



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Agenda

Meeting: Housing Bond Oversight Committee Meeting
Date: Monday, June 10, 2024
Time: 3:00 p.m. to 5:30 p.m.
Place: Virtual meeting ([Zoom link](#))
Purpose: Committee discussion and finalization of their findings and recommendations for the Affordable Housing Bond

3:00 p.m. Welcome and Introductions
3:15 p.m. Public comment
3:25 p.m. Staff presentation: Quarterly report
3:35 p.m. Committee discussion: Committee findings and recommendations to Metro Council
4:05 p.m. Staff Updates
4:20 p.m. Break
4:30 p.m. COO Update: Regional Housing Funding process update
5:25 p.m. Staff updates and next steps
5:30 p.m. Adjourn

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 ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានកម្មប្រតិបត្តិការរើសអើងសម្រាប់សេចក្តីណែនាំ 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 txog kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txog 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 ntxov txog 5 teev tsaus ntuj weekdays) 5 hnuv ua hauj lwm ua ntej ntawm lub rooj sib tham.

Housing Bond Oversight Committee Meeting Summary

Meeting:	Housing Bond Oversight Committee Meeting
Date:	Monday, May 13, 2024
Time:	3:00 p.m. to 5:30 p.m.
Place:	Virtual meeting (Zoom)
Purpose:	Staff presentation and committee discussion of regional trends and key findings for 2023 annual report

Attendees

Jeffery Petrillo (he/him), Karen Shawcross (she/her), Jesse Neilson (he/him), Katherine Rozsa (she/her), Andrea Sanchez (she/her), Mara Romero (she/her), Co-chair Jenny Lee (she/her), Co-chair Steve Rudman (he/him), Scott Greenfield (he/him), Ex-officio Councilor Mary Nolan (they/them), Ann Leenstra (she/her)

Metro staff

Patricia Rojas (she/her), Emily Lieb (she/her), Jimmy Oporta (he/him), Alison Wicks (she/her), Sandi Saunders (she/her), Mercedes Evangelista (she/her)

Facilitator

Ben Duncan, Kearns & West (she/her)

Note: The meeting was recorded via Zoom; therefore, this meeting summary will remain at a high-level overview. Please review the recording and archived meeting packet for details and presentation slides.

Welcome and Introductions

Co-chair Jenny Lee shared appreciation for the in-person space.

Co-chair Steve Rudman thanked the group for their continued work.

Ben Duncan, Kearns & West, facilitated introductions between the Committee members, reviewed the agenda, in-room safety details, and thanked the Committee members for their participation.

Ben asked for the Committee's approval of the April 1 and April 15 Oversight Committee Meeting Summaries. Karen Shawcross asked that the project team make a correction to the April 1 Meeting Minutes.

- Page 6: Change "Development Fees" to "Developer Fees"

Karen Shawcross motioned to approve the April 1 and April 15 Meeting Minutes. Jenny Lee seconded the motion. The Meeting Minutes were unanimously approved.

Public Comment

No public comment was received.

Housing Bond Oversight Committee Meeting Summary

Director Update

Patricia Rojas, Metro Regional Housing Director, provided a staffing update and announced that Metro hired six new Housing Department positions. She shared a budget update and noted that the FY2025 proposed budget includes a request for additional Affordable Housing Bond (AHB) funds as well as an additional communications staff position. She shared that Metro will be adding \$950,000 annually moving forward to balance the deficit.

Patricia shared a brief update from the Stakeholder Advisory Table (SAT) on Friday, May 10 as well as next steps for engagement with partners.

Co-Chair Steve Rudman added that the (SAT) meeting ended with more alignment between Metro and the County partners.

Conflict of Interest Declarations

Co-chair Jenny Lee declared that she works for the Coalition of Communities of Color which is contracted with Metro.

Andrea Sanchez declared that she works for the Housing Development Center and has clients that receive Bond funds from Metro.

Metro Staff Presentation and Committee Discussion: Regional Trends and Key Findings for Annual Report

Alison Wicks, Metro, shared that Committee members will hear an update on the AHB progress which will be shared with Metro Council in July. She shared that a draft report was included in the meeting packet and provided an overview of the AHB guiding principles.

Section 1 (Unit Production, Geographic Distribution, and Community Engagement)

Jimmy Oporta, Metro, introduced himself and shared an overview of AHB production including the total number of homes, number of very affordable homes, and family sized homes. He shared the projections for the number of community members housed by the AHB program and provided an overview of the number of units in production by jurisdiction. Jimmy added that the partners are expected to complete all projects by 2029 and that the program is expected to achieve 120% of its production target. Jimmy described the geographic distribution of AHB funds around the region and noted that the majority of sites are highly walkable with good access to transit.

Co-chair Steve Rudman asked for the locations of the four projects that do not have affordable housing within a 1-mile radius.

Jimmy Oporta, Metro, shared that Metro will follow-up with that information.

Jimmy Oporta, Metro, shared an update on the program's community engagement effort and how key feedback was incorporated into the projects.

Scott Greenfield asked if funding allocations were predefined.

Emily Lieb, Metro, shared that allocations were based on where property tax revenue is generated.

Housing Bond Oversight Committee Meeting Summary

Karen Shawcross noted a discrepancy between the number of residents listed in the report and the presentation.

Alison Wicks, Metro, shared that the project team will make the necessary correction.

Co-Chair Steve Rudman asked whether the jurisdictions would meet their goals if there were a deficit in funding.

Jimmy Oporta, Metro, shared that the jurisdictions are expected to meet their goals.

Section 2 (Equitable Access, Equitable Contracting and Workforce, Permanent Supportive Housing)

Mercedes Evangelista, Metro, described the percentage of construction costs allocated to COBID certified firms as well as workforce diversity utilization that was tracked for four projects. She shared a list of communities defined as priority communities and detailed a breakdown of the number of units designated for communities of color, families with children, multiple generations, senior and older adults, veterans, people experiencing or at risk of homelessness, people with disabilities, and people experiencing or at risk of displacement.

Mercedes informed the group that the AHB projects are required to prove the use of affirmative marketing and low barrier screening in order to reduce barriers to access. She shared a report on leasing outcomes and described the total units available, total rental applications received, and total percentage of applicants housed. Mercedes shared the demographics of bond-funded unit residents and described the breakdown of Permanent Supportive Housing (PSH) units for the different jurisdictions.

Mara Romero commented that the disability statistics look to be under reported. She asked what Metro is doing to encourage people to report their demographics.

Mercedes Evangelista, Metro, clarified that the percentages are compared to regional census data and that Metro has improved the form for collecting demographics.

Jimmy Oporta, Metro, shared that post-occupancy forms ask for ADA accommodation requests and responses but noted that there is a delay in including that data in reporting.

Andrea Sanchez asked for clarification on the number referenced in the regional demographics comparisons. She asked for clarification on the takeaway from the “Disability Status” slide.

Alison Wicks, Metro, shared that the statistic references demographics data from the American Community Survey (ACS). She shared that Metro can add disclaimers to the “Disability Status” slide to clarify the data source and noted that the comparison is intended to serve as a benchmark for understanding the degree to which people experiencing a disability are served by the program.

Jeff Petrillo asked whether the statistics in the report include projects that have been completed, are under construction, and are in pre-development.

Housing Bond Oversight Committee Meeting Summary

Alison Wicks, Metro, shared that it depends on the statistic and the subset of projects it is referencing.

Karen Shawcross asked whether the statistics will be shared with Metro Council.

Alison Wicks, Metro, shared that they will.

Co-Chair Jenny Lee asked whether Metro has the ability to track applications geographically and if there is any relationship to other regulated affordable housing within a mile.

Mercedes Evangelista, Metro, shared that data is tracked by the property managers and that Metro can follow up with that information.

Katie Rozsa asked how many residents have participated in the North/Northeast Preference Policy.

Mercedes Evangelista, Metro, shared that that data will be included in the next annual report.

Andrea Sanchez shared that often times the time it takes to lease up a unit can be dependent on communities sharing the opportunity among themselves. She added that communities can be a big driver of applicant make up.

Emily Lieb, Metro, shared that Metro looks at demand across unit sizes.

Scott Greenfield asked for clarification on the low-barrier screening and asked what the target and strategy is for the screening.

Emily Lieb, Metro, shared that Metro's policy framework includes an intention to support low-barrier screening and that Metro has included that as a requirement for partners as well. She shared that there is a range of best practices that have been discussed with partners. She added that the tenant screening plans are detailed and that it can take significant work to get an agreed upon standard.

Mara Romero shared that the Fair Housing Council of Oregon has guides on low barrier screening.

Jeff Petrillo shared a recommendation to call out the Opal Project's focus on serving LGBTQ+ seniors and noted that it is a pioneering project for the region.

Karen Shawcross asked how long Metro will monitor annual progress on the projects.

Emily Lieb, Metro, shared that Metro will be monitoring for 10-years, or until the project has been completed.

Section 3 (Sustainability and climate resilience, Efficient use of funds)

Alison Wicks provided an overview of the 2021 policy guidance that set aside funds for in-unit cooling. She provided an overview of strategies that lead toward sustainable development and noted that the AHB portfolio represents \$2.18 billion in investments. She shared a breakdown of

Housing Bond Oversight Committee Meeting Summary

the capital funding sources and noted that low-income housing tax credits, Metro AHB funds, permanent loans and sponsor contribution represent the four largest funding sources.

Alison shared that the average cost of Metro bond units is \$447,053 and showed the Metro Bond subsidy associated with those costs. She shared that development costs have increased and shared the number of units designed for very low income, project-based rental assistance, and wraparound services.

Alison shared an overview of the economic impact of the bond program. She added that Bond funded units have represented approximately 15% of multifamily housing construction in the region and have supported 3,203 construction jobs annually.

Karen Shawcross asked what the Metro Council's reaction to this section of the report will be.

Councilor Nolan shared that the Metro Council understands that long term affordability needs to be funded up front. They added that the public might need more information to understand the details of the costs.

Andrea Sanchez asked how the connection between policy goals and other costs can be identified.

Councilor Nolan shared that there are policies that are internally conflicting. They shared that the Committee could highlight the cost of policies to inform the public on the additional services included with the projects. They shared that without that context it can be hard to justify the project per-unit costs when they are compared with the median cost of units regionally.

Jeff Petrillo shared that the issue of explaining low-income housing costs has been a challenge in the past. He shared that the costs should be framed as long-term investments and public assets and noted that housing is a stabilizer and provides a public benefit.

Co-Chair Steve Rudman shared that it is important for taxpayers to understand the costs associated with low-income housing.

Scott Greenfield shared that almost 40% of funding comes from low-income tax credits. He shared examples of additional strategies for building low-income housing and noted that the AHB is one tool in the toolbox.

Co-Chair Jenny Lee shared that the benefit of AHB units is that you can fill in missing gaps in the housing supply.

Karen Shawcross suggested that Metro develop a cost breakdown to show how the average per-unit price for affordable housing is calculated.

Jeff Petrillo asked whether the permanent loans represent bank debt or bond debt.

Allison Wicks, Metro, shared that permanent loans are typically bank loans.

Jeff Petrillo suggested that Metro include a cost breakdown of the average private sector deal.

Housing Bond Oversight Committee Meeting Summary

Section 4 (Adapting our program to respond to challenges and opportunities)

Emily Lieb, Metro, reviewed the Committee's recommendations on maximizing housing bond resources and shared that the recommendations will go to Metro Council in June of 2023. She shared that Metro will be coordinating with partners and stakeholders to advance the Committee's recommendations. She provided an update on Metro's efforts to regionalize best practices around post-occupancy reporting and affordable homeownership standards and templates, and the Tri-County Planning Body's work on regional training and technical assistance.

Emily shared Metro's strategy for strengthening system integration and alignment. She noted that Metro earmarked funding to support additional investments in expanding affordable housing and has coordinated with Oregon Housing and Community Services to advance funding alignment. Emily described the PSH Pilot funding and described the resulting efforts in Clackamas County, Washington County, and Multnomah County. Emily shared that Metro convened a Stakeholder Advisory Table to advise the Metro Chief Operating Officer (COO) on a recommendation to Metro Council in June.

Emily provided an overview of the lessons learned from the Committee as well as the strategic partners and shared a report-out on themes for continued focus areas.

Co-Chair Steve shared that the idea of community assets needs to be defined. He shared that the difficulty of managing properties needs to be tracked for potential corrections. He shared the importance of keeping funds nimble.

Karen Shawcross shared concern for the operation of properties after lease-up. She shared concern that the people with the most need are not signing leases and suggested adding monitoring into the IGAs.

Jeff Petrillo shared that most of what will be built will require more subsidy due to reduced Low-Income Housing Tax Credit (LIHTC) pricing, increased interest rates, and insurance availability.

Co-Chair Steve Rudman shared that long term funding should be a consideration as Metro integrates SHS with Bond Funds.

Karen Shawcross shared that the budgeted resident services per unit could be tracked to provide a helpful data point. She added that she is waiting on follow-up from an action item regarding feedback from property managers.

Closing and Next Steps

Co-chairs Steve Rudman and Jenny Lee provided closing remarks.

Ben Duncan, Kearns & West, shared that next steps include:

- Committee members to review annual report and send comments by 5/20
- Metro to send Findings and Recommendations in advance of June 10 Meeting
- Metro to follow-up on Advisory Table
- Metro to share the locations of the four projects that do not have affordable housing within a 1-mile radius

Housing Bond Oversight Committee Meeting Summary

- Metro to update number of residents statistic in the 2023 annual report.
- Metro to clarify data used for regional demographics charts.
- Metro to follow up with any geographic focuses for housing applications and any relationship to other regulated affordable housing within a mile.
- Metro to provide feedback from property managers on lease up and building management experiences.

Karen Shawcross asked if the committee can review draft pages 53-54 in advance of the June 10 meeting.

Allison Wicks, Metro, shared that Metro will be providing those pages in advance of the meeting.

Adjourn

The meeting adjourned at 5:30 p.m.

Memo

Date: June 10, 2024
To: Metro Council
From: Metro Housing Bond Community Oversight Committee
Subject: 2023 Annual Report

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

We are pleased to present the 2023 annual report for the Metro affordable housing bond, covering the period from January 1, 2023 through December 31, 2023.

The Metro 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. The committee also reviews quarterly progress and expenditure reports on an ongoing basis to monitor and evaluate progress toward production and policy goals outlined in the Metro Council’s adopted policy framework for the bond.

The bond framework established a goal of creating at least 3,900 new homes as well as policy expectations for advancing racial equity throughout the implementation process. This report demonstrates that the bond is delivering on its promises. Metro and its partners are on track to build 800 more homes than expected, bringing 4,700 affordable homes to the region. These new affordable homes will help tackle the region’s housing shortage and stabilize communities so that all people can thrive.

KEY HIGHLIGHTS

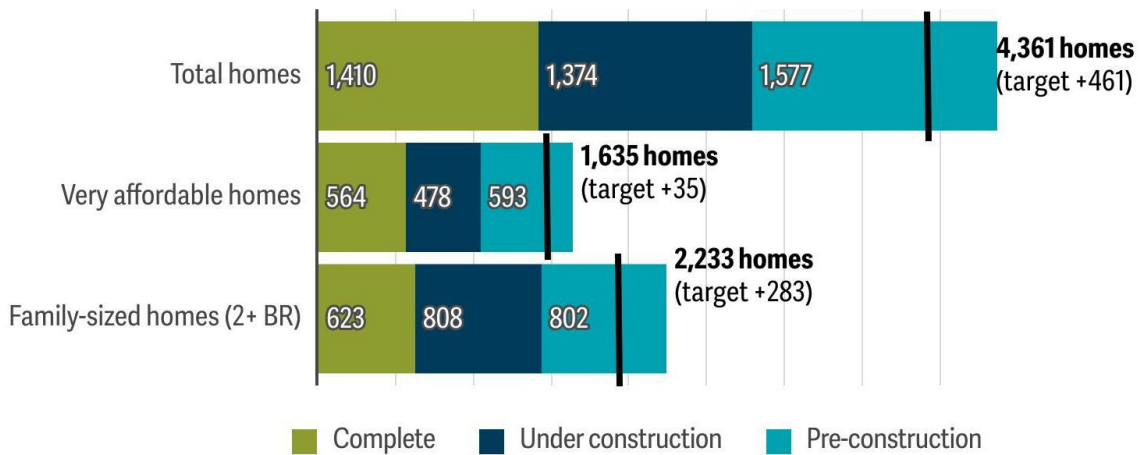
In its fourth year of implementation, the bond program outpaced housing production targets while continuing to make significant progress in advancing regional goals to increase equitable access to housing.

Production progress

As of December 2023, there were 52 bond-funded projects underway that will provide 4,361 new affordable homes. These homes represent 112% of the bond’s total unit production target of 3,900 affordable homes.

- **Total units:** The 4,361 affordable homes (which are collectively referred to as the “bond portfolio” throughout the report) include 1,410 units that have completed construction, 1,374 units under construction and 1,577 units in pre-construction.

Regional progress toward production goals



- **Family-size units:** 2,233 of these homes will have two or more bedrooms, representing 115% of the program’s production goal for family-size homes.
- **Deeply affordable units:** 1,635 of these homes will be affordable to households with incomes at or below 30% of area median income, representing 102% of the program’s production goal for deeply affordable homes.

Plans are in place that will commit all remaining bond funds by 2025 with final projects expected to break ground by 2026. **The program is projected to achieve at least 120% of its original production target once all funds are expended,** creating an estimated 4,700 affordable homes that will provide housing for 9,000 to 15,000 people across the region.

By December 2023, 1,443 people had moved into their new homes in 10 bond-funded projects located in Beaverton, Forest Grove, Gladstone, Gresham, Happy Valley, Portland and Tigard.

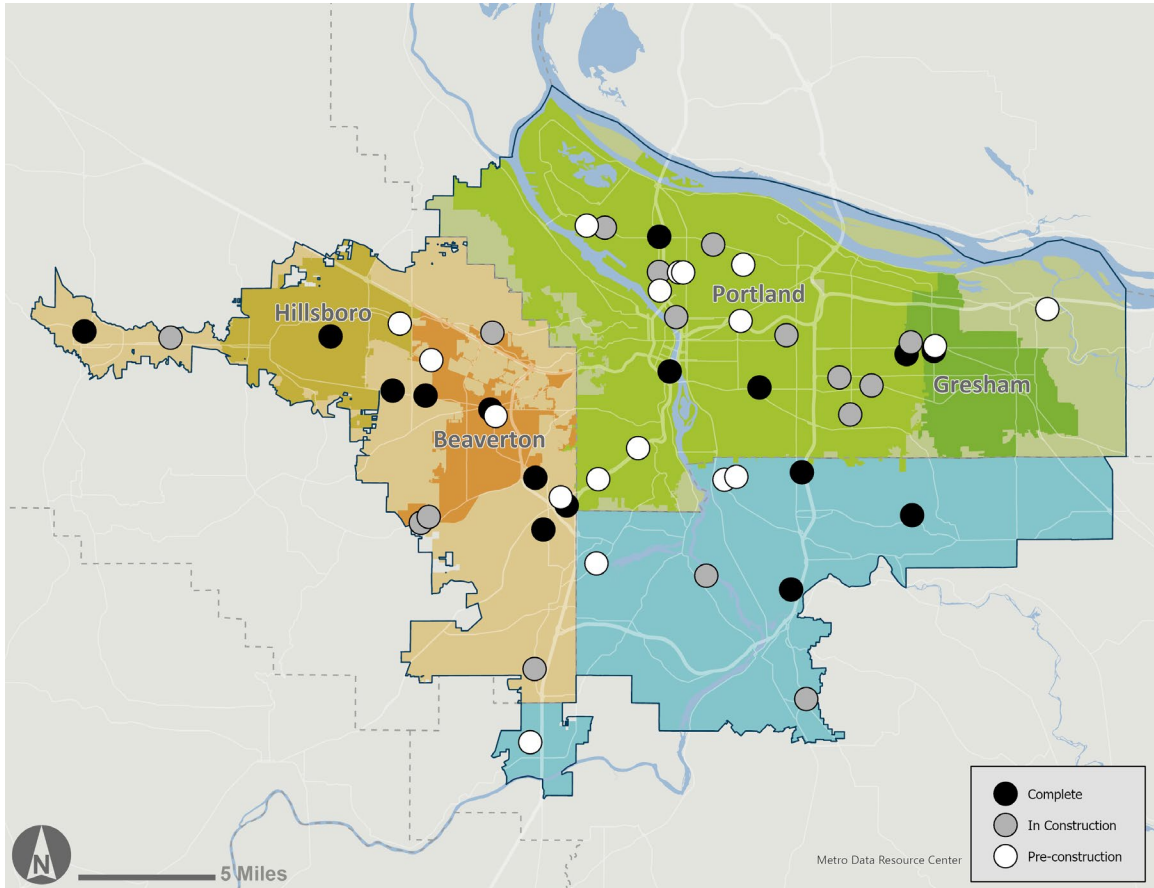
Addressing disparities and advancing racial equity

Metro and its implementation partners are making ongoing progress in moving forward the bond program’s goals of addressing disparities, increasing equitable access to housing and advancing racial equity:

- **Addressing disparities through project location:** The locations of the bond portfolio’s homes expand access to housing options in a diversity of areas throughout the region: 42% of units are located in areas that have historically lacked affordable housing, 58% are located in areas where communities at risk of displacement live today and 42% are located in areas historically inaccessible to communities of color. This not only improves access to affordable housing in communities across greater Portland and provides

residents with greater choice about where to live, it also helps connect people to schools, jobs and other opportunities while preventing displacement in changing neighborhoods.

Affordable housing bond project locations



- **Advancing economic opportunity through construction:** Bond-funded projects represented about 15% of regional multifamily housing construction in 2023 and have supported an average of 3,286 jobs in the construction sector annually – jobs that pay an average of \$91,000 per year in wages and benefits. To ensure equitable access to the economic opportunities provided by bond investments, the program aims to direct construction contracts to underrepresented firms. The bond’s development projects are on track to meet or exceed the regional goal of at least 20% of construction contract funding going to state certified minority- or women-owned and/or emerging small businesses (MWESB). Ten projects reached completion in 2022 and 2023 with a combined \$50.3 million in contracts paid to certified MWESB firms, representing 24.9% of total construction costs.
- **Promoting equitable access through marketing and lease-up:** All bond projects are required to develop plans for affirmatively marketing housing opportunities and reducing lease-up barriers to ensure equitable access to bond-funded units. Data from projects that have completed lease-up suggest

that these affirmative marketing and lease-up strategies are working, with a higher percentage of people of color housed in bond-funded units than the percentage of households with low incomes that are people of color in the surrounding neighborhoods and the region as a whole.

- **Advancing housing stability through services:** On-site services can support households with low incomes to remain stably housed. Across the 52 projects in the portfolio, 96% include formal partnerships with culturally responsive or culturally specific organizations to provide resident services and other programming. In addition, 56% of projects will provide ongoing case management for households in permanent supportive housing units intended for people exiting long-term homelessness; 55% of these projects are leveraging funding from Metro's supportive housing services fund.
- **Promoting community engagement:** Implementation partners and developers are expected to conduct outreach and organize engagement opportunities to involve the community in providing input on project design, services and other priorities. In 2023 more than 1,103 people participated in community engagement opportunities to inform planning for 16 projects. Their input led to modifications to outdoor areas, common spaces, unit amenities, on-site services, security features and parking.

Addressing emerging opportunities and challenges

Metro works with its partners on an ongoing basis to support regional alignment and coordination in response to emerging challenges and opportunities. Key policy and program refinement work undertaken in 2023 included:

- **Convening stakeholders to regionalize best practices:** Metro worked with stakeholders and partners to improve post-occupancy reporting on marketing, screening and demographic data, resulting in improved data quality. Metro also worked with partners to create standards and templates for affordable homeownership projects, supporting the addition of four homeownership developments to the portfolio. The tri-county planning body, which develops regional strategies to support implementation of Metro's supportive housing services fund, identified six regional goals that will guide investments to address homelessness.
- **Strengthening system integration and alignment:** Metro dedicated funding and staff capacity to strengthen regional permanent supportive housing coordination and alignment, which includes supporting jurisdictional partners to align housing bond and supportive housing services resources. Metro also continued to coordinate with Oregon Housing and Community Services on funding alignment while supporting federal legislative changes that would increase the availability of private activity bonds.

- **Analysis and planning for the future:** Metro Council laid the groundwork for a community conversation to explore how the region can continue to work together to create affordable homes as well as provide services that keep people housed. A stakeholder advisory table was convened in early 2024 that will inform a recommendation from Metro’s chief operating officer to the Metro Council on future funding options. Metro also expanded its staffing capacity to focus on programmatic integration and policy alignment of Metro’s capital development and supportive housing services funds – work that is critical to the region’s ability to deliver on its housing commitments.

RECOMMENDATIONS

The committee commends Metro and its implementation partners on the milestones reached this year. The bond program is on track to exceed unit production goals, and considerable progress has been made on the committee’s previous recommendations. This sets a firm platform for the committee to make the following recommendations to continue to optimize the impact of these resources and set up the region to continue to address pressing regional housing needs.

- **Funding coordination and alignment:** Bond projects continue to face challenges due to unprecedented cost escalation and statewide shifts necessary to address private activity bond constraints. Metro should continue to work with funding and development partners to ensure that projects have the flexibility and support they need to navigate funding gaps or other barriers. Metro should continue to coordinate with Oregon Housing and Community Services and jurisdictional partners on funding processes and alignment to provide predictability and certainty for developers, ensure that funding and underwriting standards are responsive to their needs, and prioritize deeply affordable and permanent supportive housing units.
- **Affordable housing operations:** While the bond program is exceeding its housing production goals and demonstrating strong outcomes for racial equity in construction and initial marketing, the ongoing stability of residents – and the organizations that own and operate the housing – will be the long-term measure of success for this program. Affordable housing owners and operators face new challenges navigating rising operating costs and supporting property management and operational practices that are responsive to the needs of residents. Metro should conduct an analysis and convene stakeholders to evaluate needs/gaps and identify opportunities to support property management and operational practices that will ensure long-term stewardship of the community assets created through this investment program.
- **Continue to plan for the future:** Metro should continue working with partners and stakeholders to develop plans to ensure the region can address its

affordable housing needs into the future. This includes planning for continued funding for affordable housing and the integration and alignment of Metro's capital and supportive housing services funds to ensure that we are maximizing the impact of these combined investments in addressing our region's housing and homelessness crisis.

The Portland region should be proud that we are addressing the national issues of affordable housing and homelessness with an active approach that centers racial equity. This bond continues to be successful and will exceed the commitments made to voters. We have an opportunity to build upon this work and expand its impact. We would like to applaud Metro and jurisdictional partner staff for their continued dedication, and we are honored to have the opportunity to provide oversight for this important program for our region.

Thank you,

Jenny Lee (Co-chair)

Steve Rudman (Co-chair)

Scott Greenfield

Ann Leenstra

Jesse Neilson

Jeffery Petrillo

Mara Romero

Katherine Rozsa

Andrea Sanchez

Karen Shawcross



Memo

Date: Monday, June 3, 2024
To: Affordable Housing Bond Oversight Committee
From: Craig Beebe, Val Galstad, Elizabeth Goetzinger
Project management team, Regional Housing Funding
Subject: Staff report: Update on Regional Housing Funding conversations

In advance of the June 10, 2024 Affordable Housing Bond Oversight Committee meeting, this memo provides an overview, key themes and next steps for the development of a potential Chief Operating Officer recommendation to the Metro Council regarding future regional funding for affordable housing and homeless services.

This conversation has brought together the lessons and potential of two key funding measures approved by Metro region voters: the 2018 Affordable Housing Bond and the 2020 Supportive Housing Services measure. SHS and bond funding work closely together to serve deeply-impacted households – providing funding for both physical housing, and the services and rent assistance to create stability and opportunity for people in great need.

After several years of successful implementation, the Metro housing bond is nearing the expected exhaustion of its funding. There continues to be great need for creating and preserving affordable housing. However, a new bond measure – which would be a tax increase – is not viable at this time, while SHS funds cannot currently be used to create permanent affordable housing. Together, these factors create the risk of a serious gap in regional affordable housing funding that impacts a wide variety of populations as well as the success of SHS spending.

Metro Council direction and values

In January 2024, Metro Chief Operating Officer Marissa Madrigal sought and received direction from the Metro Council to undertake a multipronged exploration of options to address this gap and return with a recommendation on how to move forward.

The Metro Council established several key values to guide the development of a COO recommendation:

- Meeting the urgent and continuing need for housing and services
- Demonstrating pragmatism in understanding what is likely to be viable with public opinion and fiscal constraints
- Supporting the stability of existing housing and homeless services systems
- Building on the bond and SHS measures' commitment to advancing racial equity
- Ensuring and deepening transparency and accountability

Channels of input

Several key channels of input have informed the development of a COO recommendation, as illustrated in the attached graphic. These have included the following.

Stakeholder Advisory Table

Appointed by COO Madrigal, the Stakeholder Advisory Table was intended to bring together a broad diversity of interests, experiences and perspectives on issues of housing and homeless services needs. The Advisory Table, which held its fifth and final meeting on May 10, included

county and city elected officials, providers and advocates, community-based organizations, and business leaders from across the region, as well as members of the SHS and affordable housing bond oversight committees and Metro's Committee on Racial Equity.

Community partner-led engagement

Metro contracted with the Coalition of Communities of Color to conduct discussion groups with impacted communities, providers and community organizations in Clackamas, Multnomah, and Washington counties in April and May 2024. This engagement has built on partnership and engagement that shaped the 2018 bond framework and implementation, as well as the 2020 SHS measure.

Engagement with regional committees, implementation partners and stakeholders

Metro staff at all levels have repeatedly engaged with and heard feedback from implementation partners and oversight committees for both the bond and SHS, Metro's Committee on Racial Equity, the Metro Policy Advisory Committee, and a variety of other stakeholders.

Technical analysis

Metro's Housing Department are working with a consultant team to scan best practices, apply lessons from past measures, conduct interviews with practitioners and implementation partners, and develop modeling to evaluate the potential of various investment strategies to meet current need and priorities. Metro's Finance and Regulatory Services staff are also assessing revenue volatility, forecasts and considerations for carry-forward and reserves.

Public opinion research

To date, Metro has conducted two public opinion surveys with a representative sample of regional voters. These surveys help illustrate the feasibility of a potential measure, should the COO recommend and the Metro Council refer it to voters.

Key themes of input

This process was intentionally designed not to drive toward full regional consensus or a predefined outcome. Indeed, through the above channels, COO Madrigal and staff have explicitly sought to catalog and apply common ground as well as areas of divergence in various stakeholders' views on these complex topics.

To date, staff have heard several broad themes emerge throughout the channels of input. These include:

- An openness to expanding SHS funding's allowable uses to include construction and/or acquisition of affordable housing, while also maintaining commitments to fund key services.
- Prioritizing any new affordable housing funding to focus on populations experiencing chronic homelessness or the greatest risk of homelessness.
- Addressing the current 2030 sunset of the SHS taxes, to create greater funding stability for providers, partners and people in need of homeless services, rent assistance and affordable housing.
- Ensuring that funding for both services and housing continue to prioritize communities of color, who are more likely to experience homelessness and housing instability in the region.
- Improving transparency, accountability and efficiency in the allocation, spending and reporting of regional tax dollars.

Next steps

Conversations are continuing with a number of stakeholders and partners in the region, particularly local implementation partners, regional oversight and advisory committees, and other key stakeholders. Metro also plans to conduct a third round of public opinion research in mid-June.

COO Madrigal intends to discuss her thinking on a recommendation with the Metro Council in July. The recommendation may include changes that would require voter approval, such as expanding allowable uses for SHS revenues, modifying the sunset or tax structures, and/or evolving implementation and oversight structures for housing and homeless services. The soonest any changes could be considered by voters would be November 2024, should the Metro Council choose to refer a proposal to the ballot.

Path to a regional housing recommendation



The Portland region is facing a persistent housing and homelessness crisis. We have made progress, but there is more to do. We know there are solutions if we work together to identify what's possible and pursue what works.

In spring 2024, Metro convened a conversation with stakeholders, partners and communities across the region to explore how to keep making progress on housing and homelessness services, together.

