on projects while ensuring sufficient remaining funds for remaining unit goals.
- Not all projects will be a fit for each of these resources.
 - HTF will be most compatible with projects that include other federal funding.
 - LIFT has specific lending requirements due to Article XI-Q bond requirements that may not be a fit for projects that are seeking to fill cost escalation gaps.
- Geographic distribution should also be a consideration.
- Jurisdictions should work with development teams to ensure that they have first pursued a full range of strategies to address cost escalation gaps, including value engineering and shifts in sponsor contribution and developer fee, before seeking additional funds.

Metro's allocation recommendation

With the above state expectations and local considerations in mind, Metro is recommending the following funding allocation to jurisdictions. A summary of the methodology used to determine these allocations is below.

Jurisdiction	HTF <i>Based on cost escalation gaps in current pipeline, adjusted to include smaller allocations</i>	LIFT <i>Based on share of remaining unit goals, adjusted to ensure min threshold</i>	Total	Anticipated utilization (final allocation may shift)
Beaverton	\$1,037,348		\$1,037,348	One project (2023 or 2024)
Clackamas		\$6,653,696	\$6,653,696	One project (2024)
Gresham				
Hillsboro		\$2,399,522	\$2,399,522	One project (2023 or 2024)
Home Forward	\$4,000,000		\$4,000,000	Troutdale project (2023)
Portland	\$10,226,783	\$10,116,869	\$20,343,652	HTF for Tistilal Village, 74 th /Glisan PSH, Garden Park, and Albina One (2023 closings); LIFT for 74 th /Glisan Family, PCC Killingsworth, hollywoodHUB (2023-2024 closings)

Washington	\$845,783		\$845,783	Plambeck Gardens (2023)
Total	\$16,000,000	\$19,280,000	\$35,280,000	

Allocation Methodology

Metro utilized the following approach to sub-allocating resources to implementation jurisdictions:

- Review current and projected cost escalation funding gaps in each jurisdiction, after recent/pending state awards.
- Review local capacity to increase bond funding to address cost escalation gaps without impacting local ability to meet/exceed local production goal.
- Prioritize HTF allocations based on current pipeline gaps that can't be filled through an increase in Metro bond funds, while providing flexibility for jurisdictions to determine whether to utilize funds on current or future projects.
- Allocate LIFT based on remaining local unit production goals (average of remaining total, 30% AMI, family-size goals), anticipating that these funds will be braided into future solicitations.
- Gresham allocation of \$723,000 LIFT transferred to Portland because Gresham does not anticipate being able to layer this funding with their remaining bond funds.
- For LIFT allocations under \$2.4M (identified as minimum threshold for LIFT), convert to HTF (these include \$1,076,087 Beaverton and \$345,783 Washington County). To compensate, \$1,421,870 converted from Portland HTF to LIFT.

Using this proposed methodology, we've arrived at the following draft allocation framework. The following section provides more detail on the methodology.

Housing Trust Fund: *Allocate based on projects in current pipeline with cost escalation gaps (as of June 2022), while providing flexibility for funding to be utilized on current or future projects.*

Jurisdiction	Recent state funding to address gaps	Pending state requests	Remaining cost escalation gaps in current pipeline	Gaps that can't be addressed with remaining local share*	HTF
Beaverton	\$12,000,000				
Clackamas	\$1,500,000				
Gresham					
Hillsboro					
Home Forward			\$12,000,000	\$12,000,000	\$4,000,000**
Portland			\$43,734,127	\$13,360,654	\$11,500,000
Washington Co.	\$420,000	\$5,520,000	\$500,000	\$500,000	\$500,000
Total	\$13,920,000	\$5,520,000			\$16,000,000

**Modeled using \$180,000 in per unit subsidy (local eligible share and Metro SAP funds combined) for remaining unit goals. Per unit subsidy awards for future solicitations is expected to be significantly lower, but this is expected to be considerably lower, but this amount is intended to provide flexibility and added contingency.*

*** Dekum's eligibility for these funds remains an open issue due under discussion with OHCS. Home Forward has indicated that they would seek OHCS bond issuance for Troutdale if it was eligible for HTF.*

Local Innovation Fast Track (LIFT): *Allocate based on share of remaining units, using an average of total, 30% AMI, and family sized unit goal, to be braided into future solicitations*

Jurisdiction	Total	30% AMI	Family-sized	Average of total, 30% AMI, and family units	Share of remaining units	LIFT
Beaverton	(80)	33	(1)	33	5%	\$1,037,348*
Clackamas	352	170	113	212	35%	\$6,653,696
Gresham	(7)	0	23	23	4%	\$723,000*
Hillsboro	135	57	37	76	12%	\$2,399,522
Home Forward	n/a	n/a	n/a	n/a	n/a	n/a
Portland	370	170	235	258	42%	\$8,120,652
Washington County	5	16	12	11	2%	\$345,783*
Total	879	446	428	613	100%	\$19,280,000

**Upon further discussion, it was agreed that LIFT allocations less than \$2.4M should be converted to HTF. To make this feasible, Portland agreed to convert proportionate amount of their own allocation from HTF to LIFT.*

OHCS's LIFT Parameters for METRO Fund Offerings

Eligible Projects: New Construction Only (New project/new units, no rehabs or density increasing redevelopment)

Maximum AMI: 60% AMI, no average income allowed

Unit Sizes: Focus on family-sized units (2+ bedrooms). No funding of SRO units

Adherence to Programmatic Requirements: All LIFT projects must demonstrate that they meet the LIFT programmatic requirements as listed below. Narrative responses will be reviewed by OHCS LIFT Program Manager for sufficiency of meeting baseline expectations.

LIFT Programmatic Requirements:

- ✓ Service to Communities of Color
 - Adherence to OHCS's MWESB Goals and report out on them per MWESB manual.
 - Demonstrate service to Communities of Color through responses to specific narrative questions. See below for questions from LIFT NOFAs:

- Tell us about the historically underserved Communities of Color in your metro area, including demographics and other factual data in your response.
 - How have you connected to this community or communities in planning for this Project?
 - How do you plan to ensure that members of these communities are aware of the housing opportunity? Please describe planned outreach efforts and community resources that you will connect with/utilize.
 - What barriers do you anticipate these communities encountering in accessing housing? What is your plan for mitigating identified barriers to access?
 - How will you service this community(ies) through building operations? Please attach signed Memoranda of Understanding with service organizations.
 - How were unit size/building configuration influenced and informed by what you have learned about the community or communities you are serving?
- ✓ Innovation, Efficiency, & Replicability
 - Applications should include a narrative that demonstrates innovation, efficacy, and/or replicability aspects of the project using the following definitions of Innovation, Efficiency, and Replicability:
 - Innovation: A proposal that is using a technique(s) as part of financing or building development that is new or original.
 - Efficiency: A proposal that employs techniques aimed at reducing waste & increasing efficiency. This can be project related, financing related, space related, etc.
 - Replicability: A proposal with a unique attribute that can be used in other developments in other locations around the State.
- ✓ Cost Containment
 - Lower Subsidy
 - Projects must adhere to the applicable 2022 LIFT subsidy caps; the 2022 LIFT with 4% LIHTC subsidy limits are:

	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Urban	\$60,000	\$100,000	\$130,000	\$160,000

- If projects will be scored, points for LIFT should include a scale based on the percentage of the maximum subsidy they request.
 - RS Means
 - Costs per Square Foot will need to be provided in order for OHCS to assess the cost in comparison to RS Means which is used to compare project costs from around Oregon to a standardized national average.

- Though not scored in this case, this data point needs to get captured for LIFT programmatic reporting purposes.

Lending Requirements

- ✓ LIFT is funded with Article XI-Q bonds, which requires an operational agreement with the owner of the property
- ✓ First lien position loan
- ✓ LIFT projects that include 4% LIHTC and PAB, the affordability period is 30 years
- ✓ Construction completed within 36 months of funding decision

Terms

LIFT funds are available as a 30-year loan with 0% interest rate. Payments are deferred during the loan term and at loan maturity the loan can be repaid in full as a balloon payment, OR the borrower can choose to extend affordability for an equal amount of time as the original loan term, if another, longer, affordability period isn't already in place.

Private Activity Bonds / 4% LIHTC

Projects that will leverage the 4% LIHTC require the use of Private Activity Bonds; this is a limited resource and as the program relaunches this fall will require that projects have balanced sources and uses for threshold eligibility. As such, it is the expectation of OHCS that all Metro projects leveraging OHCS gap resources through LIFT and HTF will not have funding gaps, and should not expect that OHCS will be able to provide additive resources in order to fill future funding gaps.

Metro Affordable Housing Bond Program
\$20 million for Rapid PSH*October 31, 2022***Overview**

As of June 30, 2022, Metro's Affordable Housing Bond (AHB) fund has earned over \$32 million in interest earnings and bond premiums. Of this amount, \$8 million has been allocated to AHB local implementation partner (LIP) jurisdictions to support additional investments in in-unit air conditioning following Metro's 2021 guidance urging development projects with bond funding to incorporate in-unit cooling systems.

This fall, Metro will allocate \$20 million in interest earnings/premiums to the counties or their designated agencies to support immediate investments in permanent supportive housing (PSH), with a preference for acquisition/conversion models and other strategies that can rapidly produce PSH and/or support interim shelter uses prior to conversion. Based on the allocation formula in Metro's Council approved work plan, funding will be allocated among the counties as follows:

- Multnomah County (45.44%): up to \$9,088,000
- Washington County (33.73%): up to \$6,746,000
- Clackamas County (20.82%): up to \$4,164,000

Because the goal is for funds to support investments in PSH that leverage SHS for operating funds, and to be able to get the funds out the door quickly, Rapid PSH funds will be directed to the counties as the administering agencies for SHS funds, or to the Counties' designees. However, this does not preclude LIP cities from participating or partnering in the deployment of these funds in partnership with counties or supporting investments in their jurisdictions. Metro is available to support conversations among jurisdictions.

Background

Following passage of the Supportive Housing Services (SHS) measure in 2020, the Metro Council directed staff to seek opportunities to support the integration of AHB and SHS investments. The oversight committees for both funding measures have also expressed strong support for integration and alignment of the two programs. In their May 2021 memo to Metro Council, the Affordable Housing Bond Oversight Committee urged Metro to *support integration of Metro supportive housing 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.*

Consistent with this direction, in November 2021, staff presented a proposal at a Council work session to allocate up to \$23 million in AHB interest earnings toward investments in PSH projects that integrate SHS funds, with a priority for acquisition-based approaches and other models that could rapidly produce results. In December 2021, the Housing Oversight Committee submitted a letter urging the Council to support staff in ensuring that these investments could move forward quickly.

With Council support, staff engaged county SHS and AHB staff and confirmed county interest in utilizing additional AHB funds for PSH investments that would integrate SHS funds. Meanwhile, 2022 brought the emergence of significant shifts in the financial landscape, requiring additional contingency planning. These have included new constraints in the availability of private activity bonds (PAB), which are necessary for financing federal 4% Low Income Housing Tax Credits (LIHTC, the primary source of leveraged funding in the housing bond portfolio), as well as significant cost escalation and rising interest rates, leading to significant cost gaps across the AHB portfolio. Metro has worked with LIPs to evaluate risks to inform contingency needs, while simultaneously engaging County staff to understand PSH investment opportunities, and to develop an allocation approach that will support the goals of geographic distribution while prioritizing rapid results, while ensuring appropriate contingency planning for the existing housing bond pipeline to ensure that the Metro bond will deliver production results that meet or exceed established goals.

Funding expectations

Rapid PSH funds will be subject to requirements established in the Metro Council approved Affordable Housing Bond Work Plan, with a few additional expectations.

Work Plan requirements	Additional requirements for Rapid PSH funds
<ul style="list-style-type: none"> • Proportionate allocation to counties (45% Multnomah, 34% Washington, 21% Clackamas) • Long-term regulatory agreement assuring affordability for a minimum of 60 years for new construction or 30 years for acquired buildings that are more than 10 years old • Acquired buildings may support interim use as a shelter; however, AHB funds can only be used for capital costs associated with acquisition or creation of permanent housing • Plans to advance racial equity through equitable contracting/workforce, affirmative marketing, low-barrier screening, and equitable community engagement, as detailed in the local implementation plan • Other requirements articulated in the Work Plan, IGAs, and LIP Guidelines 	<ul style="list-style-type: none"> • Must serve Population A and utilize county coordinated access systems to serve the most vulnerable • Maximize PSH unit production as appropriate to the specifications of the site, PSH best practices, and population needs • Must demonstrate a commitment to align ongoing SHS funding for project-based rental assistance and wraparound services • Must demonstrate a plan and capital funding commitment to support rehabilitation and/or conversion to permanent housing within 1-4 years depending on specific circumstances (e.g., interim shelter use) • Funds must be used to support additional projects; not intended to fund increased PSH units in existing pipeline projects • Investment opportunities must be submitted to Metro by April 2023.

Next steps

Staff will engage counties to determine which jurisdictions should administer funds within each county and to request formal communication from the counties if an agency other than the county will administer funds. Once the designated administrator has been confirmed, funding will be allocated through a Housing Bond IGA amendment. Funding approval and disbursement will follow established AHB procedures, with a commitment to expediting the process as needed to ensure that projects can move forward as rapidly as possible. Metro reserves discretion to reallocate funding if investment opportunities are not submitted by April 2023.

METRO HOUSING BOND QUARTERLY REPORT | JULY – SEPTEMBER 2022

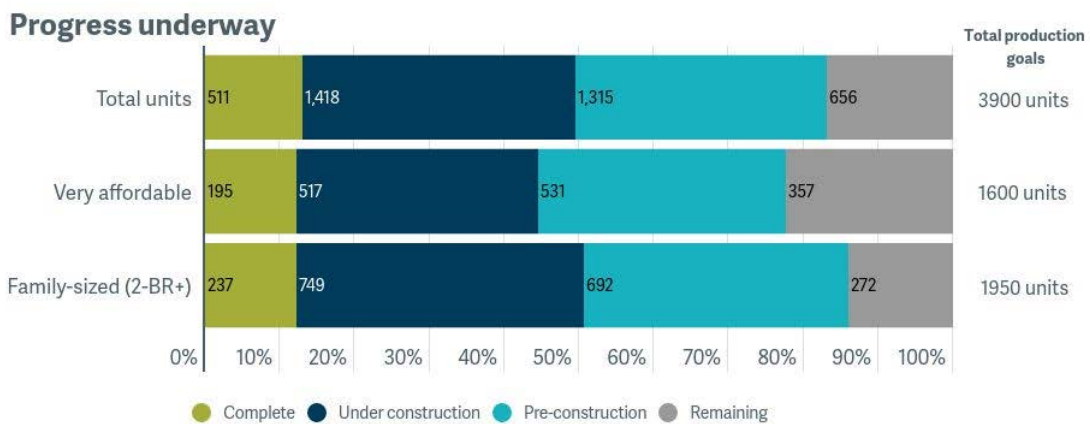
October 13, 2022

This is the third quarterly progress report for the Metro Affordable Housing Bond of 2022. Similar reports are produced quarterly with the goal of keeping the Housing Bond Community Oversight Committee, Metro Council, and other stakeholders and partners informed about ongoing implementation progress. A more detailed report will be provided annually for each calendar year, following submission of local progress reports by each participating implementation jurisdiction.

REGIONAL PRODUCTION PROGRESS

As of the end of September 2022, the Affordable Housing Bond program has 34 projects representing 3,244 new affordable homes in the pipeline, including fourteen projects (1,315 units) that are in pre-construction. Twenty-five projects have received final approval, of which thirteen (1,418 units) are under construction, and seven projects (511 units) have completed construction and are accepting residents. Collectively, the 34 projects in the pipeline represent 3,244 new affordable homes, or 83% of the total production target for the Housing Bond, while utilizing approximately 56% of allocated project funding. Of these homes, 1,678 will have two or more bedrooms, representing 86% of the program’s production goal of 1,950 family-sized homes; and 1,243 will be affordable to households with incomes at or below 30% of area median income (AMI), representing 77% of the program’s production goal of 1,600 deeply affordable homes.

Production and funding dashboard



REGIONAL PRODUCTION PROGRESS

	Eligible units	30% AMI units	2+ BR units	PSH units
Total units in pipeline	3,244	1,243	1,678	595
Total unit production targets	3,900	1,600	1,950	N/A
% of unit progress underway	83.2%	77.7%	86.1%	N/A
Total funding committed or underway	\$359,328,873			
% of funding committed	56.8%			
Total funding remaining	\$273,277,423			

LOCAL PRODUCTION PROGRESS

Portland

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Hattie Redmond	\$4,411,737	Construction	60	60	0	60	Oct-2021	Nov-2022
Dekum Court*	<i>see Home Forward</i>	Pre-construction	147	61	78	0	Apr-2022	Jan-2025
Findley Commons	\$1,945,175	Complete	35	0	0	35	Oct-2020	Dec-2021
Waterleaf	\$1,739,219	Construction	176	17	48	20	Dec-2020	Nov-2022
74th and Glisan	\$19,972,884	Pre-construction	137	56	63	41	Feb-2023	May-2024
5020 N Interstate	\$9,363,137	Pre-construction	63	18	48	0	Jul-2022	Jan-2024
Albina One	\$13,572,107	Pre-construction	94	32	54	0	Mar-2023	Feb-2025
Meridian Gardens	\$12,435,416	Pre-construction	85	70	0	65	Feb-2023	Feb-2024
Hollywood Hub	\$29,084,328	Pre-construction	199	69	129	0	Nov-2023	May-2025
PCC Killingsworth	\$2,538,237	Pre-construction	84	28	60	0	Jun-2023	Aug-2024
Tistilal Village	\$3,511,176	Pre-construction	24	24	22	16	Jan-2023	May-2024
Powellhurst Place	\$4,091,048	Pre-construction	64	12	45	0	Sep-2022	Nov-2023
Total units in pipeline			1,168	447	547	237		
Total unit production targets			1,475	605	737	300		
% of commitment complete			79.1%	73.8%	74.2%	79%		
Total committed or underway			\$102,518,165					
Total LIS funding			\$197,490,792					
% of funding committed			56.6%					
Remaining LIS funding			\$94,972,627					

*Home Forward is the developer of Dekum Court, but the units will count toward Portland's production goals. Dekum Court's funding was allocated directly to Home Forward, based on an agreement between Portland, Home Forward, and Metro prior to the execution of IGAs allocating funds, and as part of Metro's early commitment of funding to four "Phase I projects" (also including Viewfinder, Mary Ann, and Tukwila Springs).

Washington County

Name	Metro Bond Funds	Status	Eligible Units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion	
Aloha Family Housing	\$10,230,000	Construction	81	33	50	0	Apr-2022	Apr-2023	
Aloha Quality Inn	\$9,283,000	Construction	54	54	0	54	Dec-2021	Aug-2022	
Plambeck Gardens	\$14,320,000	Pre-construction	116	47	60	8	Mar-2023	Jun-2024	
Goldcrest	\$12,000,000	Pre-construction	74	14	45	0	Sep-2022	Mar-2024	
Plaza Los Amigos	\$13,670,523	Construction	113	26	73	16	Jul-2022	Sep-2023	
Saltzman Road	\$5,400,000	Pre-construction	54	28	9	24	Jun-2022	Aug-2023	
Terrace Glen	\$17,484,000	Construction	144	51	73	3	Nov-2021	May-2023	
The Valfre at Avenida 26	\$3,792,088	Construction	36	8	30	8	Jul-2021	Sep-2022	
Tigard Senior	\$6,270,000	Construction	57	23	0	23	Jul-2022	Sep-2023	
Viewfinder	\$11,583,000	Complete	81	34	56	27	Jun-2020	Dec-2021	
Total units in pipeline			810	318	396	163			
Total unit production targets			814	334	407	100			
% of commitment complete			99.5%	95.2%	97.2%	N/A			
Total committed or underway			\$104,032,611						
Total LIS funding			\$118,135,532						
% of funding committed			88%						
Remaining LIS funding			\$14,102,921						

Clackamas County

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion	
Fuller Road Station	\$8,570,000	Complete	99	25	82	25	Apr-2021	Sep-2022	
Good Shepherd Village	\$18,330,000	Construction	142	58	79	35	Mar-2022	Aug-2023	
Maple Apartments	\$15,903,000	Construction	171	70	129	9	May-2022	Dec-2023	
Tukwila Springs	\$5,548,542	Complete	48	48	0	48	Jun-2021	Jun-2022	
Marylhurst	\$3,000,000	Construction	100	40	83	40	Sep-2022	Jan-2024	
Total units in pipeline			560	241	373	157			
Total unit production targets			812	333	406	0			
% of commitment complete			68.9%	72.3%	91.8%	N/A			
Total committed or underway			\$51,351,542						
Total LIS funding			\$117,854,094						
% of funding committed			43.5%						
Remaining LIS funding			\$66,502,552						

Hillsboro

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Nueva Esperanza	\$16,940,731	Construction	149	60	105	8	Mar-2022	Oct-2023
Total units in pipeline			149	60	105	8		
Total unit production targets			284	117	142	0		
% of commitment complete			52.4%	51.2%	74%	N/A		
Total committed or underway			\$16,940,731					
Total LIS funding			\$41,240,081					
% of funding committed			41%					
Remaining LIS funding			\$24,299,350					

Gresham

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Albertina Kerr	\$11,281,922.42	Complete	147	30	31	30	Jan-2021	Jun-2022
Rockwood Village	\$5,237,813.69	Complete	47	47	39	0	Jan-2020	Apr-2022
Total units in pipeline			194	77	70	30		
Total unit production targets			187	77	93	0		
% of commitment complete			104%	100%	75%	N/A		
Total committed or underway			\$16,530,261					
Total LIS funding			\$27,140,995					
% of funding committed			61%					
Remaining LIS funding			\$10,610,734					

Beaverton

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion
Mary Ann	\$3,000,000	Complete	54	11	29	0	Jun-2020	Sep-2021
Elmonica	\$11,900,000	Pre-construction	80	33	32	0	Jan-2023	Dec-2024
Scholls Ferry Road	\$9,000,000	Construction	135	17	79	0	Jun-2022	Jan-2024
Total units in pipeline			269	61	140	0		
Total unit production targets			218	89	109	N/A		
% of commitment complete			100%	68.5%	100%	N/A		
Total committed or underway			\$23,900,000					
Total LIS funding			\$31,587,595					
% of funding committed			75.6%					
Remaining LIS funding			\$7,687,595					

Home Forward (East Multnomah County)

Name	Metro Bond Funds	Status	Eligible units	30% AMI units	2+ BR units	PSH units	Construction Start	Anticipated Completion	
Troutdale Apartments	\$15,213,585	Pre-construction	94	39	47	0	Apr-2023	Oct-2024	
Dekum Court (PHB)*	\$21,034,083	Pre-construction	<i>Counts toward PHB's unit production goals</i>					Apr-2022	Jan-2025
Total units in pipeline			94	39	47	0			
Total unit production targets			111	46	55	0			
% of commitment complete			84.6%	84.7%	85.4%	N/A			
Total committed or underway			\$36,247,668						
Total LIS funding			\$37,141,206						
% of funding committed			97.5%						
Remaining LIS funding			\$893,538						

*Home Forward is the developer of Dekum Court, but the units will count toward Portland's production goals. Dekum Court's funding was allocated directly to Home Forward, based on an agreement between Portland, Home Forward, and Metro prior to the execution of IGAs allocating funds, and as part of Metro's early commitment of funding to four "Phase I projects" (also including Viewfinder, Mary Ann, and Tukwila Springs).

PROJECT ENDORSEMENTS AND FINAL APPROVALS

*The following projects were endorsed or approved during the third quarter of 2022. Staff reports for these approvals are included in the Quarterly Report Project Approvals Addendum.**

Project	Endorsement/Approval
5020 N Interstate	Final Approval
Powellhurst Place	Final Approval

*Staff reports for projects approved in the third quarter can be found at <https://www.oregonmetro.gov/public-projects/affordable-homes-greater-portland/oversight>

METRO AFFORDABLE HOUSING BOND

Financial Report Through September 2022

FINANCIAL SUMMARY

TOTAL REVENUE	\$686,388,135
TOTAL EXPENSES and DISBURSEMENTS	\$250,169,125
TOTAL COMMITTED	\$122,640,180
TOTAL FUNDING REMAINING	\$313,578,830

REVENUE

	FY 2018 - 2022	FY 2022 - 2023	TOTAL REVENUE
Bond Proceeds	\$652,800,000		\$652,800,000
Premiums on Bonds	\$2,630,335		\$2,630,335
Interest Earnings	\$29,965,748	\$992,052	\$30,957,800
TOTAL REVENUE:	\$685,396,083	\$992,052	\$686,388,135

<--- \$8,003,000 of this additional revenue ("Premiums on Bonds" and "Interest Earnings") has been allocated to fund A/C cooling systems.

EXPENSES

PROJECTS	Prior Years Expended or Disbursed	FY2022-23 Expended or Disbursed	Committed -- Not Yet Disbursed	TOTAL EXPENDED, DISBURSED or COMMITTED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended, Disbursed or Committed
Jurisdiction:						
Beaverton	\$12,000,000	\$0	\$11,900,000	\$23,900,000	\$31,587,595	75.66%
Clackamas County	\$48,351,542	\$3,000,000	\$0	\$51,351,542	\$117,854,094	43.57%
Gresham	\$16,341,505	\$96,309	\$92,447	\$16,530,261	\$27,140,995	60.91%
Hillsboro	\$16,940,731	\$0	\$0	\$16,940,731	\$41,240,081	41.08%
Home Forward (East Multnomah Co.)	\$21,034,083	\$0	\$15,213,585	\$36,247,668	\$37,141,206	97.59%
Portland	\$8,096,131	\$13,307,886	\$81,114,148	\$102,518,165	\$197,490,792	51.91%
Washington County	\$76,894,611	\$12,818,000	\$14,320,000	\$104,032,611	\$118,135,532	88.06%
Metro Site Acquisition Program	\$7,656,656	\$64,213	\$0	\$7,720,869	\$62,016,000	12.45%
Other Metro Direct Project Costs	\$71,131	\$15,895	\$0	\$87,026	\$0	N/A
TOTAL:	\$207,386,390	\$29,302,303	\$122,640,180	\$359,328,873	\$ 632,606,296	56.80%

ADMINISTRATIVE	Prior Years Expended or Disbursed	FY2022-23 Expended or Disbursed	TOTAL EXPENDED or DISBURSED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended or Disbursed
Jurisdiction:					
Beaverton	\$454,134	\$0	\$454,134	\$655,591	69.27%
Clackamas County	\$1,467,639	\$244,607	\$1,712,246	\$2,446,065	70.00%
Gresham	\$309,817	\$0	\$309,817	\$563,305	55.00%
Hillsboro	\$513,564	\$171,188	\$684,752	\$855,939	80.00%
Home Forward (East Multnomah Co.)	\$334,297	\$0	\$334,297	\$334,297	100.00%
Portland*	\$0	\$0	\$0	\$0	N/A
Washington County	\$1,414,140	\$0	\$1,414,140	\$2,451,906	57.68%
Metro Site Acquisition Program**	\$0	\$0	\$0	\$1,305,600	N/A
Metro Accountability and Financial Transaction Costs	\$7,740,373	\$830,673	\$8,571,046	\$13,056,000	65.65%
Reserved for Future Allocations				\$6,528,000	0.00%
TOTAL:	\$12,233,964	\$1,246,468	\$13,480,432	\$28,196,704	47.81%

* PHB uses a Project Delivery Fee, not paid for by Metro's Affordable Housing Bond, to reimburse their administrative expenses.

** Metro's Finance and Regulatory Services has determined that the direct costs of Metro's Site Acquisition Program are considered Project expenses. Administrative expenses in support of Metro's Site Acquisition Program are combined with Metro's total Administrative expenses and included in "Metro Accountability and Financial Transaction Costs."

Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes that ban discrimination. If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro's civil rights program, or to obtain a discrimination complaint form, visit www.oregonmetro.gov/civilrights or call 503-797-1536. Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1700 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. For up-to-date public transportation information, visit TriMet's website at www.trimet.org.

Thông báo về sự Metro không kỳ thị của

Metro tôn trọng dân quyền. Muốn biết thêm thông tin về chương trình dân quyền của Metro, hoặc muốn lấy đơn khiếu nại về sự kỳ thị, xin xem trong www.oregonmetro.gov/civilrights. Nếu quý vị cần thông dịch viên ra dấu bằng tay, trợ giúp về tiếp xúc hay ngôn ngữ, xin gọi số 503-797-1700 (từ 8 giờ sáng đến 5 giờ chiều vào những ngày thường) trước buổi họp 5 ngày làm việc.

Повідомлення Metro про заборону дискримінації

Metro з повагою ставиться до громадянських прав. Для отримання інформації про програму Metro із захисту громадянських прав або форми скарги про дискримінацію відвідайте сайт www.oregonmetro.gov/civilrights. або Якщо вам потрібен перекладач на зборах, для задоволення вашого запиту зателефонуйте за номером 503-797-1700 з 8.00 до 17.00 у робочі дні за п'ять робочих днів до зборів.

Metro 的不歧视公告

尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 www.oregonmetro.gov/civilrights。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1700（工作日上午8點至下午5點），以便我們滿足您的要求。

Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo www.oregonmetro.gov/civilrights. Haddii aad u baahan tahay turjubaan si aad uga qaybqaadatid kullanka dadweynaha, wac 503-797-1700 (8 galka hore illaa 5 galka dambe maalmaha shaqada) shan maalmaha shaqo ka hor kullanka si loo tixgaliyo codsashadaada.

Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 www.oregonmetro.gov/civilrights. 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1700를 호출합니다.

Metro의差別禁止通知

Metroでは公民権を尊重しています。Metroの公民権プログラムに関する情報について、または差別苦情フォームを入手するには、www.oregonmetro.gov/civilrights。までお電話ください。公開会議で言語通訳を必要とされる方は、Metroがご要請に対応できるよう、公開会議の5営業日前までに503-797-1700（平日午前8時～午後5時）までお電話ください。

សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

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

إشعار بعدم التمييز من Metro

تحتزم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإيداع شكوى ضد التمييز، يُرجى زيارة الموقع الإلكتروني www.oregonmetro.gov/civilrights. إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدماً برقم الهاتف 503-797-1700 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

Paunawa ng Metro sa kawalan ng diskriminasyon

Iginagalang ng Metro ang mga karapatang sibil. Para sa impormasyon tungkol sa programa ng Metro sa mga karapatang sibil, o upang makakuha ng porma ng reklamo sa diskriminasyon, bisitahin ang www.oregonmetro.gov/civilrights. Kung kailangan ninyo ng interpreter ng wika sa isang pampublikong pulong, tumawag sa 503-797-1700 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan.

Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a www.oregonmetro.gov/civilrights. Si necesita asistencia con el idioma, llame al 503-797-1700 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

Уведомление о недопущении дискриминации от Metro

Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте www.oregonmetro.gov/civilrights. Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1700 в рабочие дни с 8:00 до 17:00 и за пять рабочих дней до даты собрания.

Avizul Metro privind nediscriminarea

Metro respectă drepturile civile. Pentru informații cu privire la programul Metro pentru drepturi civile sau pentru a obține un formular de reclamație împotriva discriminării, vizitați www.oregonmetro.gov/civilrights. Dacă aveți nevoie de un interpret de limbă la o ședință publică, sunați la 503-797-1700 (între orele 8 și 5, în timpul zilelor lucrătoare) cu cinci zile lucrătoare înainte de ședință, pentru a putea să vă răspunde în mod favorabil la cerere.

Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib www.oregonmetro.gov/civilrights. Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1700 (8 teev sawv ntov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lwm ua ntej ntawm lub rooj sib tham.