

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 18-1423, FOR THE PURPOSE OF DETERMINING THAT AFFORDABLE HOUSING IS A MATTER OF METROPOLITAN CONCERN AND UNDERTAKING AN AFFORDABLE HOUSING FUNCTION

Date: June 21, 2018

Prepared by: Office of Metro Attorney

BACKGROUND

This ordinance declares affordable housing a matter of metropolitan concern, and assumes and undertakes Metro jurisdiction over affordable housing, including but not limited to granting bond funds to local governments and/or local housing authorities, and for Metro and local governments and/or local housing authorities to finance, acquire, develop, re-develop, preserve, own, operate and/or manage affordable housing and land for affordable housing in the Metro region. In accordance with the Metro Charter, such assumption and undertaking shall be effective upon voter approval of a referred affordable housing measure authorizing financing or identifying funds to be used for exercising these affordable housing activities.

Metro's undertaking and assumption of the affordable housing function is supported and justified by Metro's partnership with Oregon Opportunity Network, wherein Metro researched strategies from around the country, engaging experts and stakeholders to identify the most pressing barriers to making housing affordable and uncover promising solutions, with guidance from a technical work group with diverse expertise on housing issues; and Metro's Equitable Housing Initiative which coordinated efforts already underway and sought shared understanding of needs, opportunities and best practices, supporting local jurisdictions, housing developers and advocates to put build their capacity to conduct research and develop policies and resources; and Metro's in 2016 convening of its regional partners in a regional housing summit. Metro's undertaking and assumption of an affordable housing function is also supported by the work of two advisory committees of experts and stakeholders convened by Metro in 2018, totaling more than 50 members, which funded community partner engagement with diverse residents throughout the region, and gathered input from leaders of communities large and small

The affordable housing function also builds on Metro's past determination that providing financial resources to increase the supply of affordable housing is a matter of metropolitan concern (Ordinance 10-1231B, "For the Purpose of Determining That Providing Financial Resources To Increase The Supply Of Affordable Housing Is A Matter Of Metropolitan Concern"). In that 2010 Ordinance, the Metro Council authorized the utilization of Metro funds to provide short-term loans to assist in the development of additional affordable housing in the Metro Area, and identified \$850,000 in limited duration funds to "aid in the construction of ownership or rental housing for persons and families of below average incomes in the centers, corridors and station areas designated for growth in Metro's 2040 Regional Framework Plan, with such available for uses such as pre-development work, land acquisition and construction." The Metro Council's decision to allocate those funds was rooted in a series of actions that recognized affordable housing supply as an important issue in the region, including:

- Fundamental 7 of the Metro Council's Regional Framework Plan which charges Metro to "enable communities to provide diverse housing options for all residents by providing a mix of housing types as well as affordable housing."
- Chapter 1.3.1 of the Regional Framework Plan which states that it is the policy of the Metro Council to encourage affordable housing opportunities by addressing current and

future supply of affordable housing production goals.

- Resolution No. 08-3940, adopted by the Metro Council in June 2008, which established six defining measures of a successful region, one of which seeks to minimize geographic concentrations of poverty by providing affordable housing choices in centers and corridors in order to equitably distribute the benefits and burdens of growth and change.
- Title 7 of the Urban Growth Management Functional Plan, codified to be part of the Metro code in 2007, entitled Housing Choice which establishes voluntary affordable housing production goals to be adopted by local governments, and encourages cities and counties to take advantage of Metro programs to help “achieve the goal of increased production and preservation of housing choices and affordable housing.”
- Metro’s Transit-Oriented Development Program, adopted by the Metro Council on January 15, 2009 via Ordinance No. 08-1204A (“For the Purpose of Determining that Implementing Transit-Oriented Development is a Matter of Metropolitan Concern”), which provides strategic investment to help more people live, work and shop in neighborhoods served by transit, and which has been also used as a tool to provide funding for affordable housing in neighborhoods served by transit.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known, although there is some known opposition to the referred affordable housing bond measure.
2. **Legal Antecedents:** Sections 4 and 7 of the Metro Charter provide that Metro has jurisdiction over “matters of metropolitan concern,” including those matters the Council determines to be of metropolitan concern by ordinance. Such an ordinance shall contain a finding that a function is of metropolitan concern and the reasons for which it is appropriate to be undertaken by Metro. As outlined above, the Metro Council has approved legislation supporting affordable housing in accepting the Regional Housing Choices Implementation Strategy report in March 2006, including Fundamental 7 and chapter 1.3 in the Metro Council’s Regional Framework Plan, amending the Regional Framework Plan by adopting Title 7 on Housing Choice by ordinance in 2007, by adopting six defining measures of a successful region in 2008 and including a measure that focuses on affordable housing, and by approving the Regional Housing Choice Revolving Fund in the FY 2008-09 budget, by the 2010 Affordable Housing ordinance, and by the June 7th, 2018 referral to the voters of a measure that would authorize financing for affordable housing in the Metro region by the proposed issuance of \$652.8 million in general obligation bonds to provide affordable housing for low-income families, seniors, veterans and people with disabilities in the Metro region.
3. **Anticipated Effects:** Upon passage of the referred affordable housing bond measure, Metro will undertake jurisdiction and assume a function over affordable housing, by which Metro and local governments and/or local housing authorities will finance, acquire, develop, re-develop, preserve, own, operate and/or manage affordable housing and land for affordable housing in the Metro region.
4. **Budget Impacts:** Existing affordable housing activities shall continue to be funded as they are currently provided for in the Metro budget; new activities associated with the referred affordable housing bond measure shall be paid for with proceeds of the bond measure if it is passed by the voters, with an administrative cap of 5%, and any excess administrative expenditures shall be paid by the general fund or other identified funds.

RECOMMENDED ACTION

The Office of the Metro Attorney and staff recommend the adoption of Ordinance No. 18-XXXX.