

IN CONSIDERATION OF RESOLUTION NO. 19-4991, FOR THE PURPOSE OF APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH HOUSING AUTHORITY OF CLACKAMAS COUNTY TO PROVIDE AFFORDABLE HOUSING BOND FUNDING TO ACQUIRE REAL PROPERTY

Date: April 19, 2019
Department: Planning & Development
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Presenter(s) (if applicable): Emily Lieb
Length: 15 min

ISSUE STATEMENT

The Housing Authority of Clackamas County (“HACC”) has requested up to \$2.7 million in Metro Housing Bond funding for the acquisition of 18000 Webster Road in Gladstone, the (“Property”), including \$2.5 million to acquire the site plus up to \$200,000 in additional due diligence and closing costs. HACC intends to rehabilitate the building to create 45 single-room occupancy (SRO) units providing permanent supportive housing for individuals exiting homelessness.

To finance the rehabilitation, HACC anticipates leveraging 45 project-based Section 8 vouchers, a permanent loan, and additional Metro Housing bond funding estimated around \$4.2 million. HACC recently selected an architecture firm, expects to engage a general contractor soon after acquiring the property and close on construction financing in late 2019, with a goal of having the building ready for occupancy by early 2021.

ACTION REQUESTED

Adopt a resolution approving an intergovernmental agreement with Housing Authority of Clackamas County (HACC) to provide up to \$2.7 million in affordable housing bond funding to acquire real property.

IDENTIFIED POLICY OUTCOMES

Based on the conceptual development program provided by HACC staff, the project would deliver 5.5 percent of the County’s overall unit production target, 13.5 percent of the County’s target of units affordable at 30 percent of AMI, and zero percent of the City’s family-sized unit target. Including the acquisition cost of not to exceed \$2.7 million and anticipated future Housing Bond funding request of around \$4.2 million, the Gladstone site would utilize \$6.9 million in Metro Bond Funds, or 5.9 percent of Clackamas County’s allocation of Bond funds.

POLICY QUESTION(S)

Is the proposed location and preliminary project concept in alignment with the bond unit production targets and other outcomes described in Council's approved Housing Bond Framework adopted by the Metro Council in June 2018?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

- Authorize acquisition funding by adopting Resolution No 19-4991. This will result in a release of up to \$2.7 million in funding to HACC to acquire the site for the purpose of rehabilitation to create affordable housing. Further funding for project rehabilitation will be conditional on demonstration of financial feasibility, compliance with bond requirements, and consistency with Clackamas County's forthcoming Local Implementation Strategy.
- Do not authorize acquisition funding. This could create project delays and risks that HACC will not be able to secure the property for an affordable housing project consistent with the Metro Housing Bond Framework.

STAFF RECOMMENDATIONS

Staff recommends adoption of Resolution No. 19-4991.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The Housing Authority of Clackamas County (HACC) is actively working on a Local Implementation Strategy for consideration by Metro Council in summer 2019.

The proposed authorization of acquisition funding for Clackamas County's Phase I project is based on numerous policies previously adopted by the Metro Council, including but not limited to:

- Resolution 19-4956, adopting the Housing Bond Program Work Plan
- Ordinance 19-1430, amending Metro Code Chapter 2.19 to establish the Metro Affordable Housing Bond Community Oversight Committee
- Resolution No. 18-4895, adopting the Initial Housing Bond Framework for implementation of the regional affordable housing bond
- Resolution No. 18-4898, referring the affordable housing bond measure to Metro District voters
- Ordinance No. 18-1423, determining that Affordable Housing is a matter of metropolitan concern and undertaking an affordable housing function

Staff consulted with two volunteer members of the Housing Bond Community Oversight Committee prior to finalizing the staff recommendation for this Phase I property acquisition. Committee members concurred with staff's recommendations.

Staff is not aware of any opposition to HACC's acquisition of the Gladstone property. HACC staff have consulted with staff and elected leaders in the City of Gladstone, who have expressed strong support.

If Metro Council approves a funding for the acquisition, next steps for site development will include:

- May 2019: Property acquisition with IGA and temporary regulatory agreement
- Spring/Summer 2019: Selection of general contractor
- Summer/Fall 2019: Community engagement
- Winter 2019: Final project proposal, including financing plan
- Winter 2019: Rehabilitation construction begins
- Winter/Spring 2021: Lease up

BACKGROUND

Staff previously discussed the purpose of Phase I projects with the Council at a work session on Dec. 11, 2018 and prior to approval of Resolution 19-4956 adopting the Housing Bond Program Work Plan on January 31, 2019.

ATTACHMENTS

Staff report: *Clackamas County Phase I Property Acquisition: 18000 Webster Road, Gladstone, Oregon.*

Exhibit A to Staff Report for Resolution 19-4991: Gladstone Acquisition
Resolution No. 19-4991

Exhibit A to Resolution 19-4991: Draft Housing Authority of Clackamas County IGA

[For work session:]

- Is legislation required for Council action? Yes No
- If yes, is draft legislation attached? Yes No
- What other materials are you presenting today? None