

REGIONAL HOUSING FUNDING: ENGAGEMENT AND CHIEF OPERATING OFFICER RECOMMENDATION UPDATE

Date: June 5, 2024
Department: Office of the COO
Work Session Date: June 11, 2024

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Length: 60 minutes

ISSUE STATEMENT

With the support and guidance of the Metro Council, Metro Chief Operating Officer and staff have undertaken a multipronged effort of engagement and research, over the last several months, to explore options for continuing regional funding for addressing the region's affordable housing and homelessness needs. This is an update on that process, areas of alignment and next steps for developing a recommendation from the Chief Operating Officer.

ACTION REQUESTED

Provide guidance on questions to explore and address in the final stages of developing a COO recommendation for housing and homeless services funding.

IDENTIFIED POLICY OUTCOMES

At a work session on January 11, 2024, the Metro Council directed COO Madrigal and staff to advance five primary outcomes in the consideration of options. These include:

- **Urgency:** Identifying and addressing real, persistent housing instability and its effects on communities in the region
- **Stability:** Supporting the stability of existing housing and homelessness funding and programs in the region, including the 2018 Metro Affordable Housing Bond and the 2020 Supportive Housing Services measure
- **Pragmatism:** Recognizing and being responsive to public attitudes, priorities and experiences with these issues and the region's work to address them
- **Equity:** Advancing Metro's racial equity goals through engagement, decision-making and assessment of potential investments and structures
- **Accountability and transparency:** Learning from past measures and community/stakeholder feedback to improve implementation and tracking impacts

POLICY QUESTION(S)

- What questions does Council wish to see addressed in the COO recommendation on regional funding for affordable housing and homeless services?
- What additional information would support Council decision-making?

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

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

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

Channels of input

Several key channels of input have informed the development of a COO recommendation and will be discussed by COO Madrigal at this work session. These have included the following.

Stakeholder Advisory Table

Appointed by COO Madrigal, the Stakeholder Advisory Table was intended to bring together a broad diversity of interests, experiences and perspectives on issues of housing and homeless services needs. The Advisory Table began meeting in March and held its fifth and final meeting on May 10. It included county and city elected officials, providers and advocates, community-based organizations, and business leaders from across the region, as well as members of the SHS and affordable housing bond oversight committees and Metro's Committee on Racial Equity. While not technically meeting the requirements of a public body, meeting dates were posted online and open to public observation.

Community partner-led engagement

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

Engagement with regional committees, implementation partners and stakeholders

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

Technical analysis

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

Public opinion research

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

Key themes of input

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

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

These include:

- An openness to expanding SHS funding's allowable uses to include construction and/or acquisition of affordable housing, while also maintaining commitments to fund key services.
- Prioritizing future affordable housing investment to focus on populations experiencing chronic homelessness or the greatest risk of homelessness.
- Addressing the current 2030 sunset of the SHS taxes, to create greater funding stability for providers, partners and people in need of homeless services, rent assistance and affordable housing.

- Ensuring that funding for both services and housing continue to prioritize communities of color, who are more likely to experience homelessness and housing instability in the region.
- Improving transparency, accountability and efficiency in the allocation, spending and reporting of regional tax dollars.

BACKGROUND AND NEXT STEPS

Conversations are continuing with a variety of partners in the region, particularly local implementation partners, regional oversight and advisory committees, and other key stakeholders.

COO Madrigal's recommendation will discuss such topics as allowable uses for SHS revenues, modifying the sunset and/or tax structures, and/or evolving implementation and oversight structures for regional affordable housing and homeless services programs. Some of these topics would require voter approval if changes are proposed. The recommendation will also include areas for further exploration and collaboration with a variety of partners, as well a detailed engagement summary, technical appendices and other background information.

COO Madrigal intends to present the outline of a recommendation at a Council work session on July 9, 2024. Pending Council feedback and direction that work session, a recommendation and potential legislation will be finalized for Council consideration in late July.

ATTACHMENTS

[Identify and submit any attachments related to this legislation or presentation]

Path to COO Funding Recommendation (PDF)-

- Is legislation required for Council action? **x Yes** " No
- If yes, is draft legislation attached? " Yes **x No**