

Council work session agenda

Thursday, April 26, 2018

2:00 PM

**Madison Room, Portland'5, 1111 SW
Broadway**

2:00 Call to Order and Roll Call

2:05 Chief Operating Officer Communication

2:10 Work Session Topics:

2:10 Portland'5 Centers for the Arts Stakeholder Presentation

[18-5007](#)

Presenter(s): Benjamin Rowe, Metro
Nike Greene, Portland'5

Attachments: [Work Session Worksheet](#)

3:00 Councilor Communication

3:10 Adjourn

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

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Portland'5 Centers for the Arts Stakeholder Presentation

Work Session Topics

Metro Council Work Session
Thursday, April 26, 2018
Madison Room, Portland'5

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: Thursday April 26, 2018

LENGTH: 40 minutes

PRESENTATION TITLE: Portland's Centers for the Arts – Stakeholder Presentation

DEPARTMENT: COO-MERC Admin & Portland's

PRESENTER(S): BENJAMIN ROWE, 503.797.1872, BENJAMIN.ROWE@OREGONMETRO.GOV , NIKE GREENE, 503. 796. 6514 NIKEGREENE@PORTLAND5.COM

WORK SESSION PURPOSE & DESIRED OUTCOMES

- Purpose: To inform Council regarding Portland's cultural and economic benefits and operational and financial dynamics.
- Outcome: We hope Council will be more informed regarding Portland's operational dynamics and exceptional venue management to be comfortable acting as positive information ambassadors for the center.

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

Background:

Portland's facilities (Keller Auditorium, Antoinette Hatfield Hall, and Arlene Schnitzer Concert Hall) are owned by the City of Portland and operated by Metro under a management contract. The major tenets of the contract have not been significantly revised since its inception in 1990. One specific item of concern is how capital improvements are to be planned, funded and executed in collaboration with the City. The City of Portland contributes approximately \$970,000 each year to Portland's operations. Portland's also receives almost \$2.0 million from the Transient Lodging Tax agreement (\$650,000 from the Visitor Development Fund [VDF] [Hotel & Vehicle Rental] and \$1.4 million from the 3% Excise Tax Fund [Hotel Tax]). Portland's has posted a positive net cash flow in recent years, which funds the capital plan. However, the annual allocations from the City of Portland's General Fund and TLT agreement combined are inadequate to cover increasing costs of maintaining these aging buildings. Additionally, the \$2.3 million annual subsidies afforded the resident companies (Oregon Symphony, Oregon Ballet, Oregon Children's Theater, Portland Youth Philharmonic, Portland Opera) significantly detract from P's bottom line potential; yet these subsidies incubate and support the performing arts institutions that are tremendous cultural assets. The current Portland's 5-year financial forecast shows a full depletion of its capital reserves in that time. This forecast reflects only basic infrastructure needs of the facilities (elevators, roofs, flooring, electrical, etc.) and not upgrades or enhancements to modernize the facilities.

Framing:

Discussions with the City of Portland and other stakeholders regarding these dynamics are challenging considering:

- Other priority social needs of the region;
- The current process underway to revise the Visitor Facilities Trust Account (VFTA) Intergovernmental Agreement (Transient Lodging Tax/Vehicle Rental Tax [TLT/VRT] IGA);
- Unknown and unquantified facility infrastructure needs of the Portland's facilities and the other spectator facilities in the region (Veteran's Memorial Coliseum, Portland Expo, Providence Park, Oregon Convention Center); and

- The yet to be completed strategic plan for visitor and spectator facilities in the region.

Therefore, the intention of this presentation is to frame these issues and dynamics, and inform stakeholders of the regional benefits of a performing arts center. The presentation will also cover the realities of funding the Portland's mission as well as proper maintenance of aging facilities. **We are not requesting action from the Council at this time.** Further work is required with stakeholders before any requests can be made. Staff recommends Council be aware of and consider these many challenging dynamics as they interact with representatives from local partner agencies.

QUESTIONS FOR COUNCIL CONSIDERATION

- Does Council have any questions about the information provided?

PACKET MATERIALS

- Would legislation be required for Council action ☐ Yes ☒ No
- What other materials are you presenting today? None.

Materials following this page were distributed at the meeting.



PORTLAND'S

CENTERS FOR THE ARTS

We Change the World Through the Arts

Setting The Stage:

Excellence in venue management

Cultural impact

Economic impact

Financial dynamics





- 2007 – Top 5 Women of Influence – *Venues Today Magazine*
- 2009 – IAVM President
- 2014 – Venue Excellence Award – IAVM
- 2015 – Portland'5 Presents Program
- 2015 – Education & Community Engagement Program
- 2018 – Charles A McElravy Lifetime Achievement Award



PORTLAND'S
CENTERS FOR THE ARTS





OREGON **BALLET** THEATRE

**PORTLAND YOUTH
PHILHARMONIC**

PORTLAND
OPERA

Oregon
Children's
Theatre



PORTLAND'S
CENTERS FOR THE ARTS

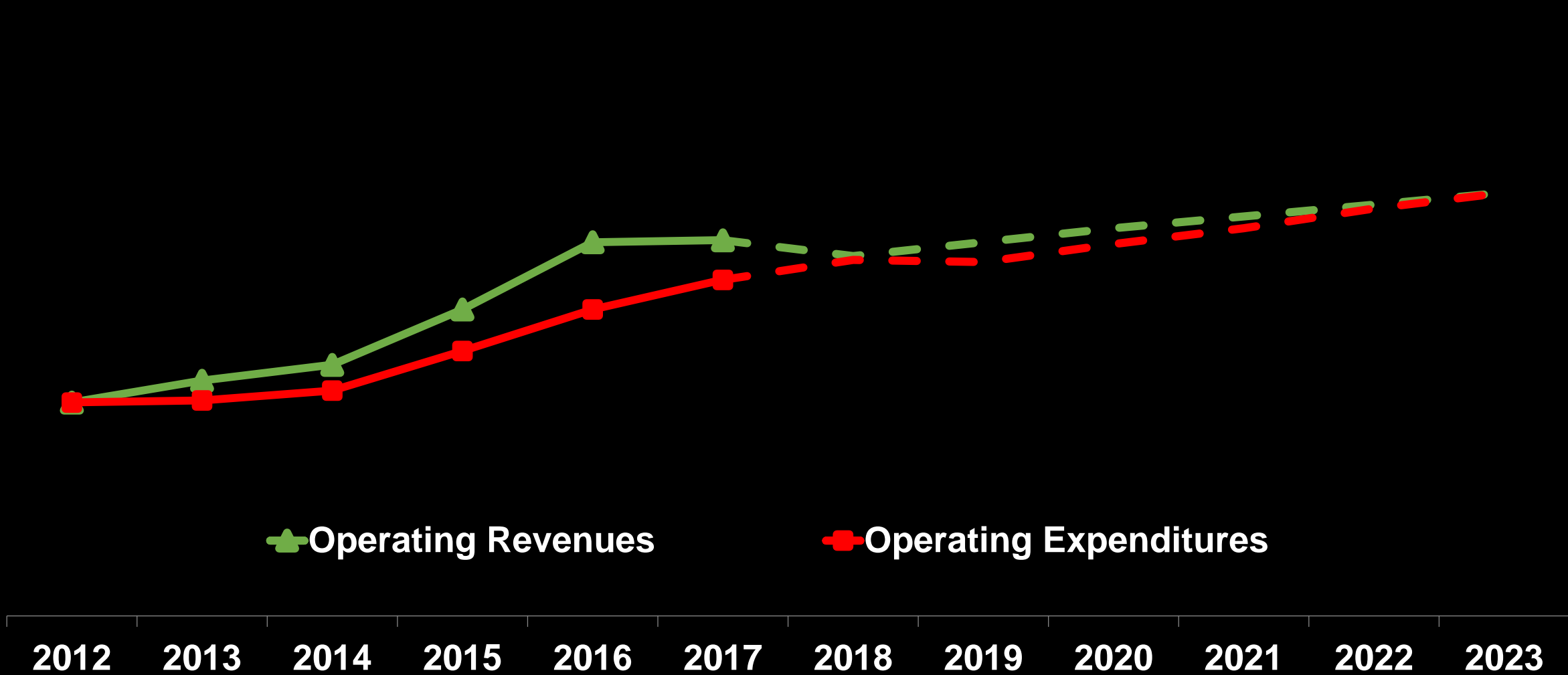
Economic Impact

\$105 million regional economic impact

\$1 expense \approx \$6 economic impact

1,000 Jobs





—▲— Operating Revenues

—■— Operating Expenditures



PORTLAND'S
CENTERS FOR THE ARTS

\$2,908,000

**TLT
VFTA & 3%
Excise Tax
City General
Fund**

\$5,300,000

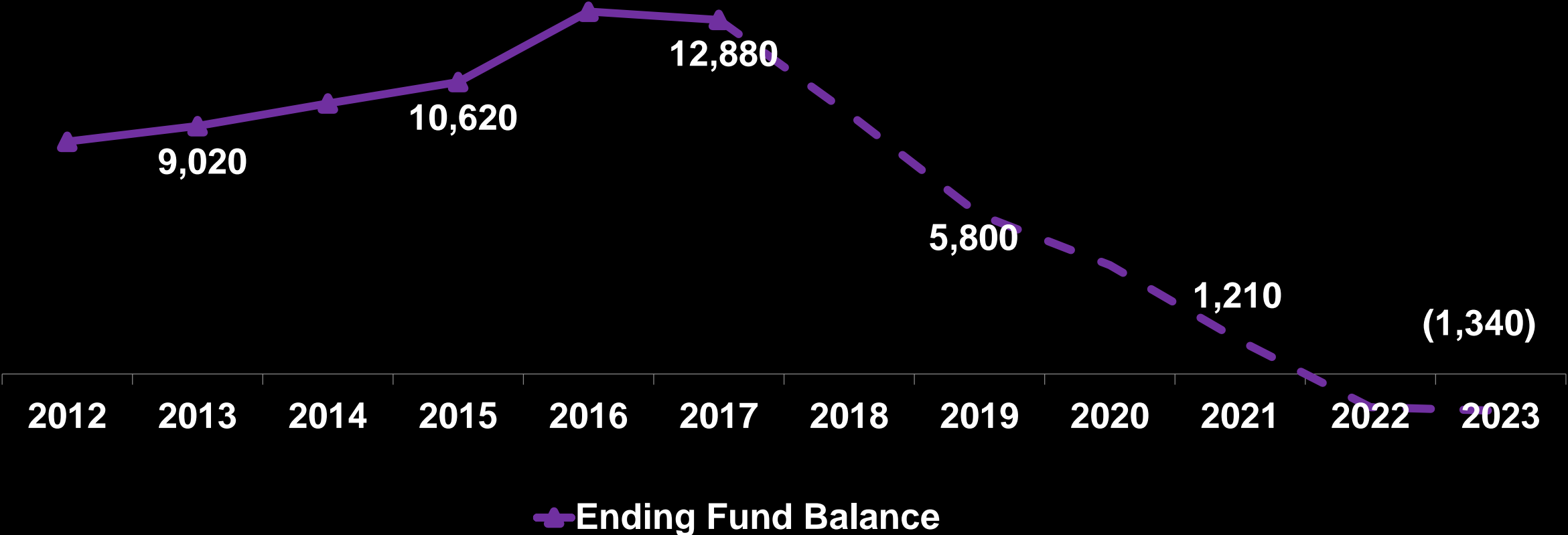
**Resident
Company
Subsidies**

**Average
Annual
Capital
Need**



PORTLAND'S
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(\$ Thousands)



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We Change the World Through the Arts



DRAFT | April 26, 2018

Homes for greater Portland

Regional housing measure: Draft framework

Everyone deserves a safe, stable, affordable place to call home. Working together, we can give more families the housing opportunity they need.

Metro has a long history of working with partners to protect our quality of life by support new homes and jobs where it makes sense – places with good access to jobs, schools, transportation, parks and nature.

As in many metropolitan areas, thousands of Portland-area families are struggling to find a stable, affordable home. This challenge affects every community in the region.

The Metro Council is considering a regional general obligation bond measure that would help partners build and protect affordable homes throughout the region.

Creating a draft framework

In January, Metro convened stakeholder and technical advisory tables with nearly 50 total members, each with unique experience in housing, community, business and related topics.

The stakeholder advisory table has identified values to guide creation and implementation of the measure framework. The technical advisory table has advised on feasibility, costs, modeling, implementation, and other technical considerations.

To explore need and opportunity, Metro has also funded community partner engagement with diverse communities, conducted detailed analysis of capacity and need, and listened to input from jurisdictional partners, housing providers and other key stakeholders.

The draft framework is a major milestone in that effort. It is a vision of what we can achieve together, and how. It is now being released for review and discussion by the advisory tables, jurisdictional partners, advocates, impacted communities and the general public.



What happens next

In late May or early June, the Metro chief operating officer will recommend to the Metro Council what should be included in a regional affordable housing measure that creates homes for people who need them, reflects community values, and ensures technical feasibility and accountability. The final measure framework will be a central part of the COO's recommendation.

The council is expected to make a referral decision in mid-late June. The measure would appear on the November 2018 ballot. If voters approve, Metro's goal is to achieve the measure's outcomes within five to seven years.

Learn more

Visit oregonmetro.gov/housing to learn more and sign up for emails to stay informed.

Share your thoughts

Metro has launched an online survey to ask for the public's help to refine this framework. The survey will also help provide guidance on implementing the bond if the Metro Council refers a measure that is passed by voters.

Metro is publishing the survey through a partnership with Opt In and DHM Research, an independent public opinion research firm. To add your voice, visit optinpanel.org

Draft framework summary

Regional outcomes

Serving 10,000 people by creating 3,200 affordable homes if a statewide constitutional amendment is approved (see below); 6,300 people and 2,000 homes if amendment disapproved \$516.5 million general obligation bond, less than \$50 annually for average Portland-area homeowner

Strong accountability & oversight

A community oversight committee will monitor bond investments' progress toward regional targets and priorities. Annual reporting and auditing will be required. Seven percent of funds will be reserved for administration of the bond.

Homes throughout the region

Approximately 10 percent of funds will support a Metro program to buy land for affordable homes near transit.

Most affordable homes to be created through local jurisdictions and providers. Homes are planned to be created throughout the region:

- Clackamas County: 21%
- Multnomah County: 45%
- Washington County: 34%

This approximate distribution is based on assessed property value.

Affordable homes for families' needs

- 45% of homes reserved for households at 30% median family income (MFI) or below
- Half of homes large enough for families (2+ bedrooms)
- All homes affordable for families and individuals with less than 80% MFI.
- Maximum 10% of homes reserved for 60-80% MFI



Metro

How we'll create affordable homes

Through regional programs and supporting local action, the bond will create affordable home opportunities in several ways:

- Buying land for affordable homes
- Buying and renovating low-cost market rate housing to create permanently affordable homes
- Construction of new affordable homes
- Public ownership of affordable homes without Constitutional amendment; potential private/non-profit ownership with amendment

Who to serve, and where to invest

- Prioritize people least well-served by the market, including communities of color, veterans, seniors, families, people with disabilities and people experiencing or at risk of homelessness
- Increase access to transportation, jobs, schools, parks and other opportunities
- Support mixed-income and mixed use communities with a variety of housing types
- Prevent displacement in changing neighborhoods

Potential Constitutional amendment

The Oregon Constitution requires that general obligation bond dollars be used only for publicly owned capital projects. In November, Oregon voters will consider a Constitutional amendment to allow local bonds to support affordable housing created by nongovernmental entities. Depending on whether this potential amendment is approved by voters, a regional bond would have different outcomes and eligible activities.

A commitment to racial equity

This investment can help address generations of barriers faced by communities of color in accessing affordable, stable homes in the region. A racial equity lens can also increase affordable housing opportunity for other marginalized people and low-income residents.

To advance racial equity through this investment, Metro will:

- Include communities of color in decision-making and oversight roles
- Work with partners to conduct further engagement with communities of color
- Consider racial equity as a factor in all investment decisions
- Work with community to track impacts and benefits of investments for communities of color

Looking to the future

Several strategies can help ensure regional investments are efficient, equitable and responsive as the bond is implemented, including:

- Prioritize racial equity and advance fair housing in project selection
- Work with local governments to identify and act on local needs and opportunities
- Require projects to have screening criteria and marketing that reduce barriers to marginalized groups finding a home
- Partner with culturally-specific organizations and community partners for project selection, design and evaluation
- Create equitable workforce targets for investments



BOARD OF COUNTY COMMISSIONERS

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

April 10, 2018

Dear Metro Council:

On behalf of Clackamas County, we support the advancement of a general obligation housing bond to address the housing crisis plaguing our region. Thank you for your bold leadership that began the work to advance this necessary step and we are eager to work with you and the region to ensure that critical housing needs in Clackamas County are met with action.

Clackamas County's commitment to housing dates back to 1938, when it established the first Housing Authority in Oregon. Today, Clackamas County operates 545 units of public housing, and by the end of 2018, 212 new units will be built at Rosewood Terrance near the Clackamas Town Center and 30 new transitional housing pods will be available to homeless veterans. By 2027, Clackamas County aims to build 1,000 new units of housing affordable to very low-income residents and an additional 1,000 new units of workforce housing. These units will be developed through public-private partnerships. While these advancements are positive steps forward, the need for housing will continue to outpace current resources and potential revenue solutions. This is particularly evident by our most recent waitlist opening which resulted in the receipt of over 7,000 applications in 5 days.

Clackamas County is also proactively taking steps to address housing by partnering with its cities to conduct a county-wide housing needs assessment. This joint effort will identify where housing gaps exists throughout the county. Should a housing bond succeed in 2018, this information would be pivotal in supporting strategic identification of where potential bond revenue can be used for housing opportunities.

Clackamas County knows that for a housing bond to pass in the region, all three counties must be united. We in Clackamas County enthusiastically support this effort. Along with this support, we would like to ensure regional/county equity in the measure's distribution of revenue. Roughly 20% of the population within the region's urban growth boundary resides inside Clackamas County. An equitable distribution of bond revenue back to the counties of origin will go a long way towards addressing the housing needs in Clackamas County and will support the county's goal of ensuring most, if not all, of our cities are able to add affordable housing capacity from a successful bond. Housing strategies and policy that ensures equitable access to scarce housing resources are a priority to Clackamas County.

Clackamas County's priorities for use of potential bond revenue includes the following:

- **Revenue must support individuals and families in poverty**
- **Revenue must serve the overall need to address capacity by increasing units**

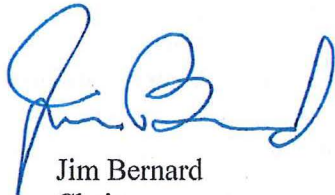
Poverty, as a metric, must be a filter that Clackamas County uses to support the variety of community needs within our portion of the urban growth boundary. By addressing poverty, peoples of all age, race, gender, and ability can benefit from housing initiatives funded by a general obligation bond.

Clackamas County is encouraged by Metro's efforts to collaborate with cities and counties on this initiative. As Metro concludes its meetings and tours with jurisdictions throughout the region and begins finalizing the measure, we recommend consideration of a regional "all cities and counties" summit that would serve to unify the regional position on this historic need in advance of the measure's release to the public.

We are pleased to join with Metro in pursuit of a successful housing bond in 2018 that will significantly enhance our efforts to support affordable housing for our residents. For this reason, we are willing to do our part to educate the public on the need for such a measure and assure the public that any new revenues will help to address the crisis currently impacting our local communities.

Sincerely,

CLACKAMAS COUNTY BOARD OF COMMISSIONERS



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Chair



Ken Humberston
Vice Chair



Sonya Fischer
Commissioner



Paul Savas
Commissioner



Martha Schrader
Commissioner

April 24, 2018

Metro Council
600 NE Grand Ave
Portland, Oregon 97232

Dear President Hughes and Members of the Metro Council:

We applaud Metro's interest and leadership in taking action to address the affordable housing crisis in the region. A successful bond measure has the potential to make a significant difference in our shared effort to make more affordable housing available throughout our communities.

At the same time, we have significant concerns with the proposed distribution and implementation approach presented to the staff technical team on April 12th and to the stakeholders' team on April 16th. We believe this approach, if adopted by Metro Council, will not meet the spirit of a working partnership with local governments and housing agencies and result in a framework that will not meet housing goals or create broad support from the public. For example:

1. **Allocation Method** – The proposed allocation method uses an average of several factors, including population, revenue generation, and an attempt to define need and equity using a mix of variables. This is problematic for several reasons:
 - Defining need and equity is important but difficult given the inherent limitations of our data sources. Metro's proposal attempts to combine a mix of data points in the absence of a better method resulting in a complex metric that presents challenge to usefulness and ability to communicate the complexity with voters.
 - The message to voters needs to be clear, transparent, and direct. Revenue generation is the more straightforward and understandable approach. In addition, it honors Metro's commitment to local control and flexibility in the development of affordable housing since it will allow jurisdictions to meet local needs using revenue generated by their communities.
2. **Requirement for Project-By-Project Approval** – The proposed implementation process includes a problematic requirement for project-by-project approval by Metro:
 - This process adds a direct role in affordable housing development and construction to Metro's future, something that has very little support across the region.
 - It will add unnecessary layers of bureaucratic process between implementing organizations and matching affordable housing that meets the local priorities, resulting in project delays and missed opportunities. We fear it will hinder our ability to take advantage of private and non-profit partnership opportunities that might be possible if the constitutional referral passes. A failure to meet community needs and expectations will risk future local and regional opportunities to raise funds for affordable housing.

Our jurisdictions care deeply about affordable housing and have prioritized it locally. We have collectively engaged at the highest levels with Metro staff and elected leadership throughout this process. We have dedicated significant time participating in the stakeholder and technical advisory groups and informal discussions. At every step, Metro has reinforced its commitment to local

implementation and efficient deployment of bond funds while meeting its bond oversight obligation. We agree that this is critical to successful bond implementation and the ability of local governments to support this bond measure. We are deeply concerned that the proposed distribution and implementation approach does not honor this basic commitment from Metro.

In the coming weeks, we urge Metro to work with us to complete the draft bond measure, revising the distribution formula and implementation framework so that it can be supported by all regional partners. This approach is critical to helping us achieve all of our goals and that will allow us to move forward together on a measure that we can all confidently take to voters.

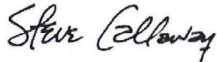
Sincerely,



Andy Duyck, Chair
Washington County Board of Commissioners



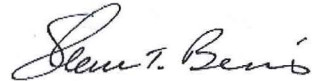
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Clackamas County Board of Commissioners



Steve Callaway, Mayor
City of Hillsboro



Denny Doyle, Mayor
City of Beaverton



Shane Bemis, Mayor
City of Gresham



Dan Holladay, Mayor
City of Oregon City



Kent Studebaker, Mayor
City of Lake Oswego