



2023 Annual report
June 20, 2024

Metro affordable housing bond program

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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

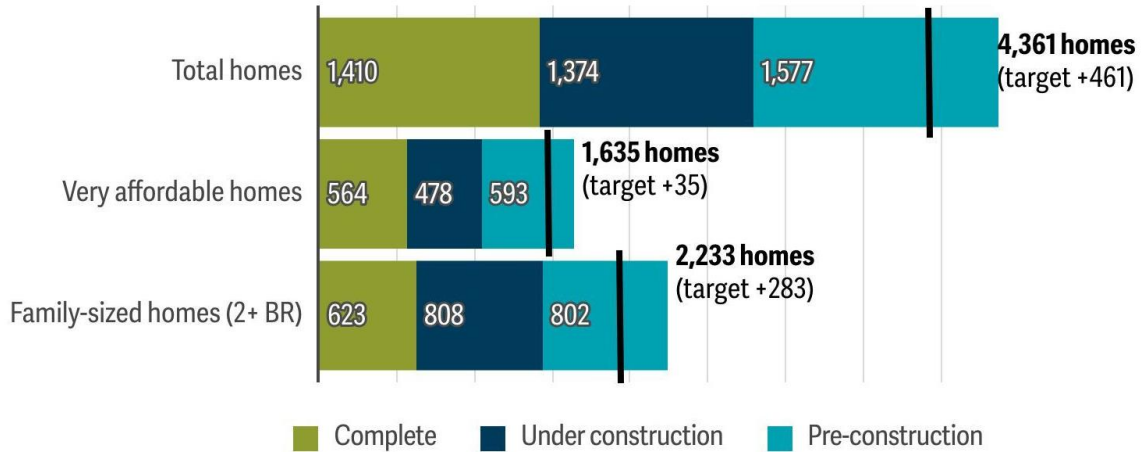
In its fourth year of implementation, the bond program outpaced housing production targets while continuing to make significant progress in advancing regional goals to increase equitable access to housing.

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



- **Very 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.
- **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.

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.

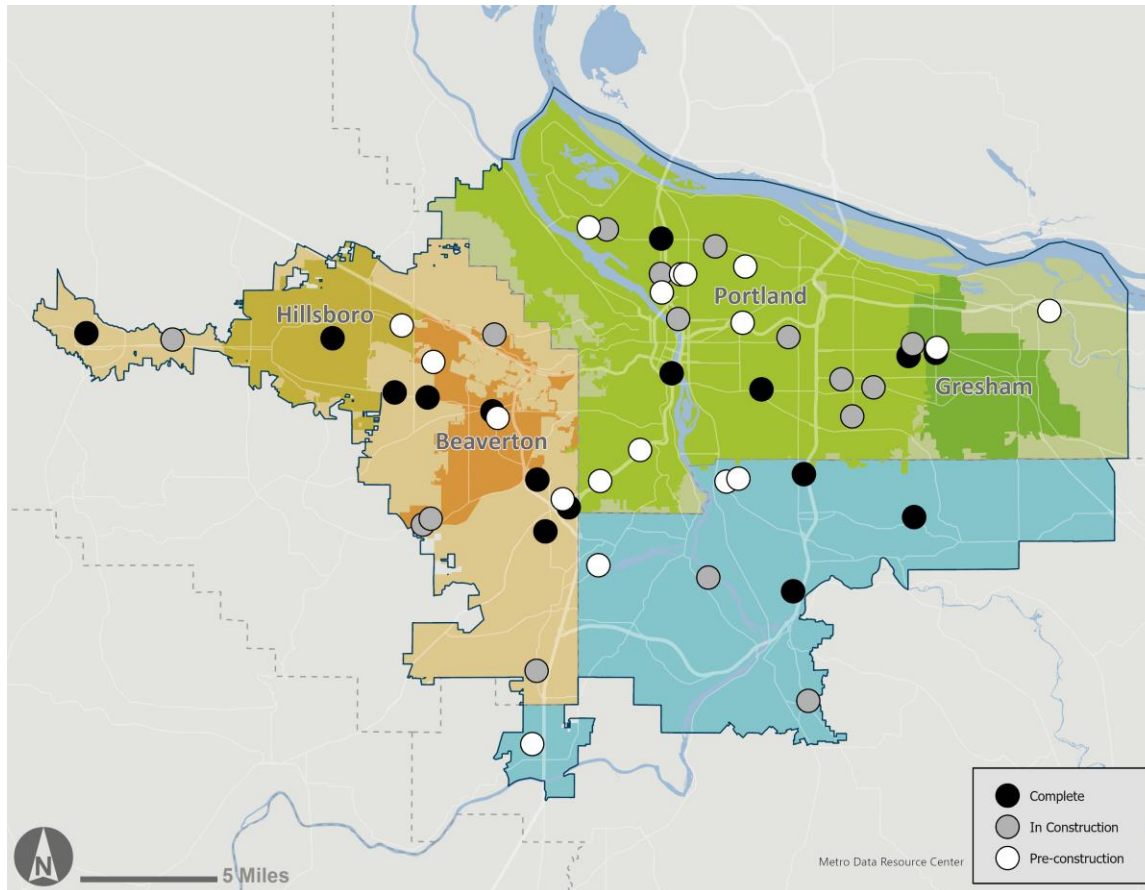
Addressing disparities and advancing racial equity

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, 54% of projects will provide ongoing case management for households in permanent supportive housing units intended for people exiting long-term homelessness; 57% 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:** 20 projects (1,577 units) have received a commitment of Metro bond funds and are still in the pre-construction stage. These projects continue to face challenges due to unprecedented cost escalation and statewide shifts necessary to address private activity bond constraints, presenting significant risks to reaching construction start. 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.

- **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, coordination of local strategies to eliminate barriers to affordable housing production in alignment with State Land Use Goal 10, and planning for the intentional integration and alignment of Metro’s capital and supportive housing services funds. This work is necessary 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
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INTRODUCTION

Across greater Portland, communities continue to struggle with having enough affordable housing to meet everyone's needs. According to the most recent data from the National Low-Income Housing Coalition, the Portland region is short about 81,000 homes for households making 50% or less of the area median income (\$56,400 for a household of four).¹

This shortage has resulted in a housing crisis that puts households with low incomes at risk of housing instability and homelessness. Populations with additional barriers to housing have been hit particularly hard. These groups include people of color, immigrants, veterans, people with disabilities, older adults and families.

On November 6, 2018, voters took action to address the region's housing crisis, passing the nation's first regional affordable housing bond. The voter-approved bond generates \$652.8 million in funding, with the goal of building 3,900 affordable homes to house about 12,000 people. Since voter approval, Metro and partners in community, government and business have worked together to deliver the results sought by voters.

This report provides an update on implementation progress for the Metro affordable housing bond. The report summarizes bond implementation through December 2023, building upon and aggregating information provided in progress reports from seven local implementing partner jurisdictions plus Metro's site acquisition program. The report includes:

- A summary of local and regional progress toward unit production targets, funding commitments and expenditures
- Analysis of progress to advance racial equity through geographic distribution of investments, commitments for equitable contracting and hiring, low-barrier screening, affirmative marketing and strategies to provide ongoing services to meet the needs of residents
- Activities and outcomes for community engagement to ensure that feedback from communities of color and other priority groups meaningfully shapes project outcomes to meet their needs
- Financial analysis of the current portfolio to analyze efficient use of subsidy and alignment with leveraged funds to maximize the benefits of these investments.

¹ Data are for the Portland-Vancouver-Hillsboro Metropolitan Statistical Area.

BACKGROUND

When Metro Council referred the 2018 bond to voters, it adopted an implementation framework developed through months of engagement with partners and community members. The framework continues to guide implementation today.

Core values

The framework includes four core values:

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

Leading with racial equity

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

The housing bond program partially addresses these barriers through its ambitious goals for family-size and deeply affordable homes. The program also prioritizes racial equity throughout implementation – from community engagement that informs projects, to the geographic distribution of investments, to creating economic opportunity with the development of affordable housing, to strategies for reducing barriers to access and promoting culturally responsive services to meet the needs of future residents.

Implementation partner jurisdictions

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

Metro is responsible for providing oversight and accountability, including reviewing each proposed investment at concept and final stages to ensure alignment with program requirements and contribution to the production outcomes promised to voters. In addition, Metro directly invests housing bond funds through its site acquisition program, which strategically acquires and invests in the development of promising sites for affordable housing in collaboration with local implementation partners.

Work plan and local implementation strategies

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

Community Oversight Committee

Independent community oversight is a hallmark of accountability to voters and the community. The Metro Council appointed a Housing Bond Community Oversight

Committee in January 2019 to provide independent and transparent oversight of implementation, including evaluating local implementation strategies for consistency with program goals and guiding principles, monitoring investment outcomes and providing an annual report to the Metro Council.

Throughout 2019, the committee reviewed and recommended local partners' implementation strategies for approval by Metro Council. During this time, the committee also identified considerations for ongoing monitoring and evaluation. In 2020, the committee monitored early implementation. Beginning in 2021, the committee submitted annual reports to Metro Council. The most recent annual report, released in 2023, recommended convening stakeholders to regionalize best practices, focusing on systemic integration, and evaluating the bond's impact to support planning for the future (*Exhibit G*).

Funding requirements and intergovernmental agreements

The Metro Council approved local implementation strategies as part of intergovernmental agreements with each implementation partner describing the terms and conditions for using bond funds for eligible investments and program administration. Intergovernmental agreements include these provisions:

- All projects selected for bond funding must demonstrate contribution to unit production targets and consistency with approved local implementation strategies as confirmed through Metro staff review at the concept endorsement and final approval stages.
- All funded projects will have a regulatory agreement ensuring long-term affordability and monitoring obligations for a term of at least 60 years (or 30 years for acquired buildings that are more than 10 years old).
- Implementing jurisdictions will submit annual progress reports to Metro, to support the oversight committee's annual progress review.
- Metro will disburse administrative funding to implementation partners annually based on a schedule established in the intergovernmental agreement. One exception is City of Portland, which will have its administrative share included in project funding, to be reimbursed to the City through a "project delivery fee."
- Implementing jurisdictions will submit annual end-of-fiscal-year reports to Metro summarizing direct project expenditures and program administrative expenditures, the latter of which is subject to the 5% administrative cap included in the housing bond measure.

The community oversight committee completed its review and recommendation of local implementation strategies between July 2019 and February 2020, and Metro Council approved strategies as part of intergovernmental agreements. Six intergovernmental agreements were executed between November 2019 and August

2020. The intergovernmental agreement for Home Forward was approved in March 2021 due to the relatively small funding allocation in Multnomah County outside the cities of Portland and Gresham.

Funding allocation

The housing bond framework called for funding to be allocated region-wide based on assessed value of property in each of the three counties and set a 5% cap on administrative funding across the program.

As of December 2023, the housing bond work plan allocated \$662,001,105 for investments in property acquisition and development, to be allocated as follows:

- Ten percent of original project allocation (\$62,016,000) allocated for investment through Metro’s site acquisition program, which acquires regionally significant sites and supports their development in coordination with local implementing jurisdictions.
- All remaining funds (\$599,985,105) allocated to support local implementation, with distribution on the basis of share of assessed property value to achieve a proportionate distribution of investments across the region (45% in Multnomah County, 34% in Washington County and 21% in Clackamas County).

This includes additional funding generated through bond sale premiums and interest earnings, which has been allocated toward investments in air conditioning, permanent supportive housing, and additional project and administration costs in alignment with Metro Council direction. Current funding availability and adjusted allocations are shown in *Exhibit F*.

The bond measure included an administrative funding cap of 5% of total bond proceeds. Including interest earnings through December 2023, \$34,842,163 is available for administrative costs. Of these funds, \$19,409,319 is directed to Metro’s regional oversight and accountability functions, and \$12,803,823 is allocated for the administrative costs of implementing partners and Metro’s site acquisition program.² The remaining \$2,629,021 within the 5% cap is reserved for future allocation.

The administrative activities for the bond program are expected to span fiscal years 2019-2028. Averaged over that 10-year period, the program has a total of \$3,484,216 per year in administrative funding for all implementation and oversight activities of Metro and its local implementation partners combined. This funding is insufficient to cover the full administrative costs of implementation, a

² Portland does not receive an allocation for administrative costs as Portland uses a Program Delivery Fee, not paid for by Metro's affordable housing bond, to cover administrative expenses.

challenge which has led to capacity gaps and the need for supplemental administrative funding from Metro and other funding sources.

Targets and metrics

From 2019 through 2020, Metro engaged implementation partners, stakeholders, practitioners and the community oversight committee to further define metrics for evaluating progress toward goals and targets in the measure.

The implementation framework established the following goals for the program:

- Create 3,900 affordable homes.
 - Reserve 1,600 homes for people with very low incomes (30% or less of area median income).
 - Build half of the homes with two or more bedrooms – big enough to accommodate families.
 - Up to 10% of homes may be moderately affordable for people with below average incomes (61-80% of area median income).
- Distribute investments across the region to create 21% of homes in Clackamas County, 34% in Washington County and 45% in Multnomah County.
- No more than 5% of total funding may be spent on program administration activities.
- At least 20% of construction contracts for each project should be awarded to state certified minority- or women-owned and emerging small business (MWESB) firms, and jurisdictions should demonstrate progress toward increasing equitable contracting outcomes over time.

Metro defined additional metrics to further operationalize the values and goals in the framework and support program evaluation. These metrics relate to the following areas:

- Community engagement outcomes, including demographics of participants and how feedback changed processes and projects
- Location outcomes related to access, fair housing and community stabilization
- Outreach to MWESB/COBID (Certification Office for Business Inclusion and Diversity) certified firms
- Construction workforce diversity
- Affirmative marketing activities and outcomes (e.g., referral sources)
- Screening and lease-up outcomes (e.g., application denials)
- People served and resident diversity
- Efficient use of subsidy.

It is important to note that many metrics will not be reported until after projects reach completion (e.g., contracting/workforce outcomes) and lease-up (e.g., marketing/lease-up outcomes, resident demographics). The first post-completion outcomes were reported in December 2022.

Metro supportive housing services fund

In May 2020, voters in greater Portland approved a new regional tax to fund supportive housing services, an unprecedented effort to direct funding toward investments in rental assistance and supportive services for people experiencing or at risk of homelessness. The fund aims to stabilize 5,000 households experiencing prolonged homelessness with complex disabilities and 10,000 households experiencing short-term homelessness or at risk of homelessness. Implementation is guided by a commitment to lead with racial equity, with community-informed strategies, goals and outcome metrics.

The supportive housing services fund presents an opportunity to integrate rental assistance and supportive services funding with the bond program's capital investments to maximize the ability of both programs to serve households experiencing or at risk of homelessness, with a particular focus on providing permanent supportive housing. Integration of supportive housing services funding with bond investments also enables the bond program to further advance its racial equity commitments.

2023 POLICY EFFORTS

In June 2023, the Housing Bond Oversight Committee presented recommendations to the Metro Council designed to maximize the impact of housing bond resources and equip the region to plan for the future. The committee noted that Metro's strong stewardship of the housing bond made it possible to start thinking about long-range and big-picture planning.

The committee's recommendations focused on regionalizing best practices, strengthening system alignment and integration, and conducting analysis and planning for the future. Fully responding to these recommendations will take ongoing coordination with jurisdictional partners and housing providers to improve and align practices, policies and systems and to invest in capacity and technical assistance needs across a range of areas related to affordable housing funding, construction and operations. Key policy and program refinement work undertaken in 2023 in response to the recommendations is summarized below.

Convening stakeholders to regionalize best practices

- **Post-occupancy reporting:** In 2023, Metro worked with partners and stakeholders to improve post-occupancy reporting on marketing, screening and demographic data. The updated reporting templates resulted in more comprehensive and accurate data on occupancy outcomes for bond-funded projects that completed lease up in 2023. Among the improvements, projects consistently reported on data at the occupant level rather than just the household level, which was an issue for previous reporting.
- **Affordable homeownership standards:** Metro reviewed and approved four affordable homeownership developments for bond funding in 2023. To support the inclusion of homeownership projects in the bond portfolio, Metro worked with jurisdictions and development partners to create regional standards, including templates for affordability covenants. Established local partners Habitat for Humanity and Proud Ground provided support with this work.
- **Tri-County Planning Body:** The Tri-County Planning Body (TCPB), which develops regional strategies to support implementation of Metro's supportive housing services fund, identified six regional goals in 2023 that will guide regional investment priorities to address homelessness. These goals focus on coordinated entry, regional landlord recruitment, healthcare systems alignment, training, technical assistance, and employee recruitment and retention. The TCPB's first implementation plan focuses on increasing the availability of readily accessible and appropriate housing units to support housing placements.
- **Regional training and technical assistance:** Metro is building a regional capacity team charged with developing technical assistance and training programs to support the capacity of housing and homeless service providers.

The team is leading a cooperative regional procurement process to expand the number and types of consultants available to partner with Metro and jurisdictions to provide technical assistance and capacity building support. The team will also work with partners to develop a series of regional capacity building trainings and support programs.

Strengthening system integration and alignment

- **Permanent supportive housing pilot funding:** In fall 2022, Metro earmarked \$20 million in unallocated bond interest earnings to support additional investments in expanding permanent supportive housing (PSH). These investments are aligned with supportive housing services (SHS) funding commitments for ongoing rental assistance and wraparound services tailored to meet the needs of individuals and families experiencing long-term homelessness. Funding was proportionately allocated to the three counties as administrators of SHS funding. In 2023, Clackamas County directed its \$4.2 million allocation to support funding for 20 additional PSH units. Multnomah County, with an allocation of \$9.1 million, is working with Portland Housing Bureau and has released a notice of funding available to solicit projects via a competitive process; the County will submit PSH projects to Metro for initial concept endorsement review in summer 2024. Washington County, with an allocation of \$6.7 million, is continuing to explore options to commit the PSH pilot funding to acquisition or new construction projects.
- **Permanent supportive housing systems alignment:** In 2023, Metro strengthened its commitment to PSH by dedicating staff capacity to support regional PSH coordination and alignment. Initial work is focused on supporting jurisdictional partners to align housing bond and SHS resources and identifying opportunities for regional definitions, quality standards, financial planning, and training and technical assistance needs. To date, the work has included the development of a financial planning tool, identification of potential regional definitions, and planning for an engagement strategy to gather input from key stakeholders that will inform recommendations for improving service and resource levels to meet growing project and tenant needs.
- **State and federal resources:** Metro staff continued work with Oregon Housing and Community Services (OHCS) to advance strategies for state and local funding alignment. Metro staff participated in an OHCS affordable rental housing engagement series focused on creating a coordinated funding process for available OHCS resources. Staff provided feedback regarding funding allocations to the Metro region and shared information about funding needs and gaps for upcoming projects in the Metro bond pipeline. The availability of private activity bonds continues to be an issue statewide. Metro is coordinating with a coalition of partners across the state to advocate for federal legislative changes that would increase access to private activity bonds.

Analysis and planning for the future

- **Exploration of future funding options:** With Metro housing bond funding soon coming to an end, 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. This conversation will inform a potential recommendation by the Metro chief operating officer to the Metro Council in late spring 2024, including a possible new funding proposal for voters' consideration. A stakeholder advisory table was convened in early 2024 that will help shape the recommendations.
- **Integration and alignment of Metro funding:** Metro expanded its staffing capacity to support programmatic integration and regional policy alignment of Metro's housing bond and supportive housing services fund – work that is critical to the region's ability to deliver on the commitments in these funding measures. The team is in the early stages of launching several bodies of research, analysis and engagement to support development of regional frameworks for permanent supportive housing, affordable housing production and asset management of existing housing funded by the bond.

UNIT PRODUCTION PROGRESS

The housing bond program is on track to exceed the goal of creating 3,900 affordable homes, including 1,950 family-size homes and 1,600 homes regulated for affordability to households making 30% of area median income or below.

As of December 2023, the program had committed funding to 52 projects representing 4,361 new affordable homes, including:

- 16 projects (1,410 units) that have completed construction
- 16 projects (1,374 units) that are under construction
- 20 projects (1,577 units) that are in pre-construction

Of these homes:

- 2,233 will have two or more bedrooms, representing 115% of the program's production goal of 1,950 family-size homes.
- 1,635 will be affordable to households with incomes at or below 30% of area median income (AMI)³, representing 102% of the program's production goal of 1,600 deeply affordable homes.

The 4,361 homes in the current portfolio will provide affordable housing for an estimated 8,000 to 14,000 people (detailed occupancy estimates are available in *Exhibit A*).

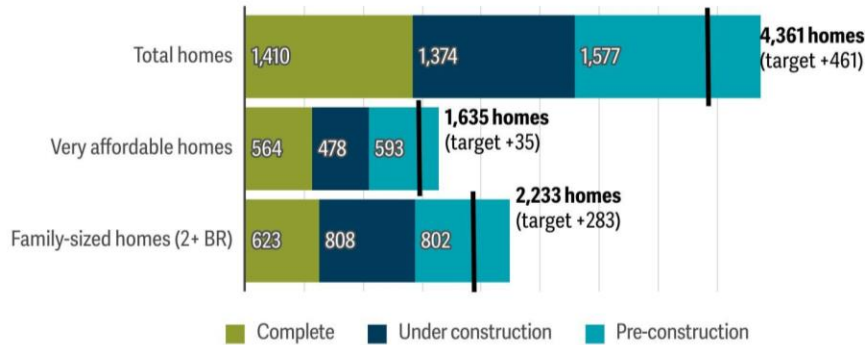
By December 2023, 1,443 of these occupants had moved into their new homes in the first 10 projects to complete lease-up, located across the region in Beaverton, Forest Grove, Gladstone, Gresham, Happy Valley, Portland and Tigard.

The current portfolio's 4,361 affordable homes represent 112% of the bond program's total production target. Figure 4.1 shows regional progress toward production goals relative to funding committed. About 74% of total bond resources have been encumbered to fund the 4,361 homes already in progress. Plans are in place that will commit all remaining bond resources to projects by the end of 2025.

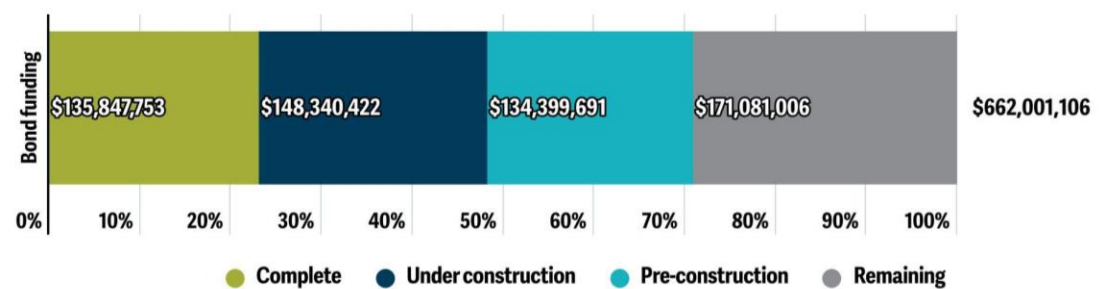
³ In the Portland metropolitan area, 30% of area median income in 2023 was an annual income of \$23,700 for a household with one person and \$33,840 for a household with four people.

Figure 4.1 Regional progress toward production goals relative to funding committed

Affordable housing production: progress underway



Resources committed



While the program is currently tracking ahead on unit production relative to funding committed, changes in the funding and financial landscape present significant challenges.

The production goals for the affordable housing bond were established based on modeling that reflected conditions and projections in 2018. Favorable tax credit pricing and low interest rates, as well as swift action by implementing partners, enabled the program to exceed expectations in early phases of implementation. Staff expected that market cost escalation would impact costs and subsidy needs throughout the course of the implementation timeframe (2019-2026), but the past three years have brought unprecedented cost escalation due to broader economic factors impacting the cost and availability of materials and labor. Ongoing impacts of the COVID-19 pandemic have created a construction cost premium for wood-framed projects with slab-on-grade foundations that is estimated at 8%-12% above that which would have occurred with standard, pre-COVID construction cost escalation. Inflation and interest rate increases since early 2022 have further impacted costs, with the Portland Housing Bureau reporting an average 1% increase in construction “hard” costs per month for projects in its pipeline.

In addition, the state of Oregon faces new funding constraints as a result of oversubscription of private activity bonds, necessary for financing 4% low income housing tax credits, which represent the largest source of leveraged funding across

the portfolio. Limitations in tax credit availability create uncertainty across the state's affordable housing development pipeline and subject projects to funding delays, resulting in higher cumulative cost escalation.

These challenges have contributed to significant increases in housing production costs. Across the bond-funded portfolio, the weighted average total project cost per unit was \$447,053 in 2023 compared with \$387,283 in 2022. Analysis of more recent projects in the portfolio indicates that project costs are trending toward a weighted average of \$508,188 per unit.

Due to these increases, many projects are requiring higher Metro bond subsidy amounts. The average Metro bond subsidy for a typical project in the portfolio is \$106,456 per unit, but for more recent projects the average is trending toward \$148,766 per unit. (This analysis excludes outliers, such as projects using Metro bond subsidy to fill a small gap and projects relying on unusually high levels of bond funding.)

Local production progress

As of December 2023, five of the seven implementing jurisdictions had already met or exceeded their local share of the bond's production goal:

- **Beaverton's** portfolio achieved 100% of its unit goal, 69% of its goal for 30% AMI units and 100% of its goal for family-size units, with 98% of funding committed.
- **Clackamas County's** portfolio achieved 119% of its unit goal, 124% of its goal for 30% AMI units and 138% of its goal for family-size units, with 90% of funding committed.
- **Gresham's** portfolio achieved 158% of its unit goal, 100% of its goal for 30% AMI units and 147% of its goal for family-size units, with 78% of funding committed.
- **Portland's** portfolio achieved 104% of its unit goal, 90% of its goal for 30% AMI units and 103% of its goal for family-size units, with 75% of funding committed.
- **Washington County's** portfolio achieved 107% of its unit goal, 102% of its goal for 30% AMI units and 108% of its goal for family-size units, with 97% of funding committed.

Hillsboro's portfolio achieved 76% of its unit goal, 77% of its goal for 30% AMI units and 106% of its goal for family-size units, with 67% of funding committed. Planning is underway for a final project that will utilize the remaining funding to meet the city's production targets.

Home Forward achieved 85% of its unit goal for east Multnomah County, 85% of its goal for 30% AMI units and 85% of its goal for family-size units. It will not be

able to add more units because it is using bond funding for a single project that has encountered challenges with parking requirements and land use approvals. However, any shortfall will be offset by the units produced by other jurisdictions.

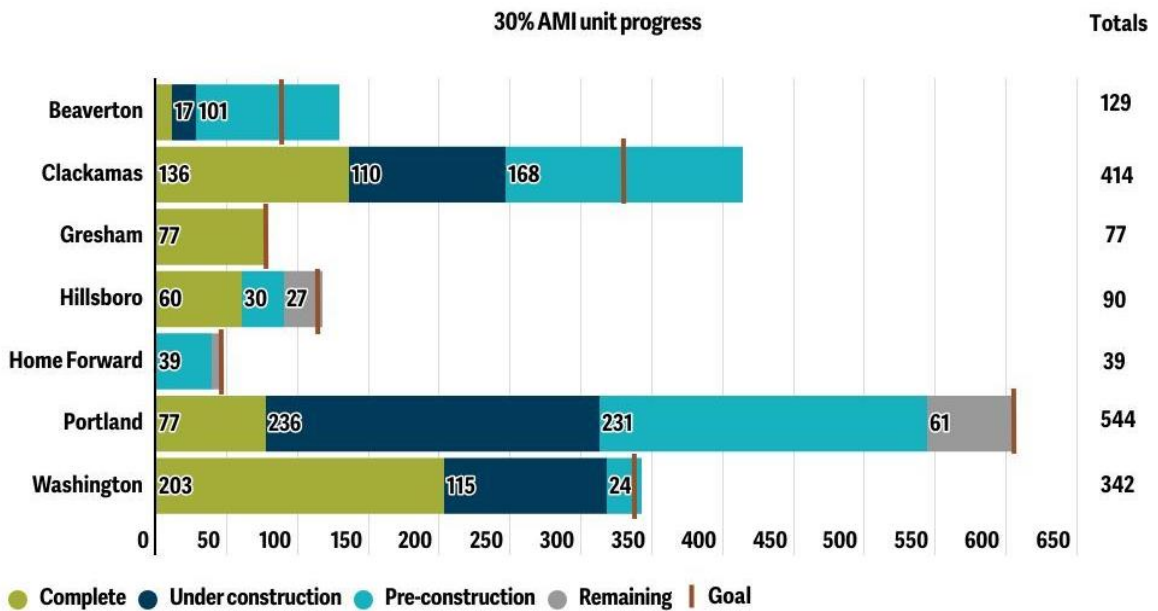
Local progress toward the total, family-size and very affordable units goals is shown in Figures 4.2-4.4. Details about local implementation partners' plans for remaining funds are included in their local progress reports, posted on the bond program's webpage.

Figure 4.2 Local progress toward total unit production goals



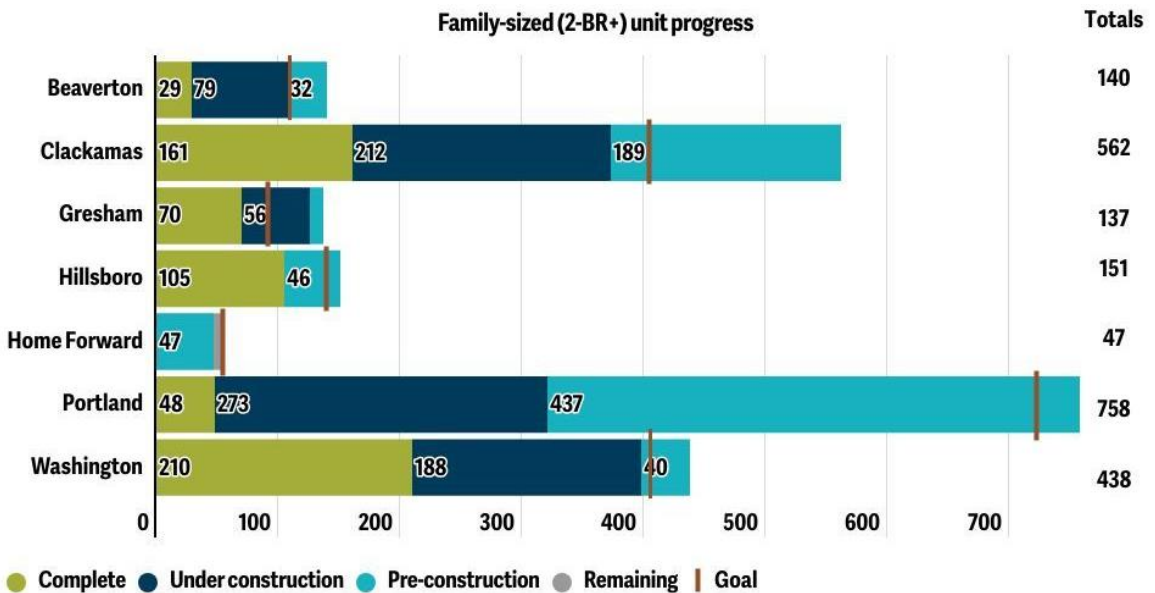
Implementation partners are on track to meet overall targets for very affordable (30% AMI or below) units, with funding committed to 1,635 units currently planned to serve households with incomes at or below 30% AMI (102% of the regional goal for very affordable units). As anticipated, the targets for very affordable units have been particularly challenging to achieve. These units require additional subsidy because their rental income is lower and their operating expenses can be higher, creating operating funding gaps and limiting projects' ability to carry debt. Additionally, buildings serving households with very low incomes often require investment in ongoing services that are beyond the scope of traditional real estate related operating expenses.

Figure 4.3 Local progress toward 30% AMI unit production goals



Implementation partners are also on track to exceed the overall 1,950 goal for homes with two or more bedrooms, with funding committed to 2,233 family-size units in the portfolio (115% of the target for family-size homes). Of the family-size homes in the portfolio, 30% are regulated for affordability at 30% AMI or below and 31% are larger unit sizes with three or more bedrooms.

Figure 4.4 Local progress toward family-size production goals



The bond program limits the number of homes provided for households making 61%- 80% AMI to 10% of overall units. To date, 108 of the bond-funded units (less than 3%) are affordable to households making 61%-80% AMI. This includes 22 units located in the Scholls Ferry project, 32 units in the

Wilsonville Transit Oriented Development project and 54 units in the portfolio’s homeownership projects – Abbey Townhomes, Carey Boulevard, Oak Row and Shortstack Milwaukie. Flexibility to allow these more moderately affordable units in bond-funded developments was an intentional policy choice intended to support cross-subsidization of deeply affordable units. This is particularly important given that many of the bond portfolio’s very affordable (30% AMI or below) units do not include long-term rental assistance.

Metro site acquisition program

Metro’s site acquisition program (SAP) manages implementation of 10% of total bond funds toward investments in property acquisition as well as development of sites already controlled by Metro. Development is facilitated through joint solicitations with implementing jurisdictions, and properties are transferred from Metro to a long-term owner prior to development. The site acquisition program aims to proportionately invest funds in implementing jurisdictions to contribute toward local production goals; funds remaining after acquisition support the development of the site. In most cases, projects developed on Metro-acquired properties require additional development funding from an implementing jurisdiction’s bond allocation.

As of December 2023, the program had reserved 100% of SAP funds for sites in all seven implementing jurisdictions. SAP acquires property in areas with strong access to amenities important to households with low incomes such as transit, grocery stores, parks and elementary schools, and in areas with limited existing regulated affordable housing. The program prioritizes deep stakeholder engagement to set priorities for the development of its sites. By acquiring and competitively offering high-quality development sites, SAP brings regulated affordable housing to communities where affordable housing developers have not been able to secure property and is able to attract proposals from a wide range of developers, not just those that control properties within the implementing jurisdiction.

Figure 4.5 Site acquisition program resources reserved per jurisdiction

Jurisdiction	Total SAP allocation	SAP funds reserved:			Percent reserved	Notes
		For due diligence and site acquisition	For development of Metro owned sites	Total reserved		
Beaverton	\$3,460,066	\$0	\$3,460,066	\$3,460,066	100%	All funds invested in previous Metro TOD program property purchased at Elmonica Station; developer: REACH CDC; construction start: late 2024
Clackamas	\$12,909,788	\$2,621,532	\$10,288,256	\$12,909,788	100%	Metro SAP program acquired Boone's Ferry Road site in Lake Oswego's Lake Grove neighborhood; developer: Hacienda CDC; construction start: spring 2025

Gresham	\$2,972,999	\$18,744	\$2,954,255	\$2,972,999	100%	All funds committed to previous Metro TOD program property purchased at northeast portion of Gresham Civic Station; developer: Home Forward; construction start: early 2025
Hillsboro	\$4,517,453	\$2,695,267	\$1,822,186	\$4,517,453	100%	Metro SAP program acquired Walker Road site in Hillsboro's Tanasbourne neighborhood; developer: Hacienda CDC; construction start: summer 2024
Home Forward	\$1,764,347	\$0	\$1,764,347	\$1,764,347	100%	Project acquired and developed by Home Forward; construction start: summer 2024
Portland	\$23,450,731	\$4,618,725	\$18,832,006	\$23,450,731	100%	All funds committed to development of two sites: Glisan Landing (TOD-purchased site); developer: Related NW; construction complete: late 2024. Barbur Portland Value Inn (SAP-funded acquisition); developer: Community Partners for Affordable Housing in partnership with HAKI Community Organization and Urban League; construction start: spring 2025
Washington	\$12,940,615	\$3,085,407	\$9,855,208	\$12,940,615	100%	Metro purchased property at 209th and TV Highway in Aloha-Reedville; developer: Housing Authority of Washington County; construction start: fall 2025
Totals	\$62,015,999	\$13,039,675	\$48,976,324	\$62,015,999	100%	

Affordable homeownership

In 2023, Metro worked with jurisdictions to add four developments to the bond portfolio that will offer affordable homeownership to 87 households: Abbey Townhomes in Northeast Portland, Carey Boulevard in North Portland, Shortstack Milwaukie in Milwaukie's Ardenwald neighborhood and Oak Row at Rockwood Townhomes in Gresham. The projects will use a community land trust model in partnership with Proud Ground to provide permanent affordability that will benefit multiple generations of future owners through a shared equity model. Total funding for the four projects combined is about \$10 million, or roughly 2% of total bond funds. The projects will expand access to homeownership, particularly for communities of color who have been intentionally excluded from opportunities to build intergenerational wealth due to racist policies like redlining and restrictive covenants.

Pipeline forecasting

Implementation partners are actively working on funding solicitations and plans to commit remaining funds. All remaining funds are expected to be committed by 2025 with final projects currently expected to break ground by 2026.

Figure 4.6 shows the anticipated timeline for disbursement of remaining funds and completion of remaining units. In 2024 and 2025, annual disbursements are expected in the range of \$105-\$143 million. The final disbursements of approximately \$102 million are expected in 2026. Projects typically take 39 to 47 months from solicitation and pre-development through construction and lease-up. Most remaining units are expected to be complete by 2027 with the final 53 units reaching completion in 2028 or 2029.

Figure 4.6 Forecasted timeline for remaining disbursements and unit completion

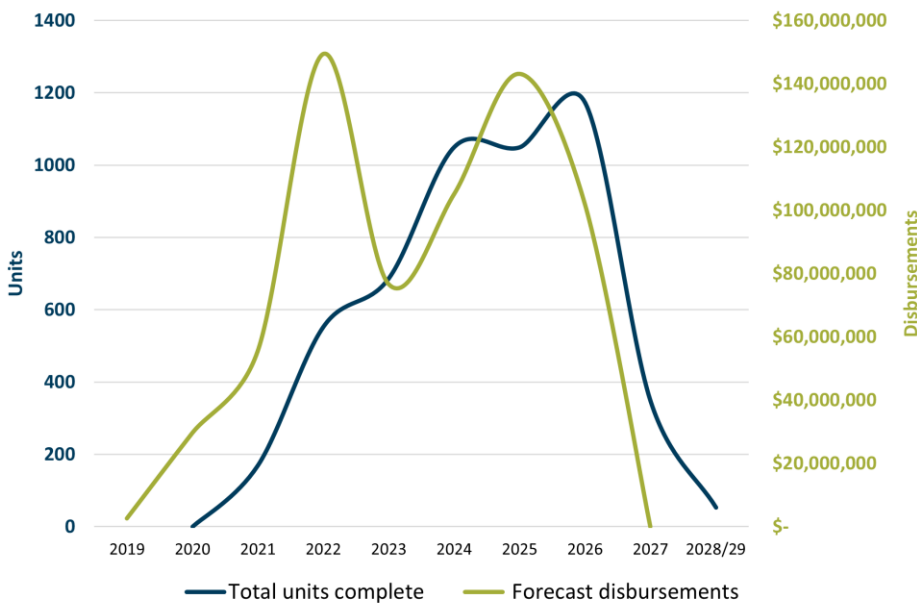
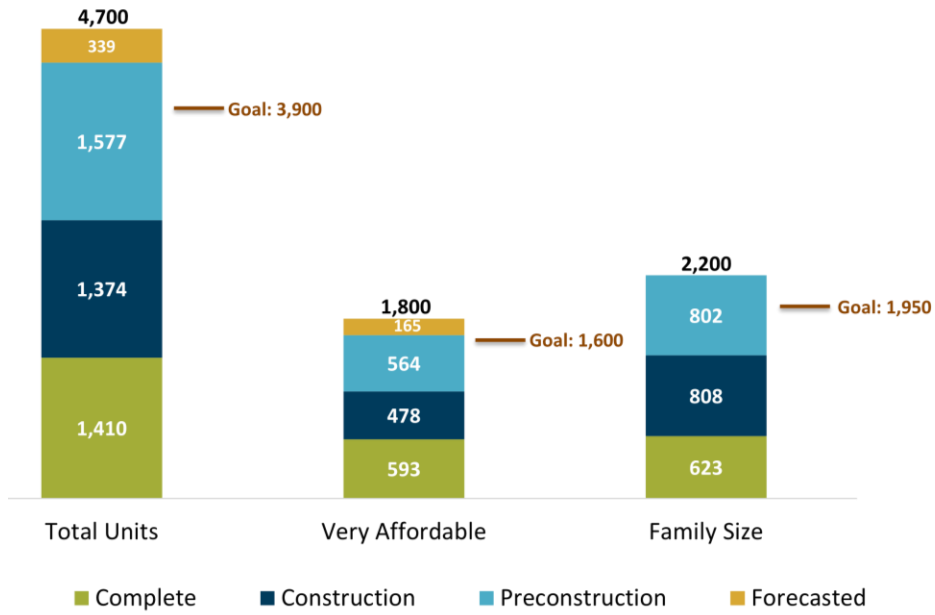


Figure 4.7 shows expected outcomes when accounting for all remaining funds. **The bond program is projected to achieve at least 120% of its original production target once all funds are expended, with an estimated total production of 4,700 units that will provide housing for 9,000 to 15,000 people.** These projections are based on conservative assumptions about cost escalation and delays due to private activity bond availability.

Figure 4.7 Forecasted production outcomes



ADVANCING RACIAL EQUITY THROUGH PROJECT LOCATION

Metro’s bond work plan required local implementation partners to develop a project location strategy that considers geographic distribution of housing investments, access to opportunity, strategies to address racial segregation, and strategies to prevent displacement and stabilize communities.

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

Figure 5.1 summarizes the percentages of the total eligible units that meet different location-based characteristics. See *Exhibit B* for a more detailed table. Each metric is described after Figure 5.1, including how it supports the program’s core values and how it has been measured for this analysis.

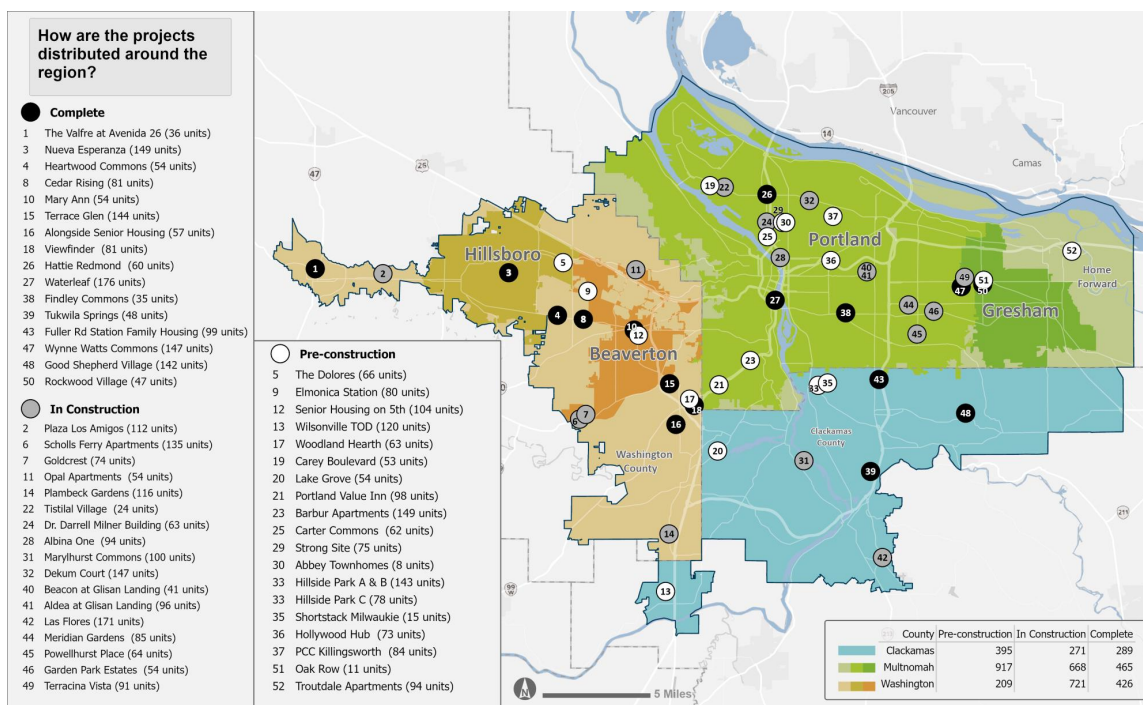
Figure 5.1 Summary of project location metrics

Project	Eligible units	County	Areas where communities at risk of displacement live today	Areas historically inaccessible to communities of color	Areas with limited regulated affordable housing	Areas with access to transit	Walkable areas
The Valfre at Avenida 26	36	Wash.		X			X
Plaza Los Amigos	112	Wash.	X		X	X	X
Nueva Esperanza	149	Wash.	X		X	X	
Heartwood Commons	54	Wash.	X			X	X
The Dolores	66	Wash.	X				X
Scholls Ferry Apartments	135	Wash.	X		X		
Goldcrest	74	Wash.		X	X		
Cedar Rising	81	Wash.	X			X	X
Elmonica Station	80	Wash.	X			X	X
Mary Ann	54	Wash.	X		X	X	X
Opal Apartments	54	Wash.	X				X
Senior Housing on 5th	104	Wash.	X		X	X	X
Wilsonville TOD	120	Clack.		X			
Plambeck Gardens	116	Wash.		X	X		
Terrace Glen	144	Wash.	X		X	X	X
Alongside Senior Housing	57	Wash.		X		X	X
Woodland Hearth	63	Wash.		X		X	X
Viewfinder	81	Wash.	X			X	X
Carey Boulevard	53	Wash.	X		X	X	X
Lake Grove	54	Clack.	X		X		X
Portland Value Inn	98	Mult.	X		X	X	X
Tistilal Village	24	Mult.	X			X	X
Barbur Apartments	149	Mult.	X		X	X	X
Dr. Darrell Milner Building	63	Mult.		X		X	X
Carter Commons	62	Mult.		X		X	X
Hattie Redmond	60	Mult.		X		X	X
Waterleaf	176	Mult.		X		X	X
Albina One	94	Mult.		X		X	X
Strong Site	75	Mult.	X				X
Abbey Townhomes	8	Mult.	X			X	X
Marylhurst Commons	100	Clack.		X	X		
Dekum Court	147	Mult.	X		X	X	X
Hillside Park A & B	143	Clack.		X		X	X
Hillside Park C	78	Clack.		X		X	X
Shortstack Milwaukie	15	Clack.		X	X		X
Hollywood Hub	73	Mult.		X		X	X
PCC Killingsworth	84	Mult.	X		X	X	X
Findley Commons	35	Mult.		X	X	X	X
Tukwila Springs	48	Clack.		X	X		X
Beacon at Glisan Landing	41	Mult.		X		X	X
Aldea at Glisan Landing	96	Mult.		X		X	X
Las Flores	171	Clack.		X			
Fuller Road Station	99	Clack.	X			X	X
Meridian Gardens	85	Mult.	X			X	X
Powellhurst Place	64	Mult.	X			X	
Garden Park Estates	54	Mult.	X			X	X
Wynne Watts Commons	147	Mult.	X			X	X
Good Shepherd Village	142	Clack.	X		X		
Terracina Vista	91	Mult.	X			X	X
Rockwood Village	47	Mult.	X			X	X
Oak Row	11	Mult.	X			X	X
Troutdale Apartments	94	Mult.		X			X
	Percent of total units		58%	42%	42%	70%	75%

Geographic distribution

The housing bond framework allocates funding to achieve the following distribution of new homes across the region: 45% in Multnomah County, 34% in Washington County and 21% in Clackamas County. This distribution formula was based on the assessed value of property within the portion of each county located in Metro’s jurisdictional boundary, and the percentages also tie closely to population distribution. Local implementation strategies include goals for distributing investments across each partner jurisdiction in locations that advance fair housing choices, stabilize communities vulnerable to displacement and expand access to transit, food, jobs and amenities.

Figure 5.2 Affordable housing bond project locations



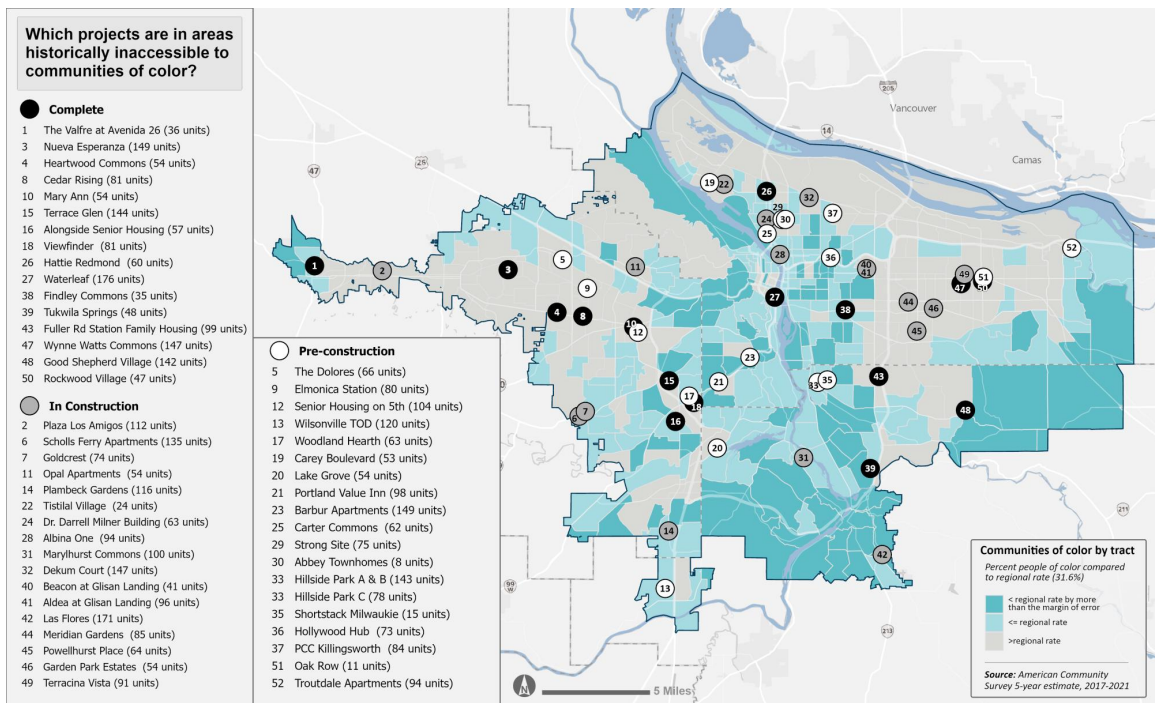
Larger versions of the maps in this section are available in *Exhibit B*.

Advancing fair housing access and reducing segregation

The geographic distribution of affordable homes in the bond portfolio demonstrates strong outcomes for advancing regional fair housing access and reducing segregation. This goal is measured by analyzing the percentage of bond-funded homes located in areas where (a) the population has a lower proportion of people of color than the region and (b) the rate of affordable housing units is lower than the average rate for the region.

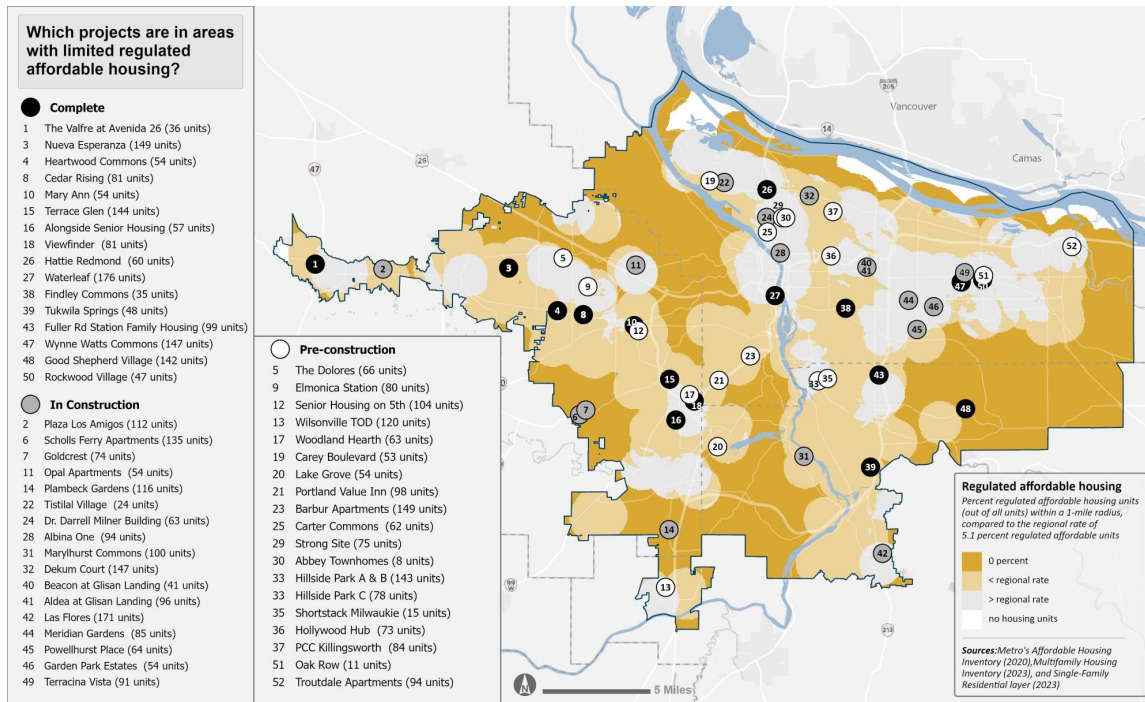
Of the total affordable homes in the current bond portfolio, 42% are in areas historically inaccessible to communities of color, defined as areas where the percentage of people of color is less than or equal to the regional average (based on recent American Community Survey estimates).

Figure 5.3 Projects located in areas that have been inaccessible to communities of color



Of the total affordable homes in the current portfolio, 42% are in areas with limited existing affordable housing, defined as areas where the percentage of regulated affordable housing units (out of all units within a one-mile radius) is lower than the average rate for the region. Four projects, representing 11% of the total units, have no existing regulated affordable housing within a one-mile radius.

Figure 5.4 Project locations relative to existing regulated affordable housing



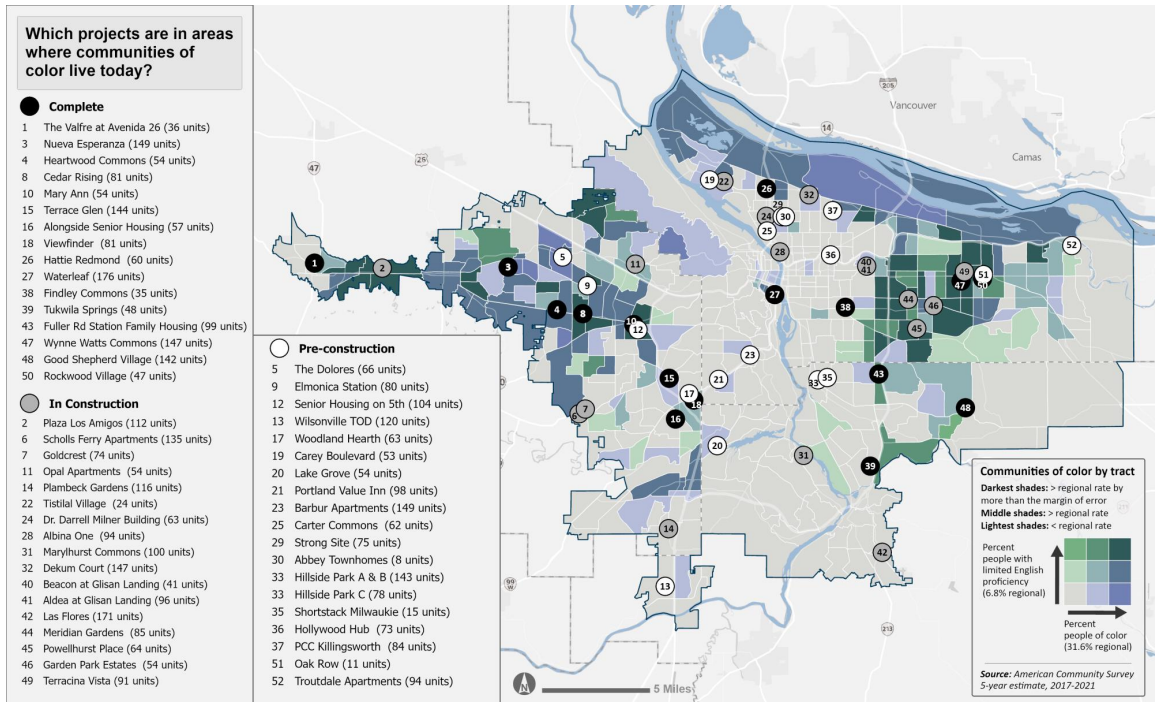
Preventing displacement and stabilizing communities

In addition to supporting investments in places that have historically lacked affordable homes, the housing bond framework also includes a goal of supporting investments in places that stabilize communities at higher risk of displacement. This is measured by identifying which projects are located in areas where the population has a high proportion of people of color and/or people with limited English proficiency (people age five or older who speak English less than “very well”), based on recent American Community Survey estimates. **Of the total affordable homes in the current portfolio, 58% are in areas with higher proportions than the region of people of color and/or people with limited English proficiency.**

Because there are limitations in American Community Survey estimates, the analysis also identifies areas where the percentage of people of color and/or people with limited English proficiency exceeds the regional average by more than the margin of error. These represent areas where there is more certainty of

concentrations of communities of color and people with limited English proficiency: census tracts with up to 61% people of color and up to 27% people with limited English proficiency, compared to regional averages of 32% people of color and 7% people with limited English proficiency. See the detailed table in *Exhibit B* for more information.

Figure 5.5 Projects located in areas where communities of color live today



Access to transit and amenities

Of the total eligible units in the portfolio, 70% are within either ¼ mile of a frequent service bus stop or ½ mile of a MAX station, and 75% are rated with a Walkscore of 50 (“somewhat walkable”) or better. The detailed table in *Exhibit B* provides the Walkscore and the distance to the nearest frequent service bus stop or light rail station for each project location.

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

ADVANCING ECONOMIC OPPORTUNITY THROUGH CONSTRUCTION

Economic impact

Metro affordable housing bond investments have had a significant impact on the local economy. Across the region, bond-funded units represented about 15% of multifamily housing construction in 2023. Bond-funded projects have supported an average of 3,286 direct jobs in the construction sector annually. These are living wage jobs, paying an average of \$91,000 per year in wages and benefits. Bond investments have also supported jobs in related industries such as insurance, finance, raw materials, architecture and engineering.

Equitable contracting progress

To ensure equitable access to the economic opportunities provided by bond investments, the program aims to direct construction contracts to underrepresented firms. In their local implementation strategies, all implementing partners established a minimum goal of awarding 20% of project contracts to minority- or women- owned and/or emerging small businesses (MWESB) certified by the state Certification Office for Business Inclusion and Diversity (COBID), and the City of Portland committed to a goal of 30% COBID participation. In certain cases, projects have set higher aspirational goals exceeding the jurisdictional minimum.

Metro requires that projects report on contracting outcomes within six months of certificate of occupancy. While most projects have not reached this milestone, 10 projects reached completion in 2022 and 2023 and submitted contracting and workforce outcomes data. Across the 10 projects, **COBID certified firms were paid a combined \$50.3 million in contracts, representing 24.9% of total construction costs for those projects.** With these contracts, firms can grow their businesses and create high-paying local jobs, while providing opportunities for workers to learn new skills and further their careers.

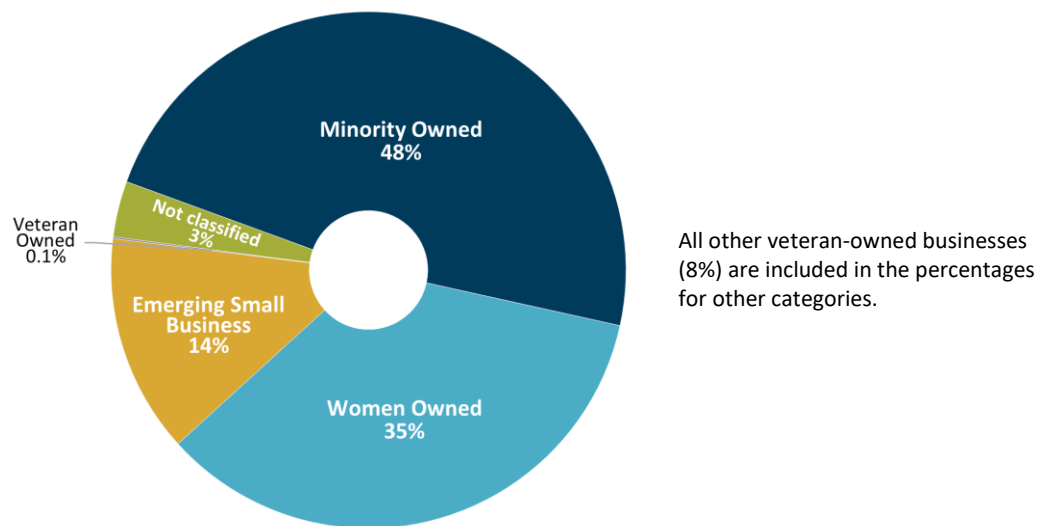
Figure 6.1 Summary of equitable contracting goals and outcomes for completed projects

Jurisdiction	Project	Construction costs	COBID contract dollars paid	COBID goal		COBID outcome	
				Hard costs	Soft costs	Hard costs	Soft costs
Beaverton	Mary Ann	\$14,389,822	\$3,921,179	20%	20%	27.5%	22.6%
Clackamas County	Tukwila Springs	\$11,208,808	\$2,476,081	20%	20%	21.9%	75.0%
	Fuller Road Station	\$32,689,095	\$6,465,376	20%	20%	19.8%	15.0%
Portland	Findley Commons	\$5,006,088	\$1,318,505	24%	20%	19.7%	58.4%

Gresham	Wynne Watts Commons	\$32,577,823	\$8,286,752	20%		25.4%	
	Rockwood Village	\$39,460,973	\$9,172,867	20%		21.9%	
Washington County	Viewfinder	\$22,635,382	\$4,964,925	20%	20%	21.8%	26.0%
	The Valfre at Avenida 26	\$9,047,142	\$2,990,573	20%	20%	33.1%	n/a
	Heartwood Commons	\$3,919,523	\$989,251	20%	20%	21.6%	76.3%
	Terrace Glen	\$31,186,415	\$9,718,240	20%	20%	31.2%	n/a
Totals		\$202,121,071	\$50,303,749	24.9% of total construction dollars paid to COBID firms			

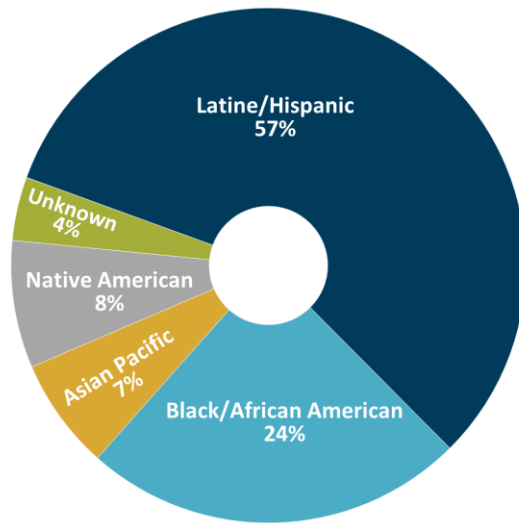
Of the \$50.3 million in construction dollars paid to COBID certified firms, 48% went to minority-owned business enterprises (MBE), 35% went to women-owned business enterprises (WBE), 14% went to emerging small businesses (ESB) and 8% went to service-disabled veteran-owned business enterprises (SDVBE). In Figure 6.2, businesses that fell into multiple categories are reported based on the following hierarchy: MBE, WBE, SDVBE and ESB.

Figure 6.2 Payments to COBID certified firms by firm type



Among the minority-owned businesses, 57% were Latine/Hispanic, 24% were Black/African American, 8% were Native American and 7% were Asian Pacific. (The remaining 4% did not provide race/ethnicity data.)

Figure 6.3 Minority-owned businesses by race/ethnicity



Workforce diversity progress

While equitable contracting goals measure participation by smaller firms and those owned by women and people of color, workforce diversity goals aim to track the diversity of workers involved in the construction process. Efforts to support construction workforce diversity are limited in jurisdictions without a history of setting goals or tracking workforce diversity. Currently, no projects located outside Multnomah County have established project-specific goals for workforce diversity. All implementation strategies included, at a minimum, a commitment to explore opportunities to support workforce diversity, and several jurisdictions stated an intention to consider tracking and reporting on workforce diversity if they determined this to be feasible based on contractor and jurisdiction capacity. Additionally, some jurisdictions have taken steps to invest in their own capacity to support tracking through implementing new software. Currently, 37 of 52 projects (71%) have committed to report on workforce diversity outcomes. This data will help to establish a baseline on which future workforce diversity goals could be established.

Metro has developed reporting metrics and templates to support consistent tracking for projects and jurisdictions that are able to report on workforce diversity. Figure 6.4 summarizes the outcomes for the projects that completed construction in 2022 and 2023 and reported on workforce diversity. Some projects that are not yet complete provided preliminary workforce data in their local progress reports.

Figure 6.4 Summary of workforce outcomes for completed projects

Jurisdiction	Project	Workforce goal % of labor hours worked by:			Workforce outcomes % of labor hours worked by:		
		Apprentices	POC	Women	Apprentices	POC	Women
Portland	Findley Commons	20%	18%	9%	18.4%	41.9%	<1%
Washington County	Viewfinder	Jurisdiction did not set workforce diversity goals			18.4%	42.3%	2.5%
Beaverton	Mary Ann	Jurisdiction did not set workforce diversity goals			11.8%	41.9%	<1%
Clackamas	Fuller Road Station	Jurisdiction did not set workforce diversity goals			12.7%	61.8%	2.7%

Of the four completed projects tracking workforce participation, only Portland’s Findley Commons had defined workforce goals. The Beaverton, Clackamas and Washington County projects committed to tracking workforce participation in order to understand workforce activity and establish a baseline on which future workforce diversity goals could be established.

Across the four projects, 41%-62% of labor hours were worked by people of color (POC), 12%-18% of labor hours were worked by apprentices, and less than 3% of labor hours were worked by women. More work is needed to ensure that affordable housing investments can tackle broader workforce equity issues, which also require upstream investments to create a pipeline of diverse workers.

A project-by-project breakdown of COBID goals, workforce tracking commitments and prevailing wage requirements is provided in *Exhibit C*.

ADVANCING EQUITABLE ACCESS TO HOUSING

The housing bond is guided by a commitment to advance equitable access to housing for communities of color and other populations with disproportionate barriers to housing. Jurisdictions are working to advance equitable access through the use of affirmative marketing and low barrier screening and by designating units to serve specific populations. Leasing data for projects that have reached full occupancy demonstrate the impact of these strategies in expanding access to housing for priority communities.

Serving priority communities

The housing bond framework identified the following priority communities to be served by program investments:

- People of color
- Families with children and multiple generations
- Seniors and older adults
- Veterans
- Households experiencing or at risk of homelessness
- Households experiencing or at risk of displacement
- People with disabilities

The regional portfolio includes buildings with different mixes of unit sizes intended to serve different household sizes and configurations. Additionally, many units are restricted for households with very low incomes and/or households experiencing homelessness, including a subset of units designated as permanent supportive housing (PSH) for individuals and families living with a disability who have experienced prolonged homelessness.

Figure 7.1 provides information on the projects and units designated to serve each of the bond's priority populations and the outcome metrics used to track the program's effectiveness in serving each priority population.

Figure 7.1 Designated units/projects and outcome metrics for serving priority populations

Priority population	Designated units/projects	Outcome metrics
People of color	<ul style="list-style-type: none"> All projects committed to low-barrier screening and affirmative marketing to ensure access for people of color 40 projects include partnerships with culturally specific organizations 	<ul style="list-style-type: none"> Race/ethnicity for occupants
Families with children and multiple generations	<ul style="list-style-type: none"> 43 projects include family-size units 4 projects aim to serve multiple generations 	<ul style="list-style-type: none"> Number/percent of households that include children
Seniors and older adults	<ul style="list-style-type: none"> 9 projects aim to serve seniors or older adults 	<ul style="list-style-type: none"> Number/percent of seniors/older adults
Veterans	<ul style="list-style-type: none"> 4 projects aim to serve veterans experiencing chronic homelessness 	<ul style="list-style-type: none"> Number/percent of veterans
Households experiencing or at risk of homelessness	<ul style="list-style-type: none"> 1,635 units are restricted for households with extremely low incomes (30% AMI) 1,052 units have project-based rental assistance 747 units are designated as PSH for people who have experienced prolonged homelessness and have at least one disabling condition 	<ul style="list-style-type: none"> Number of households referred through coordinated access or local HUD Continuum of Care approved referral systems into PSH units
Households experiencing or at risk of displacement	<ul style="list-style-type: none"> 7 projects are participating in the City of Portland’s N/NE Preference Policy 30 projects are located in areas where communities at risk of displacement live today 	<ul style="list-style-type: none"> Number of residents placed through N/NE Preference Policy Number of units located in areas where communities at risk of displacement live today
People with disabilities	<p>For projects that provided data on physical accessibility features:</p> <ul style="list-style-type: none"> 23% of units are ground floor units 6% of units are ADA (Type A) units 89% of projects have universal design 	<ul style="list-style-type: none"> Number of applicants requesting reasonable accommodations who were matched with a unit Number/percent of households that include a person with a disability

Strategies for affirmative marketing and low-barrier screening

All local implementation strategies included commitments to affirmative marketing and low-barrier screening. Affirmative marketing approaches include working with property management companies to ensure materials and services are accessible to people with limited English proficiency via translation and interpretation in multiple languages, as well as strategies to market units through partnerships with community-based organizations that can leverage informal channels and word of mouth.

Across the 52 bond-funded projects, 71% report partnerships with culturally specific organizations to support their affirmative marketing strategies. These partners include organizations serving a wide range of populations, such as Native American Rehabilitation Association (NARA), Native American Youth and Family Center (NAYA), Urban League of Portland, Beyond Black, El Programa Hispano

Católico, Centro Cultural, HAKI Community Organization, Somali Empowerment Circle, Asian Pacific American Network of Oregon, Immigrant and Refugee Community Organization (IRCO), Muslim Educational Trust and more.

Many projects also partner with a wide range of other types of organizations to support affirmative marketing, such as homeless services providers, social service agencies, school districts and community colleges, public libraries, organizations serving children and families, organizations serving seniors, government agencies such as the Department of Veterans Affairs, and community-based organizations such as The Rosewood Initiative and Living Cully.

The following examples illustrate how bond-funded projects engage with partners to implement affirmative marketing:

- Fuller Road Station is a 100-unit development in unincorporated Clackamas County for families and households with very low incomes, including 25 PSH units for households experiencing homelessness. In advance of opening the waitlist, emails and marketing flyers were sent to partners such as Asian Health and Service Center, IRCO, NAYA, Urban League, Oregon Outreach, Impact NW, Independent Living Resources and surrounding employers. The leasing team also worked closely with the project's supportive services partners, Dev NW and Clackamas Women's Shelter, to house applicants from their waitlists.
- Hillsboro's Nueva Esperanza provides 150 affordable homes for households with low and very low incomes, with a focus on serving families of color from Latine, Somali and other immigrant communities. Project co-sponsor Bienestar developed marketing materials designed to reach Spanish-speaking households and African and other immigrant populations in Hillsboro. Bienestar partnered with Somali Empowerment Circle, Adelante Mujeres, Family Promise, Community Action and others to support outreach and distribution of the marketing information.
- Portland's Waterleaf is a 176-unit development for families and veterans with very low incomes. The project's partners conducted research to identify the demographic groups least likely to apply and targeted outreach to those groups through community-based organizations and by placing ads in culturally specific newspapers. Applicants were referred by 41 community-based and culturally specific organizations such as Central City Concern, Urban League, Northwest Pilot Project, Transition Projects, Community Vision, Veterans Affairs, Cascadia Health, New Narrative, Street Roots, Do Good Multnomah, Our Just Future, New Avenues for Youth, Outside In, Path Home and Impact NW.

In addition to affirmative marketing, low-barrier screening is a key strategy for promoting equitable access to housing. Low-barrier screening is specifically designed to promote accessibility for households with adverse credit, rental and legal histories, and with very low incomes.

Among the examples of ways that sponsors are implementing low-barrier screening practices for bond-funded projects:

- The leasing team for Clackamas County’s Good Shepherd Village developed screening criteria designed to eliminate common screening barriers. Credit score minimums are not used, alternative forms of identification are accepted, a lack of rental history or rectified past debt are not penalized, and the leasing team worked with community partners to establish application fee assistance for their clients and referrals. The leasing team also established clear procedures and timelines to ensure applicants receive adequate communication and time to assemble documentation.
- Bienestar, the project co-sponsor for Hillsboro’s Nueva Esperanza, worked with project partners and supportive housing experts to identify common screening barriers such as negative credit history, past evictions, inadequate income and criminal records. In the project’s screening criteria, prior eviction is not grounds for denial if the eviction was due to severe rent burden. The criminal conviction review process also removes any crimes that are no longer illegal at the state or federal level. Each application is reviewed with consideration of relevant individualized evidence of mitigating factors using an equity lens.

Leasing outcomes

Bond-funded projects are required to submit a leasing outcome report once they reach at least 95% occupancy. The report collects data on applications received, applicant screening results (including denials and appeals), PSH unit placements, placements in accessible units and affirmative marketing outcomes. As of December 2023, 10 projects had submitted leasing outcome reports.

Figure 7.2 Projects reaching at least 95% occupancy by December 2023

Project	Location	Eligible units	30% AMI units	2+ BR units	PSH units
The Valfre	Forest Grove	36	8	30	8
Rockwood Village	Gresham	47	47	39	0
Mary Ann	Beaverton	54	11	29	0
Tukwila Springs	Gladstone	48	48	0	48
Viewfinder	Tigard	81	34	56	30
Findley Commons	Portland	35	0	0	35
Hattie Redmond	Portland	60	60	0	60
Fuller Road Station	Happy Valley	99	30	82	25
Waterleaf	Portland	176	17	48	20
Wynne Watts Commons	Gresham	147	30	31	30
Totals		783	285	315	256

The occupancy reports submitted in 2022 for the first six fully leased-up projects (The Valfre, Rockwood Village, Mary Ann, Tukwila Springs, Viewfinder and Findley Commons) pointed to areas where occupancy data collection and reporting could be improved. Metro worked with jurisdiction partners on improvements to reporting templates and methodologies in 2023, resulting in more accurate and comprehensive data for the projects that submitted occupancy reports in 2023 (Hattie Redmond, Fuller Road Station, Waterleaf and Wynne Watts Commons). Because occupancy data is only submitted once for each project, the data for the projects that leased up in 2022 continues to include some incomplete information.

Unit availability relative to applications

The volume of applications across the 10 properties demonstrates that the need for affordable units is greater than the number of units available. Figure 7.3 shows the number of applications received compared with the number of units available across the projects, broken out by unit size. The number of applications received far outpaced unit availability, and these data do not include the prospective applicants who remained on waitlists and were not able to apply for a unit.

Figure 7.3 Availability of units relative to applications across the leased properties

	Studios	1 BR units	2 BR units	3 BR units	Total
Total units available*	208	299	288	168	963
Total rental applications received	983	1,223	852	449	3,507
Total percentage of applicants housed	21%	24%	34%	37%	27%

**Rockwood Village reported leasing information for all of its affordable units (224) rather than just the bond-funded units (47), increasing the total units and applications included in the analysis.*

The discrepancy between applications and available units highlights both the important role of the bond in alleviating the region’s severe shortage of affordable housing and the continuing need for affordable units. In total, only 27% of applicants were able to be housed in the available units. The percentages ranged by unit size, with the lowest percentages of applicants housed in studios and one bedroom units. Additional analysis of regional need by household size may support future leasing outcome data analysis.

Demographics of building occupants

The leasing outcome reports also collect information on the demographics of the initial building occupants, including race and ethnicity, disability status, age, veteran status, household size and household composition. It is important to note that demographic characterizations of diverse, multifaceted and intersectional communities are often difficult to get right. For Metro’s demographic collection and reporting purposes, efforts have been made to align with existing data and reporting sources specific to the affordable housing industry and emerging best practices in reporting on priority communities.

Across the 10 projects, demographic data were reported for 57% of occupants, although the reporting percentages varied significantly from project to project. In some cases the projects only reported on household-level demographics rather than the demographics of individual occupants, and some occupants chose not to disclose demographic information. This section provides an analysis of the available data while recognizing that it is incomplete.

For each demographic category, the data for occupants of bond-funded units are compared with data at the neighborhood and regional levels. The neighborhood comparison data points were created using a half-mile buffer around each site. The data sources for the comparisons are based on Census and American Community Survey data sets.

Metro recognizes the importance of analyzing intersectionality across demographic data categories and providing fully disaggregated data when reporting on demographics. However, because occupancy data are submitted to Metro in aggregate form, not as individual client-level records, analysis of intersectionality is not feasible. Inconsistencies in data reporting categories across the projects also create barriers to accurately reporting on fully disaggregated demographic data. For this reason, data on race and ethnicity are analyzed in this section for people of color as a whole but not for individual races/ethnicities. The improvements to reporting templates and methodologies implemented in 2023 will support analysis of disaggregated data in future reports.

Race and ethnicity

Figure 7.4 shows the percentage of total occupants of bond-funded units who provided race and ethnicity data followed by the percentage of those occupants who identified as people of color (POC), defined as all races and ethnicities except white non-Hispanic. The table compares these percentages with the percentage of people of color households within a half-mile buffer around each project location, and the percentage of people of color households with incomes less than \$60,000 within the half-mile buffer.

Figure 7.4 Occupancy outcome data: race and ethnicity

	# of occupants in bond-funded units	% of occupants who provided race/ethnicity data	% POC of occupants who provided race/ethnicity data	Demographic data for surrounding neighborhood	
				% of households that are POC	% of households with incomes <\$60,000 that are POC
The Valfre	92	100%	79%	20%	26%
Rockwood Village	141	22%	65%	45%	50%
Mary Ann	117	74% of households	25% of households	48%	71%

Tukwila Springs	48	77%	41%	16%	19%
Viewfinder	189	33%	19%	20%	34%
Findley Commons	35	94%	12%	19%	30%
Fuller Road Station	274	31%	14%	28%	30%
Hattie Redmond	60	100%	100%	19%	26%
Waterleaf	271	71%	54%	24%	41%
Wynne Watts	216	86%	44%	41%	47%
Total	1,443	57%	48%	29%	41%
Region				26%	30%

Overall, 48% of occupants of bond-funded units were people of color, compared with a regional rate of 26% (30% for households with incomes less than \$60,000) and a rate of 29% in the neighborhoods surrounding the projects (41% for households with incomes less than \$60,000). Six of the 10 projects have a higher percentage of households of color than their surrounding neighborhoods and the regional rate.

Disability status

Figure 7.5 shows the percentage of occupants of bond-funded units who provided disability status, followed by the percentage of those occupants who are living with a disability. These data are compared with the percentage of the population living with a disability in the surrounding neighborhood.

Figure 7.5 Occupancy outcome data: disability status

	# of occupants in bond-funded units	% of occupants who provided disability status	% living with a disability of occupants who provided data	% living with a disability in surrounding neighborhood
The Valfre	92	92%	11%	11%
Rockwood Village	141	33%	11% of households	13%
Mary Ann	117	N/A	N/A	16%
Tukwila Springs	48	100%	69%	17%
Viewfinder	189	43%	7% of households	15%
Findley Commons	35	100%	34%	13%
Fuller Road Station	274	1%	N/A	17%
Hattie Redmond	60	100%	30%	8%

Waterleaf	271	100%	16%	15%
Wynne Watts	216	92%	28%	19%
Total	1,443	57%	22%	14%
Region				12%

Overall, the percentage of occupants living with a disability ranges from 7% to 69%. Only Rockwood Village and Viewfinder – both of which have low reporting rates – show the percentage living with a disability as lower than the comparison neighborhood data points and the regional rate of 12%. The percentage of occupants living with a disability at the Valfre is one percentage point lower than the regional rate but equal to the percentage for the surrounding neighborhood.

Age

Figure 7.6 shows the percentage of occupants of bond-funded units who are children under age five, children and youth under age 18, and seniors ages 62 and older. These data are compared with age demographics for the surrounding neighborhood.

Figure 7.6 Occupancy outcome data: age

	Occupants of bond-funded units			Demographic data for surrounding neighborhood		
	% under age 5	% under age 18	% 62 or over	% under age 5	% under age 18	% 62 or over
The Valfre	18%	51%	1%	5%	24%	11%
Rockwood Village	23%	55%	6%	8%	31%	12%
Mary Ann	N/A	N/A	N/A	5%	20%	19%
Tukwila Springs	0%	0%	35%	3%	16%	25%
Viewfinder	21%	50%	4%	6%	21%	20%
Findley Commons	0%	0%	37%	4%	16%	12%
Fuller Road Station	24%	57%	2%	4%	17%	23%
Hattie Redmond	0%	0%	35%	4%	14%	13%
Waterleaf	12%	25%	11%	1%	3%	18%
Wynne Watts	13%	26%	1%	7%	22%	18%
Total	16%	38%	8%	5%	19%	16%
Region				5%	20%	18%

In projects with a focus on families with larger unit sizes – The Valfre, Rockwood Village, Viewfinder and Fuller Road Station – more than half of the occupants are

under age 18. This is higher than both the neighborhood averages and the regional rate of 20%. Tukwila Springs, Findley Commons and Hattie Redmond, which are all permanent supportive housing projects, have rates of residents over age 62 that are higher than the neighborhood averages and the regional rate of 18%.

ADVANCING HOUSING STABILITY

Metro's bond framework established expectations that affordable housing projects offer connections to services to support residents' housing stability. All bond-funded projects provide access to resident services that connect individuals and families to resources such as energy assistance, food, health services, transportation and financial planning. Many projects include partnerships that offer additional programs and services for residents on site or in the community. Some homes, including those designated as permanent supportive housing, provide individual residents with one-on-one case management and connections to wraparound services to meet their unique needs.

Culturally responsive service partnerships

Ninety-six percent of bond-funded projects report partnerships with culturally responsive organizations that will provide resident services, case management, wraparound services or other programming. (The remaining projects have not finalized service partnerships yet.) For 77% of the projects, these partnerships include culturally specific service providers such as Hacienda CDC, Latino Network, Virginia Garcia Health Center, Native American Rehabilitation Association (NARA), NAYA, IRCO, Islamic Social Services of Oregon, Somali American Council of Oregon, Black Parent Initiative, Self Enhancement, Urban League and Black Community of Portland.

The following examples illustrate how bond-funded projects are incorporating partnerships with culturally responsive and culturally specific service providers to support housing stability:

- Plambeck Gardens in Tualatin will provide housing for individuals and families with low and extremely low incomes, including people transitioning out of homelessness into permanent supportive housing. Project sponsor Community Partners for Affordable Housing is partnering with Centro Cultural for employment-related services, Virginia Garcia and NARA for health and wellness activities, Neighborhood Health Center for youth health services, and NARA and Community Action for permanent supportive housing services.
- Meridian Gardens in outer southeast Portland will provide single room occupancy and studio apartments to individuals and couples experiencing or at risk of homelessness who are in recovery from substance use disorders. Project sponsor Central City Concern will provide recovery-focused programming for all residents, including peer-delivered services. On-site culturally specific services will be provided by Puentes, the Imani Center and Flip the Script.
- Albina One, which is being co-developed by Albina Vision Trust in Portland's Eliot neighborhood, will provide affordable homes to families as well as displaced or longtime residents of North and Northeast Portland. Designed to

counter intentional displacement of Black people through urban renewal, freeway siting and long-term gentrification, the mix of one, two and three bedroom units will serve young Portlanders, notably those who work in the trades. Portland Opportunities Industrialization Center + Rosemary Anderson High School will support residents with culturally specific education, mentoring, family support, employment training and career placement.

- The Opal in Cedar Mill will provide affordable homes for older adults with low and extremely low incomes, with an emphasis on serving LGBTQ+ residents. The project was developed through a partnership between Home First Development Partners and Christ United Methodist Church, which owns the land and the adjacent church. Friendly House Elder Pride Services will provide resident services, with the goal of creating a safe, welcoming community where residents have the support and resources they need to live healthy, active, independent lives. Church members made over 60 quilts to welcome new residents. The church is also donating supplies for the communal kitchen.

Permanent supportive housing

The policy framework for the affordable housing bond included a commitment to serve households experiencing homelessness. For households with disabilities experiencing prolonged homelessness, permanent supportive housing (PSH), which pairs a housing unit with long-term rental assistance and wraparound services, is the nationally recognized solution. Because resources for PSH were limited when the housing bond measure passed in 2018, Metro's framework included goals for deep affordability (30% AMI units) but not a regional goal for PSH. Two partners established PSH goals:

- Portland set a goal of 300 PSH units that would be supported with capital investments through the Metro bond. As of December 2023, Portland had exceeded that goal with 311 Metro bond-funded PSH units open or in the pipeline. This includes 289 PSH units in existing projects plus 22 PSH units in projects that are still moving through Metro's concept endorsement process.
- Washington County's local implementation strategy for the Metro bond included a goal of at least 100 PSH units. As of December 2023, Washington County had exceeded that goal with 157 Metro bond-funded PSH units open or in the pipeline.

While other local implementation strategies did not establish formal PSH goals, the regional portfolio includes PSH units distributed across the region, in alignment with the goal of serving households experiencing homelessness. **As of December 2023, partners reported a total of 747 PSH units across the bond-funded portfolio.** This includes five projects that are entirely PSH (Findley Commons, Hattie Redmond, Heartwood Commons, Tukwila Springs and Beacon at Glisan Landing) and an additional 23 projects that include a subset of PSH units. PSH

units make up 17% of total bond-funded units, and 54% of all bond-funded projects contain PSH units.

Units designated as PSH offer deep affordability along with ongoing case management and wraparound services to support housing stability. Voters' approval of the Metro supportive housing services (SHS) measure in 2020 has created opportunities to increase PSH production by matching bond-funded units with SHS-funded rent subsidies, case management and wraparound services. Of the 28 bond-funded projects with PSH units, 25% are using SHS funding for rental assistance and 57% are using SHS funding for services. Several additional projects are likely to use SHS funding for PSH units, with the details finalized closer to completion of construction.

Among the examples of ways that jurisdictions are aligning bond capital funding with SHS-funded services and rent assistance:

- The Housing Authority of Clackamas County has been offering service packages that pair rental assistance with wraparound services to encourage project sponsors to dedicate additional PSH units in their bond-funded projects. Staff worked with the project sponsors for Tukwila Springs and Good Shepherd Village to add 59 more PSH units beyond what was originally contemplated across the two projects. In addition, each subsequent Metro bond-funded rental project in Clackamas County's pipeline includes PSH units that are supported by SHS-funded services and/or rent assistance.
- The Portland Housing Bureau partnered with Multnomah County's Joint Office of Homeless Services to integrate SHS-funded services in three PSH projects. Meridian Gardens is a recovery-focused project with 65 PSH units and SHS-funded services provided by Central City Concern. Powellhurst Place has 12 PSH units with SHS-funded services provided by Native American Rehabilitation Association of the Northwest. Beacon at Glisan Landing includes 41 PSH units with services provided by Catholic Charities and IRCO.

Figure 8.1 summarizes PSH units across the bond portfolio as of December 2023 based on information provided in partners' annual progress reports and post-completion reporting. For some projects, PSH unit commitments and other details are still being finalized.

Metro worked with partners in 2023 to ensure greater clarity and consistency in the definition of PSH for reporting. All units defined as PSH (a) serve people with extremely low incomes who have one or more disabling conditions and are experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness and (b) use coordinated access systems for referrals.

Figure 8.1 Distribution, target population and service partners for permanent supportive housing units across the portfolio

Jurisdiction	Project	Total units	PSH units	PSH target population	Service partners
Beaverton	Senior Housing on 5 th	104	30	Seniors 55+	NARA, Bienestar
Clackamas	Fuller Road Station	99	25	Families and individuals, including foster youth exiting or having exited the system	Clackamas Women’s Services, Cornerstone Community Housing, DevNW
	Good Shepherd Village	142	58	Families and individuals, including 15 units expressly for veterans	Catholic Charities of Oregon, APANO, El Programa Hispano Católico, Familias en Acción, Do Good Multnomah
	Las Flores	171	9	Families and individuals	Northwest Housing Alternatives
	Tukwila Springs	48	48	Age 50 or older; leasing preference for Gladstone residents and applicants who request culturally specific services for Native Americans	NARA
	Marylhurst Commons	100	40	Families	Mercy Housing NW
	Hillside Park A & B	143	13	Families	Impact NW, Community Vision, Unite Oregon
	Hillside Park C	78	8	Families	Impact NW, HACC Service Team
	Lake Grove	54	10	Latine, families	New Narrative
	Wilsonville TOD	120	20	Latine, families	Latino Network
Gresham	Wynne Watts Commons	147	30	Those with intellectual and developmental disabilities	Integration with the State’s K Plan which provides services to those living independently, Albertina Kerr
Hillsboro	The Dolores	66	10	Individuals and families	New Narrative
Portland	Hattie Redmond	60	60	BIPOC singles/couples experiencing chronic homelessness	Urban League of Portland, Home Forward
	Findley Commons	35	35	Veterans	Veterans Administration, Do Good Multnomah
	Waterleaf	176	20	Veterans	Veterans Administration
	Beacon at Glisan Landing	41	41	BIPOC seniors, survivors of domestic violence/sexual assault coming out of homelessness	Catholic Charities
	Meridian Gardens	85	65	People in substance use disorder treatment, people experiencing chronic homelessness	Central City Concern, Puentes, Imani Center, Flip the Script
	Tistilal Village	24	16	Native American families	NARA, NAYA
	Portland Value Inn	98	15	Formerly homeless families, intergenerational families, BIPOC families at risk of displacement, with disabilities	Urban League of Portland, CPAH, HAKI Community Organization

Jurisdiction	Project	Total units	PSH units	PSH target population	Service partners
	Powellhurst Place	64	12	People exiting homelessness, BIPOC community	Northwest Housing Alternatives, NARA
	Garden Park Estates	54	25	Individuals	Innovative Housing, Inc.
Washington	Heartwood Commons	54	54	Individuals	Community Partners for Affordable Housing (CPAH), Sequoia Mental Health
	Plambeck Gardens	116	16	Individuals and families	Centro Cultural, Virginia Garcia, NAYA
	Terrace Glen	144	3	Youth	HomePlate Youth Services, IRCO
	The Valfre at Avenida 26	36	8	Individuals and families, Latine	Bienestar, Sequoia Mental Health
	Alongside Senior Housing	57	24	Seniors, veterans	Veterans Administration
	Viewfinder	81	30	Individuals and families, veterans	Project Homeless Connect, Cornerstone Partners
	Woodland Hearth	63	22	Individuals and families	HAKI, NAYA
	Total PSH units		747		

COMMUNITY ENGAGEMENT TO SHAPE PROJECT OUTCOMES

Metro's bond work plan requires jurisdictional partners to conduct community engagement to inform implementation planning. To remedy decades of disinvestment and displacement, engagement activities are expected to focus on reaching communities of color and other priority populations, including people with low incomes, seniors, people with disabilities, immigrants and refugees, existing tenants in acquired buildings, and people who have experienced or are experiencing housing instability or homelessness. Each jurisdiction reports on this community engagement, including participant demographic information, descriptions of outreach and activities, themes from engagement and how feedback informed implementation.

In 2023, community engagement was conducted for 16 projects across the seven implementing jurisdictions and Metro's site acquisition program. A total of 29 specific engagement opportunities were organized for the 16 projects, with more than 1,103 participants.

Engagement of communities of color and other priority populations

Demographic information on race/ethnicity was collected for 53% of the participants in the 2023 engagement opportunities. Of those participants, 73% were people of color.

Participant information was not tracked consistently for other priority populations. Information on income was collected for 17% of the participants; of those participants, 78% were people with low incomes. Reports from the engagement opportunities where other demographic information was collected show additional participation by immigrants, refugees, existing tenants, and people with lived experience of homelessness and housing instability.

Themes of input

Most of the engagement opportunities were for projects that are in the design and planning phases. The most common themes from the input across the projects were related to:

- **Community gathering spaces**, such as requests for community rooms and common areas as well as exterior spaces that support community building
- **Outdoor spaces** including community gardens, green spaces, covered outdoor gathering spaces and play areas
- **Unit design and amenities**, such as closets, storage and larger units
- **On-site services**, including community building for residents, culturally specific services, services to support transitions from homelessness, and services that are responsive to residents' needs and experiences

- **Safety and security**, such as lighting, controlled access, staffing and security cameras
- **Parking** to meet residents' needs and reduce the impact on the surrounding neighborhood

How engagement input informed projects

Partner jurisdictions' reports demonstrate how input gathered during community engagement was incorporated into project planning. Some examples of ways that projects were changed in response to feedback include:

Input to inform developer selection

- Metro's site acquisition program and the Housing Authority of Clackamas County conducted stakeholder outreach to gather input on priorities for Clackamas County's Lake Grove site. A workgroup of neighbors and community members met six times over four months to develop a statement of values that was used to evaluate developer proposals. Guided by these values, Hacienda CDC's proposal was selected.

Input to inform project design and planning

- During engagement for Portland's Albina One project, participants highlighted the opportunity for storytelling about Black Portland. In response, the building incorporates exterior metal screens to be designed by artists and other opportunities for storytelling through art. Discussions with social service providers also led to the inclusion of laundry in larger family-size units and an enclosed outdoor play space near the shared laundry room.
- In response to feedback related to service priorities for Washington County's Woodland Hearth, project sponsor Community Partners for Affordable Housing will work closely with service partners NARA and Community Action to develop programming that addresses the identified priorities, including Rent Well classes, trauma-informed training with property management, safety meetings and wellbriety.
- In focus groups and a virtual public town hall to gather input for Clackamas County's Hillside Park project, participants emphasized the importance of community garden spaces. In response, the project's design team added garden boxes to the landscape plan for Buildings A and B and increased the scope of the community garden in Building C.
- Gresham's Oak Row at Rockwood Townhomes is a homeownership project co-sponsored by Habitat for Humanity. At three information sessions, a key theme from participants' input was the need for streamlined and transparent applications. In response, the project partners revamped the application and updated the website to better communicate about the application process and the available homes.

EFFICIENT USE OF FUNDS

Good use of public funds is a core guiding principle of the affordable housing bond for Metro and its partners. In 2023, the average per-unit investment of Metro bond subsidy was \$108,570, which is considerably lower than the average of \$143,000 per unit in Metro bond subsidy available to achieve the goals. This reflects a variety of factors, including some projects that are only utilizing Metro bond funds to fill a small gap. In general, it is anticipated that higher Metro bond subsidy levels will be needed for remaining projects due to significant cost escalation and anticipated delays due to emerging constraints in the availability of private activity bonds, which are necessary to finance 4% low income housing tax credits.

This section highlights key findings related to development costs and capital and operating funding sources. *Exhibit A* provides a summary of the portfolio projects, including configuration, size, unit mix, cost and Metro bond subsidy. *Exhibit D* provides additional detail regarding capital financing sources, and *Exhibit E* provides a summary of ongoing rental assistance and services funding attached to Metro bond units.

Development costs

The Metro affordable housing bond portfolio includes 52 properties that range in size from 10,200 to 245,705 square feet, with an average size of 117,290 square feet. The portfolio's 48 multifamily rental projects range from one to 17 buildings, with an average of three buildings, and they range from 35 to 224 apartments, with an average of 122 units. The portfolio's four homeownership projects range from eight to 53 units, with an average of 35 units, in two to 21 buildings, with an average of seven buildings.

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

In general, the housing bond portfolio's development costs align with similar affordable housing trends in the region and nationally. Development costs across the portfolio span a wide range and are influenced by a variety of factors including project size, unit configurations and construction type. The bond program's priority focus on family-size units contributes to higher average hard costs per unit. For this reason, cost per square foot and cost per bedroom are important metrics. Similarly, the program's priority focus on advancing racial equity was established with an understanding that prioritizing equitable contracting and workforce diversity may mean additional development costs. A

number of other factors impact costs including prevailing wage requirements, parking requirements and more.

Figure 9.1 Average total project costs

Metric	Weighted average
Total project cost per unit	\$447,053
Total project cost per bedroom	\$259,190
Total project cost per square foot	\$462.83

Development costs have escalated across the affordable housing industry over the past three years due to broader economic factors impacting the cost of materials and labor. Supply chain issues and labor shortages along with inflation and interest rate increases have significantly increased construction costs. The impact of these increases is evident in the construction costs for bond projects approved after 2021. The average cost of construction per square foot for new construction projects financed with 4% low income housing tax credits was \$287 for bond projects approved in 2021 or earlier and \$363 for projects approved after 2021. The full impact of the cost increases is masked by wide variations in other factors that affect construction costs across the portfolio, such as construction type, prevailing wage requirements, on- and off-site construction requirements, and the availability or absence of building fee exemptions and/or systems development charge waivers.

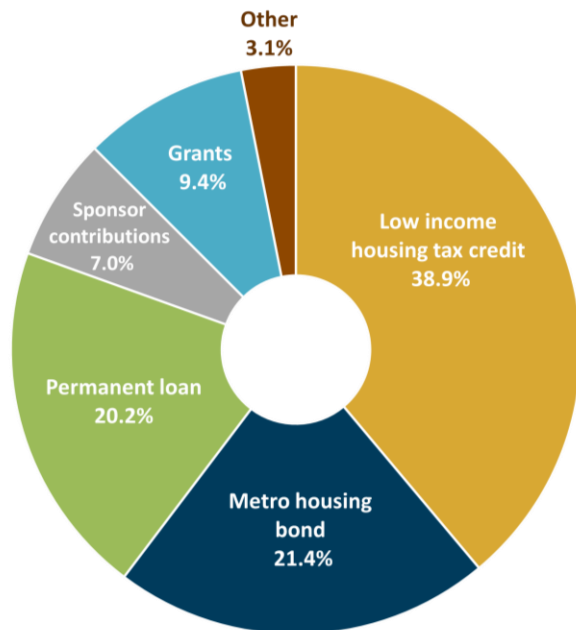
Alignment with other subsidy sources

The affordable housing bond program was structured to provide flexible gap funding that can be layered with other capital sources to achieve desired outcomes. While the production goals were modeled assuming the leverage of 4% low income housing tax credits and modest bank debt, the program requirements are intentionally flexible to allow for a range of models.

The current affordable housing bond portfolio represents \$2.18 billion in investments, of which approximately 21.4%, or \$466 million, is Metro affordable housing bond funding and \$1.71 billion is leveraged from other sources.

Figure 9.2 provides a high-level breakdown of funding sources; Figure 9.3 provides more detail.

Figure 9.2 Project funding sources



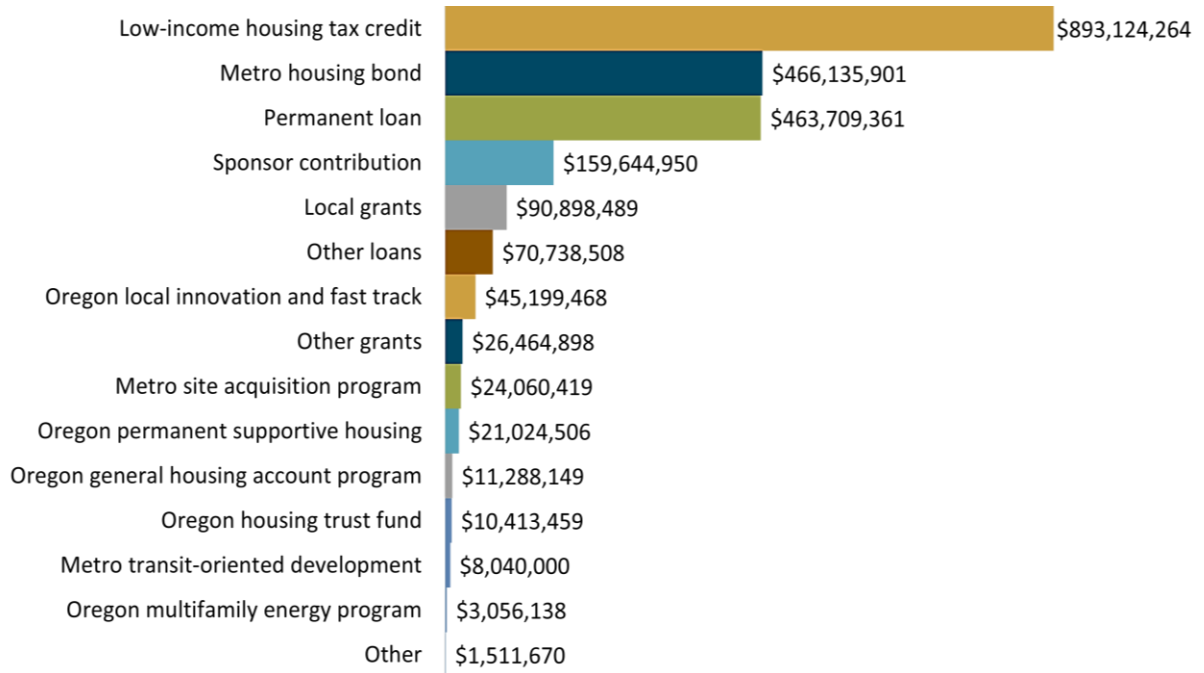
Low income housing tax credits (LIHTC) represent the most substantive leveraged funding source in bond projects. Of the 48 rental projects in the portfolio, 46 are utilizing LIHTC. Of these, four projects (the Mary Ann, Tistilal Village, Garden Park and Meridian Gardens) are financed using highly competitive 9% LIHTCs. For these projects, the Metro bond subsidy represents 17% of project costs due to deep subsidy from the tax credits. The remaining 42 projects are utilizing or plan to utilize 4% LIHTCs. These projects require higher levels of Metro bond funding, representing 21% of project costs.

Unlike 9% LIHTCs, 4% LIHTCs are not subject to an annual cap but are based on federal requirements for utilization of private activity bonds (PABs), which are dependent on a federal allocation to states. Historically, PABs were undersubscribed in Oregon. However, in 2021, Oregon Housing and Community Services announced a pause on reviewing 4% LIHTC applications due to oversubscription of PABs. Combined with construction cost escalation, this poses a significant challenge for the bond program and the statewide affordable housing pipeline. Metro is working with implementation partners and Oregon Housing and Community Services to develop a coordinated strategy to ensure that projects with local funding commitments and deeply affordable units are prioritized and don't face delays in accessing PABs.

Two projects – Findley Commons and Heartwood Commons – are being financed without tax credits, relying primarily on Metro bond funds and other local sources. Heartwood Commons is an acquisition rehab project sponsored by Washington County. The project is 100% PSH units and Washington County wanted to keep costs as low as possible. Findley Commons is also a 100% PSH unit project. At 35 total units the project is too small to effectively utilize LIHTC funding.

After LIHTC, other funding sources include Metro housing bond funds, permanent loans, sponsor contributions and state and local grants and loans. Figure 9.3 shows a breakdown of total leveraged funding by source. *Exhibit D* provides additional details on the financing mix for each project.

Figure 9.3 Capital funding sources



Operating costs and subsidy

The affordable housing bond program includes ambitious goals for very affordable units, defined as those affordable to households making less than 30% of the area median income (AMI). In 2023, this was an annual income of \$23,700 for a household with one person and \$33,840 for a household of four. Providing deeply affordable units requires additional subsidy. Rental income from these units is lower and their operating expenses can be higher, creating operating funding gaps and limiting projects' ability to carry debt.

Across the housing bond portfolio, 1,635 units are designated to serve households with very low incomes (30% AMI or below); 1,052 units include project-based rental assistance, funded through a combination of federal and local sources, including Metro's supportive housing services fund.

Additionally, buildings serving households with very low incomes often require investment in ongoing services that are beyond the scope of traditional real estate related operating expenses and require external operating funding to be financially feasible. Lender and/or tax credit investors may also require the capitalization of reserves to mitigate the risk that these operating expenses may not be able to be adequately funded from projects' operating revenue. Across the buildings serving very low income households, **747 units are designated as**

permanent supportive housing and include additional funding commitments to provide wraparound services.

Exhibit E provides a summary of the total units, 30% AMI units and units with project-based rental assistance and ongoing services funding.

Local affordable housing policy tools and incentives

Affordable housing development can be supported or hindered by local jurisdictions' policies and regulations. Some bond projects have encountered barriers or delays due to zoning and permitting challenges in local jurisdictions. For example, approval of Home Forward's land use application for the Troutdale Apartments was delayed for 18 months due to concerns about density, parking and traffic. Home Forward finally secured land use approval in 2023 for a modified plan that includes a reduction in the number of affordable units and more parking. The delay was particularly impactful during a time of high cost escalation, increasing the project's construction costs by \$2.87 million.

There are also affordable housing policy tools and incentives in place across the region that can ease the development of affordable housing, including housing bond projects. In 2020, Metro staff surveyed all 24 cities in the region to identify incentives and policies in place to support affordable housing development. This information was further refined and updated in spring 2022. Tracking these policies helps the program anticipate what resources and incentives exist to encourage the development of affordable housing throughout the region, and which are being leveraged in Metro affordable housing bond projects.

Administrative costs

The Metro affordable housing bond framework includes a cap of 5% of bond proceeds for administrative costs. While only a small portion of the overall budget, these costs are vital to delivering on bond outcomes through effective and efficient implementation of the work plan. They include expenses related to financial and legal administration and oversight, monitoring and evaluation, oversight committee engagement, communications and policy development, to name a few.

While most of the administrative funding was allocated to implementing partners and Metro via the initial work plan, Metro Council action in March 2023 allocated an additional \$12,706,638 in administrative funding within the 5% funding cap. Any administrative costs over the 5% cap stipulated in the bond measure must be funded with non-bond funding sources.

As of December 2023, \$19,736,206 in administrative funding had been expended or disbursed to partners and Metro; this is 57% of the administrative funding budgeted in the work plan. Details of administrative expenditures can be found in *Exhibit F*.

SUSTAINABILITY AND CLIMATE RESILIENCE

In the Portland region, as in many places around the globe, events in recent years have made the effects of climate change clear. With issues such as prolonged wildfires and extreme heat, the building industry will need to adapt to new climate-related challenges. These challenges are much bigger than a single funding program can address and will require ongoing work to support policy and funding alignment.

While Metro has not developed sustainability related metrics or requirements for bond-funded projects, the program tracks information reported by partners on each project's sustainability features. In addition, Metro has provided policy guidance and funding to encourage development partners to incorporate in-unit cooling strategies into bond-funded buildings.

Cooling strategies

Metro issued a policy statement in September 2021 strongly encouraging implementing jurisdictions to work with development partners to incorporate cooling strategies for projects, including in-unit air conditioning, to ensure safety and livability for residents. Metro also allocated \$8 million in unprogrammed affordable housing bond interest earnings/premiums to support additional investments in cooling.

The projects added to the bond portfolio since the guidance was issued all include in-unit air conditioning, and jurisdictions incorporated the requirement into funding solicitations for future projects. A few projects that were already near completion when the guidance was issued will not be able to incorporate in-unit air conditioning but will offer other cooling options.

Sustainability strategies

The affordable housing bond reduces energy use and greenhouse gas emissions by funding new homes in multifamily affordable housing buildings. If these units were not available, many residents would likely live in older, less dense housing. According to data from the Energy Information Administration's Residential Energy Consumption Survey, the average multifamily housing unit consumes roughly one-third of the energy and produces one-third the greenhouse gas emissions of a typical single-family unit.

Jurisdictional partners' annual progress reports demonstrate a strong commitment to additional energy efficiency and sustainability measures across the portfolio. Many projects pursue Earth Advantage certification and commonly achieve the silver, gold or platinum levels. About two-thirds of projects also participate in Oregon Housing and Community Services' Multifamily Energy

Program, which provides financial incentives to affordable housing projects for energy efficiency measures aimed at reducing electricity consumption.

Highlights of partners' sustainability strategies include:

- Hillsboro's Dolores project will be designed to meet or exceed Earth Advantage Gold certification through specific strategies for the building envelope, energy, water and indoor air quality. The development team will use highly efficient systems, including LED lighting, occupancy sensor controls, in-unit energy recovery ventilation, mini-splits and energy efficient appliances. Low-flow water-saving fixtures are incorporated to save water and energy. To achieve additional energy savings, the project will include a highly efficient central hot water production system.
- The development team for Clackamas County's La Flores Apartments collaborated with the Center for Public Interest Design, which promotes socially conscious, environmentally sustainable and economically accessible design. The development team integrated packaged thermal air conditioner (PTAC) heat pumps into every unit and is targeting Earth Advantage Multifamily Gold certification. Included among the project's various sustainable design elements is a functioning solar panel array on the community building, and all of the residential buildings will be solar ready.
- The Wilsonville Transit Oriented Development project will include a rooftop photovoltaic solar system, enhanced insulation, high-performance windows, LED lighting, Energy Star appliances and smart thermostats in every unit. The landscape design will use native water-smart plants, and the units will include low-flow water fixtures. Each residential unit will include through-wall PTAC air conditioning combined with ceiling fans in each bedroom. The common areas of the building will be serviced by roof-top condensers. The development will also include electric vehicle parking spaces on site for residents and guests.
- The design for Home Forward's Troutdale Apartments incorporates energy-efficient mini-split heat pumps for heating and cooling in all units. In community spaces, a combination of single-zone and multi-zone split system heat pumps will be utilized for effective heating and cooling. Funding has been secured to integrate solar panels into the project, providing solar powered electrical energy to reduce the costs of common area electricity.

LESSONS LEARNED

The first four years of the bond program's implementation offer insights that can help to inform the region's affordable housing strategies into the future. While the bond program has been successful in meeting its goals, there are lessons learned and areas for improvement.

Metro compiled the following list of lessons learned from jurisdictions' annual report presentations to the Housing Bond Oversight Committee and from conversations with jurisdictional partners and technical experts in the affordable housing community:

- **Site acquisition:** Site acquisition is a helpful tool. The use of bond funds to acquire property brought affordable housing to strategic locations throughout the region and helped to remove barriers for smaller organizations to participate in affordable housing development. Future site acquisition efforts should maintain this intentionality while improving efficiency by ensuring there is clarity of jurisdictional and sponsor roles throughout the development process. Future efforts should also consider flexible tools that can be responsive to opportunities in the market.
- **Predevelopment funding:** Lack of predevelopment funding is a persistent issue for affordable housing development and a barrier for the ability of smaller organizations, including culturally specific organizations, to participate in development. This challenge is deepening as operating cost escalation puts smaller, nonprofit organizations into more difficult financial positions. However, due to restrictions of general obligation bonds, the Metro bond funds are not able to be used to support predevelopment activities.
- **Funding coordination:** Coordination with funding partners, including Oregon Housing and Community Services, is essential to the success of a local gap funding program. Alignment on timing and criteria among state and local funders will reduce risks and impacts of cost escalation for affordable housing developments. Opportunities exist to streamline funding processes to reduce complexity for affordable housing developers and to improve outcomes and impacts across funding streams.
- **Affirmative marketing:** Community networks are critical for equitable access. Affirmative marketing strategies, including partnering with culturally specific organizations and service providers, have led to successful and timely lease-up processes for bond-funded properties. In addition to ensuring fair housing access, timely lease up is also essential for the financial stability of a property.
- **Deeply affordable units:** Deeply affordable units have higher operating costs and require an array of resident services and other supports to meet resident needs and ensure long-term property stability, requiring additional non-leasable space to support offices and other service areas. This can be especially

true in high quality permanent supportive housing. Future funding opportunities should consider the unique funding needs of different unit and property types and levels of affordability, as well as the impacts of changing economic conditions.

- **Regional standards and best practices:** Throughout the implementation of the affordable housing bond, Metro convened jurisdictional partners and stakeholders to develop regional standards to support best practices in the industry, provide clarity and guidance on policy goals, establish metrics and benchmarks to track progress and outcomes, and build relationships that have the potential to improve coordination over time. For example, Metro established regional net cash developer fee guidelines to support fiscal stewardship and racial equity. However, more evaluation of the unintended consequences of net cash developer fee caps is needed to ensure these policies do not impede small nonprofit and culturally specific organizations' ability to respond to cost escalations or build organizational capacity.
- **Balancing local discretion and regional alignment:** Allowing for local discretion can support jurisdictional partners in addressing local housing priorities, but it can also make regional accountability and transparency more difficult. While balancing local discretion with regional alignment can prove challenging, such efforts result in stronger outcomes and more consistency and transparency in reporting on outcomes.
- **Communication and engagement:** The bond program has been successful at creating new affordable housing that is specific to the needs of each community. Metro and its partners should proactively share the success of this and any future programs with partners, local leaders and voters in a way that resonates with their values and priorities.

LOOKING AHEAD

The Metro bond program has exceeded its housing production targets while making significant progress in advancing regional goals to increase equitable access to housing. As the program prepares to commit the remaining bond funds, Metro is committed to working with its partners to strengthen the long-term impact of these investments. The oversight committee has proposed recommendations to support the ongoing success of the bond-funded portfolio while positioning the region to continue to address critical housing needs. Metro housing staff will work in collaboration with the oversight committee, jurisdictional partners and other stakeholders to move forward these recommendations over the upcoming year.

Funding coordination and alignment: Metro will work with its partners to develop creative solutions to help remaining projects in the bond pipeline navigate current funding and development challenges. This includes actively coordinating with funding partners to monitor the remaining pipeline and ensure that projects have the flexibility they need to navigate funding gaps or other barriers, and continuing to advocate for changes at the federal level to address state funding limitations due to the private activity bond volume cap. Metro has initiated work to better understand the current challenges in development and operations of affordable housing across the region. Metro will continue its work with Oregon Housing and Community Services and jurisdictional partners to integrate and align funding resources to create a more efficient and effective affordable housing funding system.

Affordable housing operations: Metro housing policy staff will convene stakeholders and decision makers to move forward a body of work focused on the successful management and operations of bond-funded housing. This work will address the current challenges faced by properties, operators and residents. It will also aim to identify regionally aligned solutions that can be supported by Metro's new regional capacity team, which is charged with developing technical assistance and training programs to help housing and homeless services providers enhance their capacity. Metro is also planning to develop a regional framework for asset management of existing housing funded by the bond to ensure long-term monitoring and stewardship of these critical resources.

Planning for the future: Metro housing staff will support ongoing planning to address the region's future housing needs through research, analysis and engagement. In coming months, the Metro housing department will share findings from technical research and engagement with affordable housing funders and providers – work that is intended to support near-term and ongoing planning for affordable housing production in the region. In the coming year, Metro's housing and planning, development and research departments will work jointly to develop a state-mandated regional housing coordination strategy, with the goal of

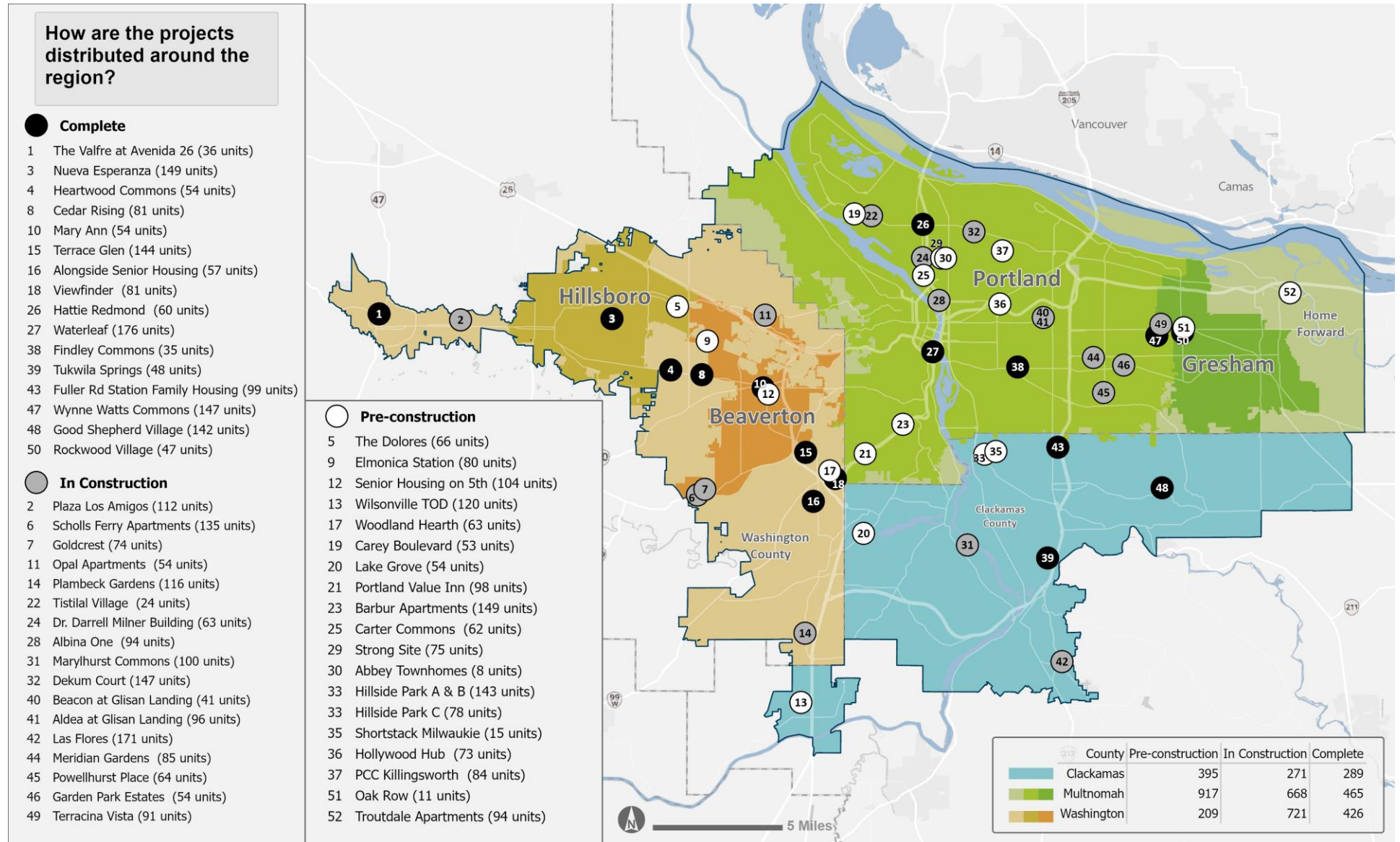
identifying regional strategies to expand resources and eliminate barriers for affordable housing production that meets the needs and income levels of residents. Additionally, Metro will continue working to strengthen the integration of Metro's capital and supportive housing services funds through the development of a regional framework for permanent supportive housing and other strategies that align with implementation of the Tri-County Planning Body's established regional priorities to address homelessness.

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Consultants: Kris Smock, John Warner.

EXHIBIT B. MAPS AND DETAILED SUMMARY OF LOCATION METRICS FOR AFFORDABLE HOUSING BOND PROJECTS



Which projects are in areas historically inaccessible to communities of color?

Complete

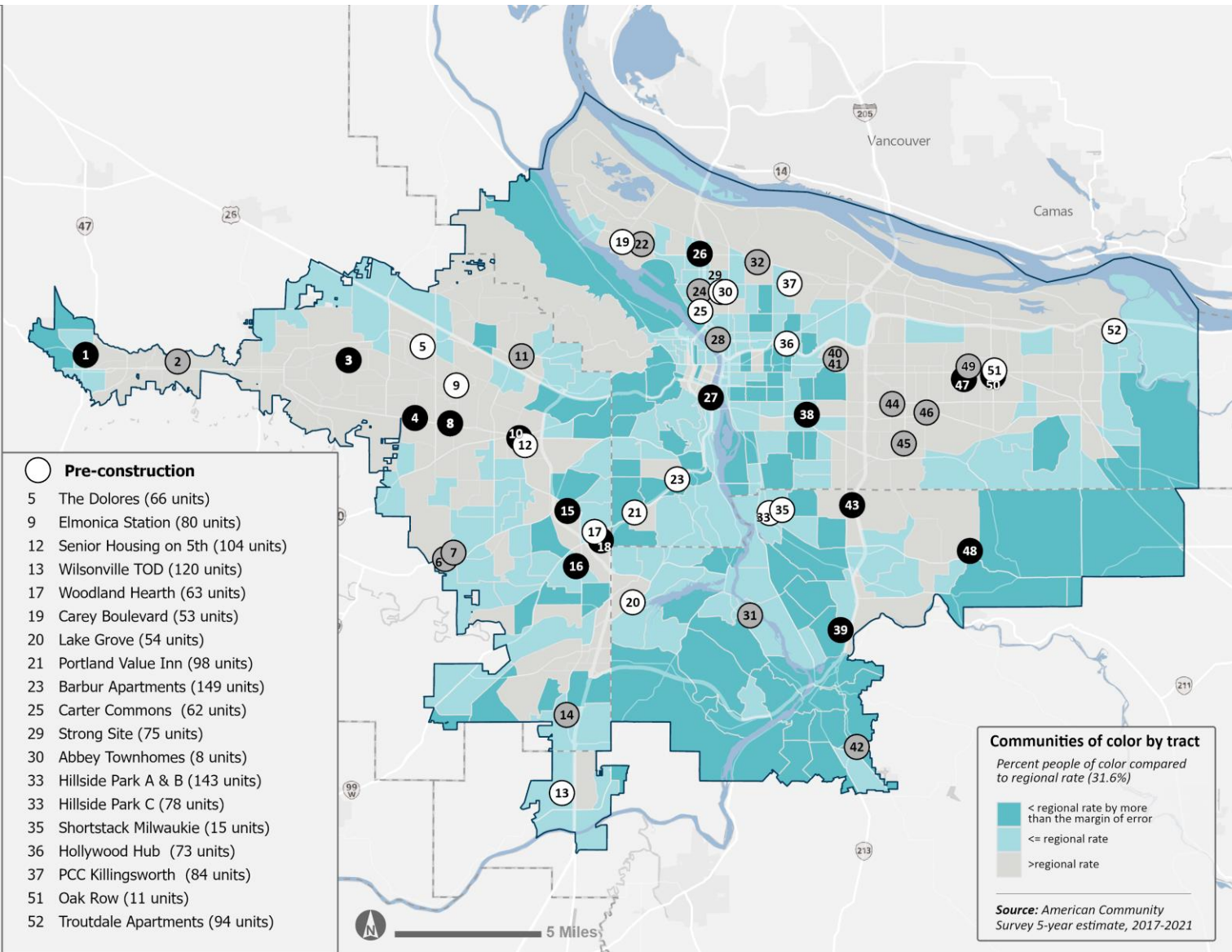
- 1 The Valfre at Avenida 26 (36 units)
- 3 Nueva Esperanza (149 units)
- 4 Heartwood Commons (54 units)
- 8 Cedar Rising (81 units)
- 10 Mary Ann (54 units)
- 15 Terrace Glen (144 units)
- 16 Alongside Senior Housing (57 units)
- 18 Viewfinder (81 units)
- 26 Hattie Redmond (60 units)
- 27 Waterleaf (176 units)
- 38 Findley Commons (35 units)
- 39 Tukwila Springs (48 units)
- 43 Fuller Rd Station Family Housing (99 units)
- 47 Wynne Watts Commons (147 units)
- 48 Good Shepherd Village (142 units)
- 50 Rockwood Village (47 units)

In Construction

- 2 Plaza Los Amigos (112 units)
- 6 Scholls Ferry Apartments (135 units)
- 7 Goldcrest (74 units)
- 11 Opal Apartments (54 units)
- 14 Plambeck Gardens (116 units)
- 22 Tistilal Village (24 units)
- 24 Dr. Darrell Milner Building (63 units)
- 28 Albina One (94 units)
- 31 Marylhurst Commons (100 units)
- 32 Dekum Court (147 units)
- 40 Beacon at Glisan Landing (41 units)
- 41 Aldea at Glisan Landing (96 units)
- 42 Las Flores (171 units)
- 44 Meridian Gardens (85 units)
- 45 Powellhurst Place (64 units)
- 46 Garden Park Estates (54 units)
- 49 Terracina Vista (91 units)

Pre-construction

- 5 The Dolores (66 units)
- 9 Elmonica Station (80 units)
- 12 Senior Housing on 5th (104 units)
- 13 Wilsonville TOD (120 units)
- 17 Woodland Hearth (63 units)
- 19 Carey Boulevard (53 units)
- 20 Lake Grove (54 units)
- 21 Portland Value Inn (98 units)
- 23 Barbur Apartments (149 units)
- 25 Carter Commons (62 units)
- 29 Strong Site (75 units)
- 30 Abbey Townhomes (8 units)
- 33 Hillside Park A & B (143 units)
- 33 Hillside Park C (78 units)
- 35 Shortstack Milwaukie (15 units)
- 36 Hollywood Hub (73 units)
- 37 PCC Killingsworth (84 units)
- 51 Oak Row (11 units)
- 52 Troutdale Apartments (94 units)



Communities of color by tract

Percent people of color compared to regional rate (31.6%)

- < regional rate by more than the margin of error
- <= regional rate
- > regional rate

Source: American Community Survey 5-year estimate, 2017-2021

Which projects are in areas with limited regulated affordable housing?

Complete

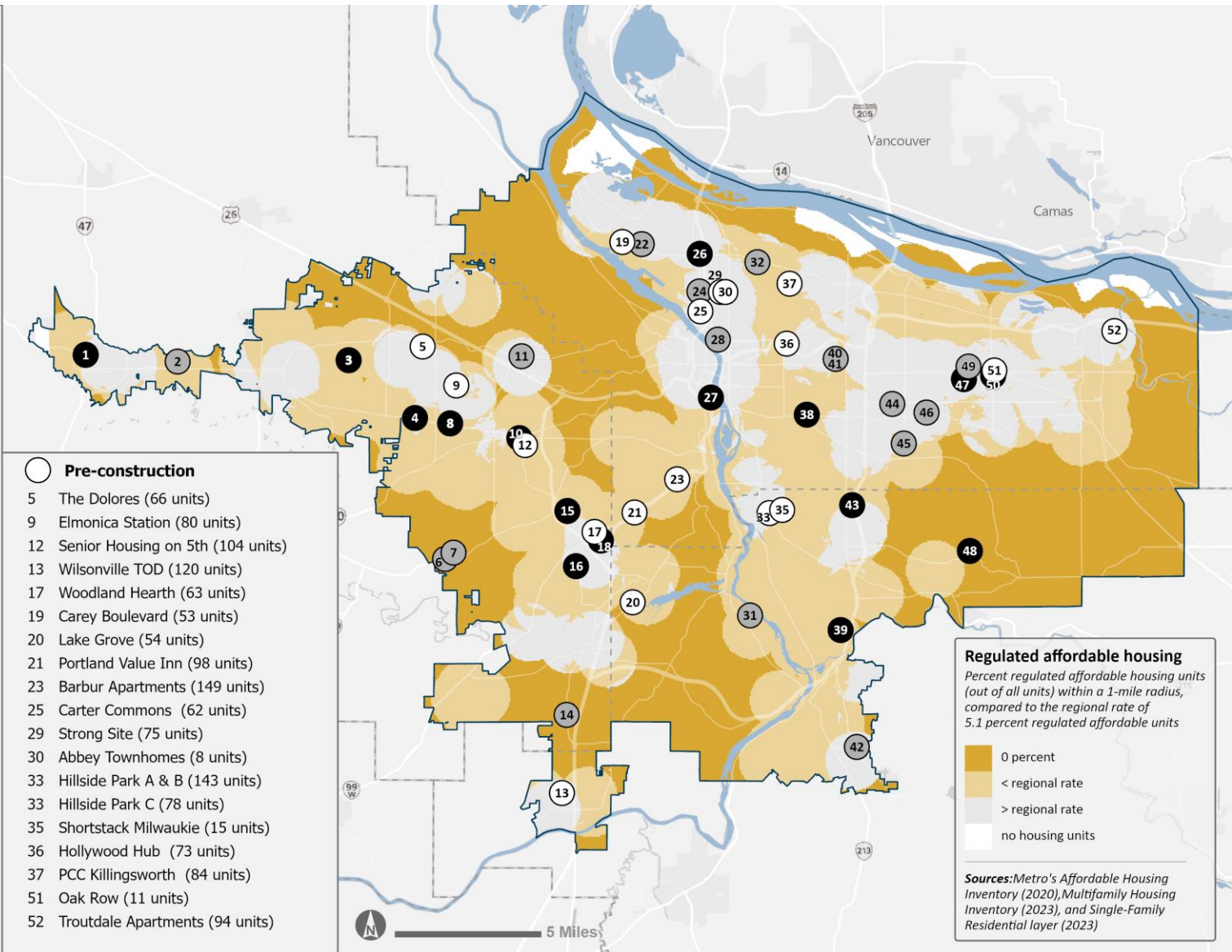
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Regulated affordable housing
 Percent regulated affordable housing units (out of all units) within a 1-mile radius, compared to the regional rate of 5.1 percent regulated affordable units

- 0 percent
- < regional rate
- > regional rate
- no housing units

Sources: Metro's Affordable Housing Inventory (2020), Multifamily Housing Inventory (2023), and Single-Family Residential layer (2023)

Which projects are in areas where communities of color live today?

Complete

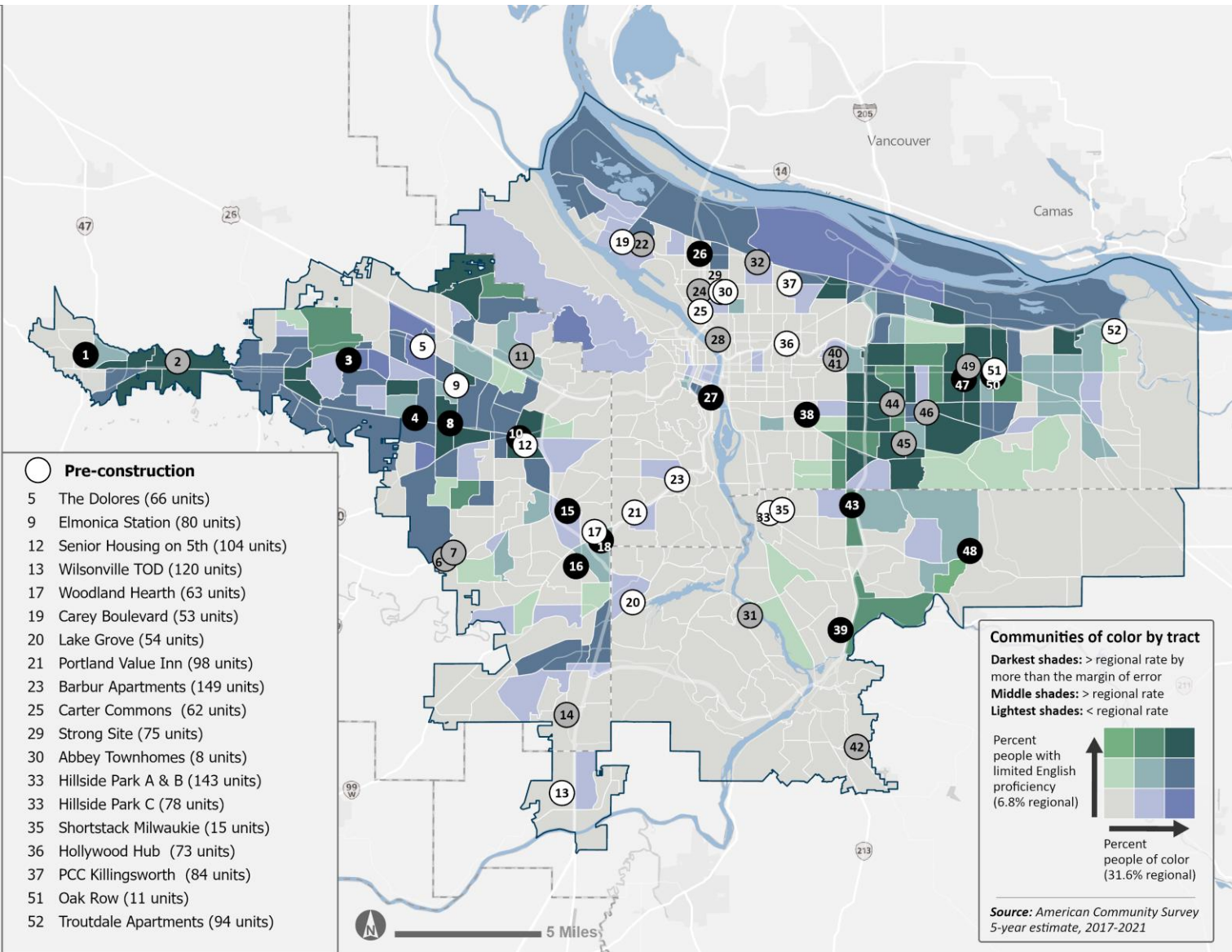
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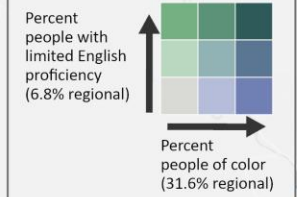
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Communities of color by tract

Darkest shades: > regional rate by more than the margin of error
Middle shades: > regional rate
Lightest shades: < regional rate



Source: American Community Survey 5-year estimate, 2017-2021

Detailed Table of Location Metrics

Detailed Table of Location Metrics			How are the projects distributed around the region? (see Figure 5.2)				Which projects are in areas where communities of color live today? (see Figure 5.3 and notes A, B and C below)			Which projects are in areas historically inaccessible to communities of color? (see Figure 5.4 and notes A, B and C below)			Which projects are in areas with limited regulated affordable housing? (see Figure 5.5 and notes A and D below)	How is the physical access near each project? (see notes E and F below)				
Map ID	Project name	Eligible units	County	POC	LEP	POC-LEP	People of color (vs. regional rate of 31.6%)		Combined POC and LEP, vs. regional rates	People with limited English proficiency (vs. regional rate of 6.8%)		People of color (vs. regional rate of 31.6%)		Affordable housing share (vs. regional rate of 5.1%)	Access to transit (miles to nearest stop/station)		Walkscore	
							Estimate	MOE		POC / LEP	Estimate	MOE	Estimate		MOE	MAX ½ mi		FS Bus ¼ mi
1	The Valfre at Avenida 26	36	Washington	low	low	lowlow	24%	±13%	≤ / ≤	3%	±2%	24%	±13%	high	6.1%	5.9	0.5	61
2	Plaza Los Amigos	112	Washington	high	high	highhigh	54%	±8%	> / >	16%	±7%	54%	±8%	med	2.2%	2.8	0.2	58
3	Nueva Esperanza	149	Washington	high	low	highlow	50%	±8%	> / ≤	5%	±4%	50%	±8%	med	3.0%	0.4	0.4	34
4	Heartwood Commons	54	Washington	med	med	medmed	36%	±12%	≥ / ≥	10%	±4%	36%	±12%	high	5.3%	1.5	0.1	61
5	The Dolores	66	Washington	high	med	highmed	50%	±8%	> / ≥	8%	±5%	50%	±8%	high	11.3%	0.8	0.8	69
6	Scholls Ferry Apartments	135	Washington	high	med	highmed	41%	±9%	> / ≥	8%	±5%	41%	±9%	low	0.0%	5.1	3.8	8
7	Goldcrest	74	Washington	low	low	lowlow	28%	±12%	≤ / ≤	4%	±3%	28%	±12%	low	0.0%	4.8	3.4	11
8	Cedar Rising	81	Washington	high	high	highhigh	48%	±12%	> / >	16%	±5%	48%	±12%	high	6.8%	1.1	0.1	80
9	Elmonica Station	80	Washington	med	med	medmed	37%	±15%	≥ / ≥	9%	±7%	37%	±15%	high	11.4%	0.2	0.2	54
10	Mary Ann	54	Washington	high	high	highhigh	58%	±12%	> / >	18%	±10%	58%	±12%	med	3.0%	0.3	0.1	93
11	Opal Apartments	54	Washington	med	med	medmed	39%	±9%	≥ / ≥	9%	±7%	39%	±9%	high	9.9%	1.7	1.1	86
12	Senior Housing on 5th	104	Washington	high	high	highhigh	41%	±9%	> / >	17%	±10%	41%	±9%	med	3.1%	0.5	0.0	93
13	Wilsonville TOD	120	Clackamas	low	low	lowlow	24%	±11%	≤ / ≤	5%	±3%	24%	±11%	high	8.2%	10.8	4.5	30
14	Plambeck Gardens	116	Washington	low	low	lowlow	24%	±12%	≤ / ≤	3%	±2%	24%	±12%	low	0.0%	8.8	1.9	14
15	Terrace Glen	144	Washington	med	low	medlow	41%	±12%	≤ / ≤	6%	±5%	41%	±12%	med	2.0%	3.1	0.1	70
16	Alongside Senior Housing	57	Washington	low	low	lowlow	24%	±8%	≤ / ≤	3%	±3%	24%	±8%	high	8.1%	5.0	0.2	60
17	Woodland Hearth	63	Washington	low	low	lowlow	24%	±11%	≤ / ≤	2%	±1%	24%	±11%	high	10.5%	4.2	0.1	66
18	Viewfinder	81	Washington	med	med	medmed	32%	±14%	≥ / ≥	7%	±7%	32%	±14%	high	12.0%	4.5	0.2	61
19	Carey Boulevard	53	Multnomah	med	low	medlow	35%	±9%	≥ / ≤	2%	±1%	35%	±9%	med	3.1%	2.4	0.2	71
20	Lake Grove	54	Clackamas	med	low	medlow	35%	±8%	≥ / ≤	3%	±2%	35%	±8%	med	1.5%	4.9	1.1	64
21	Portland Value Inn	98	Multnomah	med	low	medlow	34%	±11%	≥ / ≤	6%	±3%	34%	±11%	med	0.3%	4.2	0.1	69
22	Tistilal Village	24	Multnomah	high	med	highmed	58%	±6%	> / ≥	9%	±3%	58%	±6%	high	14.2%	1.8	0.1	83
23	Barbur Apartments	149	Multnomah	med	low	medlow	35%	±10%	≥ / ≤	3%	±2%	35%	±10%	med	3.7%	2.8	0.0	79
24	Dr. Darrell Milner Building	63	Multnomah	low	low	lowlow	23%	±12%	≤ / ≤	1%	±1%	23%	±12%	high	9.0%	0.2	0.2	82
25	Carter Commons	62	Multnomah	low	low	lowlow	28%	±10%	≤ / ≤	3%	±3%	28%	±10%	high	13.0%	0.0	0.0	62
26	Hattie Redmond	60	Multnomah	low	low	lowlow	27%	±11%	≤ / ≤	3%	±2%	27%	±11%	high	7.6%	0.0	0.0	89
27	Waterleaf	176	Multnomah	low	low	lowlow	25%	±12%	≤ / ≤	6%	±4%	25%	±12%	high	17.3%	0.3	0.2	80
28	Albina One	94	Multnomah	low	low	lowlow	28%	±9%	≤ / ≤	4%	±3%	28%	±9%	high	21.1%	0.4	0.1	88
29	Strong Site	75	Multnomah	med	low	medlow	34%	±8%	≥ / ≤	4%	±4%	34%	±8%	high	12.5%	0.8	0.3	78
30	Abbey Townhomes	8	Multnomah	med	low	medlow	34%	±8%	≥ / ≤	4%	±4%	34%	±8%	high	12.1%	0.9	0.1	87
31	Marylhurst Commons	100	Clackamas	low	low	lowlow	22%	±11%	≤ / ≤	3%	±2%	22%	±11%	med	0.2%	2.3	1.2	42
32	Dekum Court	147	Multnomah	med	low	medlow	34%	±11%	≥ / ≤	3%	±2%	34%	±11%	med	2.7%	2.0	0.1	52
33	Hillside Park A & B	143	Clackamas	low	low	lowlow	24%	±10%	≤ / ≤	1%	±1%	24%	±10%	high	5.3%	0.7	0.1	64
33	Hillside Park C	78	Clackamas	low	low	lowlow	24%	±10%	≤ / ≤	1%	±1%	24%	±10%	high	5.3%	0.7	0.1	64
35	Shortstack Milwaukie	15	Clackamas	low	low	lowlow	24%	±10%	≤ / ≤	1%	±1%	24%	±10%	med	5.0%	1.0	0.3	64
36	Hollywood Hub	73	Multnomah	low	low	lowlow	25%	±12%	≤ / ≤	3%	±2%	25%	±12%	high	6.9%	0.0	0.0	96
37	PCC Killingsworth	84	Multnomah	high	med	highmed	56%	±6%	> / ≥	11%	±9%	56%	±6%	med	3.1%	2.1	0.1	76
38	Findley Commons	35	Multnomah	low	low	lowlow	21%	±14%	≤ / ≤	3%	±2%	21%	±14%	med	0.9%	2.0	0.1	89
39	Tukwila Springs	48	Clackamas	low	low	lowlow	20%	±12%	≤ / ≤	4%	±2%	20%	±12%	med	0.3%	3.1	1.3	53
40	Beacon at Glisan Landing	41	Multnomah	low	low	lowlow	10%	±30%	≤ / ≤	1%	±2%	10%	±30%	high	8.1%	0.7	0.2	87
41	Aldea at Glisan Landing	96	Multnomah	low	low	lowlow	10%	±30%	≤ / ≤	1%	±2%	10%	±30%	high	8.1%	0.7	0.2	87
42	Las Flores	171	Clackamas	low	low	lowlow	17%	±11%	≤ / ≤	3%	±2%	17%	±11%	high	10.6%	7.0	0.7	42
43	Fuller Rd Station Family Housing	99	Clackamas	med	med	medmed	34%	±12%	≥ / ≥	12%	±5%	34%	±12%	high	5.5%	0.1	0.1	67
44	Meridian Gardens	85	Multnomah	med	high	medhigh	42%	±12%	≥ / >	26%	±9%	42%	±12%	high	8.1%	1.0	0.0	73
45	Powellhurst Place	64	Multnomah	high	high	highhigh	45%	±11%	> / >	16%	±6%	45%	±11%	high	5.4%	1.4	0.0	43

Detailed Table of Location Metrics

Detailed Table of Location Metrics			How are the projects distributed around the region? (see Figure 5.2)				Which projects are in areas where communities of color live today? (see Figure 5.3 and notes A, B and C below)			Which projects are in areas historically inaccessible to communities of color? (see Figure 5.4 and notes A, B and C below)			Which projects are in areas with limited regulated affordable housing? (see Figure 5.5 and notes A and D below)	How is the physical access near each project? (see notes E and F below)				
Map ID	Project name	Eligible units	County	POC	LEP	POC-LEP	People of color (vs. regional rate of 31.6%)		Combined POC and LEP, vs. regional rates	People with limited English proficiency (vs. regional rate of 6.8%)		People of color (vs. regional rate of 31.6%)		Affordable housing share (vs. regional rate of 5.1%)	Access to transit (miles to nearest stop/station)		Walkscore	
							Estimate	MOE		POC / LEP	Estimate	MOE	Estimate		MOE	MAX ½ mi		FS Bus ¼ mi
46	Garden Park Estates	54	Multnomah	high	high	highhigh	48%	±7%	> / >	18%	±6%	48%	±7%	high	7.3%	1.7	0.1	60
47	Wynne Watts Commons	147	Multnomah	high	high	highhigh	45%	±12%	> / >	27%	±15%	45%	±12%	high	8.6%	0.4	0.2	54
48	Good Shepherd Village	142	Clackamas	med	med	medmed	36%	±7%	≥ / ≥	8%	±3%	36%	±7%	low	0.0%	3.7	3.7	30
49	Terracina Vista	91	Multnomah	high	high	highhigh	61%	±9%	> / >	27%	±10%	61%	±9%	high	8.1%	0.2	0.1	70
50	Rockwood Village	47	Multnomah	med	high	medhigh	44%	±13%	≥ / >	20%	±10%	44%	±13%	high	8.3%	0.3	0.1	80
51	Oak Row	11	Multnomah	high	high	highhigh	54%	±9%	> / >	15%	±8%	54%	±9%	high	8.6%	0.2	0.1	85
52	Troutdale Apartments	94	Multnomah	low	low	lowlow	25%	±12%	≤ / ≤	4%	±3%	25%	±12%	high	7.3%	2.9	1.5	59

Percent of Total Eligible Units

22% Clackamas
44% Multnomah
33% Washington

27% > regional	30% > regional	19% > regional	4% < regional
31% ≥ regional	28% ≥ regional	19% ≥ regional	38% ≤ regional
42% ≤ regional	42% ≤ regional	62% ≤ regional	58% ≥ regional

11% none	24% FS Bus and MAX	39% score ≥ 70
31% < regional	46% FS bus or MAX	36% score 50-69
58% > regional	30% neither	25% score < 50

> or ≥ region for either POC or LEP

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

Notes on data sources and assumptions

- A Regional rates are calculated based on Metro's jurisdictional boundary.
- B People of color and people with limited English proficiency (people age 5 and older who speak English less than "very well") use the American Community Survey 2017-2021 5-year estimate, by tract.
- C The darkest cell shading for people of color or people with limited English proficiency means greater (or less) than the regional rate by more than the MOE. Middle shades are greater (or less) than the regional rate but within the MOE.
- D Affordable housing share is based on Metro's inventories of affordable housing (2023), multifamily housing (2023), and single-family housing (2023).
- E Access to transit is calculated based on linear distance ("as the crow flies"), using Metro's data on existing transit (RLIS).
- F Walkscore is calculated at <https://www.walkscore.com>. A score of 50-69 is "somewhat walkable" and a score of 70+ is "very walkable" or "walker's paradise"

EXHIBIT C. SUMMARY OF CONTRACTING GOALS AND PRELIMINARY OUTCOMES, WORKFORCE TRACKING COMMITMENTS AND PREVAILING WAGE REQUIREMENTS

Jurisdiction	Project	COBID goal		COBID progress		Workforce tracking?	Prevailing wage
		Hard costs	Soft costs	Hard costs	Soft costs		
Beaverton	Mary Ann	20%	20%	28%	23%	Y	
	Scholls Ferry	20%	20%	n/a	n/a	Y	
	Elmonica	25%	25%	n/a	n/a	Y	Davis Bacon
	Senior Housing on 5th	30%	30%	n/a	n/a	Y	Davis Bacon, BOLI
Clackamas	Fuller Road Station	20%	20%	20%	15%	Y	Davis Bacon, BOLI
	Good Shepherd Village	25%	20%	36%	36%	Y	Davis Bacon
	Las Flores	20%	20%	34%	94%	Y	Davis Bacon
	Tukwila Springs	20%	20%	22%	75%		Davis Bacon
	Marylhurst Commons	20%	20%	32%	19%	Y	
	Hillside Park A & B	30%	20%	n/a	n/a	Y	Davis Bacon
	Hillside Park C	30%	20%	n/a	n/a	Y	Davis Bacon
	Lake Grove	25%	25%	n/a	n/a	Y	
	Shortstack Milwaukie	30%	30%	n/a	n/a		
	Wilsonville TOD	25%	25%	n/a	n/a	Y	BOLI
	Gresham	Wynne Watts Commons	20%		25%		
Rockwood Village		20%		22%			
Terracina Vista		30%	20%	n/a	n/a	Y	
Oak Row		20%		n/a			
Hillsboro	Nueva Esperanza	20%	20%	n/a	n/a		
	The Dolores	20%	20%	n/a	n/a	Y	
Home Forward	Troutdale	28%	20%	n/a	n/a	Y	Davis Bacon
Portland	Hattie Richmond	30%	20%	35%	29%	Y	
	Dekum (Home Forward)	28%	20%	n/a	n/a	Y	Davis Bacon
	Findley Commons	24%	20%	20%	58%	Y	Davis Bacon
	Waterleaf	30%	20%	36%	22%	Y	Davis Bacon, BOLI
	Beacon at Glisan Landing	30%	20%	n/a	n/a	Y	
	Aldea at Glisan Landing	30%	20%	n/a	n/a	Y	Davis Bacon
	Dr. Darrell Milner Bldg	30%	20%	28%	n/a	Y	BOLI
	Albina One	30%	20%	n/a	n/a	Y	Davis Bacon, BOLI
	Meridian Gardens	30%	20%	n/a	n/a	Y	Davis Bacon
	Hollywood Hub	30%	20%	n/a	n/a	Y	Davis Bacon, BOLI
	PCC Killingsworth	30%	20%	n/a	n/a	Y	Davis Bacon, BOLI
	Tistilal Village	30%	20%	n/a	n/a	Y	
	Powellhurst	30%	20%	19%	n/a	Y	
	Garden Park Estates	30%	20%	n/a	n/a	Y	Davis Bacon
Barbur Apartments	30%	20%	n/a	n/a	Y	Davis Bacon	
Carey Boulevard	20%		n/a		Y		

Jurisdiction	Project	COBID goal		COBID progress		Workforce tracking?	Prevailing wage
		Hard costs	Soft costs	Hard costs	Soft costs		
	Carter Commons	30%	30%	n/a	n/a	Y	Davis Bacon, BOLI
	Portland Value Inn	30%	30%	n/a	n/a	Y	
	Strong Site	30%	20%	n/a	n/a	Y	
	Abbey Site	30%		n/a		Y	
	Cedar Rising	25%	20%	n/a	n/a		
Washington	Heartwood Commons	20%	20%	22%	76%		BOLI
	Plambeck Gardens	20%	20%	n/a	n/a		
	Goldcrest	20%	20%	n/a	n/a		
	Plaza Los Amigos	20%	20%	20%	20%	Y	Davis Bacon
	Opal Apartments	20%	20%	n/a	n/a		Davis Bacon
	Terrace Glen	20%	20%	31%	n/a		
	The Valfre at Avenida 26	20%	20%	33%	n/a		
	Alongside Senior Housing	20%	20%	23%	25%	Y	Davis Bacon
	Viewfinder	20%	20%	22%	26%	Y	Davis Bacon
	Woodland Hearth	30%	20%	n/a	n/a	Y	Davis Bacon

EXHIBIT D. SUMMARY OF LEVERAGED CAPITAL FUNDING SOURCES

Jurisdiction	Project	LIHTC equity	Grants	Permanent loan	Metro housing bond	Sponsor contribution	Other
Beaverton	Elmonica Station	42.8%	3.7%	16.4%	34.9%	2.2%	0.0%
	Mary Ann	54.9%	16.8%	14.6%	13.7%	0.0%	0.0%
	Scholls Ferry	36.1%	15.3%	28.7%	11.3%	7.0%	1.6%
	Senior Housing on 5th	44.9%	9.3%	15.8%	20.8%	6.8%	2.4%
Clackamas	Fuller Road Station	42.8%	3.8%	31.7%	18.1%	3.6%	0.0%
	Good Shepherd Village	32.3%	6.0%	20.8%	30.1%	9.2%	1.6%
	Hillside Park A & B	33.0%	13.7%	14.5%	26.9%	6.7%	5.2%
	Hillside Park C	34.5%	1.2%	27.7%	22.0%	7.6%	6.9%
	Lake Grove	41.6%	4.0%	15.7%	33.7%	5.0%	0.0%
	Las Flores	33.1%	1.6%	36.5%	25.6%	3.1%	0.0%
	Marylhurst Commons	43.5%	10.3%	29.2%	7.1%	5.9%	4.0%
	Shortstack Milwaukie	0.0%	43.7%	47.0%	9.3%	0.0%	0.0%
	Tukwila Springs	29.1%	10.9%	21.3%	25.2%	11.6%	1.8%
	Wilsonville TOD	40.4%	7.1%	29.9%	14.6%	7.9%	0.0%
	Gresham	Oak Row	0.0%	0.0%	46.5%	52.6%	0.9%
Rockwood Village		36.3%	6.6%	40.9%	7.9%	8.3%	0.0%
Terracina Vista		40.0%	20.2%	28.6%	5.8%	5.3%	0.0%
Wynne Watts Commons		40.7%	0.4%	22.1%	24.9%	11.9%	0.0%
Hillsboro	The Dolores	41.5%	0.6%	21.9%	30.4%	5.6%	0.0%
	Nueva Esperanza	43.7%	0.8%	21.5%	31.4%	2.5%	0.0%
Home Forward	Troutdale	36.2%	0.0%	19.5%	36.2%	8.2%	0.0%
Portland	Abbey Townhomes	0.0%	31.5%	43.3%	23.6%	1.7%	0.0%
	Aldea at Glisan Landing	34.5%	15.0%	17.3%	26.3%	6.9%	0.0%
	Albina One	41.5%	10.1%	14.4%	21.1%	10.1%	2.9%
	Barbur	37.9%	9.6%	13.6%	31.8%	7.1%	0.0%
	Beacon at Glisan Landing	31.0%	25.0%	11.1%	27.5%	5.4%	0.0%
	Carey Boulevard	0.0%	14.4%	56.7%	25.7%	3.2%	0.0%
	Carter Commons	41.5%	7.0%	11.7%	21.2%	5.8%	12.8%
	Dekum	41.4%	0.0%	20.4%	25.4%	12.8%	0.0%
	Dr. Darrell Building	45.7%	0.5%	20.4%	28.6%	4.9%	0.0%
	Findley Commons	0.0%	60.6%	7.2%	27.9%	4.3%	0.0%
	Garden Park	52.7%	5.6%	14.9%	6.5%	10.1%	10.4%
	Hattie Redmond	40.2%	36.7%	0.0%	18.4%	4.7%	0.0%
	Hollywood Hub	43.2%	15.2%	11.5%	3.1%	9.5%	17.5%
	Meridian Gardens	42.8%	8.3%	0.0%	43.8%	5.1%	0.0%
	PCC Killingsworth	48.2%	24.4%	15.9%	5.3%	6.1%	0.0%
	Portland Value Inn	43.8%	5.7%	14.6%	23.8%	9.6%	2.4%
	Powellhurst Place	43.0%	1.3%	18.5%	15.6%	2.8%	18.8%
Strong Site	43.8%	3.0%	17.7%	29.4%	6.1%	0.0%	
Tistilal Village	48.8%	10.5%	11.1%	12.6%	2.2%	14.8%	
Waterleaf	34.4%	38.2%	17.2%	2.4%	7.7%	0.0%	
Washington	Alongside Senior Housing	34.8%	7.7%	22.6%	24.5%	10.4%	0.0%
	Cedar Rising	42.7%	10.5%	11.7%	30.4%	3.2%	1.5%
	Goldcrest	41.6%	0.1%	15.1%	29.5%	9.6%	4.1%
	Heartwood Commons	0.0%	7.6%	0.0%	92.4%	0.0%	0.0%
	Opal Apartments	33.8%	5.3%	28.4%	26.2%	6.2%	0.0%
	Plambeck Gardens	44.6%	7.5%	14.6%	22.3%	8.7%	2.3%
	Plaza Los Amigos	34.3%	5.2%	23.4%	28.3%	4.7%	4.2%
	Terrace Glen	42.6%	0.9%	18.8%	32.3%	5.4%	0.0%
	The Valfre at Avenida 26	30.4%	3.7%	35.3%	27.9%	2.8%	0.0%
	Viewfinder	34.8%	0.8%	27.2%	35.2%	2.1%	0.0%
Woodland Hearth	34.9%	2.1%	22.4%	26.8%	10.4%	3.4%	

EXHIBIT E. SUMMARY OF ONGOING FUNDING FOR LONG-TERM RENTAL ASSISTANCE AND WRAPAROUND SERVICES

Jurisdiction	Project	Total affordable units	Metro bond-funded units		
			30% AMI	With project-based rental assistance	PSH units with ongoing funding for wraparound services
Beaverton	Elmonica Station	80	33	8	0
	Mary Ann	54	11	8	0
	Scholls Ferry	135	17	0	0
	Senior Housing on 5th	104	68	19	30
Clackamas	Fuller Road Sta.	99	30	25	25
	Good Shepherd	142	58	35	58
	Hillside Park A & B	143	40	20	13
	Hillside Park C	78	68	100	8
	Lake Grove	54	20	10	10
	Las Flores	171	70	70	9
	Marylhurst Commons	100	40	40	40
	Shortstack Milwaukie	15	0	0	0
	Tukwila Springs	48	48	48	48
	Wilsonville TOD	120	40	0	20
Gresham	Oak Row	11	0	0	0
	Rockwood Village	47	47	0	0
	Terracina Vista	91	0	0	0
	Wynne Watts	147	30	30	30
Hillsboro	Nueva Esperanza	149	60	8	0
	The Dolores	66	30	8	10
Home Forward	Troutdale	94	39	25	0
Portland	Abbey Townhomes	8	0	0	0
	Albina One	94	32	19	0
	Aldea at Glisan Landing	96	15	15	0
	Barbur	149	32	19	0
	Beacon at Glisan Landing	41	41	41	41
	Carey Boulevard	53	0	0	0
	Carter Commons	62	21	11	0
	Dekum	147	61	27	0
	Dr. Darrell Milner Bldg	63	17	0	0
	Findley Commons	35	0	20	35
	Garden Park	54	25	25	25
	Hattie Redmond	60	60	60	60
	Hollywood Hub	73	39	0	0
	Meridian Gardens	85	70	65	65
	PCC Killingsworth	84	28	28	0
	Portland Value Inn	98	39	39	15
	Powellhurst Place	64	12	12	12
	Strong Site	75	11	0	0
	Tistilal Village	24	24	24	16
	Waterleaf	176	17	20	20
Washington	Alongside Senior Housing	57	23	23	24
	Cedar Rising	81	33	0	0
	Goldcrest	74	14	0	0
	Heartwood Commons	54	54	54	54
	Opal Apartments	54	28	24	0
	Plambeck Gardens	116	47	8	16

Jurisdiction	Project	Total affordable units	Metro bond-funded units		
			30% AMI	With project-based rental assistance	PSH units with ongoing funding for wraparound services
	Plaza Los Amigos	112	26	16	0
	Terrace Glen	144	51	8	3
	The Valfre at Avenida 26	36	8	8	8
	Viewfinder	81	34	16	30
	Woodland Hearth	63	24	16	22
	Total	4,361	1,635	1,052	747

EXHIBIT F. AFFORDABLE HOUSING BOND FINANCIAL REPORT THROUGH DECEMBER 2023

METRO AFFORDABLE HOUSING BOND

Financial Report Through December 2023

FINANCIAL SUMMARY

TOTAL REVENUE	\$696,843,268
TOTAL EXPENSES and DISBURSEMENTS	\$333,581,903
TOTAL COMMITTED	\$210,434,645
TOTAL FUNDING REMAINING	\$152,826,721

REVENUE

	FY 2018 - 2023	FY 2023 - 2024	TOTAL REVENUE
Bond Proceeds	\$652,800,000		\$652,800,000
Premiums on Bonds	\$2,630,335		\$2,630,335
Interest Earnings	\$35,973,700	\$5,439,233	\$41,412,933
TOTAL REVENUE:	\$691,404,035	\$5,439,233	\$696,843,268

EXPENSES

PROJECTS	Prior Years Expended or Disbursed	FY2023-24 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	\$18,939,934	\$30,939,934	\$31,587,595	98%
Clackamas County	\$51,351,542	\$0	\$58,700,000	\$110,051,542	\$122,018,094	90%
Gresham	\$16,530,261	\$2,500,000	\$2,200,000	\$21,230,261	\$27,140,995	78%
Hillsboro	\$16,940,731	\$0	\$10,500,000	\$27,440,731	\$41,240,081	67%
Home Forward (East Multnomah Co.)	\$21,034,083	\$0	\$13,449,238	\$34,483,321	\$37,141,206	93%
Portland	\$65,763,299	\$0	\$84,635,054	\$150,398,353	\$199,652,992	75%
Washington County	\$105,161,611	\$0	\$9,450,000	\$114,611,611	\$118,135,532	97%
Metro Site Acquisition Program	\$22,154,319	\$188,409	\$12,560,419	\$34,903,147	\$62,016,000	56%
Other Metro Direct Project Costs	\$161,824	\$59,618	\$0	\$221,442	\$0	N/A
PSH IGAs in progress (Portland and Wash Co)					\$15,834,000	N/A
Funding to be allocated (Interest Earnings)					\$7,234,610	N/A
TOTAL:	\$311,097,670	\$2,748,027	\$210,434,645	\$524,280,342	\$ 662,001,106	79%

ADMINISTRATIVE	Prior Years Expended or Disbursed	FY2023-24 Expended or Disbursed	TOTAL EXPENDED or DISBURSED	WORK PLAN FUNDING (Amended)	% of Work Plan Funding Expended or Disbursed
Jurisdiction:					
Beaverton	\$569,252	\$376,583	\$945,835	\$974,615	97%
Clackamas County	\$1,712,246	\$641,376	\$2,353,622	\$3,636,371	65%
Gresham	\$450,643	\$147,702	\$598,345	\$837,421	71%
Hillsboro	\$684,752	\$0	\$684,752	\$1,272,457	54%
Home Forward (East Multnomah Co.)	\$334,297	\$162,676	\$496,973	\$496,973	100%
Portland ¹	\$0	\$0	\$0	\$0	N/A
Washington County	\$1,759,590	\$627,716	\$2,387,306	\$3,645,054	65%
Metro Site Acquisition Program ²	\$0	\$0	\$0	\$1,940,932	N/A
Metro Accountability and Financial Transaction Costs	\$11,226,696	\$1,042,677	\$12,269,373	\$19,409,319	63%
Funding to be allocated (Interest Earnings)				\$2,629,021	N/A
TOTAL:	\$16,737,476	\$2,998,730	\$19,736,206	\$34,842,163	57%

¹ PHB uses a Project Delivery Fee, not paid for by Metro's Affordable Housing Bond, to reimburse their administrative expenses.

² 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 COSTS ANNUAL BASIS ³	FY2023-24 YTD Actuals	FY2023-24 Metro Budget	YTD % Spent
	1,215,003	3,068,547	40%

³ In addition to Metro's Administrative costs, these costs include certain Metro Direct Costs reported under the "Project" Cost table above (e.g. Metro Site Acquisition Program Staff and Other Metro Direct) that were not provided a Work Plan Funding allocation, and therefore must be covered by Metro's Administrative Funding allocation.

EXHIBIT G. OVERSIGHT COMMITTEE 2022 ANNUAL REPORT MEMO TO THE METRO COUNCIL (SUBMITTED MAY 2023)

Memo

Date: May 25, 2023
To: Metro Council
From: Metro Housing Bond Community Oversight Committee
Subject: 2022 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 2022 annual report for the Metro affordable housing bond, covering the period from January 1, 2022 through December 31, 2022.

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 the promises made to voters, creating housing opportunities and addressing racial disparities in access to housing for people across the region. These new affordable homes help tackle the crisis of homelessness and stabilize communities so that all people can thrive.

KEY HIGHLIGHTS

In its third 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.

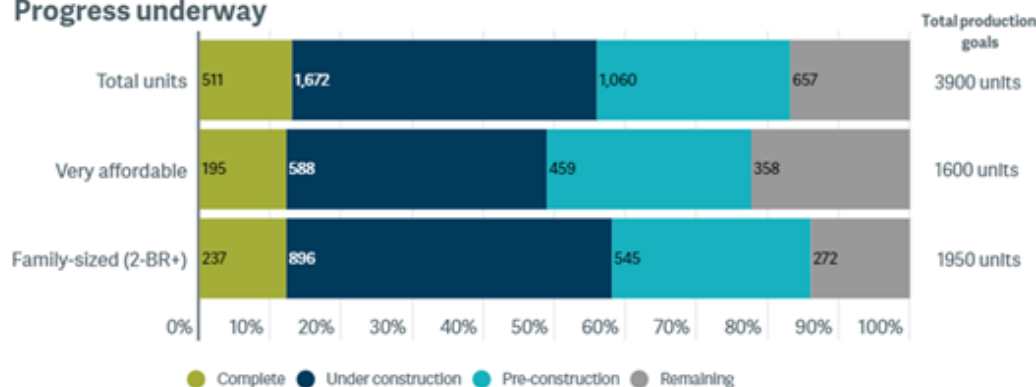
Production progress

As of December 2022, there were 34 bond-funded projects underway representing 3,243 new affordable homes.

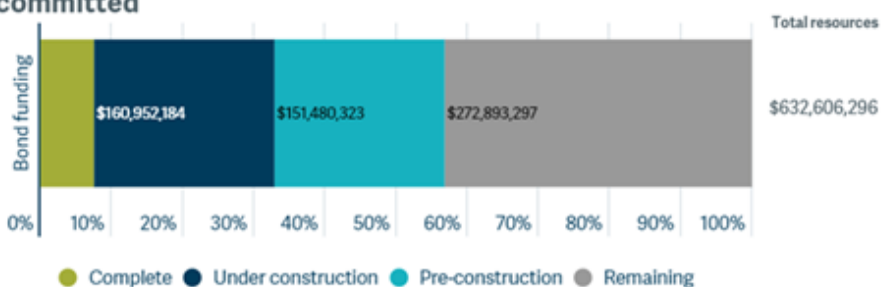
- **Total units:** The pipeline of bond projects underway represents 83% of the total unit production target of 3,900 affordable homes. These projects (which are collectively referred to as the “bond portfolio” throughout the report) include 7 projects that have completed construction, 17 projects under construction and 10 projects in pre-construction.

Regional progress towards production goals relative to funding committed

Progress underway



Resources committed



- **Family-size units:** 1,678 of these homes will have two or more bedrooms, representing 86% of the program’s production goal for family-size homes.
- **Deeply affordable units:** 1,242 of these homes will be affordable to households with incomes at or below 30% of area median income, representing 78% of the program’s production goal for deeply affordable homes; 747 of these units also have project-based rental assistance, ensuring even those with very low or no income can be served.

Plans are in place that will commit all remaining bond funds by 2024 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.

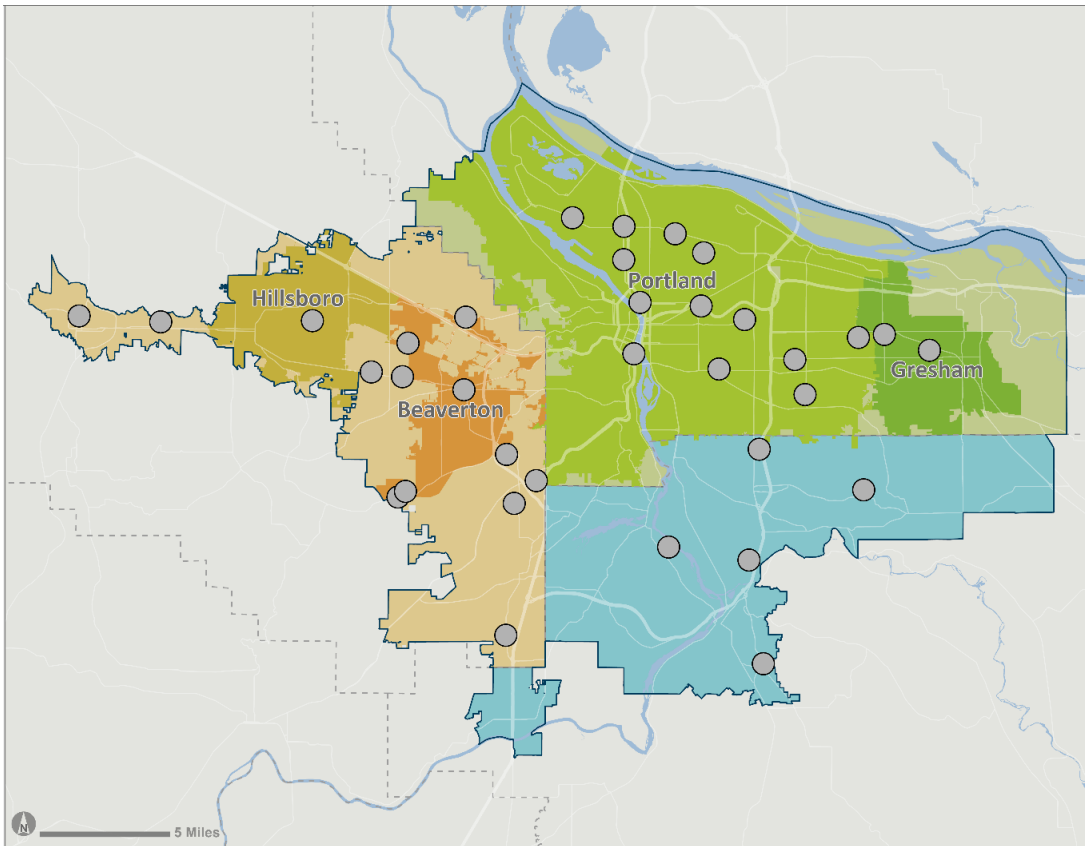
The bond program reached an important milestone in 2022, with the first cohort of projects completing construction and lease-up. **By December 2022, 528 people had moved into their new homes in six bond-funded projects** located in Beaverton, Forest Grove, Gladstone, Gresham, Portland and Tigard.

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, 67% are located in areas where communities at risk of displacement live today and 45% 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 racial equity through opportunity in construction:** To ensure equitable access to the opportunities provided by bond investments, the bond 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). Seven projects reached completion in 2022 with a combined \$33.1 million in contracts paid to certified MWESB firms, representing 24.7% 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. Initial data from the six projects that completed lease-up in 2022 suggest that the projects’ 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 low-income households in the region that are people of color.

- **Advancing housing stability through services:** On-site services can support households with low incomes to remain stably housed. Many bond-funded projects include formal partnerships with culturally responsive and culturally specific service providers to provide resident services. Twenty projects will also provide ongoing case management for 587 households (representing more than 18% of total households served) in permanent supportive housing units intended for people exiting long-term homelessness. Many of these units are leveraging funding for services and rent assistance from Metro’s regional supportive housing services fund.
- **Promoting community engagement:** Implementation partners and developers are working with a wide range of community-based organizations to conduct outreach and engage the community. In 2022, more than 720 people and 43 community-based organizations participated in community engagement opportunities to inform planning for 12 projects.

Addressing emerging opportunities and challenges

Along with significant progress, the past year was marked by continued challenges with funding gaps due to cost escalations related to interest rate increases, hard cost escalation and constraints in the availability of state-issued private activity bonds (PABs), which are necessary for the financing of 4% low income housing tax credits. Metro worked with its partners to respond to these challenges, including:

- **Advocacy to focus and expand private activity bonds:** Metro worked with partners to advocate for federal expansion of PAB availability and statewide strategies to focus and prioritize limited PAB resources for affordable housing, including Metro bond-funded projects. This includes advocacy for state legislation (SB 225), expected to pass during the 2023 session, that would ensure that PABs are prioritized for affordable housing and would support stronger coordination in the affordable housing pipeline.
- **Coordination and alignment with state funding:** Metro worked with Oregon Housing and Community Services to advance strategies for state and local funding alignment to ensure that limited resources are focused on projects with the greatest benefits for communities of color and those experiencing or at risk of homelessness. This includes the development of a suballocation framework for directing Housing Trust Fund and Local Innovation Fast Track (LIFT) funding for layering with Metro bond-funded projects.

Metro also worked with its partners to support regional coordination to strengthen housing access and stability, including:

- **Supportive housing services fund integration and alignment:** Metro earmarked \$20 million in unallocated bond interest earnings to support additional investments in expanding permanent supportive housing. These investments will be aligned with funding

from Metro’s supportive housing services fund to support rental assistance and wraparound services to meet the needs of people experiencing long-term homelessness.

- **Evaluation and engagement to support effective equitable leasing practices:** Metro has continued to engage jurisdictional partners and housing providers to identify barriers to and effective practices for equitable lease-up, and to refine lease-up and demographic reporting tools to support strong accountability for ensuring low-barrier access to housing.

RECOMMENDATIONS

The committee applauds the work of Metro and its implementation partners in building a successful funding program for regional affordable housing production and addressing opportunities and challenges as they have arisen throughout the life of the program. This solid foundation allows the committee to make the following recommendations that aim to further maximize the impact of this important resource and equip the region for essential work to come.

Convene stakeholders to regionalize best practices

In 2022, our region celebrated the lease up of the first seven Metro Housing Bond projects. A review of these early projects has allowed the committee to identify inconsistencies in local approaches and a need for Metro to convene stakeholders to define and share effective strategies.

As this report outlines, real improvements can and should be made in systematizing best practices that strengthen equitable access to bond-funded homes. We must also be sure that when bond units are designated as permanent supportive housing, they are able to effectively house and serve those who need it most. Through better understanding existing local standards and practices, barriers to access, and effective practices for affirmative marketing and proactive leasing supports, Metro can support greater consistency and improved long-term outcomes throughout the region. Metro can also explore opportunities for creative partnerships and other models, such as those in affordable homeownership.

Additionally, for the public to fully understand the program’s progress toward its stated racial equity goals, we recommend that Metro and its partners prioritize improvements in reporting and data quality, especially related to occupancy and workforce outcomes. The committee is eager to see reporting improvements that allow for a more disaggregated picture of bond outcomes. We must also be mindful of the impact of data collection on both housing providers and the people who are sharing their personal information. Data collection should be actionable to outcomes, which means limited to necessary areas of focus and of reliable quality. Through collaboration and sharing of emerging best practices and standards, Metro can aid implementing partners in collecting, monitoring and reporting the information that most fully tells the story of the bond program’s successes and allows for timely adjustments to improve outcomes when needed.

When we come together to address challenges, our community benefits. Metro staff should prioritize continued efforts to convene conversations and elevate regional best practices in partnership with jurisdictions, technical experts and communities with lived experience.

Focus on systemic integration

The bond program has made significant progress over the past year in aligning, integrating and streamlining resources to strengthen outcomes and mitigate against risks due to a shifting financial landscape. As mentioned above, highlights of this work include creating permanent supportive housing through layering supportive housing services fund (SHS), and coordinating with Oregon Housing and Community Services (OHCS) to facilitate suballocations of state and federal funding. There is more work to do to fully integrate and align funding resources across the system.

Local affordable housing developers have consistently called for better coordination between funding entities such as Metro and OHCS to reduce the risks and overall cost escalations due to lack of alignment in timing and criteria across different funding sources. Metro should work to strengthen its relationship and coordination with OHCS and participate in conversations to create a more efficient and effective system.

We also want to encourage Metro to think more holistically about system alignment opportunities. The committee is enthusiastic about the recommendations put forth by the Metro-convened Tri-County Planning Body, including planned work in aligning Medicaid tenancy support resources with SHS funding. Overall integration of SHS and bond funding remains a priority, given the opportunity to truly maximize the impact of both funds.

In addition to continuing to strengthen SHS and bond integration, we ask that Metro consider better supporting workforce diversity and other bond outcomes through regional workforce initiatives and by leveraging Metro programs such as the Careers to Construction Pathways Program. We want to see Metro developing more strategic, cross-system partnerships that address barriers to housing production, promote successful building operations and, most importantly, support opportunities for the people who call bond-funded properties home.

Analysis and planning for the future

The end of the bond pipeline is on the horizon, and the committee is confident the region has benefitted from these investments. Now is the time for Metro to evaluate its impact and plan for the future.

We are eager to see Metro continue this regional housing pipeline beyond its planned end and urge Metro to refer another measure to voters. This is an important moment to understand lessons learned from this bond and opportunities to strengthen Metro's role in supporting regional coordination.

This region and others stand to benefit from an analysis of the strengths of the program and through an independent review of areas where the structure or implementation could be

improved as well as other lessons learned. Areas of focus should include an understanding of the administrative gaps of the program and analysis of program policy decisions, such as the impact of cash developer fee limits in a shifting financial landscape.

We also support Metro in its planned work to launch bodies of analysis that will contextualize the bond within the broader housing landscape to best understand the overall impact of the program. Through considering the full housing pipeline, funding ecosystem, and projected population and systems shifts, Metro can best prepare for meeting future regional needs.

Along with assessing lessons learned and the housing landscape, it is imperative that Metro analyze risks related to the long-term asset management strategy of this new portfolio. We know that bond-funded properties have been evaluated for financial success, but also want to emphasize that proactive asset management is vital to maintaining the long-term public benefits in which voters invested. Managing these assets requires that we think not only on a property-by-property level, but also community-wide. Further analysis is needed to ensure Metro is adding beneficial and not duplicative support to the system and that all parties possess a comprehensive understanding of the roles and responsibilities for long-term stewardship of this new portfolio. We do not yet have a clear picture of how asset management will work and wish to understand this better as an oversight committee. We call for this to be a focus as the program moves forward.

As a region, we should be proud of having passed this bond measure and of the work completed to date. This bond has been successful, exceeding commitments to voters, and it is exciting that we are in a position to recommend improvements for additional impact. We are honored to have the opportunity to provide oversight for this important program and would like to thank Metro and jurisdictional partner staff for their support.

Thank you,

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Brandon Culbertson

Scott Greenfield

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